



300 LONDON ROAD | HP11 1LJ

LIDL - HIGH WYCOMBE

PRIME, SOUTH-EAST, MODERN FOODSTORE INVESTMENT OPPORTUNITY WITH CPI LINKED RENT REVIEWS

INVESTMENT SUMMARY

- High Wycombe is a highly affluent Thames Valley town, located approximately 35 miles (56km) west of central London with a catchment population of circa 151,600 in a 15-minute drive time.
- Principally let to **Lidl Great Britain Ltd** who contribute circa 83% of the total contracted rental income of **£637,299.50** per annum.
- A modern, supermarket unit and two adjoining A1/A3 pods comprising circa **30,396 sqft (2,824.07m²)** with **134 surface car parking spaces** and **6 electric vehicle charging bays**.
- 99.5% of the contracted retail income is subject to **fixed or index linked rental uplifts**.
- Excellent security of income with an attractive **WAULT of 20.89 years** to lease expiry and **11.25 years** to tenant break options.
- The entire site comprises approximately **2.82 acres (1.14 ha)** providing a **low site coverage of 24%**.
- Predominantly **Freehold**.

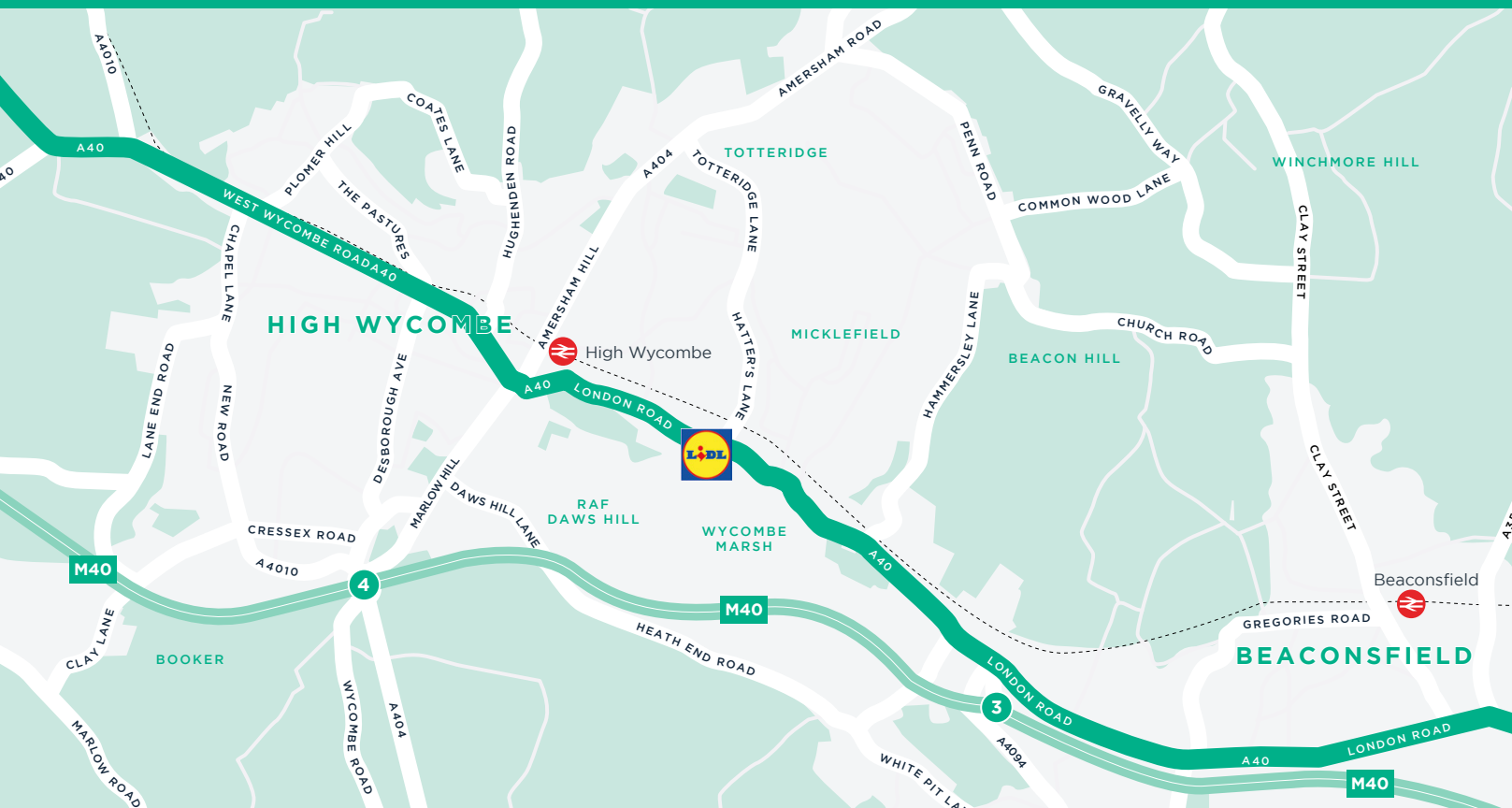


We are instructed to seek offers in excess of **£12,600,000 (Twelve Million, Six Hundred Thousand Pounds)**, subject to contract and exclusive of VAT, which reflects a **Net Initial Yield of 4.5%** assuming graduated purchaser's costs. An acquisition at this level, assuming the agreed fixed uplifts and the full 2% per annum capped CPI uplifts on Lidl, provides the following running yield:

2025	4.93%	2026	4.97%	2030	5.42%
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SITUATION

The property is prominently situated on the southern side of the A40 London Road in close proximity to its' junction with Rye mead Way and to Wycombe Retail Park. London Road has the largest concentration of retail warehousing in High Wycombe and there is also a substantial provision of new residential developments in the surrounding area.



LOCATION

High Wycombe is a highly affluent Thames Valley town, strategically located 35 miles (56km) west of central London. The town is situated at the edge of the Chiltern Hills and draws on a sizeable consumer base of circa 302,000 (PMA), with the closest larger competing towns of Maidenhead, Slough, Oxford and Reading all beyond a 20-minute drive time.

The town benefits from excellent road and transport communications.



CAR

The M40 skirts the southern edge of High Wycombe, with junction 3 to the south-east at Loudwater accessed via the A40 and junction 4 to the south at Handy Cross, linking to the town centre via the A404. London Road (A40) is the main arterial road dissecting the town centre.



TRAIN

High Wycombe is a popular commuter town with excellent rail communications providing a fastest journey time to London (Marylebone) of 24 minutes and to Oxford Parkway of 29 minutes.

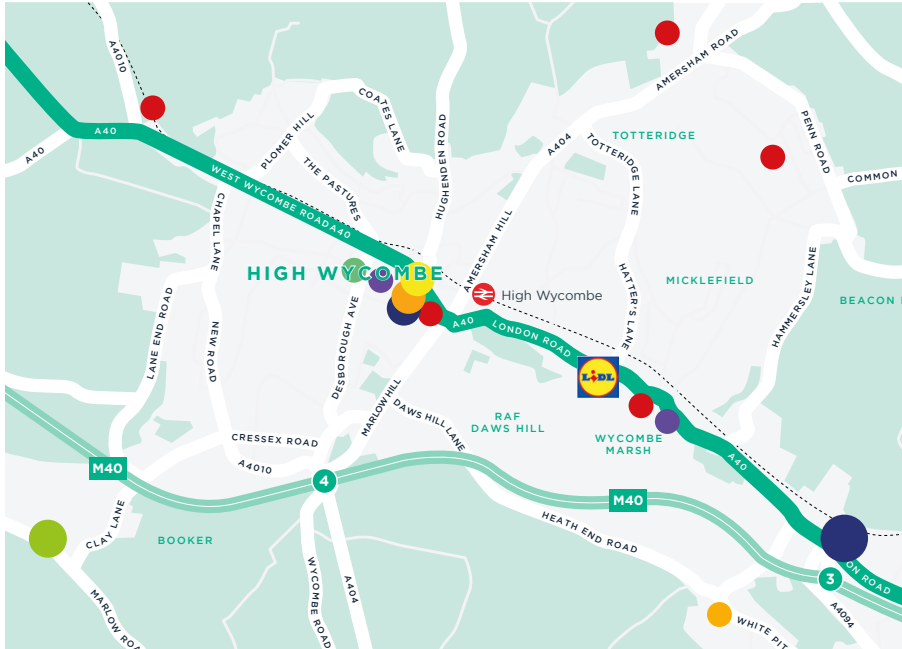


PLANE

The nearest airport to High Wycombe is London Heathrow. Oxford Bus Company operates a bus from Heathrow Central Bus Station to High Wycombe which takes on average 35 minutes. Alternatively, trains from London Stanstead to High Wycombe via London can also be reached in just over two hours

FOODSTORE COMPETITION

Lidl occupies a prominent position on London Road (A40) benefiting from limited competition within a 5-minute drive time.



0-5 MINS DRIVE TIME

Name	Street	Town	Postcode	Gia (Sq Ft)	Nsa (Sq Ft)	Time (Mins)
M&S Foodhall	London Road	High Wycombe	HP11 1EP	13,507	8,645	6
Aldi	Tannery Road	High Wycombe	HP13 7EQ	16,952	10,995	5
TOTAL				30,459	19,640	

5-10 MINS DRIVE TIME

Name	Street	Town	Postcode	Gia (Sq Ft)	Nsa (Sq Ft)	Time (Mins)
Iceland	High Street	High Wycombe	HP112AZ	7,781	7,347	6
M&S Dept Foodhall	Eden Place	High Wycombe	HP11 2DH	8,500	7,500	7
Tesco	Newlands Street	High Wycombe	HP11 2JD	100,061	58,900	7
Tesco	London Road	High Wycombe	HP10 9RT	65,041	34,168	8
Sainsburys	Oxford Road	High Wycombe	HP11 2DN	97,624	53,765	8
Aldi	Baker Street	High Wycombe	HP11 2RX	18,471	11,980	9
Sainsburys Local	Straight Bit	High Wycombe	HP10 9LS	3,928	2,163	9
Lidl	Desborough Avenue	High Wycombe	HP11 2SB	14,270	9,711	9
Morrisons	Bellfield Road	High Wycombe	HP13 5XX	66,378	37,864	10
The Midcounties Co-Operative	Rose Avenue	High Wycombe	HP15 7PH	830	758	10
TOTAL				382,884	224,156	



DESCRIPTION

Erected in mid-1990's, the property comprises a single storey standalone, former Homebase, store that has recently been refurbished in 2020 and is fully let to Lidl. Two additional adjoining pod units were constructed in 2021. The building is of steel frame construction with a ground bearing reinforced in-situ concrete slab and masonry cavity walls with fair faced brickwork on the external elevations and a pitched roof.

ACCOMMODATION

An independent and assignable measured survey has been undertaken by Pure Real Estate Services Ltd (PRE)

Description	Tenant	Area (Sq. Ft.)	Area (Sq. M.)
Lidl*	Ground Floor	27,047	2,512.77
Starbucks (Cobra Coffee)	Ground Floor	1,827	169.81
Wenzel's Bakers	Ground Floor	1,522	141.49
Totals		30,396	2,824.07
Osprey Charging Network	6 electric vehicle charging bays		
Surface Car Parking Spaces	134 spaces		

* Lidl has a first floor, staff area (1,470 sqft) which we understand is a tenant's improvement

SITE

The entire site comprises approximately 2.82 acres (1.14 ha) providing a low site coverage of 24%



TENANCIES

The property is let in accordance with the tenancy schedule below:

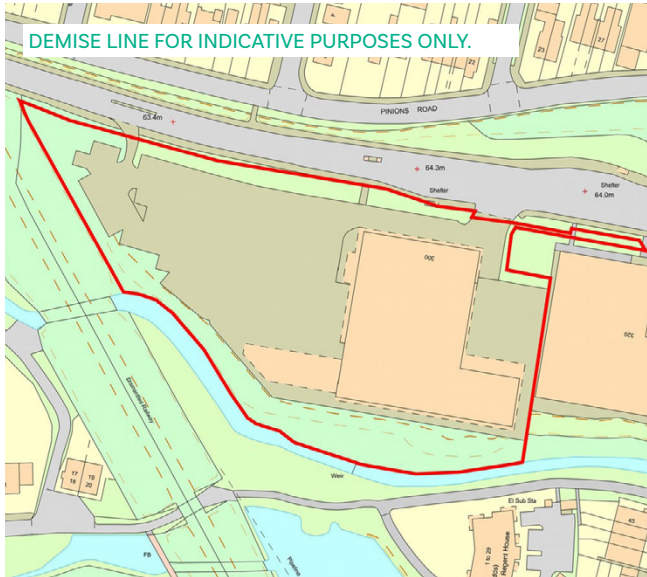
Unit	Tenant	Area (sq ft)	Lease Terms	Next Rent Review	Break Options	Current Rent Pax(Psf)	Service Charge (Y/E 23/06/2023)	Landlord S/C Shortfall	Comments
Food store	Lidl Great Britain Ltd (t/a Lidl)	27,047	25yrs from 29/06/2020 expiring 28/06/2045	29/06/2025 & 5 yearly	28/06/2035 28/06/2040 (6 mths prior notice)	£527,299.50 (£19.50psf)	£50,345.76	£29,391.76	5 yearly CPI linked rent reviews subject to a cap of 2% p.a. compounded annually. Service charge cap at £20,280.75 pa subject to annual RPI increases. LL to ensure there are 125 c/p spaces. Side letter personal to Lidl allowing payment of monthly rents. 1st floor (1,470 sqft) tenant improvement. The landlord has an assignment pre-emption right.
Unit 2	Cobra Coffee Ltd (t/a Starbucks)	1,827	10yrs from 11/11/2021 expiring 10/11/2031	11/05/2026	10/11/2024, 10/11/2026 (6 mths prior notice)	£55,000 rising to £61,000 on 11/11/2026 (£30.10psf)	£3,351.29	£851.29	3mths RF if tenant doesn't exercise TBO on 10/11/2026. Service charge cap at £2,500 pa subject to annual RPI increases.
Unit 3	Wenzel's The Bakers Ltd (t/a Wenzel's)	1,522	15 yrs from 05/11/2021 expiring 05/11/2036	05/11/2026 05/11/2031	04/11/2027, 04/11/2032 (6 mths prior notice)	£52,000 rising to £55,000 on 05/11/2024 (£34.16psf)	£2,792.75	n/a	Rent free period until 05/11/2022 (landlord to top up on completion) . The landlord has an assignment pre-emption right. Side letter in place allowing monthly rents.
6x Electric Vehicle Charging Bays	Osprey Charging Network Ltd	n/a	15 yrs from 12/02/2021 expiring 11/02/2036	12/02/2031	n/a	£3,000	£1,385.20	n/a	1st years rent of £3,000 currently being documented. 10% of the gross quarterly profit paid per quarter until 11/02/2031 rising to 15% per quarter until expiry on 11/02/2036
		30,396				£637,299.50	£57,875	£30,243.05	

CURRENT INCOME (NET)

£607,056.45 per annum (allowing for the landlord's service charge shortfall)

TENURE

Freehold (BM194944) and part 125-year Long Leasehold (BM189928) from 7th July 1993 at a peppercorn rent per annum.



WEIGHTED AVERAGE UNEXPIRED LEASE TERM (WAULT)

An attractive weighted average unexpired lease term (WAULT) of 20.89 years to lease expiries and 11.25 years to tenant break options. 99.5% of the contracted income is subject to fixed or index linked, upward only, rental uplifts.



SERVICE CHARGE

An annual service charge is levied at the property. The current year expires on 23/06/2023 with a budget of £57,875 reflecting £1.86 psf overall. There are service charge caps within the Lidl and Cobra Coffee leases which produces a current landlord service charge shortfall of £30,243.05.



PLANNING

Planning permission was granted on 25th April 2019 for the refurbishment of the existing Class A1 retail unit (former Homebase) for the sale of food and comparison goods and the erection of 2 adjoining A1/A3 units.

COVENANT STATUS



Lidl Great Britain Limited (Company Number 02816429)

Lidl Great Britain Ltd is a wholly owned subsidiary of LIDL UK GMBH, the British arm of the German supermarket group, Schwarz Beteiligungs-KG. Lidl operates from over 880 stores across the UK and is targeting 1,000 by the end of 2023. The grocer committed £1.2 billion worth of investment in 2021 and 2022 to its UK operations.

Lidl had a 3.6% increase in sales for the 12 weeks ending 20 March 2022 and recorded 21% growth in sales on a 2-year basis ending January 2022. As at March 2022 the company had a 6.4% market share of the UK Grocery market and has overtaken the Co-Op to become the UK's 6th largest supermarket group

D&B rating 5A2 based on a tangible net worth of £1.3 billion and a lower-than-average risk of business failure.

Financial Y/E	28/02/2021	28/02/2020	28/02/2019
Turnover	£7,710,434,000	£6,885,113,000	£553,809,000
Pre-tax Profit (Loss)	£9,816,000	(£25,195,000)	£19,039,000
Net Worth	£1,307,893,000	£1,037,946,000	£677,189,000



Cobra Coffee Limited (Company Number 08549511)

Cobra Coffee, owned by Southern Co-op, is a Starbucks UK franchised business partner. Operating since 2013 and now totalling over 250 UK retail sites, they have 52 Starbucks sites across the south and south-west of England with ambitious plans for growth over the next 3 years across the rest of the UK. Cobra Coffee Limited currently employs over 190 people, an increase of 39% since 2020.

Financial Y/E	31/01/2021	31/01/2020	31/01/2019 (14mths)
Turnover	£8,702,664	£8,956,722	£9,600,559
Pre-tax Profit (Loss)	(£2,548,437)	£372,173	£202,909
Net Worth	£2,144,113	£5,098,153	(£103,674)



Wenzel's The Bakers Ltd (Company Number 06080714)

Wenzel's the Bakers, a family business, was established in 1975 in north-west London. Mixing traditional elements with up-to-date modern bakery methods, Wenzel's believes in delivering quality products at affordable prices. They operate from 80 locations throughout the UK, employing over 500 staff members.

D&B rating 5A2 based on a tangible net worth of £1.3 billion and a lower-than-average risk of business failure.

Financial Y/E	31/03/2021	31/03/2020	31/03/2019
Turnover	£40,111,469	£33,582,747	£28,453,182,000
Pre-tax Profit (Loss)	£5,727,059	£3,248,273	£2,870,024
Net Worth	£8,940,314	£6,010,753	£4,767,816



Osprey Charging Network Ltd (Company Number 08460233)

Osprey Charging (formerly Engenie Charging) are the fastest growing UK-wide network of rapid EV charging points. Their USP is to build the best UK charging network with the latest technology, easy-to-use, and accessible chargers in premium locations. Osprey partner with commercial landlords and local authorities to provide an open-access, rapid charging network for electric vehicles, powered by 100% renewable energy.

Financial Y/E	31/12/2020	31/12/2019	31/12/2018
Turnover	n/a	n/a	n/a
Pre-tax Profit (Loss)	n/a	n/a	n/a
Net Worth	£13,659,044	£10,799,769	£684,403

INVESTMENT TRANSACTIONS

Location	Tenant	Size	WAULT (TBO)	Price / NIY	Date	Comments
GUILDFORD Woodbridge Road	Lidl (Part Sublet to Pets at Home)	41,782	23 years	£25.075m(Q) (3.25%)	On Market	Freehold. 5 yearly RR to RPI (CC 1-3.5%). £26.28 psf.
MAIDSTONE Langley Park	Aldi	18,734	15.5 years (10.5 years)	£7m (Q) (4.25%)	On Market	Freehold. Interest received sub-4%.
SHEFFIELD Chapelton, Lane End	Lidl	20,451	25 years (15 & 20 years)	£6.7m (Q) (4%)	On Market	Freehold. 5 yearly RR to CPI capped at 2.5%.
LONDON 142-146 Kilburn High Road, NW6	Aldi	15,885	15.5 years	£9.365m (Q) (4%)	On Market	999-year virtual freehold. 5 yearly RR to RPI (CC -1%-2.5%).
ASHFORD Stanwell Road, Surrey	Lidl	31,776	25 years	£18.14m (2.97%)	May 2022	AXA annuity fund acq'd. 5 yearly RR to CPI (CC-1%-3%). No TBO.
BLETCHLEY 144 Watling Street	Aldi, Food Warehouse	37,100	11 years	£13m (3.98%)	March 2022	DTZIM purchased (Allianz). Aldi 5yrly RR to RPI (CC-1%-3%) Food Warehouse OMRR's. Quoted £10.3m, 5% NIY. Aldi 54% of income.
CHICHESTER Westhampnett Road	Lidl	22,875	23 years (13 years)	£9.5m (4.00%)	January 2022	BMO acq'd off market. Long Leasehold to Council (150 yrs at p/c. 5 yearly RR to RPI (CC -1%-2%).



EPC

The property has the following EPC ratings:

Unit	Tenant	Energy Rating	Expiry Date
Foodstore	Lidl	B35	11/01/2031
Unit 2	Cobra Coffee (Starbucks)	C59	15/12/2031
Unit 3	Wenzel's	B45	14/04/2031

ANTI MONEY LAUNDERING

To comply with anti-money laundering legislation, the successful purchaser will be required to provide certain identification documents. The required documents will be confirmed to and requested from the successful purchaser at the relevant time.

VAT

The property is elected for VAT, and it is anticipated that the transaction will be treated as a TOGC (Transfer of a Going Concern).

PROPOSAL

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FURTHER INFORMATION

For further information, for access to the data room or to arrange an inspection please contact sole agents, Green & Partners as per the details below:

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