

## FREEHOLD OFFICE INVESTMENT/ DEVELOPMENT OPPORTUNITY



94 PARK LANE | **CROYDON**  
SURREY | CR0 1JB

## Investment Summary

- Croydon is one of the best connected towns in south London with excellent road and rail links, including London Victoria and London Bridge in 15 minutes.
- Purpose built 5,895 sq ft office building situated less than 15 minutes walk from the town centre and East Croydon Station.
- Let to HML PM Limited until July 2025 at a low passing rent of £110,000 per annum (£18.65 psf).
- Of interest to investors, developers and owner occupiers with opportunity to reposition the property including alternative uses, subject to planning.
- Offers in excess of **£1,500,000.00 (One Million Five Hundred Thousand Pounds)** exclusive of VAT, subject to contract, for our client's freehold interest. A purchase at this level reflects a net initial yield of 6.9% after purchaser's costs of 6.1% and a low capital value of £255 psf.





## Location

The London Borough of Croydon is the second largest borough by population and a leading business and financial centre. AECOM, Allianz, American Express, HMRC, Home Office, Towergate Insurance and Zurich all have presences in the town centre.

A growing borough, with over 14m passengers using East Croydon station alone, the town is boosted by a large student population studying at London South Bank University and Croydon College, and is further evidenced by the number of new build residential schemes in the town centre.

Strategically located just 11 miles south of central London, 5 miles south west of Bromley and 9 miles east of Kingston upon Thames, the town benefits from exceptional communication links. Situated on the A23, Croydon is approximately 8 miles from junction 7 of the M23 which in turn links with the M23, M26, M3 and M4. East Croydon station is a major interchange providing regular direct services to London Victoria (15 mins), London Bridge (14 mins) and Gatwick Airport (14 mins). The Croydon Tramlink links Wimbledon in the west to Beckenham Junction and New Addington in the east via several stops throughout the town centre.

London Gatwick and Heathrow airports are easily accessible from Croydon being just 18 miles and 25 miles away respectively.



Plan is for illustrative purposes only, not to scale.



## Situation

The property is situated on the western side of Park Lane, approximately half a mile to the south of the town centre. Lying opposite the Chatsworth Road conservation area, Park Lane is a mixed commercial and residential location.

East Croydon Station is approximately 0.5 miles to the north east and South Croydon Station a similar distance to the south. The renowned Whitgift School is within 0.7 miles to the south west.

## Description

The property comprises a four storey office building completed in the late 1980's. Of cavity brick construction with a pitched tile clad and flat roof the property benefits from a large car park area to the rear for 8 cars (6 clear spaces) accessed via a driveway to the side of the property from Park Lane.

Totalling 5,895 sq ft of offices set across lower ground, ground and two upper floors the property has good natural light throughout. The office areas include raised floors, suspended ceilings and cat 5 lighting. Heating and cooling is provided through a combination of perimeter radiators and split unit air conditioning. A single staircase provides access to all floors with toilet facilities at landing levels, together with a ground floor disabled toilet. The tenant has installed various partitioned offices and tea points.

| Demise       | Sq M          | Sq ft        |
|--------------|---------------|--------------|
| Lower ground | 137.47        | 1,480        |
| Ground       | 137.86        | 1,484        |
| First        | 140.78        | 1,515        |
| Second       | 131.58        | 1,416        |
| <b>Total</b> | <b>547.69</b> | <b>5,895</b> |





## Tenure

The property is held freehold.

## Tenancy

The property is single let to HML PM Limited on a lease expiring 8<sup>th</sup> July 2025 at a current rent of £110,000 per annum. A mutual break clause is operable at any time by either the tenant or the landlord on service of at least 12 months notice. The lease is excluded from sections 24-28 of the Landlord & Tenant Act 1954.

## Tenant Covenant

HML PM Limited are a specialist residential estate and property management firm. Part of the Harwood Capital Management group, they operate throughout the UK from a network of 20 offices and manage over 100,000 residential units.

Awarded a Very Low Risk rating by CreditSafe, their recent financial results are highlighted below:

|                    | 31/03/2022  | 31/03/2021  | 31/03/2020  |
|--------------------|-------------|-------------|-------------|
| Turnover           | £18,853,643 | £17,268,653 | £18,170,691 |
| Pre Tax Profit     | £257,288    | £343,093    | -£237,955   |
| Shareholders Funds | £3,807,763  | £4,191,711  | £3,342,048  |

## Asset Management

The flexible leasing structure allows for asset management opportunities to be explored for the building. Prime headline rents have now reached £40 psf in Croydon and are predicted to reach £45 psf by the end of 2023. The current passing rent reflects just £18.65 psf and allows for scope to refurbish and reposition the building.

Subject to planning, a purchaser could also explore opportunities to extend the building into the rear car park area, which other buildings on Park Lane have done, or to consider a change of use to residential or other uses.

## VAT

The property has been elected for VAT. We anticipate the sale will be dealt with by way of a Transfer of a Going Concern.

## EPC

The property has an EPC rating of C (75). A copy of the EPC and Recommendation Report are available on request.

## Identity Checks/AML

The Money Laundering Regulations require us to conduct checks upon all Purchasers. Prospective Purchaser(s) will need to provide proof of identity and residence. For a Company, any person owning more than 25% must provide the same.

## Proposal

We are instructed to seek offers in excess of **£1,500,000.00** (One Million Five Hundred Thousand Pounds), exclusive of VAT, subject to contract, for our client's freehold interest. A purchase at this level reflects a net initial yield of 6.9% after purchaser's costs of 6.1% and a low capital value of £255 psf.

# RAPLEYS



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