

MAKETING REPORT

42 Gladstone Road, Horsham, West Sussex, RH12 2NN

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Regulated by RICS

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04 July 2024

Dear Sir / Madam,

42 Gladstone Road, Horsham, West Sussex, RH12 2NN

I am writing with reference to the planning application DC/24/0318 in respect of the "Change of Use of early years education centre to 2 bed dwelling", and to provide a brief report on the marketing activity that has previously taken place at the property, along with my observations of the building; a general summary of the commercial property market and finally a recommendation in respect of the suitability for continued commercial use.

Crickmay Chartered Surveyors have extensive knowledge of the South East property market having been established since 1984. From our offices in Horsham, Haywards Heath and Brighton & Hove we have a combined team of 10 Chartered Surveyors and 2 graduate surveyors who act for a mix of occupiers, landlords, developers and investors on a multitude of commercial properties and residential developments.

Prior to arriving at my conclusion, I summarise my general observations below: -

Location

Gladstone Road is a short walk from Horsham town centre and mainline railway station, located just off Hurst Road. Gladstone Road, alongside the surrounding area is predominately residential. A regular train service runs from Horsham to London Victoria, in approximately 1 hour. London is also easily accessed by road via the M23 with Gatwick Airport only 12 miles away. The A264 is easily accessed approximately 1.5 miles to the south-east of the A264, which leads to Junction 11 of the M23.

Description

The premises comprises a part 2-storey semi-detached building which is understood to have been originally constructed in the late-Victorian period as a stable. It is of brick construction with a pitched clay tile roof. The premises have previously been occupied as commercial premises by a wide variety of different occupiers, most recently as an early year's tuition centre.

Accommodation

From measurements taken on site in accordance with the RICS Code of Measuring practice I calculate the approximate Net Internal Areas as follows:

Description	Metric	Imperial
Ground Floor	104.61 sq m	1,126 sq ft
First Floor – Not inspected		
Total	**104.61 sq m**	**1,126 sq ft**

Planning

It is understood that the premises presently benefits from a use as an Early Years Tuition Centre, understood to fall within Class E of the Town & Country Planning Act (Use Classes) (Amendment) (England) Regulations 2020.

Marketing Activities

Crickmay initially commenced marketing of the property in May 2023 after the former tenant informed the landlord that they would be vacating the premises at expiry of their lease. We marketed the property on the basis of a sale of the freehold interest with vacant possession. It was envisaged that the premises could attract a wide variety of end purchasers, from parties that would be looking to owner-occupy as a commercial premises, and to investors who would be looking to find a commercial tenant. Given its setting within a primarily residential area the property was also considered to be suitable for redevelopment/ conversion purposes.

As part of our initial marketing, and in order to market the property as widely as possible we circulated the details amongst applicants upon our database to which the property would appeal/suit, together with a number of local agents who may also have had clients seeking a property of this nature. In addition to this, the availability of the property had also been circulated regularly through both our website, and other national commercial property listing portals, to include; Focus, P I Property, Commercial Property Database and The Gatwick Diamond Commercial Property, Estate Agents Clearing House, Zoopla, Prime Location, Movehut and LoopNet.

This marketing initially generated 8 enquiries, all of which proceeded to arrange a viewing. We organised a number of block viewings at the property in order to show all the parties around as soon as possible.

In speaking with the interested parties and meeting with them all on site, it became evident that that the interest was predominantly from those looking at an alternative uses for the property, moving away from commercial, to a residential use. Of the 8 that viewed 6 were looking at this option. Given the rental prospects at the time of marketing the property, we didn't have any expressions of interest from investors, and only 2 parties were looking at potential owner-occupation which both dismissed the property as being not suitable for their requirements shortly after they viewed.

The vendor's preference at the time was for an unconditional sale of the property, and the interested parties were invited to put forward an offer on this basis. We received a number of offers, all from developers, with the current owner's offer subsequently being accepted.

Market Commentary

Given the significant rise in interest rates and costs associated with borrowing, it has now become more difficult for owner occupiers to purchase freehold properties also given the requirement for greater deposit levels. The location and style/accommodation set up of properties is also a determining factor on interest and older buildings such as the subject property that require capital expenditure from the outset, within residential localities are less attractive in the marketplace.

Commercial properties which are in need of capital expenditure will typically appeal to developers who are able to fund the required expenditure, usually for alternative uses as the retention of a property similar to 42 Gladstone Road within a commercial use is unlikely to become financially viable.

Whilst a property of this nature will predominantly appeal to a developer, this sector has also suffered from the increase in costs of development finance and inflationary pressures on building materials and labour shortages. Whilst demand from developers has reduced, the predominant interest in a property of this kind would still be expected from this sector, with parties looking to help provide the shortfall in housing requirements.

Conclusions

In conclusion, I believe that the marketing campaign we undertook on the property in 2023 demonstrated no demand for use of the building for commercial purposes.

The only firm offers we received for the building were from developers considering residential conversion. This is not surprising, given the location and form of the building and the need for considerable capital expenditure on its refurbishment. Lack of off-street car parking, in this instance, is a significant deterrent to a large number of commercial uses.

In my opinion, therefore, a residential use of the building is its only viable use and this would be preferable to leaving it empty and falling into further disrepair. The building is, after all, located in a predominantly residential road and its close connection to the transport hub of Horsham station would undoubtedly make it an attractive dwelling for either commuters or those working in Horsham town centre.

I hope this brief report clearly helps to set out the marketing that has taken place and the interest in the building which was received at the time, together with my own views and recommendations in respect of the change of use. However, should you require any additional information, or if I can help to provide any further clarification on any particular points raised, please do not hesitate to contact me.

Yours sincerely

Daniel Lascelles

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