



100% PRIME, FREEHOLD,
WELL SECURED, HIGH STREET
INVESTMENT OPPORTUNITY

35 BROAD ST
&
29-31 QUEEN
VICTORIA ST
READING

green&partners

INVESTMENT SUMMARY

Reading is an important and popular regional retail centre with an affluent primary catchment population

The town continues to experience a 'retailing renaissance' with positive occupier and investor demand

Grade II Listed building located in a **100% prime retailing pitch** at the junction of Broad Street and Queen Victoria Street

Established, high footfall, retailing pitch in close proximity to **John Lewis, Primark and Marks & Spencer**

Well secured to established tenants, **itsu, Zambrero and Kokoro**

'Grab and Go' market growth increased by 31.2% in 2022 and a further 4.1% in 2023

An attractive **WAULT of 7.3 years to expiry and 5.9 years to break**

Freehold

Total net income of **£235,000 pax**



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Offers in excess of **£2,750,000 (Two Million Seven Hundred and Fifty Thousand Pounds)**, Subject to Contract & exclusive of VAT, which reflects an attractive **Net Initial Yield of 8.0%**, allowing for graduated purchasers cost.



LOCATION

Reading is a town located in the South East of England about 64km (40 miles) west of London. It is situated in the county of Berkshire and sits on the River Thames.



Reading is well-connected to major roads and highways. The M4 motorway passes through the town, connecting it to London, Bristol, and other major cities in the UK. The A33 and A329 roads also provide important links to nearby towns and cities.



Reading is located within easy reach of several airports. Heathrow Airport, one of the busiest airports in the world, is just 40 minutes away by car or train. Other airports within easy reach of Reading include Gatwick Airport, Luton Airport, and Stansted Airport.



Reading is an important railway hub in the UK, with direct connections to London, Oxford, Bristol, and many other cities. The town's railway station is served by several train operators, including Great Western Railway, South Western Railway, and Cross Country.

Quickest journey times to some major UK cities below;

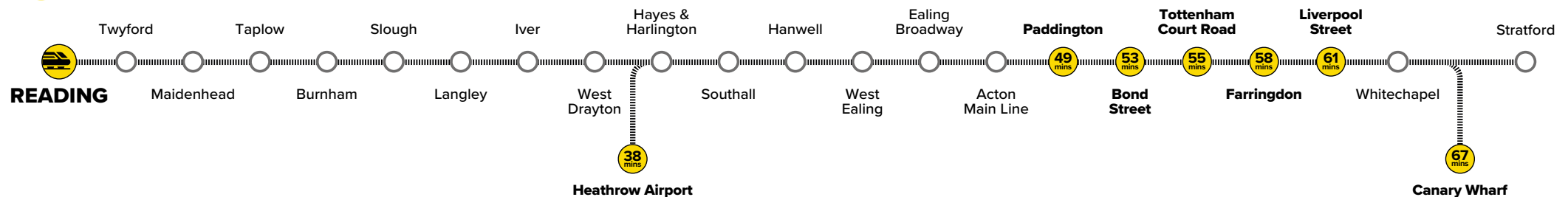
London Paddington	23 mins
Oxford	22 mins
Bristol	1 hour 9 mins
Birmingham	1 hour 36 mins

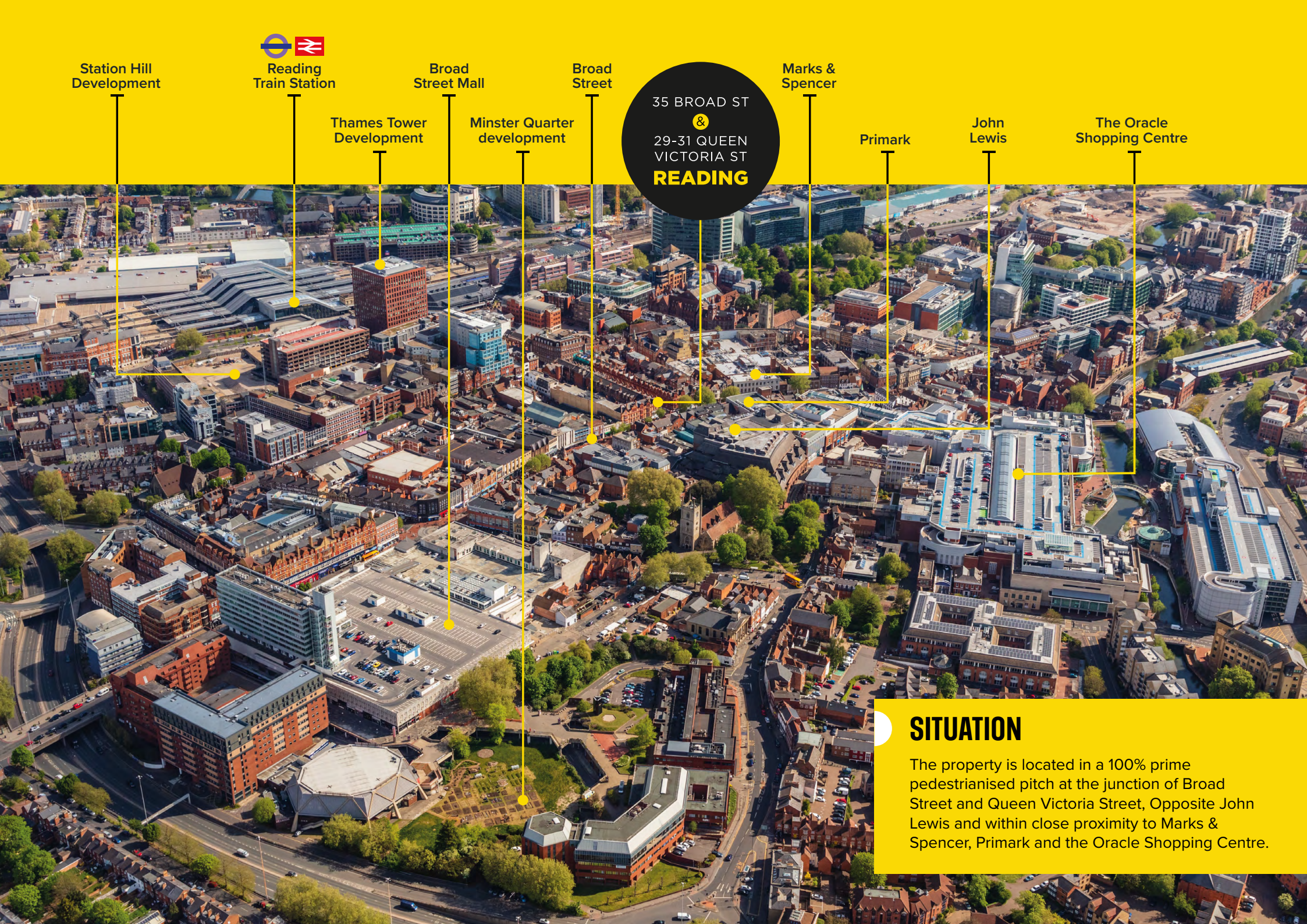


The extension of Crossrail (Elizabeth Line) to Reading means passengers can now travel into and beyond Central London without the need to change at Paddington, providing direct links to the City and West End.



CROSSRAIL ELIZABETH LINE MAP





Station Hill Development


Reading Train Station

Broad Street Mall

Broad Street

Marks & Spencer

Thames Tower Development

Minster Quarter development

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Primark

John Lewis

The Oracle Shopping Centre

SITUATION

The property is located in a 100% prime pedestrianised pitch at the junction of Broad Street and Queen Victoria Street, Opposite John Lewis and within close proximity to Marks & Spencer, Primark and the Oracle Shopping Centre.

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DEMOGRAPHICS & LOCAL ECONOMY

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.**



Deloitte.



verizon



B&O

BANG & OLUFSEN

ORACLE®



Gillette™



*For indicative purposes only.

★
RANKED
24

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



Affluence is significantly above the UK average.

★
RANKED
20

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



20,000 Students at Reading University, greatly contributing to the local economy.



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INVESTMENT & DEVELOPMENT

The £897m refurbishment of Reading Station in conjunction with the opening of the Elizabeth Line has been a major stimulus for new development within the town - particularly in the office and residential sub-sectors. Notable projects 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 residential led developments in Reading including Station Hill (www.stationhill.co.uk/) next to Reading Station which will provide 1,000+ new homes and circa **625,000 sq ft office space**.

Thackeray Group also propose redeveloping a large section of Friar Street and Queen Victoria Street. Their most recent plans incorporate a new market square. 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 100 bed hotel on Friar Street.

Developer McLaren living has lodged a planning application for the redevelopment of Broad Street Mall in the centre of Reading. The revised masterplan builds upon previous planning consent and will bring forward an enhanced scheme, with redevelopment of the southern part of the 4.6-acre site to include more than 600 'build to rent' homes and 15,000sq ft of commercial space.





RETAILING IN READING

Town centre retail floorspace in Reading is estimated at 1.78 million sq ft, comparable with the Regional Centre average and ranking the town 19 of the PROMIS Centres on this measure. The main shopping thoroughfare in Reading is **pedestrianised Broad Street**, which includes **John Lewis**, **Primark** and **Marks & Spencer**.

The Oracle shopping centre dominates retail and food & beverage provision in the town and currently accommodates a further department store, Frasers. We understand that plans to reconfigure the House of Fraser store in addition to plans to redevelop the former Debenhams are being considered.

THE 'GRAB AND GO' FOOD MARKET

The UK 'Grab and Go' food market grew by 31.7% in 2022 to a value of £21.4 bn. This has increased to £22.3bn in 2023, an annual increase growth rate of 4.1%, which is in excess of the projected 'eating out' growth forecasts.

Online ordering via Deliveroo, Uber Eats or Just Eat has boosted trade and comprised a significant proportion of revenue for some tenants.

DESCRIPTION

The subject property is 100% prime, Grade II Listed building, arranged over ground and three upper floors, fronting Broad Street and Queen Victoria Street.

The building is let to three retail tenants. Itsu occupy 35 Broad Street, a 100% prime, well configured retail unit fronting Broad Street, benefitting from a return frontage onto Queen Victoria Street.

Part of the first floor, and the second and third floors, are also demised to Itsu, albeit the second and third floors are not rentalised.

29 & 31 Queen Victoria Street are let to Kokoro and Zambrero respectively and are arranged over ground floor only.

TENURE

Freehold.



ACCOMMODATION & TENANCY INFORMATION

The property provides the following accommodation and tenancies and has been measured in accordance with the RICS measuring practice:

Unit	Tenant	Description	Area (sq ft)	Area (sq m)	Start Date	Review Date	Expiry Date	Break Date	Passing Rent	Comments
35 Broad Street	ITSU Limited t/a Itsu	GF Sales	771	71.69	15/06/2015	15/06/2025	14/06/2030		£140,000	Part of the first floor and the entire second and third floor is unused and not rentalised. Upward only rent review with a hypothetical lease term of 5 years, time is not of the essence.
		GF ITZA	543 Units							
		FF Retail	757	70.36						
		FF Kitchen	1,319	122.55						
		FF	207	19.29						
		SF	1,853	172.15						
		TF	1,913	177.74						
Sub Total	6,822	633.60								
29 Queen Victoria Street	Kokoro UK Limited t/a Kokoro	GF Sales	339	31.49	24/02/2017	24/02/2027	23/02/2032		£40,000	Upward only rent review with a hypothetical lease term of 5 years, time is not of the essence.
		GF Kitchen	130	12.07						
		GF ITZA	249 Units							
		Sub Total	469	43.57						
31 Queen Victoria Street	Zamcorp FXXII Limited t/a Zambrero	GF Sales	675	62.70	06/03/2023	06/03/2028	05/03/2033	06/03/2028	£55,000	Tenant break option on 06/03/2028 on 6 months prior notice. Upward only rent review with a hypothetical lease term of 5 years, time is not of the essence.
		GF ITZA	466 Units							
		Sub Total	675	62.70						
TOTAL			7,964	739.87		Total Rent PAX		£235,000		

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WAULT




The property benefits from a significant Weighted Average Unexpired Lease Term (WAULT) of 7.3 years to expiry and 5.9 years to tenant break option.

INCOME

Current annual income totals £235,000 exclusive per annum.



COVENANT STRENGTH

TENANT	TRADING AS	FINANCIAL YEAR END	TURNOVER	PRE-TAX PROFIT	TOTAL ASSETS	DELPHI SCORE	DELPHI BAND	COMMENTS
itsu Limited		29 Dec 2022	£101,195,000	£753,000	£37,271,000	100	Very Low Risk	Itsu is a British chain of East Asian Inspired fast-food outlets, founded in 1997 by Julian Metcalfe, who founded Pret a Manger. Turnover increased by 73% on 2022 but still suppressed by tail end of COVID lockdown. 15 new stores opened in this period. Itsu have 89 Stores across the UK.
Kokoro UK Limited		31 Aug 2022	£9,326,680	£565,004	£7,287,884	100	Very Low Risk	KOKORO is a Korean Japanese restaurant, founded by Rak-Kyu Park in the UK more than a decade ago. The company now trades from over 65 stores.
Zamcorp FXXII Limited		30 Jun 2022	N/A	N/A	£1,326,782	71	Below Average Risk	Zambrero is an Australian multinational fast food restaurant franchise, specialising in Mexican cuisine, founded in 2005. The wider group operates from circa 250 stores globally.

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EPC

The building is assessed as a whole.



VAT

The property has been elected for VAT and any disposal will be by way of a Transfer of a Going Concern (TOGC).

AML CHECKS

In order to comply with anti-money laundering legislation a successful purchaser will be required to provide certain identification documentation. These documents will be confirmed to and requested from the successful purchaser by the vendor and their professional advisors at the relevant time but before an exchange of contracts.

PROPOSAL

We have been instructed to seek offers of **£2,750,000 (Two Million Seven Hundred and Fifty Thousand Pounds)**, Subject to Contract and Exclusive of VAT, which reflects an attractive **Net Initial Yield of 8.0%**, allowing for graduated purchaser's costs.

FURTHER DETAILS

For further information or to arrange inspection contact:

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