

green&partners

# 46

BROAD STREET  
READING RG1 2BH

PRIME, WELL SECURED, MIXED USE  
INVESTMENT OPPORTUNITY







## INVESTMENT SUMMARY

- » Reading is an important and popular regional retail centre with an affluent primary catchment population.
- » The property fronts onto Broad Street which is the **prime, pedestrianised retailing pitch** in Reading.
- » Reading is one of the UK's leading university towns and currently has approximately 19,500 students.
- » Online ordering via Deliveroo, Uber Eats or Just Eat has boosted trade and comprises **up to 35% of turnover** for some tenants.
- » Fully let to **Coco Di Mama, Tortilla and Reading Smiles**.
- » **Highly attractive WAULT of 11.8 years** to expiry and **7.7 years** to break.
- » **Freehold**.
- » Current income totals **£270,000 per annum exclusive** (this excludes potential additional income from the turnover top-up rent for Coco Di Mama).
- » Rebased, sustainable rental levels with strong prospects for growth. Further enhanced by the Rateable Values falling 15% in April 2023 on the ground floor units.




We have been instructed to seek offers in excess of **£3,600,000 (Three Million, Six Hundred Thousand Pounds)**, Subject to Contract & Exclusive of VAT, which reflects a minimum **Net Initial Yield of 7%**, assuming the baserent receivable from Coco Di Mama, allowing for graduated purchasers costs.







## LOCATION

Reading is a popular regional retailing destination and a major commercial and administrative centre for the Thames Valley region. The town is strategically located 40 miles (64km) west of Central London, 25 miles (41km) south east of Oxford and 80 miles (130km) east of Bristol. The town benefits from excellent transport links.

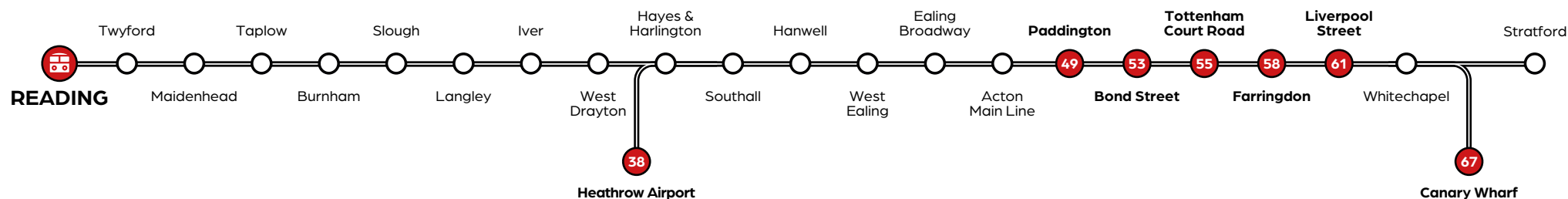
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By road, the town is easily accessed via Junctions 10, 11 & 12 of the M4 Motorway which connects London to South Wales and gives Reading easy access to the M25 and wider motorway networks.
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By air, Heathrow Airport is some 29 miles (47km) to the east.
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Reading Railway Station is one of the busiest outside Central London, providing regular services into London Paddington in less than 30 minutes. The opening of Crossrail Elizabeth Line to Reading means passengers can now travel into and beyond Central London, providing direct links to the City and West End.

## CROSSRAIL ELIZABETH LINE MAP





Station Hill  
Development



Broad  
Street Mall

Broad  
Street

Marks &  
Spencer

Thames Tower  
Development

Minster Quarter  
development

Primark

John  
Lewis



The Oracle  
Shopping Centre





# DEMOGRAPHICS



Out of the PROMIS centres with a total population of c. 393,000 within its primary retail market area.



Affluence significantly above average proportion of most affluent AB social group.



Volume of total spend available within Primary Retail Market – above the PROMIS average.



Volume of total spend available within the Primary Retail Market – under-representation of least affluent C2 and D&E categories.

Reading benefits from a very strong local economy. **The private sector accounts for 70% of local employment** which is significantly above average for comparable retail centres. Business Services and Finance sectors together account for 17.8% of total employment. This in turn has led to the town being the home to numerous British companies and the UK base for many foreign multi-nationals such as **Deloitte, PwC, EY, Prudential, Huawei, Cisco Systems, Verizon, Microsoft, Symantec, Oracle, Jacobs, Mabey, Bang & Olufsen, Pepsico, P&G and Gillette.**



BANG & OLUFSEN



# INVESTMENT & DEVELOPMENT

The £897m refurbishment of Reading Station has been a major stimulus for new development within the town – particularly office and residential. The Elizabeth Line has recently provided direct access to Bond Street and Liverpool Street stations, amongst other destinations in Central London with approximately four trains per hour.

Notable recent developments and refurbishments in Reading include the **£100m redevelopment of Thames Tower**, the refurbishment of Aquis House and Forbury Works, and the redeveloped One Valpy. These are located within 5 minute walk from the Station providing a total of just under **200,000 sq ft of office space.**

In addition, there is a significant amount of current and pipeline residential led developments in Reading. This includes **Station Hill development (www.stationhill.co.uk/)** next to Reading Station which will provide **1,000+ new homes** and **c.625,000 sq ft office space.**

Thackeray Group have been granted planning permission to redevelop a large section of Reading town centre, focussed around Friar Street and Queen Victoria Street. They have updated their plans to incorporate a new market square. If granted, the square would function as a hub for independent retailers and the open area would be used for Christmas markets, sports screenings, street food events, live theatre, and more. The developer has also indicated their intention to build a new hotel on Friar Street with 100+ beds.



# SITUATION

The premises are located on the northern side of the prime pedestrianised Broad Street adjacent to Sainsbury's and opposite the principal entrance to the Oracle Shopping Centre. John Lewis, Primark and Marks & Spencer are in close proximity.

## RETAILING IN READING

Reading has a **total town centre regional retail floorspace of 1.78 million sq ft**. This is above the regional centre average and ranking the town 19th of PROMIS centres on this measure. PMA estimates the **Consumer Base of Reading to be 649,000** ranking the town 18th out of the centres measured. Prime retailing is centred on the pedestrianised Broad Street where **M&S, John Lewis, Sainsbury's and Primark** amongst others, are represented. Broad Street runs from The Oracle at its eastern entrance, west to Broad Street Mall.

The Oracle Shopping Centre, dominating the food and beverage provision, is anchored by **House of Fraser** it also incorporates a **Vue Cinema**. The centre offers **700,000 sq ft** of retail and leisure, split across two levels. Key tenants include **Apple, Boots, Zara, H&M, Oliver Bonas, Reiss, Gant, Hollister** and **L'Occitane**, as well as a **Next, Beauty** and **Home Store**. The scheme benefits from a multi-storey car park providing approximately 2,300 spaces and a leisure element at ground floor level. Restaurants in the scheme include

**Nando's, McDonalds, Yo Sushi, Wagamama, Five Guys, Browns and All Bar One.**

The other centre of note is the Broad Street Mall, located at the western end of Broad Street. The **400,000 sq ft** scheme is the town's secondary shopping centre, split over two levels with occupiers such as **TK Maxx, The Gym, Wilko** and **Metro Bank**. We understand that the new owners have plans to re-purpose the scheme to include a number of complementary uses.



## DESCRIPTION

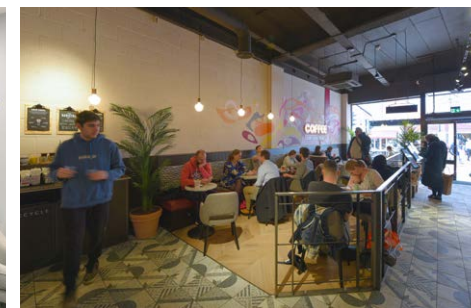
The property is a modern, prominent, mixed use building arranged over ground, basement and two upper floors. The property comprises two F&B units at basement and ground floor and a dentist on the upper floors. Unit 1 and 2 are let to Tortilla and Coco Di Mama respectively. Both units are arranged over ground floor, while Unit 1 (Tortilla) also benefits from a basement.

The entire first and second floors are let to Nathwani Dental Limited (t/a Reading Smiles). They had previously only leased the offices above Unit 1, but have recently taken a lease of Unit 2 also and will begin to fit out this space shortly.

The occupational leases are let on effectively Fully Repairing and Insuring terms. There is a service charge in place at the property, with no current landlord shortfalls. Details are available on request.

## TENURE

Freehold.



## ACCOMMODATION & TENANCY INFORMATION

The property provides the following accommodation and tenancies.

Description	Tenant	Area	Area (sq ft)	Area (sq m)	Lease Start	Lease End	Next Break	Passing Rent	Comments
Unit 1 (Ground Floor and Basement)	<b>Mexican Grill Limited</b> <b>t/a Tortilla</b> <b>(05553988)</b>	Ground Floor Sales	1,135	105.44	02/03/2020	01/03/2035	01/03/2025	£110,000	The rent is subject to Open Market (upwards only) rent reviews, the next being 02/03/2025. The lease contains a tenant only break option on 01/03/2025, subject to a 6 month rent penalty. Should the break not be triggered the tenant will receive 3 months rent free. There is a further option to break on 01/03/2030.
		GF ITZA	564						
		Basement	1691	157					
		<b>Sub Total</b>	<b>2,826</b>	<b>262.54</b>					
Unit 2 (Ground Floor)	<b>Coco Di Mama Limited</b> <b>t/a Coco Di Mama</b> <b>(10404185)</b>	Ground Floor Sales	1,526	141.77	03/01/2023	02/01/2033		£90,000	The annual rent is £90,000 pax or 10% of gross turnover, net of VAT whichever is higher. The base rent is subject to five yearly Open Market (Upwards Only) Rent Reviews, the next being 03/01/2028. The tenant received 3 months rent free. The lease is outside the 1954 act.
		GF ITZA	781						
		<b>Sub Total</b>	<b>1,526</b>	<b>141.77</b>					
Offices (Part Ground, First and Second Floors)	<b>Nathwani Dental Limited</b> <b>t/a Reading Smiles</b> <b>(08986689)</b>	First Floor Suite	2,733	253.90	25/10/2022	24/10/2037		£70,000	The rent is subject to five yearly Open Market (Upwards Only) Rent Reviews, the next being 25/10/2027. The tenant received 9 months rent free.
		Second Floor Suite	1,622	150.69					
		<b>Sub Total</b>	<b>4,355</b>	<b>404.59</b>					
		<b>Total</b>	<b>8,707</b>	<b>808.90</b>			<b>Current Rent (PAX)</b>	<b>£270,000</b>	

## COVENANT INFORMATION

### COCO DI MAMA

Tenant	Financial Year End	Turnover	Pre Tax Profits	Total Assets
Coco Di Mama Ltd (10404185)	26 Jun 2022	£7,906,000	-£779,000	£7,886,000

**Coco Di Mama Ltd** is owned by the Azzurri Group. For the year ending June 2022, The Azzurri Group has seen total revenues rise by £119m to £235.9m in its full-year results, an increase of 101.8%. Coco Di Mama is the UK's leading Italian-to-Go operator. Coco Di Mama now operates from over 160 nationwide outlets, including flagship stores in London, nationwide delivery kitchens and a retail partnership with Sainsbury's. This store is their first physical store outside London.

### TORTILLA

Tenant	Financial Year End	Turnover	Pre Tax Profits	Total Assets
Mexican Grill Ltd (05553988)	2 Jan 2022	£47,867,672	£4,843,658	£21,024,436

**Mexican Grill Ltd** who trade as Tortilla was founded in October of 2007 and now trade from over 84 stores throughout the UK. Mexican Grill Ltd revenue was up 60 per cent in the first half of 2022 compared to pre covid levels in 2019. This comes after the firm recently acquired rival, Chilango in May 2022 for £2.75m.

### READING smiles

Tenant	Financial Year End	Turnover	Pre Tax Profits	Total Assets
Nathwani Dental Ltd (08986689)	31 Mar 2022	-	-	£4,136,208

**Nathwani Dental Ltd** was founded by Dr Hanel Nathwani in 2014. Dr Nathwani practices in Harley Street, Kensington and Knightsbridge and now operates a number of regional dentist practices with sites in Reading, Wokingham, Milton Keynes, Windsor and Kingston. The subject property trades as Reading Smiles.







## INCOME

Current income totals **£270,000 per annum exclusive** (this excludes potential additional income from the turnover top-up rent for Coco Di Mama).

## MULTI CHANNEL OFFER

Online ordering via Deliveroo, Uber Eats or Just Eat has boosted trade and comprises **up to 35% of turnover** for some tenants.



## EPC

Full suite of EPC's available upon request.

## VAT

The property has been elected for VAT, therefore it is anticipated that a disposal will be treated as a Transfer of a Going Concern (TOGC).

## WAULT

The property's **Weighted Average Unexpired Lease Term (WAULT)**.

**11.8**  
years  
to expiry

**7.7**  
years  
to break



## PROPOSAL

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## FURTHER DETAILS

For further information or to arrange inspection please contact:

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