

Practical
Completion of
Construction
December 2023

+ FOREST GATE

WARDEN'S REACH
39-49 WOODGRANGE ROAD
FOREST GATE
NEWHAM
E7 8BA

A prime retail
investment, serving
the affluent East London
residential catchment

LIDL GREAT BRITAIN, COSTA COFFEE
FRANCHISE & LOCAL BEAUTICIANS



STRETTONS
EST 1931

+ INVESTMENT SUMMARY

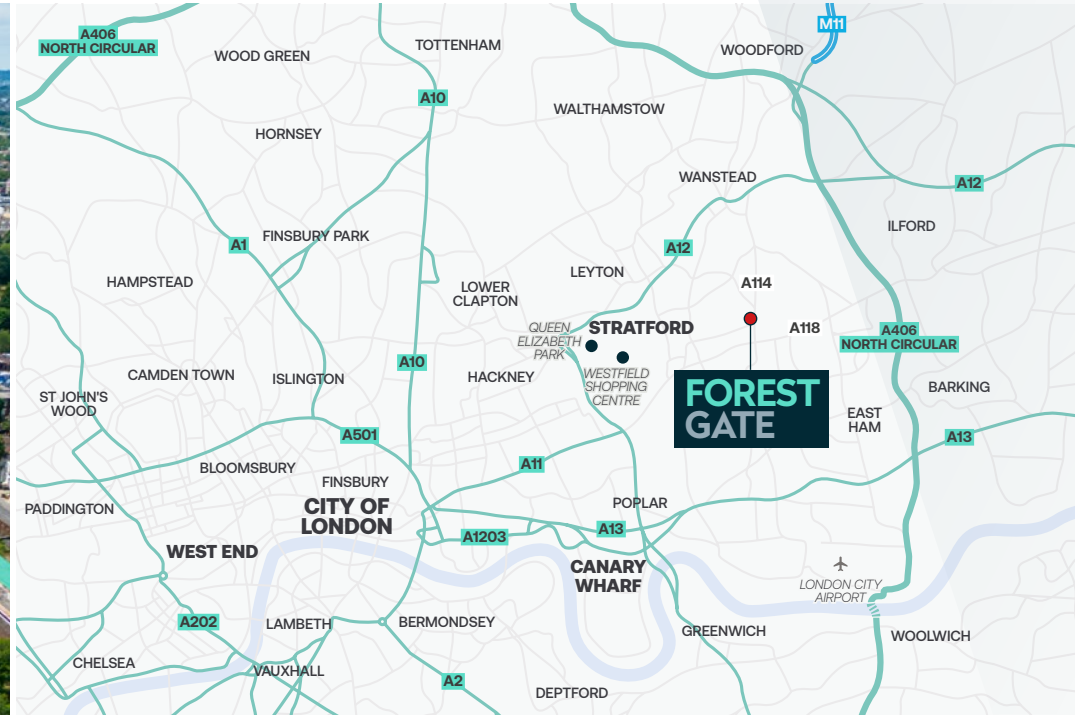
- Prominent long let foodstore led investment in Forest Gate, an affluent and emerging East London commuter suburb with great transport connections to Central London.
- Close proximity of only 100 metres to Forest Gate station (Elizabeth Line & National Rail, Zone 3) with exceptional PTAL rating of 4, with a 13 minute and 21 minute journey time directly to Liverpool Street and Bond Street respectively.
- The retail investment forms part of Warden's Reach, a highly sustainable mixed-use development under construction providing 74 residential apartments. The wider scheme is being delivered by Clarion Housing Group incorporating the 3 commercial units at Ground level.
- The ground floor is well configured with 3 brand new retail units, totalling 15,392 sq ft (1,430 sq m).
- Let to Lidl Great Britain Limited, Scoffs (Essex) Limited guaranteed by Scoffs Group Limited t/a Costa Coffee & Local Independent Beautician (with 6 month deposit and personal guarantee).
- The Lidl foodstore is let for 25 years on FRI terms (tenant break option at year 20) with Retail Price Index linked rent reviews capped at 2.5% compounded 5 yearly. The foodstore rent commences at £242,000 per annum or only £20 per sq ft which is considered highly reversionary at day 1.
- Practical Completion due December 2023.
- Combined Rent roll of £330,000 per annum.
- Virtual freehold (999 year long leasehold interest at peppercorn).
- At Practical Completion the scheme will have a Weighted Average Unexpired Lease Term (WAULT) to **Lease Expiry of 22.5 years** and **17.4 years to Tenant Breaks**.

Offers invited in excess of **£5,900,000** (Five Million, Nine Hundred Thousand Pounds), representing a **Net Initial Yield of 5.25%**, assuming standard purchasers costs of 6.622%.



FOREST GATE

WARDEN'S REACH • WOODGRANGE ROAD
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+ LOCATION

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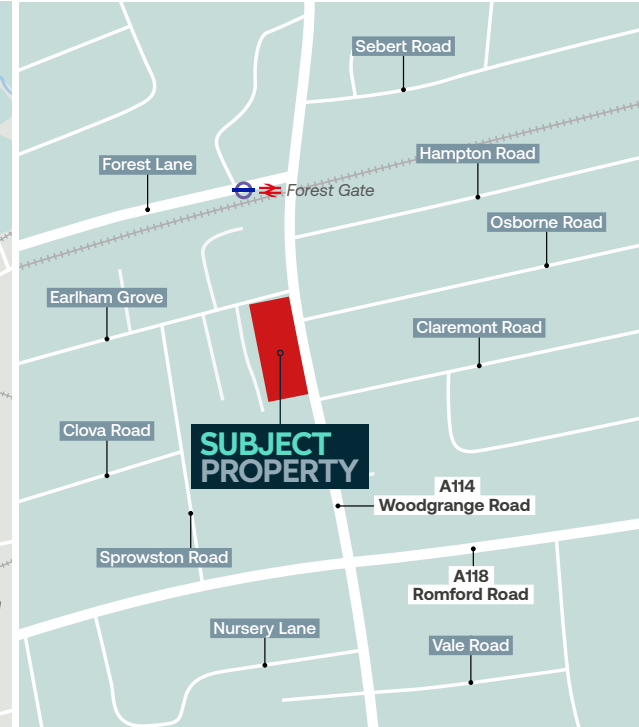
Set in the thriving London Borough of Newham, Forest Gate is a vibrant district of east London. 1.5 miles east of Stratford and its wide range of amenities including Westfield Shopping Centre and the Queen Elizabeth Park, and 5.5 miles northeast of the City of London. Forest Gate continues to develop as one of Newham's most popular residential areas due to the range and quality of housing stock and the close proximity to numerous leisure facilities and Epping Forest to the north.

CONNECTIVITY

| Destination | Miles |
|-----------------------------------|-------|
| City Airport | 3 |
| Canary Wharf | 3.5 |
| Square Mile of the City of London | 4.5 |
| The West End | 7 |
| Heathrow Airport | 20 |

+ SITUATION

Situated close to the junction with Romford Road (A118) and Upton Lane. A number of recognised occupiers are located within the immediate vicinity including Iceland, Poundland, Tesco Express and Co-Op. The area is undergoing considerable regeneration with The Elizabeth Line now in operation. Both Wanstead Park station (London Overground services from Barking to Gospel Oak) and Forest Gate station (mainline services to Central London) are within easy walking distance.



CROSSRAIL JOURNEY TIMES



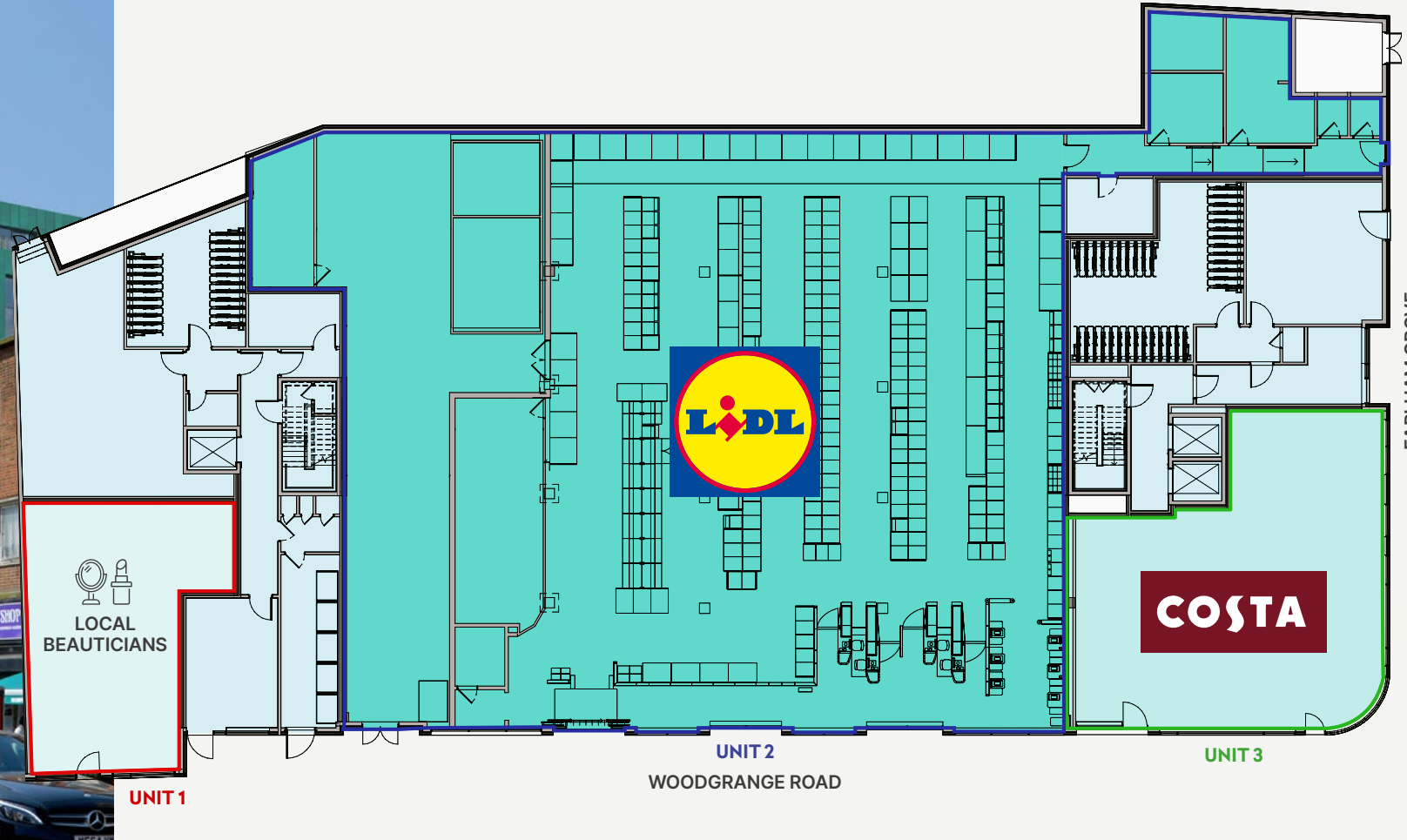
+ DESCRIPTION

The retail investment forms part of Warden's Reach, a highly sustainable mixed-use development under construction providing 74 residential apartments. Clarion Housing Group developed with 3 commercial units at Ground level.

Brand new, well-configured foodstore led retail scheme comprising 15,392 sq ft (1,430 sq m).

SCHEDULE OF ACCOMMODATION

| UNIT | SQ FT | SQ M | TENANT |
|--------|--------|-------|--------------------------------|
| UNIT 1 | 1,184 | 110 | Local Beauticians BQC Edmonton |
| UNIT 2 | 12,098 | 1,124 | Lidl Great Britain |
| UNIT 3 | 2,110 | 196 | Costa Coffee |



+ TENANCY INFO

UNIT 1: BEAUTICIANS

1,184 sq ft (110 sq m)

Let to **Local Beauticians BQC Edmonton Limited** (newco) for a new 25 year FRI lease at £36,000 per annum (£30.40 psf) with tenant break option at year 15. With 6 month rental deposit along with Personal Guarantee from Mr Muhammad Arif. Rent Reviews to Open Market Value every 5 years.

UNIT 2: LIDL FOODSTORE

12,098 sq ft (1124 sq m)

Lidl Great Britain Limited Foodstore let at £242,000 per annum (£20psf). New 25yr FRI lease with tenant break option at year 20, retail price index (RPI) linked rent reviews, capped at 2.5% compounded 5 yearly.

UNIT 3: COSTA COFFEE

2,110 sq ft (196 sq m)

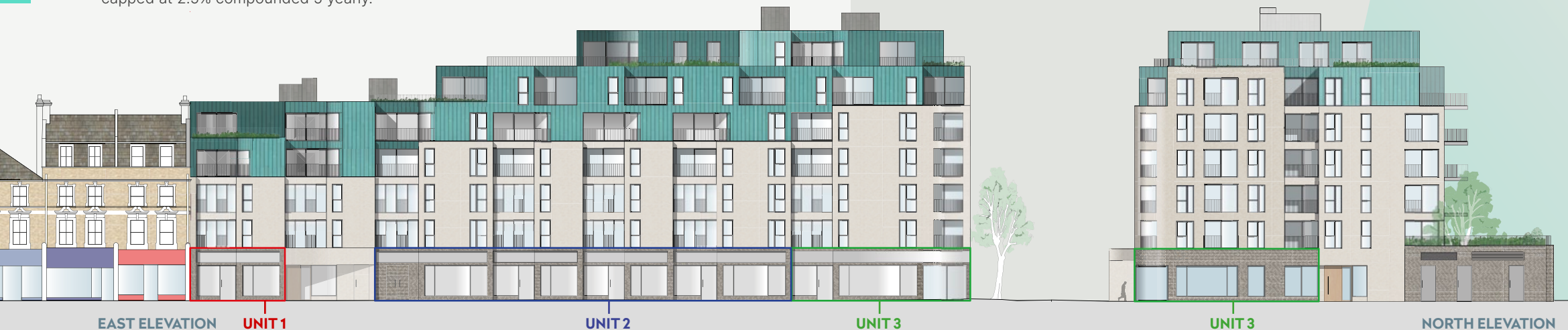
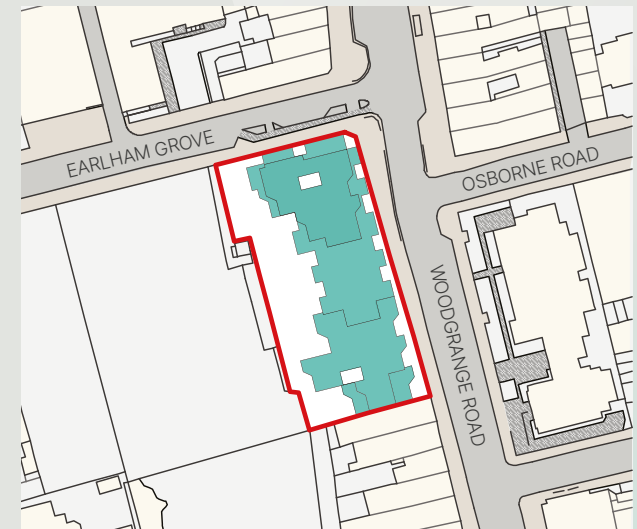
Let to Costa Franchise - **Scoffs Essex Limited guaranteed by Scoffs Group Limited** for on new 10 year FRI lease, rent reviewed to open market value every 5 years at £52,000 per annum (24.64 psf). The lease is subject to a tenant break option in year 6, if the break is exercised a 12 month rent penalty payment will apply. Effectively granting 7yrs term certain.

Overall at Practical Completion (PC) the scheme will have a **Weighted Average Unexpired Lease Term (WAULT) to Expiry of 22.5yrs and 17.4yrs to Tenant Breaks.**

Total Rent Roll: £330,000 per annum

+ TENURE

We are selling a 999 year lease (Virtual Freehold) on a peppercorn rent. The freehold interest is held by Clarion Housing Group. Land registry title number: EGL182252



EAST ELEVATION

UNIT 1

UNIT 2

UNIT 3

UNIT 3

NORTH ELEVATION

+ COVENANTS

LIDL GREAT BRITAIN LIMITED

Company Number: **UK02816429**



Proportion of Income: **73.4%**

Lidl Great Britain Limited is a wholly owned subsidiary of LIDL UK GMBH, the British arm of the German supermarket group, Schwarz Beteiligungs-KG. Lidl operates from over 880 stores across the UK and is targeting 1,000 by the end of 2023. The grocer committed £1.2 billion worth of investment in 2021 and 2022 to its UK operations.

Lidl had a 3.6% increase in sales for the 12 weeks ending 20 March 2022 and recorded 21% growth in sales on a 2-year basis ending January 2022. As at April 2023 the company had a 7.7% market share of the UK Grocery market and has overtaken the Co-Op to become the UK's 6th largest supermarket group. Dun & Bradstreet have a rating of **5A2** based on a tangible net worth of £1.46 billion and a lower-than-average risk of business failure. CreditSafe Rating of 94A.

| YEAR | 28/02/2022 | 28/02/2021 | 29/02/2020 |
|-----------------|----------------|----------------|----------------|
| Turnover | £7,829,310,000 | £7,710,434,000 | £6,885,113,000 |
| Pre-Tax Profits | £41,144,000 | £9,816,000 | −£25,195,000 |
| Net Assets | £1,461,535,000 | £1,303,919,000 | £1,034,018,000 |

LOCAL BEAUTICIANS BQC EDMONTON LIMITED

Company Number: **UK14295380**

Proportion of Income: **10.9%**

Local Beauticians BQC Edmonton Limited are a new company structure, therefore we have secured a 6 month rental deposit along with Personal Guarantee from Mr Muhammad Arif.

SCOFFS (ESSEX) LIMITED GUARANTEED BY SCOFFS GROUP LIMITED



Company Numbers: **UK05727713 & UK05727713**

Proportion of Income: **15.7%**

Established in 2012, Scoffs Group is now the largest franchised partner with Costa Coffee in the UK and currently trades from 114 stores nationwide, spanning Sussex to Cornwall in the South and stretching as far north as Norfolk.

Scoffs vision is simple yet bold: to help make Costa the world's favourite coffee brand.

As at December 2022 Scoffs (Essex) Limited have Total Assets of £4.85m, Net Assets of £3.62m, Cash in the Bank of £738k with a Debt Ratio of 25%. CreditSafe score of 72A.

Scoffs Group 2023 highlights:

- 114 stores
- 24,599+ customers served per day
- 1000+ staff
- £50m GBP annual turnover

SCOFFS GROUP LIMITED

CreditSafe score of 56B.

| YEAR | 31/12/2022 | 31/12/2021 | 31/12/2020 |
|-----------------|-------------|-------------|-------------|
| Turnover | £46,651,943 | £35,884,701 | £23,966,387 |
| Pre-Tax Profits | −£636,512 | £6,936,648 | £2,301,441 |
| Net Assets | £7,483,073 | £8,265,882 | £2,873,675 |

Further information available at: scoffs-group.co.uk





CGI showing the subject property with the upcoming development of Durning Hall adjacent (consented for 78 resi units over 10 storeys, new community hall & 5,800 sq ft of new retail accommodation – scheme being marketed by Montagu Evans).



ANTI-MONEY LAUNDERING

In accordance with the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 Act the Purchaser will be required to comply with our Anti Money Laundering policy. Further details on request.

VAT

The property is elected for VAT. We anticipate the transaction will be a Transfer of a Going Concern (TOGC).

EPC

Energy Performance Certificates are available upon request.

DATA ROOM

A data room is available with all relevant information relating to the sale upon request.

Including:

- Occupational Leases
- Title Information
- Floor Plans
- EPC's
- Warranty Pack

+ PROPOSAL

Offers invited in excess of £5,900,000 (Five Million, Nine Hundred Thousand Pounds), representing a Net Initial Yield of 5.25%, assuming standard purchases costs of 6.622%.

This blended pricing reflects apportioned pricing of 5% NIY on the Lidl, 6% NIY on the Costa & 7% NIY on the Beauticians.

+ ENQUIRIES

For further information,
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STRETTONS

EST 1931

Disclaimer:

Strettons for themselves and for the vendors of this property give notice that: a) the particulars are set out as general outline only for the guidance of intending purchasers and do not constitute, nor constitute part of, an offer or contract; b) all descriptions, dimensions, references to condition and necessary permissions for use, lease details and occupation and other details are given in good faith and are believed to be correct, but any intending purchaser should not rely on them as statements or representations of fact but should satisfy themselves by inspection or otherwise as to the correctness of each of them; c) no person in the employment of Strettons has any authority to make or give any representation or warranty whatsoever in relation to this property. Subject to Contract. October 2023. carve-design.co.uk 16108/5

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