

Waitrose

jackson criss

WELL SECURED SOUTHERN SUPERMARKET INVESTMENT WITH RPI BASED RENT REVIEW

345 - 353 WIMBORNE ROAD, WINTON, BOURNEMOUTH BH9 2AD

INVESTMENT SUMMARY

- Purpose built prominent supermarket in busy suburb of Bournemouth.
- Approximately 31,071 sq ft with 103 car spaces.
- Waitrose have been in occupation since 1978.
- Let to Waitrose Limited on a lease to expire 26th February 2028 (Just under 7.5 years unexpired).
- Current passing rent of £443,093.70 per annum, rising to approximately £513,600 per annum at review in February 2023, assuming indexation at 3% per annum.
- Current passing rent devalues to £14.26 per sq ft.
- One further upward only rent review in February 2023 linked to RPI, with a 7.5% collar and a 20% cap.
- Undoubted investment covenant with a financial strength rating of 5A and a risk indicator of 1, reflecting a minimum risk level.
- Freehold.
- Offers in excess of **£6,390,000 (Six Million Three Hundred and Ninety Thousand Pounds)** subject to contract, and exclusive for VAT, for the benefit of the freehold interest. A purchase at this level would reflect a net initial yield of 6.5%, increasing to approximately 7.53% in February 2023, based on our assumption of indexation at 3% per annum.





LOCATION

Bournemouth is an attractive coastal town approximately 105 miles south west of London and 32 miles south west of Southampton. The town is a major conference venue and also plays an important role as a back office location for a number of international firms including Standard Life and JP Morgan Chase. Bournemouth is also home to two Universities and has a growing student population in excess of 17,000 students.

Winton is a busy suburb of Bournemouth in Dorset, located approximately 1 mile (1.6km) north of Bournemouth town centre. It is popular for shopping with a farmer's market taking place on the 3rd Saturday of every month in Cardigan Road.

Winton is a popular area for families due to it's great selection of primary and secondary schools. It is also a popular area for students from Bournemouth University and the Arts University due to its close proximity to the Talbot Campus and easy connections to Bournemouth town centre.

There is a good selection of retailing along Winton main High Street and adjoining side roads, with occupiers including Tesco Express, Sainsbury's Local, Lidl, Wilko, Boots and Waitrose. There is also a good mix of smaller independent shops and restaurants. Wimborne Road is one of the major link roads running north from Bournemouth town centre.



DESCRIPTION

The property comprises a purpose built foodstore originally developed in the 1970's fronting Wimborne Road with a demised customer car park accessed from the rear of Waterloo Road. The building has a reinforced concrete frame structure, with brick elevations under a flat roof.



ACCOMMODATION

The property comprises the following approximate gross internal areas:

	sq ft	sq m
Ground Floor Sales	15,280 sq ft	1,419.56 sq m
First Floor Storage / Staff	15,045 sq ft	1,397.73 sq m
Basement Plant	635 sq ft	59.09 sq m
Total Floor Area	**31,071 sq ft**	**2,886.59 sq m**

The property benefits from 103 car parking spaces with 48 based at surface level and 55 basement parking spaces, all accessed from Waterloo Road. Servicing for the supermarket is to the rear via Waterloo Road.








OTTO
PRINT × COFFEE
HOUSE


Boots


HOLLAND
&
BARRETT


WH
S


LIDL


FORNO
Sourdough Pizza Bar


THE DISCOUNT
HEALTH
STORE


Roebridge
FARM SHOP


WYCLIFFE ROAD
WOODEND ROAD
WITHERMOOR ROAD
AREA UNDER CONSTRUCTION
(70) (ESTIMATED)
POST OFFICE BUILDINGS
CARDIGAN ROAD
LESLIE ROAD
(50) (ESTIMATED)
WIMBORNE ROAD
TALBOT ROAD
CRIMEA ROAD
ALMA ROAD
Waitrose
WHSmith
Poundland
Superdrug
LIDL
NORTH
For Identification purposes only

PLANNING

Planning consent was granted in February 1976 for “a two storey supermarket with underground and surface car parking spaces and access to the rear”.

TENANCY

Waitrose have occupied the subject property since the original development was carried out for the company in 1978. The tenant agreed a new 10 year reversionary lease with effect from February 2018.

The property is currently let to Waitrose Limited on a lease to expire 26th February 2028 at a current passing rent of £443,093.70 per annum, which will increase to approximately £513,600 per annum at rent review in February 2023, on the assumption of RPI indexation based on 3% pa.

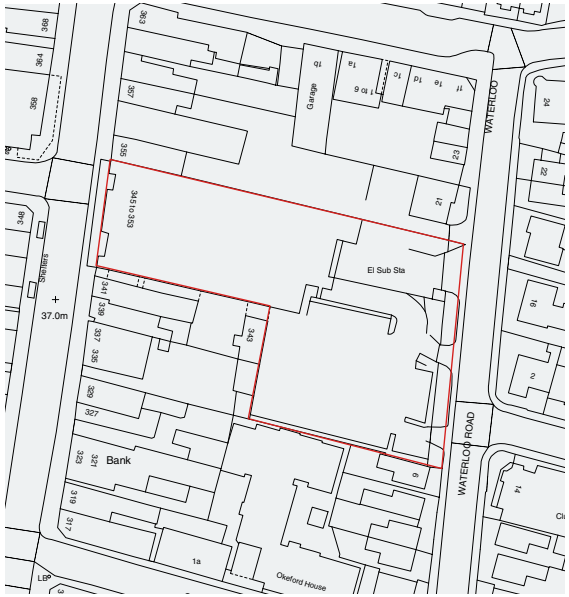
The lease provides for an upward only rent review on 27th February 2023, in line with the increase in the RPI index, subject to a 7.5% collar and a 20% cap.

The current rent passing devalues to an overall rate of £14.26 psf.

TENURE

The property is held by way of a Freehold interest (Title number DT 533398).







COVENANT

Waitrose & Partners are recognised as a high quality A1 food operator with a wide network of 349 stores across the UK and in March 2019 were reported to have a 5% market share of the UK grocery market. The supermarket is also ranked as The Best UK Supermarket in 2019 in a recent Which Survey. Waitrose operates 344. branches across the UK, including 65 'Little Waitrose' convenience stores, employing 52,000 employees.

The company's immediate parent is John Lewis Plc with a domestic ultimate of John Lewis Partnership Plc. John Lewis partnership employs c. 80,000 employees and is a long established business in the UK having started 100 years ago.

The latest reported accounts for Waitrose Limited can be set out below:

	Year end 25/1/2020	Year end 26/1/2019	Year end 27/1/2018
Turnover	6,235,000,000	6,296,700,000	6,226,100,000
Pre Tax Profit	44,900,000	84,800,000	100,500,000





HIGHLY SOUGHT AFTER COVENANT WITH A DUNN & BRADSREET RATING OF 5A1

EPC

An EPC will be made available upon request.

VAT

We understand that the property is elected for VAT. It is envisaged that any sale will be dealt with as a Transfer of a Going Concern (TOGC).

PROPOSAL

We are instructed to seek offers in excess of **£6,390,000 (Six Million Three Hundred and Ninety Thousand Pounds)** subject to contract and exclusive of VAT, which reflects a net initial yield of 6.5% after deduction of standard purchaser's costs.

Assuming RPI growth at 3% per annum the return to an investor during the lease would reflect the following yield profile:

Net initial yield: 6.50%
February 2023 7.53%

Waitrose have recently sold two sale and leaseback portfolios to Metric and Supermarket Income REIT at a combined value of £136m, reflecting a net initial yield spread of 4.3% - 4.4% for 20 year income with CPIH linked rent reviews.

The freehold interest of the Tesco at Sybron Way, Crowborough has just sold at a price of £6.74m, which reflects a net initial yield of 5.5%. The store comprised 27,411 sq ft and was let on a rent of £14.43 per sq ft for a further 5.3 years.



FOR FURTHER INFORMATION PLEASE CONTACT:

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