



# THE COLONNADES

PURLEY WAY, CROYDON

GREATER LONDON RETAIL AND  
LEISURE PARK WITH LONGER TERM  
DEVELOPMENT POTENTIAL



# 8 ACRES PROVIDING 175,000 SQ FT OF PRIME RETAIL WAREHOUSE AND LEISURE SPACE





# INVESTMENT CONSIDERATIONS

An opportunity to acquire a prime, Greater London retail and leisure park in Croydon, one of the principal commercial and retailing locations in Greater London.

- Prominently located at the southern end of Purley Way (A23), one of the **busiest retail warehouse and leisure locations in the UK**, with an extensive catchment population of **938,173 within a 20 minute drivetime**.
- Croydon is the **largest London borough by population** with 390,719 people (ONS, 2021) and is **due to grow by 12%** in the next 15 years.
- The scheme extends to **174,362 sq ft** and comprises retail accommodation at ground floor, leisure accommodation at first floor, an 81-bed hotel and 5 restaurant units. There are a total of 480 car parking spaces which provides a **car parking ratio of 1:363 sq ft**.
- Large site area of **8.35 acres (3.38 hectares)**, providing a site coverage of 48%.
- The property is held **Freehold**.
- **Strong retail and leisure tenant line up** including Nuffield Health, Kidspace, Oxygen Freejumping and Wickes along with a number of national food and beverage operators including McDonald's, Nando's, KFC, Pizza Hut and Costa. The hotel is let to Premier Inn.
- Weighted average unexpired lease term of **7.00 years to expiry, and 6.80 years to break**.
- The current contracted total gross rent passing is **£2,801,084** per annum which equates to an average rent of **£16.06** per sq ft.
- **52%** of income subject to **index linked or fixed rental increases**.

We are instructed to seek offers in excess of **£35,480,000 (Thirty Five Million Four Hundred and Eighty Thousand Pounds)**, exclusive of VAT. This reflects a **net initial yield of 7.00%**, assuming purchaser's costs at 6.80%.





WEST END

CITY OF LONDON

CROYDON TOWN CENTRE

WADDON TRAIN STATION

THE COLONNADES



PURLEY WAY

Hilton



BOUNDARY FOR INDICATIVE PURPOSES ONLY.



# LOCATION

**Croydon is a principal retail location and one of the largest commercial districts in Greater London.**

The borough is located 12 miles (19 km) south of Central London, 8 miles (13 km) south west of Bromley and 13 miles (21 km) south east of Kingston upon Thames.

Croydon is one of the largest commercial districts in Greater London and has recently been selected as an opportunity area in the London Plan 2021, with proposals to provide 14,500 new homes and 10,500 new jobs by 2041.



CAR

Purley Way (A23) is the main arterial route linking Croydon with Brighton and the south coast via the M25 (Junction 7) and the M23 (Junction 3). To the north the dual carriageway connects with the South Circular and provides direct access to Central London.



BUS

The Colonnades benefits from a bus terminus on site, with regular bus services departing and arriving at The Colonnades on average every 14 minutes, 24 hours a day.



TRAIN

Croydon is one of the best connected metropolitan centres in London. It is served by three railway stations: East, West and South Croydon. The London Overground at East Croydon provides the quickest route into London via London Bridge or London Victoria in 13 minutes.



AIR

London Gatwick Airport is the second busiest airport by total passenger traffic in the UK and is located 16 miles (26 km) south of Croydon. Thames Link operates a train from East Croydon to Gatwick Airport every 15 minutes with a fastest journey time of 14 minutes. Southern services also provide 4 trains an hour.



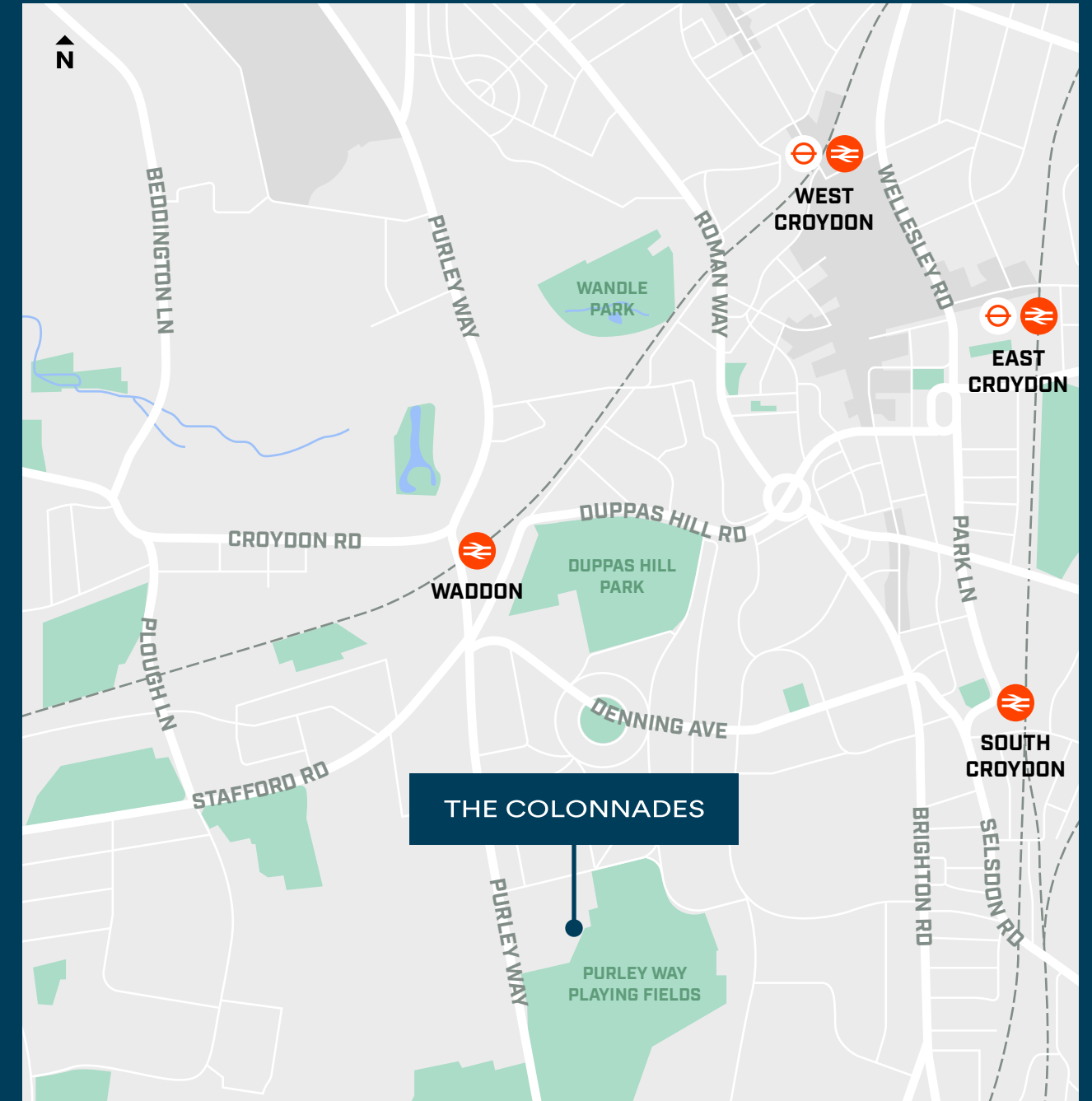


# SITUATION

The property occupies a highly prominent position on the A23 (Purley Way), one of the most established out of town retail destinations in the country.

Access to The Colonnades is available in all directions from a traffic light controlled junction.

The surrounding area is dominated by commercial, industrial and residential uses. To the north of the site is a Hilton hotel and on the opposite side of Purley Way there are a number of retail and industrial units. To the south west of the property is a 140,000 sq ft Costco wholesale depot.





# CATCHMENT & DEMOGRAPHICS

**Croydon is the largest London borough by population at 390,719 people (ONS, 2021) and is due to grow by 12% in the next 15 years. The population within a 20 minute drivetime expands to 938,173.**

The local population is economically active, with an over-representation of mid to high income earners, as well as a high proportion of the top ABC1 social grades comprising skilled professionals and management workers.

Croydon is currently undergoing an exciting transformation period. There are new high quality office buildings and over 2,500 new homes under development along with substantial investment in local amenities with 5 masterplans focused on making Croydon a market opportunity for international businesses.



**POPULATION OF 207,147 WITHIN  
A 10 MINUTE DRIVETIME**



**POPULATION OF 938,173 WITHIN  
A 20 MINUTE DRIVETIME**



**CROYDON POPULATION OF  
390,719, MAKING IT LONDON'S  
LARGEST BOROUGH & 16<sup>TH</sup>  
LARGEST ENGLISH DISTRICT**



**PREDICTED POPULATION  
INCREASE OF 12% IN THE  
NEXT 15 YEARS**



**18.25 MILLION PASSENGERS AT  
CROYDON'S RAILWAY STATIONS  
IN 2021/2022 (SOURCE: ORR)**



# RETAIL WAREHOUSE AND LEISURE PROVISION IN CROYDON

The subject property forms part of a significant out of town retail and leisure destination comprising 1.326 million sq ft of out of town provision.

This extensive retail provision creates a regional draw to Purley Way, resulting in a large number of visitors.

There are two other leisure schemes in Croydon. Valley Leisure Park is situated on the northern end of Purley Way and is let to Vue cinema, The Gym, Tenpin bowling, a Dreams unit and a number of restaurants. Grants is located on the edge of the town centre and also has a Vue cinema, a Nuffield Health and several restaurants.





# DESCRIPTION

The Colonnades provides 174,362 sq ft of modern retail warehouse and leisure accommodation arranged over a two level terrace, a hotel, a modern three restaurant unit and two single restaurant pods.

- The main terrace provides retail warehouse and leisure accommodation across ground and first floors and is currently occupied by Nuffield Health, Kidspace, Oxygen Freejumping and Wickes.
- In the north east corner of the site there is an 81 key Premier Inn which reports high levels of occupancy through the week and weekend.
- In 2019 three new restaurant units (one with a drive-thru lane) were constructed, and are now occupied by McDonalds, Nando's and KFC.
- Costa and Pizza Hut occupy purpose built units in the car park, with Costa benefitting from a drive-thru lane.
- There are two vacant units within the main terrace at ground floor level.
- Customer access to the property is from the A23 (Purley Way). Access to The Colonnades is available in all directions from a traffic light controlled junction. The units are serviced to the rear and access is via the main car park.
- Car parking is located to the front of the units. There are a total of 480 car parking spaces reflecting a ratio of 1:363 sq ft.
- The site extends to approximately 8.35 acres (3.38 hectares).



# TENURE

The property is held Freehold.



# SCHEME PLAN & ASSET MANAGEMENT

The park offers the following asset management initiatives:

- 1) Conclude the Pizza Hut regear [currently in legals]
- 2) Complete lettings on the vacant units [units 2 and 4]
- 3) Regear the shorter leases of Nuffield Health and Premier Inn



Plan for indicative purposes only



PURLEY WAY PLAYING FIELDS



# TENANCIES

The total passing rent is **£2,801,084** per annum, equating to **£16.06** per sq ft. The property provides an income stream for a weighted average unexpired lease term of **7.00** years to expiry and **6.80** years to break. The property is let in accordance with the adjacent tenancy schedule:



UNIT	TENANT	TRADING AS	AREA (SQ FT)	LEASE START	LEASE EXPIRY	RENT REVIEW DATE	BREAK DATE	PASSING RENT (PER ANNUM)	PASSING RENT (PER SQ FT)	COMMENTS
Unit 1	The Greenalls Group Plc	Nuffield Health	40,958	06-Dec-99	05-Dec-24			£530,948	£13.27	Assumed floor area in the lease of 40,000 sq ft
Unit 2	Vacant		2,917							Assumed LL shortfall of £45,548 per annum.
Unit 3	Kidspace Croydon Limited	Kidspace	24,358	10-May-07	09-May-25	24-Jun-24	05-Dec-24 (LL)	£268,977	£11.04	An additional turnover rent payable of 11.5% of turnover above £1.45million.
Unit 4	Vacant		4,994							Assumed LL shortfall of £77,981 per annum.
Unit 5A	Wickes Building Supplies Limited	Wickes	24,510	03-Mar-17	02-Mar-32	03-Mar-27		£647,965	£26.44	5 yearly RPI rent reviews collar and capped at 1.0%-3.0% pa compounded. Service charge cap of £50,713.44.
Unit 5B	Oxygen Freejumping South Limited	Oxygen Freejumping	31,033	18-Jan-17	17-Jan-32	18-Jan-27		£458,194	£14.76	Fixed increase: 18/01/22 - 17/01/27 = £458,193.54 pa and 18/01/27 - 17/01/32 = £505,882.69 pa
Unit 6	Premier Travel Inn Limited	Premier Inn	27,480	06-Dec-99	05-Dec-24	06-Dec-19		£305,000	£11.10	
Unit 7A	McDonalds Restaurants Limited	McDonalds	5,744	21-Jun-19	20-Jun-44	21-Jun-24		£160,000	£27.86	Service charge cap presenting a shortfall of £281.
Unit 7B	Nando's Chickenland Limited	Nando's	3,538	21-Jun-19	20-Jun-34	16-Jul-24		£105,000	£29.68	
Unit 7C	K&Z South London Limited	KFC	3,500	20-Sep-19	19-Sep-39	20-Sep-24	20-Sep-34	£105,000	£30.00	Upwards only rent review with a cap at 10%
Unit 8	Pizza Hut (UK) Limited	Pizza Hut	3,530	24-Jun-23	23-Jun-33			£130,000	£36.83	Terms agreed for a new 10 year lease at £130,000 per annum with a LL break at Year 5. RPI rent reviews collar and capped at 1-3%. Current rent passing equates to £100,000 per annum expiring in December 2024.
Unit 9	Costa Limited	Costa	1,800	13-Oct-15	12-Oct-30	13-Oct-25		£90,000	£50.00	Upwards only reviews to the higher of: basic rent, compounded rent (2.0% pa) or OMRV.
Bus Stand	London Bus Services Limited			14-Nov-02	Rolling					
Substation	Seeboard Plc			21-Jan-00	20-Jan-50					
<b>TOTAL</b>			<b>174,362</b>					<b>£2,801,084</b>	<b>£16.06</b>	
<b>SHORTFALLS</b>								<b>£149,086</b>		
<b>NET RENT</b>								<b>£2,651,998</b>		



# ONE OF THE STRONGEST TRADING LEISURE DESTINATIONS IN SOUTH LONDON





# ALTERNATIVE USE VALUE

## Planning Context

The site is not allocated for development nor is it protected from redevelopment via planning designations. The site is wholly located within a 'Croydon Panorama' view, as identified in the LBC Local Plan.

There is no planning history for the comprehensive redevelopment of the site.

## The Purley Way Masterplan

The Council is developing a masterplan for Purley Way and this site is identified for redevelopment as part of the Waddon Way Neighbourhood Centre. This neighbourhood centre area is identified as having the potential for wholesale redevelopment to create a new neighbourhood centre comprising 970 new residential units, 10,111sqm of new retail, leisure and community uses.

The Colonnades site itself is earmarked to absorb the majority of these new homes, with the draft Masterplan suggesting a range of 355 to 681 new homes at the site (with an indicative figure of 659 new homes stated). In addition a transport "superstop" with public realm is identified. Heights ranging between 4-6 storeys, with pop-ups of up to 7-8 and 9-10 storeys on the southern boundary are considered acceptable.

The emerging Masterplan was consulted on between February 2021 and March 2021. LBC has their aspirations to see the Masterplan SPD adopted alongside the Croydon Local Plan Review in December 2025. To-date progress has been delayed on both, as a result, the draft masterplans presently carries no weight in policy terms or decision taking.

## Potentially acceptable alternative uses

Given that the site is not allocated and is unconstrained by planning designations in relation to land use, we consider that the following uses could be supported on the site, subject to meeting policy specific requirements for each:



**Retail, Services, Commercial and Leisure**  
(Class E(a)-(g) and Sui Generis)



**Hotel**  
(Class C1)



**Residential**  
(Class C2 and C3)



**Community uses**  
(Class F1 and F2)



**Office/Business spaces**  
(Class E (g) (i))



**Research and Development**  
(Class E (g) (ii))



**Light industrial**  
(Class E (g) (iii))



PURLEY WAY  
PLAYING  
FIELDS



## EPC Ratings

A copy of all EPCs and associated reports are available upon request.

## VAT

The subject property has been elected for the purpose of VAT and it is anticipated that the sale will be treated as a 'Transfer of a Going Concern'.

## Pricing

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## Contacts

### Investment

#### James Hurst

+44 (0) 7881 952 247  
jhurst@savills.com

#### Ella Dryden-Peck

+44 (0) 7788 971 489  
ella.drydenpeck@savills.com

### London Development Land

#### Andrew Cox

+44 (0) 7967 555 429  
acox@savills.com

#### Henry George

+44 (0) 7977 030 151  
henry.george@savills.com



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