

11

BROAD STREET MONSOON READING

MONSOON

TIGER

100% PRIME,
HIGH STREET RETAIL
INVESTMENT
OPPORTUNITY

INVESTMENT SUMMARY

- ◆ Reading is an important and affluent, regional retail centre with an extensive primary catchment population of 698,000 and total catchment of over 2.3m people
- ◆ The town continues to experience a 'retailing renaissance' with positive occupier and investor demand
- ◆ A prime, pedestrianised, retailing pitch on Broad Street adjoining Marks & Spencer, Tiger and Sainsbury's
- ◆ Opposite the Oracle Shopping Centre and in close proximity to established national retailers such as John Lewis, Primark, Itsu and Pret-A-Manger
- ◆ Let to the established covenant of Monsoon Holdings Limited
- ◆ Freehold
- ◆ Annual income of £150,000 pax
- ◆ Offers in excess of £2,700,000 (Subject to Contract & exclusive of VAT) which reflects an initial yield of 5.20%, allowing for usual purchasers costs of 6.44% at this level.



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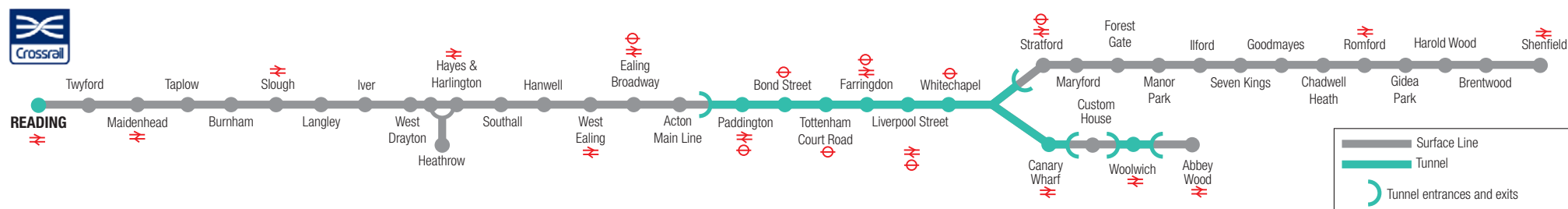
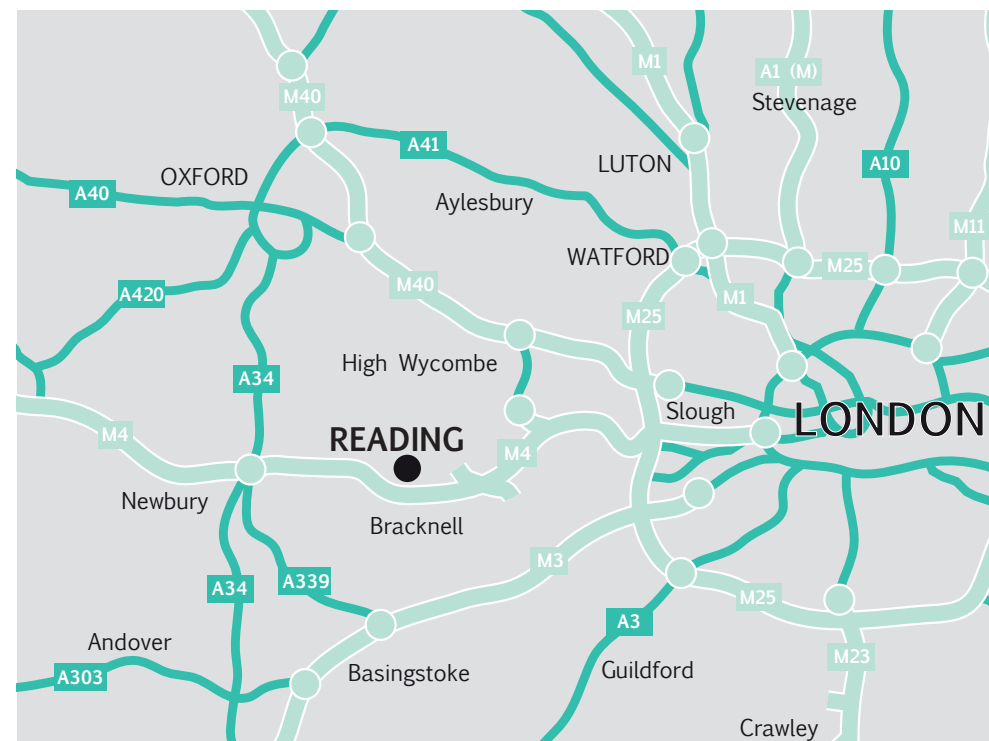
LOCATION

Reading is a popular regional retailing destination and a major commercial and administrative centre for the Thames Valley Region. The town is strategically located 41 miles (66km) 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.

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. By Air, Heathrow Airport is some 29 miles (47km) to the east.

Reading Railway Station is a 5 minute (0.2 mile) walk from the property and provides services into London Paddington in less than 30 minutes. With the extension of Crossrail to Reading in 2019, passengers will be able to travel into, and beyond Central London without the need to change at Paddington, providing direct links to the City and West End.

Reading has a very strong local economy. The service sector accounts for 72% of local employment which is significantly above average for comparable retail centres. The Professional & Business Services and Finance sectors together account for nearly 20% of total employment. The town is home to numerous British companies and the UK offices of many foreign multi-nationals such as Deloitte, PwC, EY, Prudential, Huawei, Microsoft, Symantec, Oracle, Jacobs, Mabey, Bang & Olufsen, Pepsico, P&G and Gillette.



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DEMOGRAPHICS

Reading has a **total population** within its **primary catchment** of **698,000** and an estimated **shopping population** of **401,000**, ranking the town 17th of PROMIS centres on this measure. **Reading's affluence** is reflected in the **significantly above average** proportion of the most affluent **AB social group** and an under-representation of the least affluent C2 and D&E categories. The catchment is within a 30 minute drive time spends circa **£4bn on retail and leisure per annum** including pull from competing retail centres such as Swindon, Slough and Newbury. Reading is projected to see above average growth in population over the period 2015-2020.

RETAILING IN READING

Reading has a total town centre retail floorspace of **1.83 million sq ft**, above the Regional centre average and ranking the town 19th of PROMIS centres on this measure. There is an annual catchment expenditure of **£710m** ranking 23rd in the UK (CACI 2013). **Prime retailing** is centred on **The Oracle Shopping Centre** anchored by Debenhams & House of Fraser and the **pedestrianised Broad Street** where **M&S, John Lewis, Primark, Gap** and **H&M** amongst others, are represented. Broad Street runs from The Oracle at its eastern entrance, west to Broad Street Mall.

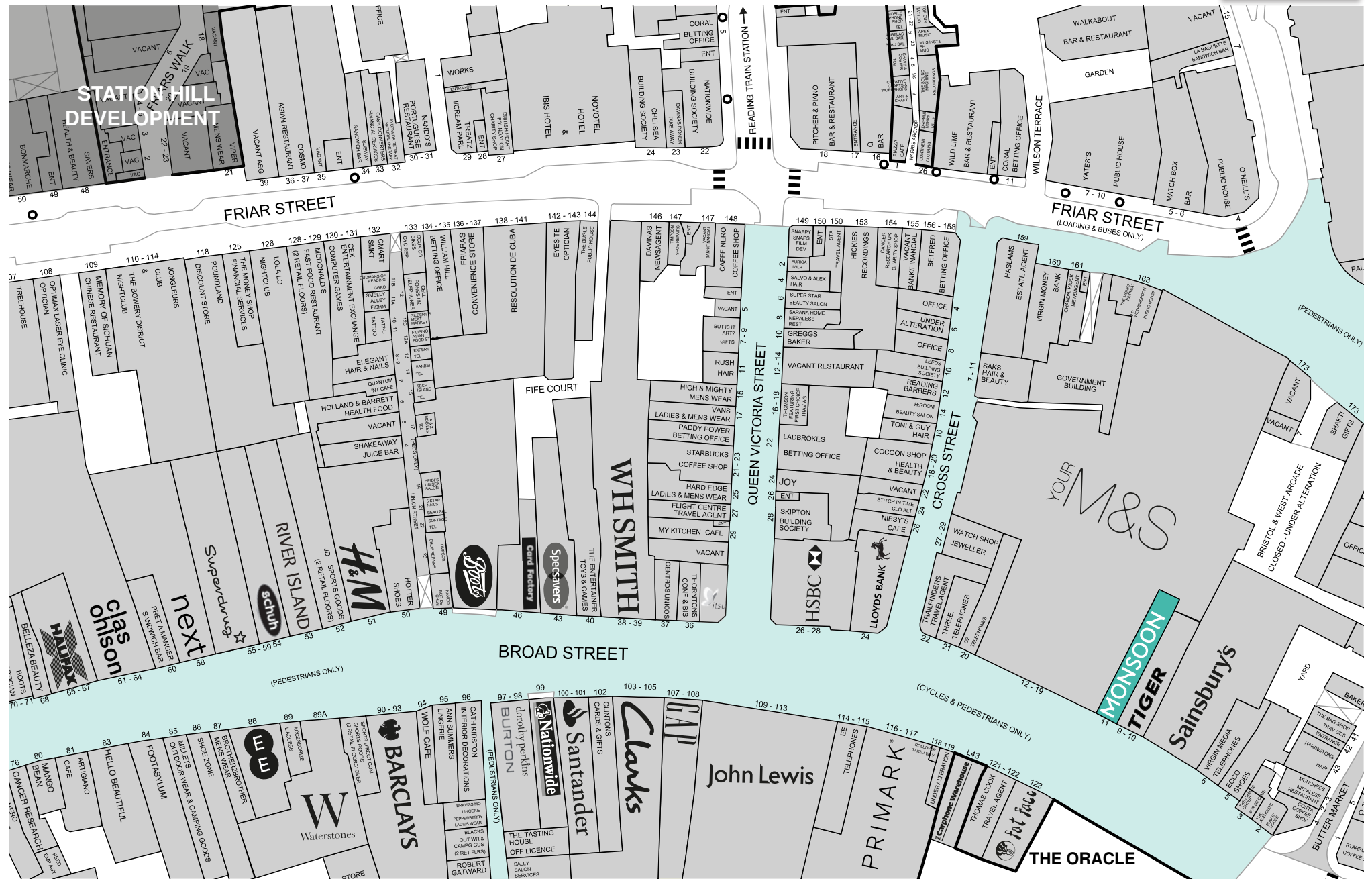
Reading has two covered shopping centre schemes. The



Oracle is a **700,000 sq ft retail and leisure scheme**, split across two levels. Key tenants include **House of Fraser, Debenhams, Apple, Boots** and **Zara**. The scheme has 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, Jamie's Italian, Giraffe, Cau, All Bar One** and **Browns**. The other scheme 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, New Look, Wilko** and **Metro Bank**.

Within close proximity to the subject property, the former **Jackson's Department Store** is currently being reconfigured to provide further leisure accommodation. We understand that **Franco Manca, Byron Burger, Wahaca** and **Busaba Eathai** are all secured.



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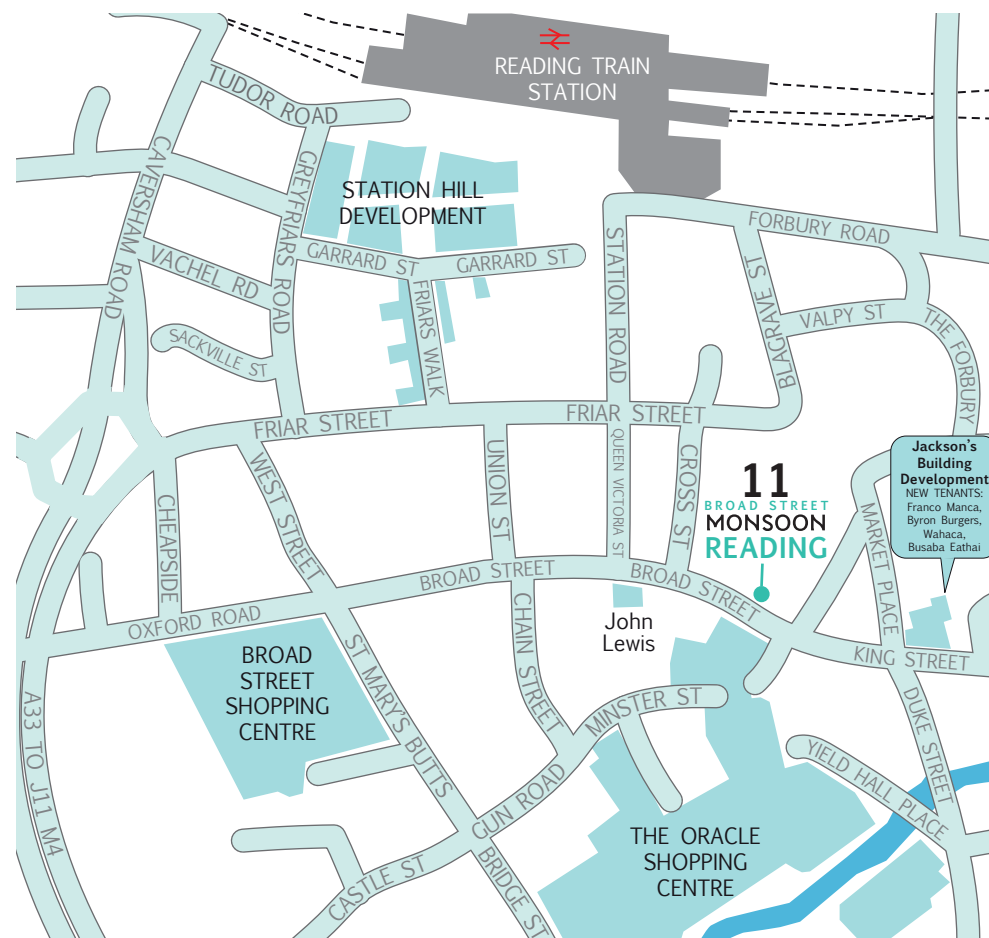
SITUATION

The property occupies a **prime, pedestrianised retailing pitch** on the northern side and eastern end of Broad Street **opposite** the entrance to **The Oracle** and **adjoining** both **M&S** and **Tiger** with **Sainsbury's** one unit removed. **John Lewis** and **Primark** are located opposite.

STATION HILL DEVELOPMENT

Reading is one of the South East's **strongest regional centres** and **benefits from excellent transport links** to the West End of London. July 2014 saw the reopening of the railway station following an **£897 million upgrade**, while the news of the extension of Crossrail to Reading has been a stimulus for significant office redevelopment in the Station Hill area. The scheme has outline planning approval for **930,000 sq ft of offices**, **150,000 sq ft of retail**, and **300 residential units**.

In addition, the £100m redevelopment of Thames Tower to create 183,000 sq ft of offices with 8,000 sq ft of leisure below is due to complete in Spring 2017. Once the above initiatives are complete, it is anticipated that over 200 trains a day will run between Reading and Central London. We believe the property will benefit hugely from the development given its proximity to both the Station Hill development and the Railway Station.



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DESCRIPTION

The building comprises a period property arranged over ground floor used for sales and two upper floors which provide ancillary accommodation.

TENURE

Freehold.

ACCOMMODATION

The property provides the following accommodation.

ADDRESS	AREAS		
	FLOOR	AREA (SQ FT)	AREA (SQ M)
11 Broad Street, Reading RG1 2BH	ITZA (Units)	669	-
	Ground Floor (Sales)	1,889	175.5
	First Floor (Anc)	1,111	103.2
	Second Floor (Anc)	225	20.9
	TOTAL	3,225	299.6



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INCOME

Current annual income of **£150,000 pax**. The rent at this level devalues to £205.50 Zone A.

RECENT COMPARABLE RENTAL EVIDENCE

Date	Transaction	Address	Tenant	Zone A (£/psf)
Feb-16	OML	9/10 Broad Street	Tiger	£212.50
Jul-15	OML	35 Broad Street	Itsu	£208.00

TENANCY

The entire property is let to **Monsoon Holdings Limited** t/a Monsoon on a 25 year Full Repairing and Insuring Lease from 7th October 1993 expiring 6th October 2018 (1.5 years unexpired).

TENANT COVENANT

Monsoon Holdings Limited has a Dun & Bradstreet of 4A 1 meaning the company has a minimum risk of business failure.

FINANCIAL SUMMARY

Financial Year End	29-Aug-15	30-Aug-14	31-Aug-13
Profit Before Taxes	£ 22,051,903	£ 21,003,008	£ 7,194,815
Tangible Net Worth	£ 25,372,350	£ 30,237,871	£ 30,412,503
Net Current Assets	£ 24,009,592	£ 20,147,985	£ 20,200,752

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RECENT INVESTMENT COMPARABLES

Date	Address	Tenant	Price	NIY
May-16	2 Broad Street	Lloyds Bank	£4,760,000	4.40%
Jun-15	107/108 Broad Street	Gap	£5,825,000	4.50%

EPC

An EPC is available upon request.

VAT

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

PROPOSAL

We have been instructed to seek offers in excess of **£2,700,000 (Two Million and Seven Hundred Thousand Pounds)**, Subject to Contract & Exclusive of VAT, which reflects a **net initial yield** of **5.20%** allowing for purchaser's costs of 6.44%.



FURTHER DETAILS

For further information or to arrange an inspection please contact:

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MISREPRESENTATION These particulars do not constitute an offer or contract. They are intended as a guide to prospective purchasers. All reasonable care has been taken in the preparation of these particulars but their accuracy is not guaranteed. The purchaser should satisfy himself and as to the correctness of these details. Neither the agents nor the vendors or lessors are to be or become under any liability or claim in respect of these particulars. These particulars are supplied on the understanding that all negotiations are conducted through this office. March 2017.
Adrian Gates Photography & Brochures 07710 316 991