

143 high street WINCHESTER



well secured, prime freehold, retail investment

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Investment Summary

- Situated on the **semi-pedestrianised** High Street immediately opposite **Debenhams** and **Next** and adjacent to **Marks & Spencer**
- Well secured to **Newbury Building Society** on a 10 year lease from Dec 2012
- **Freehold**
- Current income **£48,000 pax (£122 psf ZA)**
- **9.7** years unexpired
- The property is **not** elected for VAT
- **£864,000** (subject to contract & exclusive of VAT)
- Attractive **5.25% net initial yield**



Location

The Cathedral City of Winchester is a significant retail and commercial location as well as being a popular tourist destination. The City is situated approximately 100km (62 miles) south west of London, 30.6km (19 miles) south west of Basingstoke and 22.5km (14 miles) north of Southampton.

Winchester enjoys excellent road communications. Junctions 9 to 11 of the M3 serve the City linking it to the south coast, London and the M25 motorway. The A34 dual carriageway provides access to Oxford, the Midlands and the North and the A303 dual carriageway links with areas to the west. There are frequent rail services from Winchester to London (Waterloo), Southampton and Poole. Southampton International Airport is situated approximately 13km (8 miles) to the south at Eastleigh.

Retailing in Winchester

Winchester's retail provision amounts to circa 0.57 million sq ft of floor space with prime retailing focused on the pedestrianised High Street where **Debenhams**, **Marks & Spencer**, **Boots**, **Next**, **HMV**, **River Island**, **Monsoon**, **Superdrug**, **Laura Ashley**, **Hobbs** and **Jigsaw** are represented.

The Brooks Shopping Centre is situated to the north of the High Street, close to the subject property. This is the only covered, managed shopping centre in Winchester and is anchored by a Beales department store, Primark and New Look. It also benefits from a 344 space multi-storey car park.

Situation

The subject property is situated in the semi-pedestrianised High Street, immediately opposite **Debenhams** and **Next** and is adjacent to **Marks & Spencer**. Other nearby retailers include **Card Factory**, **Superdrug** and **Stead & Simpson**.

Tenure

Freehold





Accomodation

The property is arranged on ground and first floors and provides an approximate total net floor area of **86.7m² (934sq ft)** sub-divided as follows:

Floor	Use	m ²	Sq Ft
Ground	Sales	45.7	492
Ground	ITZA		357 units
First	Ancillary	41.0	442
		86.7	934

Tenancy

NEWBURY BUILDING SOCIETY

A 10 year FR&I lease from 25th December 2012 exiring on 24th December 2022 (**9.7 years unexpired**) at a current passing rental of **£48,000 pax** and an upward only rent review on 24th December 2017.

Rental Commentary

Prime retail rents within Winchester, peaked at circa £180 per sqft ZA with the surrender and re-let to Starbucks at 31 High Street at £177.50 in July 2007 and more recently a lease re-gear to Whittards at 115 High Street at £180 ZA. Rents have held up well. Hotter Shoes have taken a 10 year lease of 17 High Street reflecting a ZA psf figure of £171.61. Also, in October 2012 Specsavers took a 10 year lease of 106 High Street reflecting £175.61 psf ZA.

In the section of the High Street towards the subject holding, the rental tone decreases. 8 High Street has recently been let to Union Jacks, (Jamie Oliver's new concept restaurant chain) on a 25 year lease reflecting a ZA of £123 (net). A rent review was also agreed on 146 High St. (Card Factory) last year, which saw the rent increase reflecting a ZA psf of £121. There is a very strong argument for future rental growth at the subject unit off this modest base level (**£122 psf ZA**).

Tenant Covenant

The new company financial statement for the year ended 31st October 2012 reported the following key performance indicators:

- Total assets of £731m (£691m in 2011)
- 8% growth in mortgage book
- Mortgage balance growth of £43m in 2012, greater than the last 5 years combined
- Profit before tax of £2.8m (£2.4m in 2011), an increase of 16%
- Savings balances grown by 5%

The group has 11 branches and has been trading since 1856. For more information please visit their website www.newbury.co.uk.

Current income pax

£48,000 per annum exclusive

EPC

The property has an EPC score of 170.

VAT

The property is **not** elected for VAT.



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Proposal

£864,000 (Eight Hundred and Sixty Four Thousand Pounds) Subject to Contract and exclusive of VAT, reflecting an attractive **net initial yield of 5.25%**, allowing for purchaser's costs of 5.8%.

Further Details

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