

24/28 QUEEN VICTORIA STREET

READING

RG1 1TG



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INVESTMENT SUMMARY

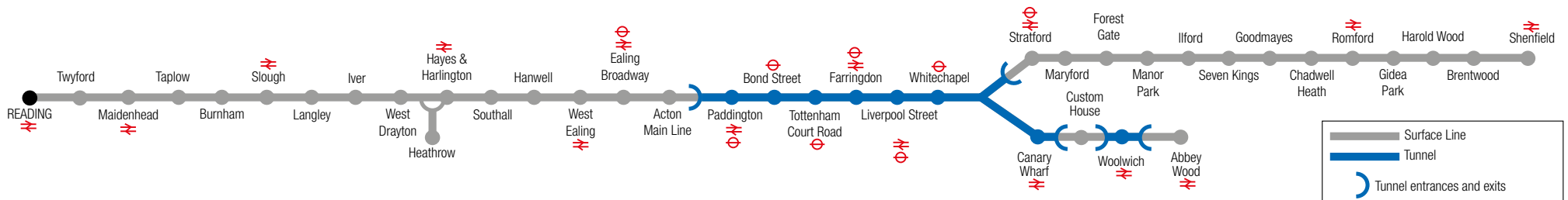
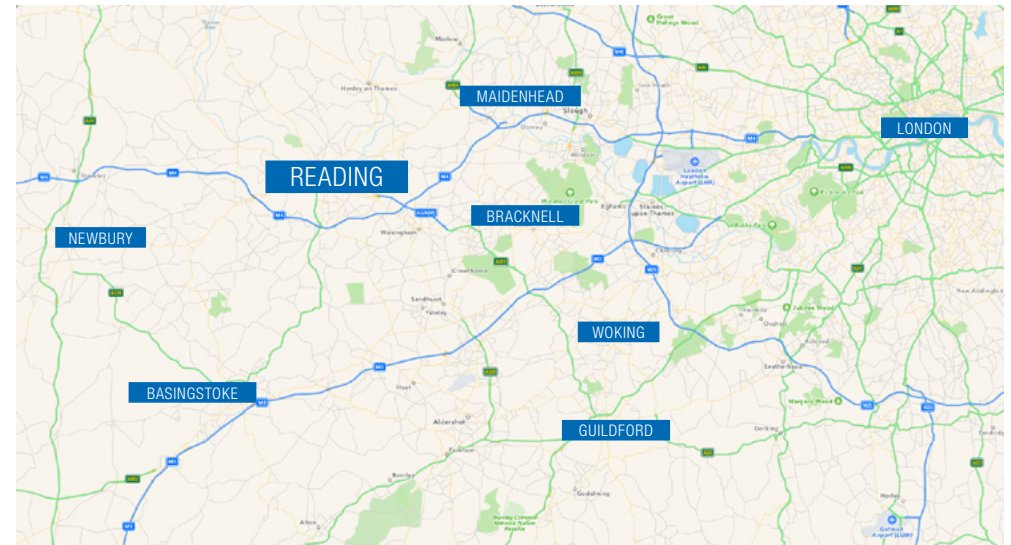
- Reading is an important and affluent, **regional retail centre** with an extensive primary catchment population of **692,000** and **total catchment** of **over 2.3m people**.
- Located on the busy prime, pedestrianised Queen Victoria Street, between **The Oracle, Broad Street and Reading Station Hill Development**.
- National retailers in close proximity include **Marks & Spencer, John Lewis, Starbucks, Flight Centre, Thorntons, WH Smith, Lloyds, Primark** and **Boots**.
- **Freehold**.
- Total rent of **£233,673 pax**.
- 82% of income secured to retail tenants, **Skipton Building Society** and **Louche London Limited (t/a Joy)**.
- Potential to re-develop upper parts in the future (subject to planning).
- Average Weighted Unexpired Lease Term (AWULT) of **6.8 years to expiry**.
- Offers in excess of **£3,288,000** (Subject to Contract & exclusive of VAT) which reflects a blended **net initial yield of 6.67%**, allowing for usual purchasers costs of 6.48% at this level.

LOCATION

Reading is a popular regional retailing destination and a major commercial and administrative centre for the Thames Valley Region. It is home to numerous British companies and the UK offices of many foreign multi-nationals. 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 2 minute 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.



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DEMOGRAPHICS

Reading has a total population within its primary catchment of **692,000** and an **estimated shopping population of 401,000**, ranking the town **18th** 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. This affluence is further supported by the **estimated £4bn** on retail and leisure spend within a 30-minute drive time.

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. Queen Victoria Street acts as an important, strategic link road within the town's core shopping area between Reading Train Station and Broad Street. As a result, the street benefits from **strong levels of footfall**.



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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**. We understand demolition and enabling works have commenced with an anticipated handover date for the first phase of offices in mid-2016.

In addition, plans have unveiled for a £100m redevelopment of **Thames Tower** to create **183,000 sq ft of offices with 8,000 sq ft of leisure below**.

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.

SITUATION

The property occupies a prime location on the pedestrianised Queen Victoria Street in close proximity to the junction with Broad Street. The property is located adjacent to **HSBC** with other national retailers in the vicinity including **Itsu, William Hill, Marks & Spencer, John Lewis, Starbucks, Lloyds Bank** and **Primark**.

DESCRIPTION

The property is a Grade II listed building arranged over ground, basement, and three upper floors. The ground and basement floors are utilised for retail use whilst the upper floors are occupied by office tenants serviced via a separate access on Queen Victoria Street.



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TENURE

Freehold.

ACCOMMODATION

The property provides a total floor area of **9,596 sq.ft. (891.5 sq.m.)**

CURRENT RENT PAX

£233,673 per annum exclusive.

AWULT

6.85 years unexpired to lease expiry.

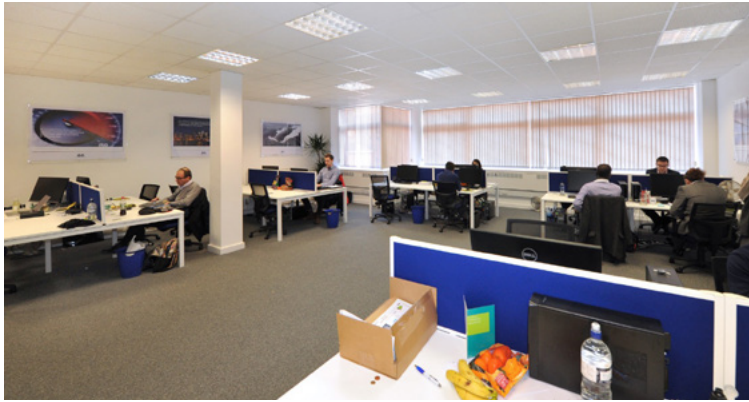
6.1 years unexpired to lease break.



TENANCY SCHEDULE

Address	Tenant Name	Rent (£pax)	Area Analysis (sq ft)						Start Date	Expiry Date	Outstanding/ Next Rent Review	Next Break	Passing Rent (psf)	Service Charge & Ins	Comments
			GFS	ITZA	Basement	1st	2nd	3rd							
24 Queen Victoria Street	Louche London Limited t/a Joy	£75,000	1,775	671	434				10/02/16	09/02/26	10/02/21		£108 ZA	£1,749.28	Tenant received 15 months rent free, to be topped up by the vendor. Rent free expires 10/07/2017. Basement not inspected by Green & Partners hence we have relied on the vendors areas for this section.
28 Queen Victoria Street	Skipton Building Society	£102,500	1,358	965	451				30/09/00	29/09/20	30/09/15	-	£109 ZA	£1,175.93	Assumed 5% negative allowance for frontage to depth.
1st Floor & Part 2nd	Vale & West Accountancy Services Limited	£36,850				2,580	938		30/09/15	29/09/25		20/09/20	£10.47 psf	£17,419.94	Tenant received 12 months rent free (to be paid as half rent for 24 months), to be topped up by the vendor. Rent free expires 30/09/2017. The tenant will be required to pay a penalty of £18,425 if they exercise their TBO in 2020. The tenant benefits from a service charge cap of £25,125 pax with annual increases in line with RPI.
Part 2nd Floor	Hunter Macdonald Limited	£14,707					1,426		21/07/15	20/07/20	-	21/07/18	£10.31 psf	£10,001.16	Tenant will receive 3 months rent free form 21/07/2018 if TBO is not exercised.
3rd Floor	A&B Promotions Ltd	£4,616						634	25/03/13	24/03/18		-	£7.28 psf	£4,368.41	The tenant will pay a peppercorn rental from from 25/03/2016 - 25/09/2016, to be topped up by the vendor. Green & Partners were not able to access this suite therefore have relied on the vendors areas.
	Total	£233,673												£34,714.71	

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COVENANT STRENGTH

Tenant	Financial Year End	Turnover	Profit (Loss)	Net Worth	D&B Rating
Skipton Building Society	31/12/2012	£795,900,000	£36,400,000	£637,500,000	01
Louche London Limited	31/07/2014	£14,194,293	£707,128	£3,260,854	2A 3

SERVICE CHARGE

There is a fully recoverable, comprehensive service charge currently in place. The current budget for the year ending **30/09/2016** amounts to **£34,714.72** apportioned between the tenants over three schedules.

EPC

EPC's are available upon request.

VAT

The property has been elected for VAT. It is anticipated that the sale will be structured as a Transfer of Going Concern (TOGC).

PROPOSAL

£3,288,000 (Three Million Two Hundred and Eighty Eight Thousand Pounds) Subject to Contract and exclusive of VAT, reflecting a blended **net initial yield of 6.67%**, allowing for purchaser's costs of 6.48% at this level.

FURTHER DETAILS

For further details, access to the data room
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 2016.

Adrian Gates Photography & Brochures 07710 316 991