

9-11 BELL STREET
HENLEY-ON-THAMES
OXFORDSHIRE
RG9 2BA

KLM
REAL ESTATE



PRIME SOUTH EAST FOODSTORE INVESTMENT




Sainsbury's Local


INVESTMENT SUMMARY

- Hugely affluent town in the Home Counties.
- 100% prime location on Bell Street.
- Well configured foodstore comprising 3,570 sq ft of ground floor sales.
- Freehold.
- Rare Henley bond style supermarket with 13 years unexpired (8 years to break).
- Excellent covenant of Sainsburys Supermarkets Ltd. In occupation since 2009.
- Residential potential on first floor and in airspace by way of increased massing, subject to planning.
- Attractive lot size.

We have been instructed to seek offers in the region of **£2,130,000**, subject to contract and exclusive of VAT. A purchase at this level would reflect a **net initial yield of 5.5%**, after allowing for standard purchaser's costs of 6.80%.

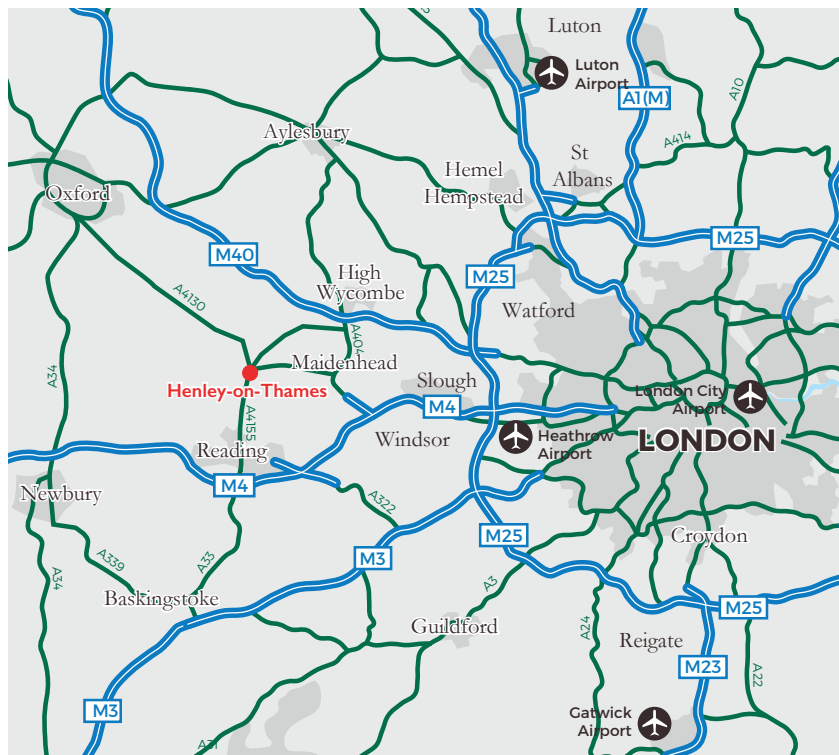
LOCATION & COMMUNICATIONS

 Henley-on-Thames is an affluent Oxfordshire market town located 10 miles north of Reading, 10 miles west of Maidenhead, 25 miles south east of Oxford and 40 miles west of Central London.

 The town has excellent transport links with regular train services to London Paddington (average journey time of 1 hour).

Twyford railway station, located five miles south of the town, is on the Elizabeth Line which provides fast and frequent services to Reading (7 mins), Paddington (48 mins), West End / Bond Street (52 mins) and the City / Liverpool Street (60 mins).

 Heathrow Airport lies 24 miles to the east.



DEMOGRAPHICS

Henley-on-Thames has a 30 minute drivetime population of 855,000 people (CACI). The town itself (10 minute drivetime) is particularly affluent, which is highlighted in the following Acorn Classifications. 'Upmarket families' represent 27.9% of the catchment (UK 2.0%). 'Commuter Wealth Belt' is 31.4% (UK 9.5%). In terms of worker profile 52% (UK 45%) are in the ABC1 category with a higher representation of managerial, administrative and professional workers.



Henley has a population of 12,106 (2021 Census) and is popular with London commuters due it's fast and frequent train links to London.



The town is well known for its summer events including the annual Henley Regatta and Henley Festival which are both held in July.

SITUATION

The property is situated in a 100% prime position on the west side of Bell Street – Henley’s prime shopping street.

Other notable retailers include Waitrose with its 357 space car park, Boots, WHSmith, White Stuff, Rohan, Whistles, Brook Taverner and a number of independent boutiques. Hart Street / Market Place lies 50m to the south and is home to the majority of Henley’s F&B offer, which includes Zizzi, Pizza Express, Harris & Hoole, Gail’s Bakery and a number of independent bars, restaurants and coffee shops.



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For indicative purposes only.

ACCOMMODATION

The property has been referenced by RPS Group and comprises the following areas:

	NIA sq ft	GIA sq ft
Ground Floor Sales	3,450	3,570
ITZA	1,222.75 units	
Basement (unused)	98	98
First Floor Ancillary	3,268	3,520
Total Area	6,816	7,188

TENURE

The property is held freehold.

TENANCY

The property is let to Sainsbury’s Supermarkets Limited on a 15 year FRI lease from 8 June 2023 at a current rent of £125,000 per annum, subject to 5 yearly upward only rent reviews to open market rental value. There is a tenant’s break option on 8 June 2033.

There are currently just over 8 years unexpired until the break.

Sainsbury's
HENLEY-ON-THAMES

COVENANT STATUS

Sainsbury's Supermarkets Limited

Sainsbury's is the second largest foodstore operator in the UK, with a current 15.3% market share, up 0.4% YoY (Kantar, August 24). Sainsbury's occupy over 23 million sq ft of retail space in the UK across over 1,400 stores and have a market capitalisation of £6.38 billion. Sainsbury's saw their largest year-on-year share gain since 1997, increasing 0.5% in the 4 weeks to August. The company has recently committed to investing £1 billion over 15 years to become a Net Zero Business by 2035.

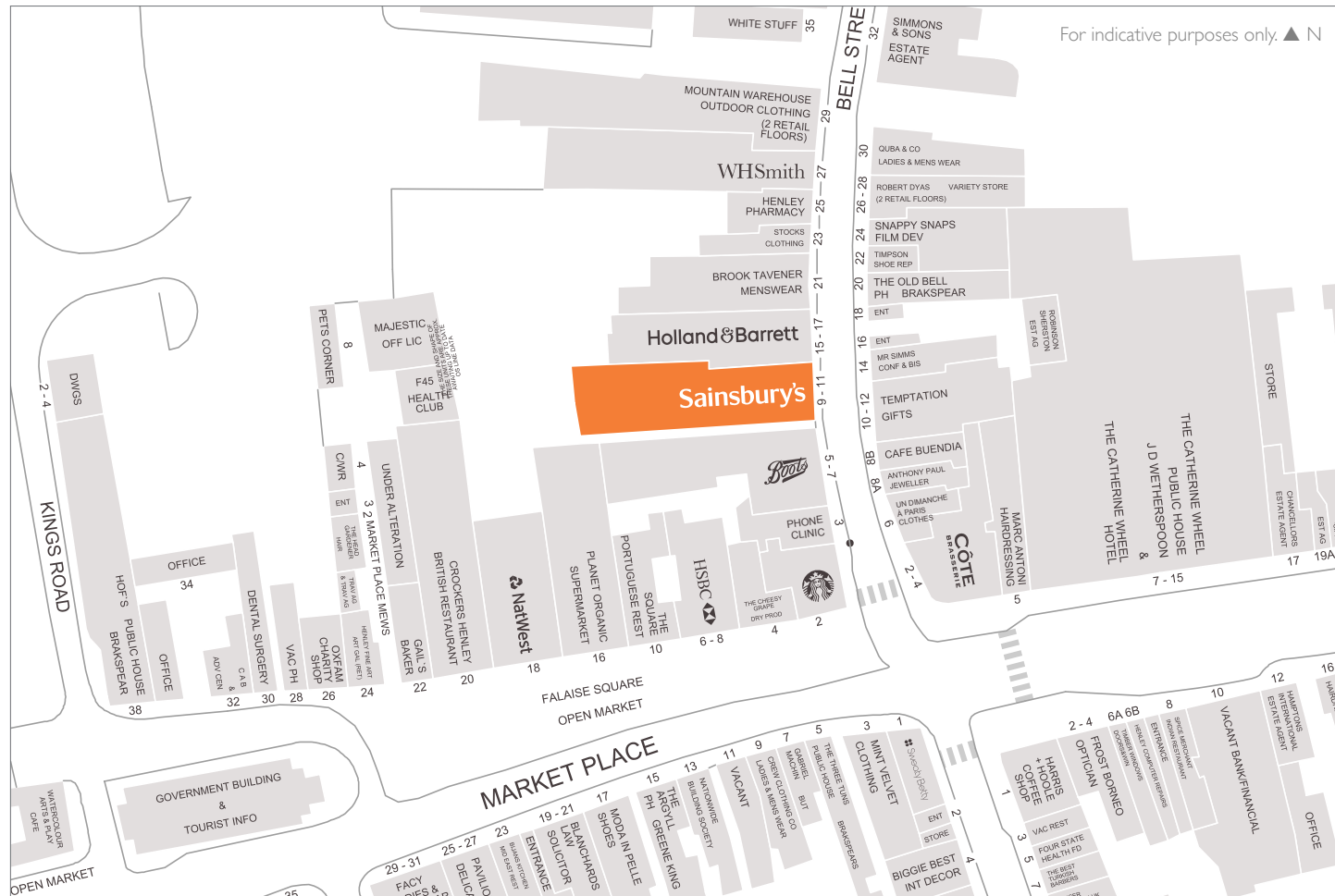
Sainsbury's Supermarkets Ltd is rated as 5A1 by Dun & Bradstreet which reflects Minimum Financial Risk. A summary of their financial statements are as follows:

	02.03.2024	04.03.2023	05.03.2022
Turnover	27,877,000,000	£26,693,000,000	£25,238,000,000
Pre-Tax Profit	£273,000,000	£137,000,000	£244,000,000
Net Worth	£3,654,000,000	£4,312,000,000	£5,107,000,000



RENTAL LEVELS

The lease was renewed in 2023 at £125,000 per annum, which equated to £90 ZA applying A/20 on the first floor store pdf overall if £17.39 (GIA). As the time of the lease renewal there were higher offers on the property. More detail is available on request.



We are therefore of the opinion that the property is rack-rented.

The subject property is currently the only convenience store offer in the town centre. Larger format stores in the town include Waitrose located on Bell Street and Tesco who have an out of town store on the Reading Road south of the town centre.

RENTAL EVIDENCE

29-31 Bell Street

- OML May 2024 for 10 years to Mountain Warehouse
- £155,000 pa with a minimum uplift to £175,000 pa in 5th year
- 6 months rent free
- £96 ZA h/l and £93.60 ZA n/e

15-17 Bell Street

- Assignment May 2024 to Holland & Barratt to expire 29/08/2029 with a TOB 29/08/2025
- £76,000 pa
- 3 months rent free
- £78.50 ZA n/e

21 Bell Street

- OML October 2023 for 10 years to Brook Taverner (5th year TOB)
- £75,000
- 6 months rent free
- £82.35 ZA h/l and £78.23 ZA n/e

CONVENIENCE STORE INVESTMENT MARKET

There have been numerous convenience store deals in the Home Counties with the keenest prices being paid for those investments which still have the upper parts intact. Recent deals include:

Address	Date	Tenant	Unexpired Term	Price	Net Initial Yield	Area (sq ft)
The Bull, 43 High Street, Redbourn, St Albans, AL3 7LN	Jun 2024	Co-Operative Group Food	8 years	£1,850,000	5.30%	6,124
73 Churchill Road, Sutton Coldfield, B75 7LA	May 2024	Asda	13 years	£1,260,000	5.24%	3,703
Hever Road, Sevenoaks, West Kingsdown	Feb 2024	Co-op Food	15 years	£1,850,000	5.50%	4,865
4 Eaton Green Road, Luton	Nov 2023	Tesco Express	10 years	£1,103,000	5.46%	3,216



VAT

The property is elected for VAT. It is, however, intended for the transaction to be concluded by way of a 'TOGC'.

AML / KYC

In order to comply with Anti-Money Laundering legislation the purchaser will be required to provide satisfactory identification documentation to the vendor and their agents.

EPC's

An Energy Performance Certificate has been produced for the property with the current rating B (45).

PRICING

We have been instructed to seek offers in the region of **£2,130,000**, subject to contract and exclusive of VAT. A purchase at this level would reflect a **net initial yield of 5.5%**, after allowing for standard purchaser's costs of 6.80%.

FURTHER INFORMATION

For further information please do not hesitate to contact:

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