Unit 1, Prospect House,
Outwood Lane, Chipstead,
CR5 3NA

Investment Report

11th March 2026

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By Email: Chris.Tippetts@molyrose.co.uk

Dear Chris,

DISPOSAL REPORT – UNIT 1, PROSPECT HOUSE, OUTWOOD LANE, CHIPSTEAD, CR5 3NA.

Further to our recent correspondence, we are delighted to enclose our pricing and marketing recommendations for the above investment opportunity, which we understand is being considered for sale.

For the purposes of this report, we have assumed that the asset benefits from a clean and marketable freehold / virtual freehold title and that the structure is free from inherent defects that may adversely affect value. The measurements referred to within this report have been taken from the Valuation Office Agency (VOA) and have not been independently verified by us.

For clarification, this report serves as a market overview and advisory document. It should not be considered a Red Book valuation and is not to be relied upon for lending purposes.

Chipstead

Chipstead is an affluent Surrey village located within the Borough of Reigate & Banstead, approximately 14 miles south of Central London. The area is characterised by attractive residential housing, strong household incomes and a predominantly owner-occupied demographic, supporting a robust convenience retail catchment.

The village benefits from strong transport connectivity with Chipstead railway station providing services to London Bridge, while nearby Coulsdon South station provides fast services to London Victoria and Gatwick Airport. The M25 is also readily accessible, providing excellent road connectivity to the wider South East.

Tenancy

You have kindly provided us with the following leasing information:

Unit	Tenant	Area	Term	Income (£ pa)	Comments
Unit 1, Prospect House	Tesco Stores Limited	4,015	15 years from 9 Dec 2024 expiring 8 Dec 2039 (13.7 years unexpired)	£148,500	RPI rent reviews – 1% and 4% collar & cap. FRI lease. The rent breaks back to £36.96 / sq ft.
Totals				£148,500	

The property forms part of a recently constructed mixed-use development at Prospect House, providing a modern ground floor convenience retail unit with residential accommodation above. The Tesco Express store opened fairly recently and benefits from dedicated customer parking to the front of the property.

Rental Market Commentary

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Date	Address	Tenant	Type	£ per Sq.Ft	Comments
Ongoing	Woking - Waitrose	Waitrose	OML		Waitrose Offered: £100,000 per annum, 10 year lease, 7 months rent free GF Sales: 2,276, GF Anc: 1,172 sq ft, Base: 1,207 (100% GF, 50% Base: £24.16 psf Net), NIA: £21.72, £20.99 Net
Ongoing	Chiswick High Rd	Sainsbury's	LR	£32.33	Not agreed but likely settlement - £32-33 per sq ft- Callum Jeffrey dealing
In Legals	Cheam – 19 High Street	Sainsbury's Local	LR	£21.57	15 year lease, tenant break year 10.
In Legals	129-161 Askew Road	Sainsburys	LR	£30.13	In legals: £121,800 per annum, 15 year lease, tenant break year 10, OMR Rent Reivews
Dec-24	Sainsbury's Earlsfield	Sainsburys	LR	£32.00	New lease agreed and completed - £32 per sq ft
Sep-24	Tooting - 139/133 Mitcham Rd	Tesco Express	LR	£26.00	15 year lease, tenant break year 10 (RR 5 yearly), Rent: £100,000 per annum, Previous Rent: £71,000 per annum)
Jun-24	Goldhawk Rd	Tesco	LR	£26.00	Renewed at £26 per sq ft
Apr-24	Ewell - 4/8 Cheam Rd	Sainsbury's Local	LR	£14.75	Rent: £84,316, RPI RRs, 6 months rent free
Apr-24	31 Uxbridge Road, Shepherd Bush	Tesco Express	LR	£31.57	Old pub - Re-geared, £98,500 per annum, £25.92 psf, Rent increases to £120,000 per annum from 17 Apri 2024, £31.57 per sq ft - Colliers sold
Jan-24	Streatham - 18-22 Greyhound Lane	Sainsbury's Local	Pre-Let	£25.56	£120,000 pa, 15 years, no break, 5 yearly reviews RPI linked (1%-3%).

The property is currently let at a rent of £148,500 per annum, equating to £36.96 per Sq Ft based on a Net Internal Area of approximately 4,015 Sq Ft. Analysis of comparable convenience store transactions in the surrounding area indicates rental levels typically in the range of £26–£32 per Sq Ft, with recent lettings to operators such as Tesco and Sainsbury's Local generally settling within this band. On this basis, the passing rent appears above prevailing market evidence and could therefore be considered over-rented when compared directly with nearby transactions.

The lease however benefits from a long unexpired term to a strong covenant tenant, which provides secure income for an investor. Furthermore, the unit comprises a purpose-built convenience retail unit, and it could reasonably be argued that the rent reflects a rack-rented position for a modern, newly developed store, where tenants are often willing to pay a premium for prime trading locations and purpose-built accommodation and most importantly, amongst stiff competition for the site from other supermarkets.

Investment Market Commentary

The UK commercial property market is showing clearer signs of recovery following the slowdown in investment volumes between 2023 and 2025, driven by elevated interest rates and broader economic uncertainty. Investor appetite has returned on a cautious but improving basis, with capital increasingly focused on well-located, income-producing assets capable of delivering secure and sustainable cashflow.

The buyer pool remains broad and active, comprising private investors, family offices, overseas high-net-worth individuals, UK property companies and institutional funds. Smaller lot sizes, particularly those below £5 million, continue to attract strong demand from private capital. French REITs (SCPI vehicles) are particularly active, but are focusing more on pure income, therefore we suspect the likely buyer here will be property companies or high net worth domestic or overseas investors.

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Investor appetite for convenience stores remains strong. Supported by essential retail spending and consistent daily footfall, convenience-led occupiers continue to trade robustly within established town centre and neighbourhood High Streets. Changing consumer habits favouring frequent, localised shopping continue to underpin occupational demand and income security.

The Bank of England's reduction of the base rate to 3.75% in December 2025, together with potential expectations of further easing during 2026, has improved market sentiment and debt availability. Investment yields for well-let convenience retail assets are stabilised, particularly where secured to strong national covenants or established franchise operators.

This is however caveated by ongoing geopolitical tensions, and fears over a potential escalation of conflict between US and Iran, which are continuing to create some uncertainty. Domestically there is some nervousness over recent government budget measures, including increases to the National Living Wage and employer National Insurance contributions, all of which continue to place pressure on retailer margins. Purchasers therefore remain highly focused and sensitive to the net initial yield, covenant strength, unexpired lease term, rental affordability and re-letting prospects.

As a result, investor sentiment remains measured, with risk considerations influencing pricing and investment decisions.

Investment Comparables

When assessing market value for the subject property, we have had reference to recent comparable investment transactions:-

Address	Date	Tenant(s)	Area (sq ft)	Price	NIY	Capital Value (per sq ft)	Comments
Balham - 39 Nightingale Lane	On Market	Sainsbury's	4,047	£4,600,000	5.04%	£1,137	Freehold, index linked 5 yearly reviews, 8.9 years to expiry, 3.9 years to break, NIA: 4,047 sq ft (Income: £247,080 pa), Petrol Filling Station & Convenience Store
Bromley-by-Bow - Jefferson Plaza, Devas Street	On Market	Sainsbury's	4,931	£1,030,000	5.50%	£209	Long leasehold, lease expiry: March 2039, following completion of reversionary lease in Dec-24, Rent: £60,000 per annum (Index linked reviews (1%-3% cap and collar).
Ashtead - 53-57 The Street	On Market	M&S Foodhall	12,114	£5,800,000	5.60%	£479	Freehold, 13 years term certain, RPI reviews
Bermondsey - The Crosse, Crimscott Street	On Market	Co-op Food	5,326	£2,450,000	5.00%	£460	Virtual freehold, CPI linked reviews
Henley - 9-11 Bell Street	On Market	Sainsbury's	3,570	£2,130,000	5.50%	£597	Freehold, 13 years unexpired to expiry, 8 years to break, Income: £125,000 pa, 5 yearly reviews to OMRV
Shepherds Bush – 360 Hill Lane	Dec-25	Sainsbury's	4,025	£2,025,000	6.94%	£503	The rent is reviewed in line with CPI (2% - 4% collar and cap).
Twickenham - 246 Powder Mill Lane	Dec-24	Tesco Express	4,157	£2,150,000	5.55%	£517	15 year lease, from Jan-24 at £127,500 per annum, CPI linked reviews (1%-3%) 999 year long leasehold
Woolwich - 1 Frances Street	Feb-25	Tesco Express	3,639	£1,575,000	5.50%	£433	Virtual freehold, ground floor only newly developed Tesco on a new 15 year lease, CPI reviews (1%-3%)
Ashley Down – 327-335 Gloucester Road	May-25	The Co-operative		£3,190,000	5.50%		The rent is reviewed in line with RPI (1% - 3% Collar & Cap). 15 years term certain.
Kensington - 13-15 North Pole Road	Mar-25	Tesco Express	3,753	£1,650,000	5.59%	£440	Freehold, let to Tesco and 5 Flats sold off on long-leaseholds, total income: £98,512.55 (Tesco income: £97,762.55 pa., Tesco lease expiring Sept-27

Rochester – Peters Village	Mar-25	The Co-operative		£2,500,000	5.62%		The rent is reviewed in line with RPI (1.5% - 3.5% Collar & Cap). 10.3 years term certain.
Shepherds Bush - 31 Uxbridge Road	Withdrawn	Tesco Express	3,800	£2,200,000	5.11%	£579	125 year long leasehold, option to extend 999 years, 15 years unexpired, RPI linked reviews
New Malden - 53-59 High Street	Nov-24	M&S Foodhall	6,588	£2,000,000	6.55%	£304	Long leasehold, 14.3 years term certain
Queens Park - Salusbury Road	Sep-24	Marks & Spencer	6,327	£3,800,000	5.50%	£601	5 yearly RPI rent reviews collared and capped at 1% & 4% (compounded annually), on 25th April 2026 and 2031.
St Albans - 43 High Street	Jun-24	Coop Food	6,124	£1,850,000	5.30%	£302	Freehold, Index linked 5 yearly rent reviews, let entirely to Coop Group Food
Streatham - 18-22 Greyhound Land	Jun-24	Sainsbury's	4,196	£2,010,000	5.61%	£479	New 15 year lease to Sainsburys Ltd. RPI linked, subject to a cap and collar of 1% & 3% The rent is compounded annually and reviewed every fifth year.
London - 266 Pentonville Road	Nov-23	Sainsbury's	3,496	£3,010,000	5.87%	£861	Long-leasehold, Tenancy: New 15 year lease, from July 2014, (Index linked rent reviews 5 yearly
Luton - 4 Eaton Green Road	Nov-23	Tesco Express	3,216	£1,103,000	5.46%	£343	Freehold. 10 year WAULT

Factors Affecting Price

Positive	Negative
• Freehold / Virtual Freehold; • 13.7 years unexpired to excellent covenant with tenant break dates; • Competition for the site from other food stores; • Essential retail use demonstrating strong trading resilience; • Index linked rent reviews providing rental growth.	• The passing rent of £148,500 per annum (£36.96 per Sq Ft) sits above local convenience store evidence of £26–£32 per Sq Ft. • Indexation will lead to further over-rent at lease expiry. • Sold off residential upper parts.

Pricing

In arriving at our opinion of value, we have taken into account the aforementioned comparables and above SWOT analysis. We believe that, in order to achieve the best possible price, the property should be marketed to seek offers in excess of **£2,315,000** (Two Million, Three Hundred and Thirty Thousand Pounds). This reflects a **Net Initial Yield of 6.00%** and a **capital value of £577 Sq Ft**.

Commentary	Price	Net Initial Yield	Capital Value / Sq Ft
Pessimistic	£2,140,000	6.50%	£533
Realistic	£2,225,000	6.25%	£554
Quote	**£2,315,000**	**6.00%**	**£577**
Optimistic	£2,420,000	5.75%	£603

Marketing Recommendations

- We recommend launching the sale as soon as possible, to capitalise on the long unexpired term and the current lack of available stock in the market and maximise competitive interest.
- Instruct professional photography and videography of the property.
- Create a high quality interactive pdf marketing brochure – examples can be provided upon request.

Marketing Methodology

Green & Partners have access to various subscription-based marketing platforms and would suggest undertaking the following steps to maximise exposure:

- Early "tip-offs" to active investors who invest in similar convenience store assets;
- Contact adjacent specialist and active investment agents;
- Organise a HTML mailshot to Green & Partners large database of agents and investors;
- Full social media marketing campaign using Green & Partners established social media accounts.
- Full access to in-house marketing and digital content expertise;
- Instruct CoStar, LoopNet, Perfect Information Property to send mailshot around their mailing lists;
- Paid online advertising via Right Move, Nova Loca, On The Market & Zoopla online accounts;
- Finally, it is sometimes useful to circulate marketing details around CoStar's Propex mailing list as a final "sweep-up" exercise.
- Perhaps most important, we would proactively target investors and agents on the phone and in-person meetings.

Fees

Given the capital value of this sale and to assure we can provide the best possible service, we would propose sole agency at 1.00% of any sale price, excluding VAT and marketing costs, payable upon completion of sale.

If instructed, we can share our standard terms of engagement for your further consideration.

Marketing Disbursements

Brochure Quote

- Bespoke design led brochure & marketing microsite (8-10 pages) – Quote Estimate: £2,750 + VAT*
- Commercial Photography & Videography – Quote Estimate: £600 + VAT*
- Total disbursements: £3,350 + VAT

Brochure is subject to change based on third party quotes.

Sale Team

We propose leading this transaction with an experienced team, comprising:-

- Ben Simpson – Equity Partner
- Will Civil – Surveyor

It goes without saying that we would be delighted to assist you with this sale and importantly we do feel we are well placed to achieve best value.

If you have any further queries relating to this report please do let us know.

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We look forward to discussing things further.

Kind regards,

Ben Simpson MRICS
Equity Partner – Green & Partners LLP

cc. Green & Partners – Will Civil