

Hargreaves Buys Retail Warehouse As It Builds Heavyweight Team for Major Growth Retail Warehouse Acquisition As South East Stalwart Prepares To Double Its Portfolio

By Paul Norman
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*Alastair Skinner, Managing Director
Hargreaves*

Hargreaves Group, which has built one of the largest commercial property portfolios across Sussex and Hampshire, has bought 182 Shoreham Road in Hove, a retail warehouse scheme let to Homebase, for £15.25 million.

The acquisition comes as the family property company has enlisted a heavyweight team of advisers to help it more than double the size of the portfolio from around £400 million to £850 million in the next decade.

The 35,500 square foot (3,298 square metre) Homebase retail warehouse is located on the Old Shoreham Road on the west side of Hove. The price paid reflects a net initial yield of around 5.1% with eight years remaining on the lease.

Tim Wilmer, the investment director at Hargreaves, said it benefits from a high density population with a relatively low level of retail warehousing supply, and comprises approximately three acres. Hargreaves was advised by KLM Real Estate. LaSalle Investment Management was advised by Savills.

Founded in 1965 by Neville Andrew, The Hargreaves Group has a mixed portfolio of over 2 million square foot of commercial property and an extensive residential portfolio across the South East.

Speaking to CoStar News, managing director Alastair Skinner said the group has been working up a 10-year strategy to "ensure the business achieves its growth ambitions and delivers for future generations of the family". The business has targeted growth in the portfolio from a value

of around £400 million to £875 million. Skinner became managing director in September last year, the first non-family member to be appointed to the role.

He has been tasked with creating a larger, more active, dynamic, and fully diversified property company. At the same time, former managing director Richard Andrew, Neville's son, who has led Hargreaves since 2005, became executive chairman.

Philip Edwards, who had been senior asset manager for the last five years was promoted to property director, while Helen Rainsford, formerly of Aviva Investors, Morrisons and Landsec, joined as development director Russell Smith has joined from CBRE as asset manager.

The portfolio stretches from Tunbridge Wells to Greenwich and includes sites in Brighton, Burgess Hill, Waterlooville, Salisbury and Winchester. The principal focus has been industrial, at around 57%, and retail warehousing, at around 30%, but Hargreaves also owns a number of offices in Brighton, Worthing and Guernsey.

The group is now actively seeking strategic South of England investment and development opportunities in lot sizes of between £5 million and £20 million in all sectors but with the emphasis on trade counter, office, industrial, logistics, retail warehouses and residential (from single units to blocks). Skinner says the geographical remit has been stretched to take in the wider South East region.

The group is in the process of agreeing a significant facility with Canada Life to increase its firepower on top of its cash reserves.

Skinner said: "From starting in Goring by Sea more than 50 years ago we have learnt what really works in real estate. Throughout the pandemic we have collected 99% of our rents across the portfolio, which has been focused on defensive assets such as industrial and retail warehouses. What we are striving to do with our growth plans is professionalise the business, ensure the business is fit for future and the next generations of the family with a greater focus on key issues such as ESG and employee engagement to deliver the growth plan."