



Slug & Lettuce - Unit 1

Wagamama - Unit 2

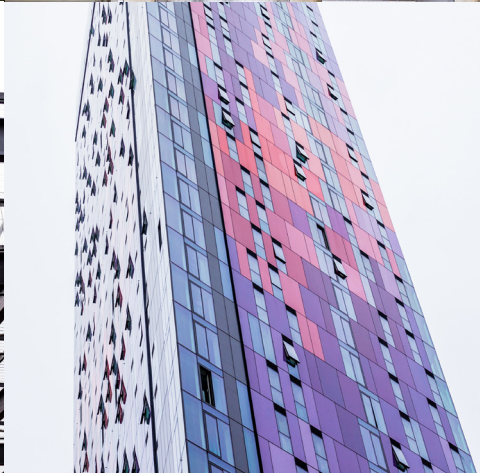
Greater London Restaurant And Public House Investment

2-8 Park Lane, Croydon, CR0 1JA

INVESTMENT SUMMARY

- Croydon is one of the major shopping centres in the UK and is a key centre within Greater London. It is located approximately 10 miles south of Central London and 7 miles north of Junction 7 of the M25 motorway.
- Opportunity to acquire a highly secure restaurant and public house investment.
- Let to Stonegate Pub Company Limited and Wagamama Limited.
- In excess of 15-year WAULT with no breaks.
- The property is held Long Leasehold on a 125-year interest from 29th September 1997 at a peppercorn rent.
- Comprising two modern retail/leisure units over ground and first floor and two residential flats totalling 16,785 sq ft.
- Prominent town centre location.
- Croydon is currently undergoing a £5.25bn regeneration programme.
- Seeking offers in excess of £3,780,000.
- Attractive Net Initial Yield of 6%, subject to contract.





CROYDON

Croydon has a booming economy, which has largely been the result of a multi-billion pound town centre regeneration programme that is transforming the area. Considerable investment and resources have already gone into Croydon with more to come following the announcement in 2016 that Croydon Council and the Greater London Authority secured Government permission to create a £350 million Growth Zone fund to further invest in the borough's infrastructure.

Hammerson and Westfield have entered into a joint venture to transform Croydon's two main shopping centres, Centrale and Whitgift, into the best and most modern retail and leisure destination in London. The £1.4 billion redevelopment will provide circa 1.5 million sq ft of retail and leisure space including a major department store creating over 7,000 new jobs, a new public realm and road improvements and up to 1,000 new homes. Full construction started earlier this year with completion due by 2021. For more information visit thecroydonpartnership.com

MARKET COMMENTARY

Croydon is one of the leading leisure and retail destinations in Greater London.

The regeneration and repositioning of Croydon into a cultural, tech and aspirational centre has inspired a number of exciting new developments which will undoubtedly provide added impetus to Croydon's town centre including Ruskin Square where we understand that lettings in the leisure elements are achieving £35 per sq ft.

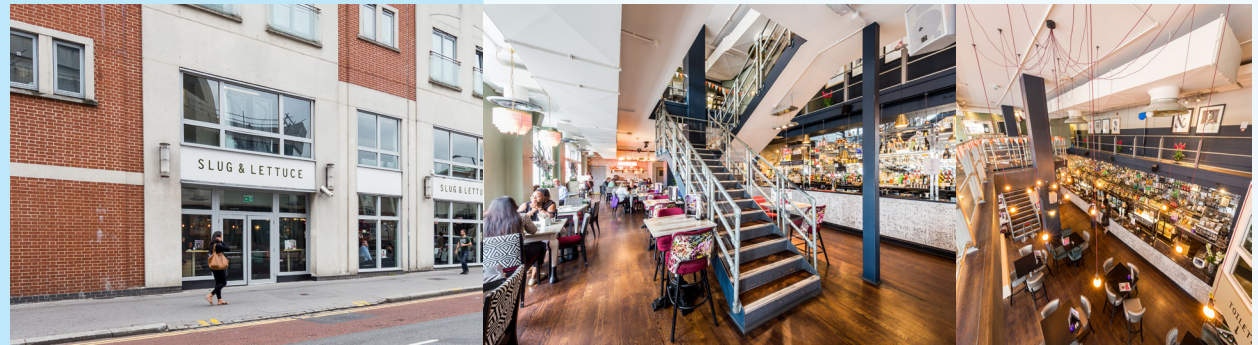
Boxpark opened their second site in 2016 adjacent to East Croydon station and comprises some 80 containers of 300 sq ft each and approximately 20,000 sq ft of event space. The units have been let to independent fresh thinking businesses with a particular tendency towards food, drinks and entertainment. The scheme was highly oversubscribed and occupiers include The Breakfast Club, Meat Liquor, Carioca, Les Deux Amies and Yumn Brasserie. We understand that the containers are let at £20,000 per annum each which equates to £65 per sq ft.

DESCRIPTION

The subject property forms part of a contemporary mixed-use property built in 2000 by Galliard Homes, one of London's premier developers.

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The unit benefits from a triple part glazed and part block frontage comprising a double height open plan ground floor bar and dining area including partitioned ancillary / storage accommodation and preparation areas. In addition, there are stairs leading to a mezzanine that includes additional seating, the kitchen area and staff accommodation. There is also a basement which provides additional staff facilities and toilets. During 2017 the tenant spent in excess of £200,000 on a refurbishment.



Wagamama

The unit benefits from a triple part glazed and part block frontage comprising a ground floor restaurant in a typical Wagamama layout with open plan customer seating and a kitchen / bar area, with concrete tiled floors, plastered and painted walls and recessed spot lighting and air-conditioning in the ceiling. The basement provides ancillary / storage accommodation.

In addition to the restaurant and included in the sale is a first floor which is accessed from the rear roof level and provides two self-contained residential units comprising a studio and a two bedroom flat.



PLANNING

Wagamama

We understand the permitted use of the property falls within Class A3 and A4 of the Town and Country Planning (Use Classes) Order 1987 (as amended) with use of the residential part of the mezzanine floor.

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We understand the permitted use of the property falls within Class A3 and A4 of the Town & Country Planning (Use Classes) Order 1987 (as amended).

Copies of the planning consents are available upon request.

TENANCIES

UNIT	TENANT	TOTAL AREA	LEASE COMMENCEMENT	LEASE EXPIRY	BREAK OPTIONS	RENT P.A.	RENT PSF	NEXT REVIEWS	COMMENTS
Unit 1	Stonegate Pub Company Limited	7,720 sq ft	31/08/2005	30/08/2035	None	£150,000	£19.43	31/08/2020	The lease benefits from 5-yearly upwards only rent reviews.
Unit 2	Wagamama Limited	9,065 sq ft	14/03/2006	13/03/2031	None	£91,500	£10.09	13/03/2021	The lease benefits from 5-yearly upwards only rent reviews. Residential flats included in the demise.
Total		16,785 sq ft				£241,500			

*A purchaser will benefit from a Weight Average Unexpired Lease Term (WAULT) in excess of 15 years

COVENANTS

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Stonegate Pub Company Limited is the largest privately-owned managed pub company in the United Kingdom currently operating over 690 pubs and bars and generating a revenue of over £642 million.

Stonegate Pub Company Limited (Co. No. FC029833), has reported the following figures;

	24-SEP-17	25-SEP-16	27-SEP-15
Revenue	£697,468,000	£642,561,000	£561,632,000
Operating Profit	£25,180,000	£18,527,000	£31,068,000
Cash	£16,514,000	£28,886,000	£12,981,000
Total Assets	£776,490,000	£691,850,000	£609,718,000
Total Equity	£6,773,000	£81,122,000	£99,741,000



Wagamama

Wagamama Limited operate a chain of Japanese restaurant across the UK, with 128 locations. The company was sold by private equity firm Lion Capital to Duke Street Capital in 2011 for £215m. Wagamama Limited is trading particularly well and has posted the following financial results over the past three years:

	23-APR-17	24-APR-16	02-APR-15
Turnover	£257,773,000	£223,693,000	£188,115,000
Pre-Tax Profit	£35,716,000	£28,525,000	£18,604,000
Shareholder's Funds	£130,903,000	£99,095,000	£71,570,000



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Wagamama



TENURE

The property is held long leasehold for a term of 125 years less 3 days from 29th September 1997 expiring on 25th September 2122 at a peppercorn rent. The freehold interest is owned by The Whitgift Foundation.

VAT

The property has been registered for VAT, however, it is envisaged the transaction will be treated as a Transfer of a Going Concern (TOGC).

SERVICE CHARGE

The service charge budget for the year from 1st April 2017 to 31st March 2018 was £15,139.

PROPOSAL

We are instructed to seek offers in excess of £3,780,000 (Three Million, Seven Hundred and Eighty Thousand Pounds), subject to contact, reflecting a Net Initial Yield of 6.0%, after normal purchasers' costs.

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