

193-199 HIGH STREET

# HOUNSLOW

TW3 1BL

Prime, Well Secured,  
Freehold, Retail  
Investment



SPORTS DIRECT.COM  
24HR DELIVERY

pharmacy



beauty



SPORTS DIRECT.COM

## 193-199 HIGH STREET, HOUNSLOW TW3 1BL

### INVESTMENT SUMMARY

- **Prime Freehold** investment in **Greater London**
- Located on the busy **High Street**, within close proximity to the Treaty Centre and The Blenheim Centre
- **Well secured** to the undoubted covenants of **Boots UK Limited** and **Sportsdirect.com Retail Limited**
- **Average Weighted Unexpired Lease Term** (AWULT) of circa **6.67 years**
- Total rent of **£533,749 pax**
- Extensive site spanning **0.66 acres** with potential future development prospects (Subject to Planning)
- Offers in excess of **£7,760,000** (Subject to Contract & exclusive of VAT) which reflects a **net initial yield of 6.45%**, and a **minimum reversionary yield of 6.8%** in May 2018, allowing for graduated purchasers costs of 6.66% at this level.



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## LOCATION

The **London Borough of Hounslow** covers some 22 square miles. The principal town within the borough is Hounslow which is located approximately 10 miles (16km) to the south west of **Central London** and 5 miles (8km) from **Heathrow Airport**. Road communications are excellent being located close to the M3, M25 and M4 motorways. The A316 connects Hounslow to nearby **Richmond and Chiswick**.

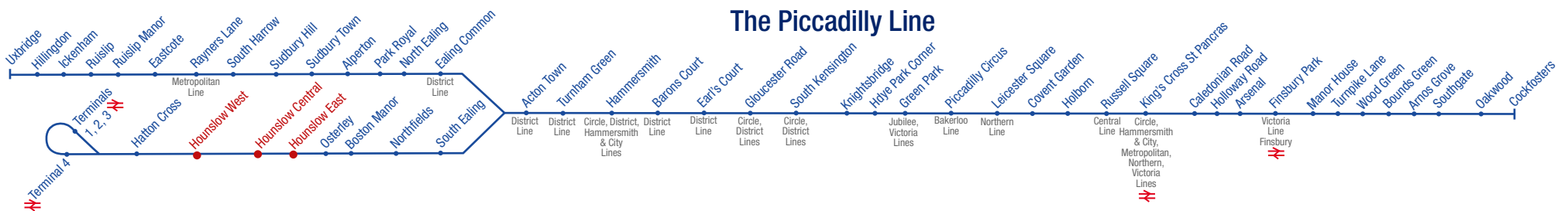


Hounslow benefits from having three London Underground stations, Hounslow West, Hounslow Central and Hounslow East, served by the **Piccadilly Line** in Zone 5, providing excellent access into **Central London**.

Hounslow's mainline railway station provides direct access to Clapham Junction in less than 30 minutes and London Waterloo in circa 40 minutes.



## The Piccadilly Line



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## DEMOGRAPHICS

The total population within the Hounslow primary catchment is **341,000** persons and the shopping population is circa **120,000** persons, which is above the PROMIS Smaller London Centre Average. The shopping population is noted to be youthful in relative terms and **25% of people** are described as **'prosperous professionals'**. Within the employed population, **88%** are in the service sector and specifically **40%** are within financial and business services. Both are significantly above the retail PMA (Property Market Analysis) average.

## RETAILING IN HOUNSLOW

Prime retailing in Hounslow is centred on the Debenhams anchored Treaty Centre and the partly pedestrianised High Street where a large number of national multiple retailers are represented including **TK Maxx, Primark, Boots** and **Sports Direct**.

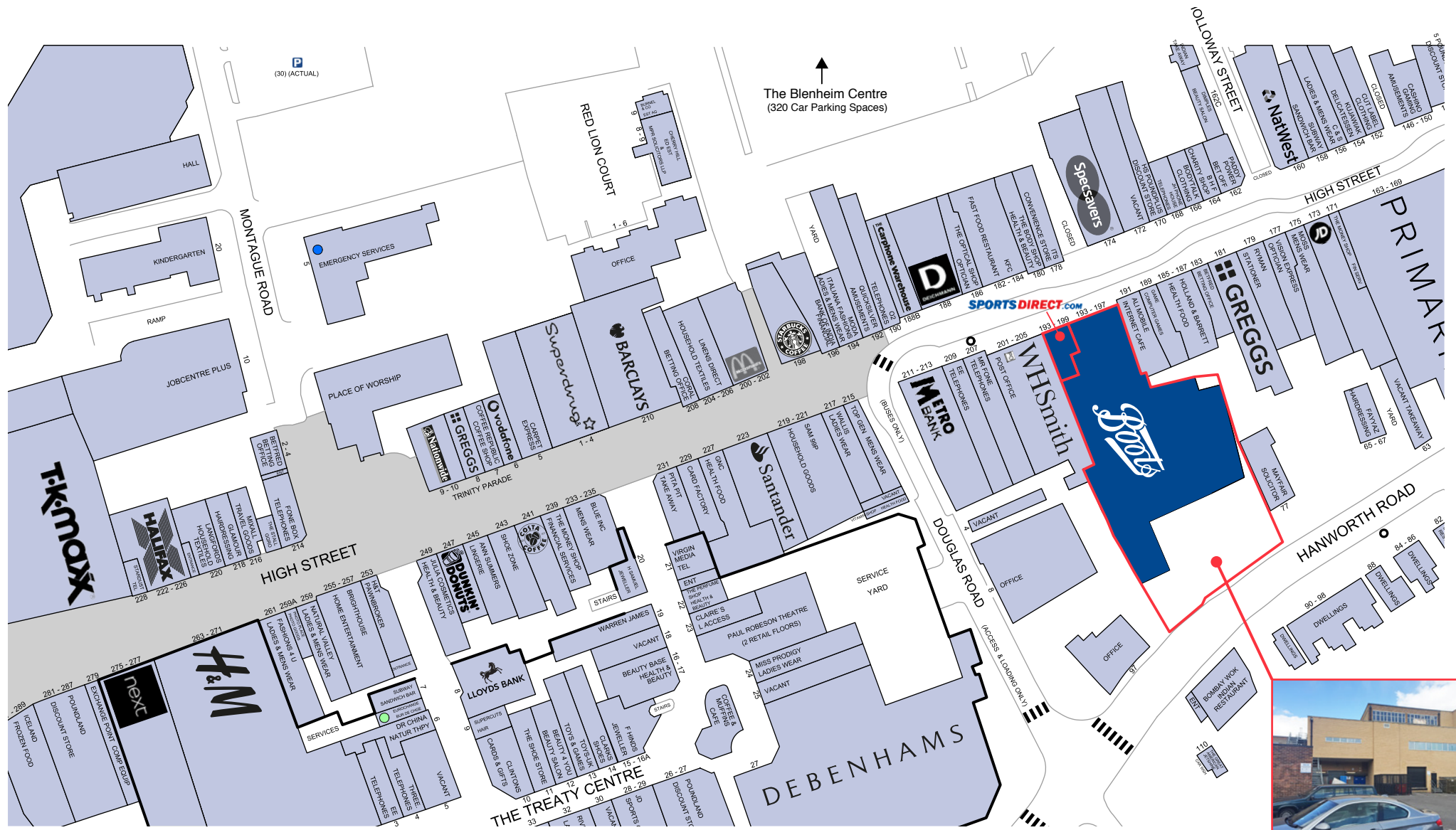
This offer is supported by the L&G owned Blenheim Centre, anchored by 6,503 sq m (70,000 sq ft) **Asda**. L&G have an agreement with Hounslow Council to double the size of this scheme, currently standing at 12,542 sq m (135,000 sq ft), which will include a new car park to link the mall to the High Street.

Further options being discussed are for a 13,935 sq m (150,000 sq ft) extension to comprise a cinema, 15-20 shops and up to 7 restaurants. This will further strengthen Hounslow's retailing offer and consolidate its high catchment retention.



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### THE PROPERTY

The subject property is located in an extremely prominent position on the part-pedestrianised High Street. **WH Smith** (and Post Office) adjoin the holding, while important retailers within close proximity include **Starbucks, Deichmann Shoes, KFC, Metro Bank, Primark, McDonalds** and **Holland & Barrett** amongst others. The town's main shopping centre, The Treaty Centre is located to the west of the subject property while The Blenheim Centre is located directly to the north.

### DESCRIPTION

The property comprises two large retail units. Boots the Chemist is arranged over the majority of the ground floor while Sports Direct occupy part ground floor (a lobby and rear ancillary section) and trade from the first floor. The second floor is also demised to Sports Direct; part is used as ancillary space and part is unused and subject to a schedule of condition. The property benefits from an extensive service yard to the rear accessed via Hanworth Road.

### TENURE

Freehold.



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## SERVICE CHARGE SCHEDULE

We understand that this budget year ending 28th September 2016 is the first year that a service charge has been implemented at the property which has given greater clarity to tenants of planned annual expenditure. Previously costs were charged on an ad-hoc basis. For this financial year the service charge budget is £18,762 which is split between the tenants adopting the following percentage allocations:

Tenant	Percentage Allocation	Proportion of Budget (£)
Boots (Pt Ground Floor)	38.5481%	£7,232.39
SportsDirect (Pt Ground, 1st & 2nd)	61.4519%	£11,529.61
	100%	£18,762



## TENANCY SCHEDULE

Unit	Tenant Name	Rent (£pax)	Lease Start Date	Lease Expiry Date	Outstanding/ Next Rent Review	Description	Area GIA (Sq. Ft.)	Rent (£/Sq. Ft.)	WULT (years)	Comments
Part Ground Floor 193-199 High Street	<b>Boots The Chemists Limited</b>	£250,000	30/08/07	29/08/22	30/08/17	Ground	8,169	30.60	6.29	FRI lease, subject to UORR every 5 years. Tenant recently removed their tenant break option in August 2017 in exchange for 7.5 months rent free, to be topped up by the vendor.
Part Ground, 1st and 2nd Floors, 193-199 High Street	<b>SportsDirect.com Retail Limited</b>	£283,749	14/05/08	13/05/23	14/05/18	Ground Lobby	822.9	14.95	7	FRI lease. The RR on 14/05/2018 has been agreed as a fixed uplift to £313,282 pax.  Schedule of Condition on the Second Floor Office Space. Ground Floor Lobby and Second Floor Office not rentalised.
						Ground Anc	1,697.2			
						First Sales	16,916.7			
						Second Store	356.7			
						Second Office	8,015.2			
<b>Total</b>	<b>27,808.7</b>									
<b>TOTAL CURRENT INCOME</b>		<b>£533,749</b>				<b>TOTAL</b>	<b>35,977.65</b>	<b>AWULT</b>	<b>6.67</b>	

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## FUTURE DEVELOPMENT

### Hounslow High Street Quarter:

Planning permission was granted in March 2016 by the London Borough of Hounslow, for a mixed use development scheme, which will be located on an existing public car park immediately to the south of the Blenheim Centre and to the north of the Subject Property.



The site comprises an area of 2.48 hectares and is bound by Prince Regent Road to the north, the Royal Mail Sorting Office to the east, residential and commercial properties to the west side of Alexandra Road and the rear of properties fronting the northern side of the High Street.

The proposal incorporates high quality residential and commercial elements. Construction will commence in early 2017 subject to CPO and the scheme is due to complete in 2020. A development agreement is in place between the Council and Barratt London & Wilson Bowden Developments, to deliver the scheme.

The residential component of Hounslow High Street Quarter will consist of **five blocks of 527 flats**, including a 27-storey high rise tower, incorporating both private and affordable dwellings. A **5,267 sq. m. multiplex cinema** as well as 9,830 sq. m. of **retail, restaurants and cafes** are planned for the scheme. The site will also provide for **513 parking spaces, 686 cycle parking spaces** and service areas for the commercial space.

The scheme will provide significant regeneration to Hounslow Town Centre, enhancing the already established retail offer. In addition, **an entrance to the scheme is likely to be situated directly opposite the subject property**, which will further strengthen footfall.

For further information please visit: <http://hounslowhighstreetquarter.com>

### Douglas Road, Craneshaw House:

Prior planning permission was granted in April 2016 for the conversion of this office building to 32 dwellings. The site backs onto the the subject property's yard.





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## COVENANT STRENGTH

Tenant	Financial Year End	Turnover ('000s)	Profit/Loss ('000s)	Net Worth ('000s)	D&B Rating
Boots UK Limited (928555)	31 March 2015	£6,340,000	£507,000	£456,000	5A 1
SportsDirect.com Retail Limited (3406347)	26 April 2015	£2,074,126	£262,929	£872,400	5A 1

## INVESTMENT MARKET COMPARABLE EVIDENCE

We highlight a number of relevant comparable 'Greater London' investment transactions:

Date	Address	Tenant	Average un-expired term	Rent ('000s)	Price	Purchaser	NIY	Comments
Current	<b>52-53a The Broadway EALING</b>	Barclays	11 years	£360	£6.75m (Q)	TBC	5% (Q)	Long leasehold. Only ground floor.
Apr-16	<b>260-262 High Road CHISWICK</b>	Gap & 6 flats	10 years (TBO year 5)	£231	£5.5m	Private South African	3.98%	Half the shop.
Mar-16	<b>227-231 Wimbledon Park Road SOUTHFIELDS</b>	M&S, Pure Gym	20 years	£572	£12.7m	LaSalle	4.25%	Long leasehold. Ground floor and basement only.
Mar-16	<b>524-528 High Road TOTTENHAM</b>	Iceland	10 years	£131	£2.4m	Private Investor	5.10%	
Feb-16	<b>48-54 High Road WOOD GREEN</b>	Sainsburys, Peacocks	10 years	£787	£14.1m	Exchanged to Longmead Capital	5.25%	Potential future development angle.

## EPC

A copy of the EPC Rating & Assessment Report 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

Offers in excess of **£7,760,000 (Seven Million, Seven Hundred and Sixty Thousand Pounds)**, Subject to Contract and exclusive of VAT, reflecting a **net initial yield of 6.45%** and a **minimum reversionary yield of 6.8%** in May 2018, allowing for graduated purchasers costs of 6.66%.



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## FURTHER DETAILS

For further details, access to the data room or to arrange an inspection, please contact:

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