

Project Experience

Friary Street West, Guildford



Outline

Parm Dosanjh was appointed by Guildford Borough Council to negotiate the regearing of its interest as freeholder in Friary Street West to enable Legal & General to invest circa £2M improving the units and hence future letting/rental growth prospects. L&G were seeking a longer lease and offering a lower gearing (percentage share of rents) in order justify the proposed expenditure.

This new streetscape project was completed in November 2008. New sightlines were created as well as a high quality retail link between Debenhams and Westfield's Friary Centre to integrate with the High Street. The transformation was achieved through the creation of new double height frontage, York stone paving, and new lighting, removal of canopies and a bridge link/unit across the street at 1st floor level.



Parm undertook development appraisals and tested numerous rental and yield growth scenarios to support the regearing proposals. Parm secured on behalf of the Council not only a new gearing percentage but also a minimum guaranteed ground rent (subject to a 7 year upward only rent review) which reflected the income that the Council already received from the asset. The Council was not only able to share in any future rental growth through its gearing percentage but also able to future proof against a possible downturn by maintaining its existing income from the asset through the guaranteed minimum ground rent.

Services Provided

Parm Dosanjh was responsible for:

- detailed analysis of development appraisals;
- advising on scheme content/design;
- advising on letting assumptions;
- sensitivity analysis on rent and yield inputs;
- drafting of Head of Terms;
- negotiation of new head lease;
- preparing Best Consideration report;
- presentation to Council Members.

