

Waitrose

HIGH STREET, FRIMLEY, GU16 7JD



PRIME SOUTH-EAST FOODSTORE INVESTMENT WITH
10.75 YEARS UNEXPIRED AND INFLATION LINKED REVIEWS

 **MONTAGU
EVANS**

INVESTMENT HIGHLIGHTS

- Frimley is located in the **affluent county of Surrey**, only 30 miles from Central London and benefits from an extensive catchment population of 147,418 people within 10 minutes' drive time.
- **Exceptionally affluent catchment** with 30.3% of the 10 minute drive time catchment comprising the AB social groups, **which exceeds the GB average by 33%** (source: ORC).
- **Freehold**.
- Purpose-built omnichannel foodstore, extending to 29,617 sq ft, with a total provision of **125 customer car parking spaces (60 demised)**, reflecting **an overall ratio of 1:236 sq ft**.
- Fully let to Waitrose Limited until **14th June 2036** providing an attractive **unexpired term of 10.75 years. The tenant regeared in June 2021**.
- Affordable rent of **£498,488 per annum*** (**£18.52psf****)
- Income benefits from **guaranteed rental growth** with 5 yearly rent reviews to CPI, collared and capped at 1% – 3% per annum calculated over the 5 year period.
- **Waitrose is the only major supermarket** in Frimley town centre.
- **Strong trading profile** and the store has an important on-line fulfilment function.

* The current contracted rent passing is £430,000pa. The Vendor will top-up the rent to the next rent review at 14th June 2026, forecasted to be £498,488pa.

** £18.52psf reflects the previously agreed areas of 26,548 sq ft with £6,720 apportioned to flats.



We are instructed to seek offers in excess of

£7,780,000

(Seven Million, Seven Hundred and Eighty Thousand Pounds)
subject to contract and exclusive of VAT for our client's freehold interest. A purchase at this level would reflect an attractive **Net Initial Yield of 6.00%**, assuming standard purchase costs.

INCOME AND YIELD PROJECTION

The investment provides for an attractive income and yield profile, assuming 5 yearly CPI reviews at the 3%pa cap, as follows:

	Forecasted Income (£pa)	Running Yield
Current Rent (Topped-up)	£498,488	6.00%
June 2031	£577,884	6.79%





LOCATION

Frimley is situated within the Blackwater Valley, 30 miles southwest of Central London, 14 miles west of Guildford and 20 miles south-east of Reading. The neighbouring towns include Camberley, Farnborough, Fleet and Hook.



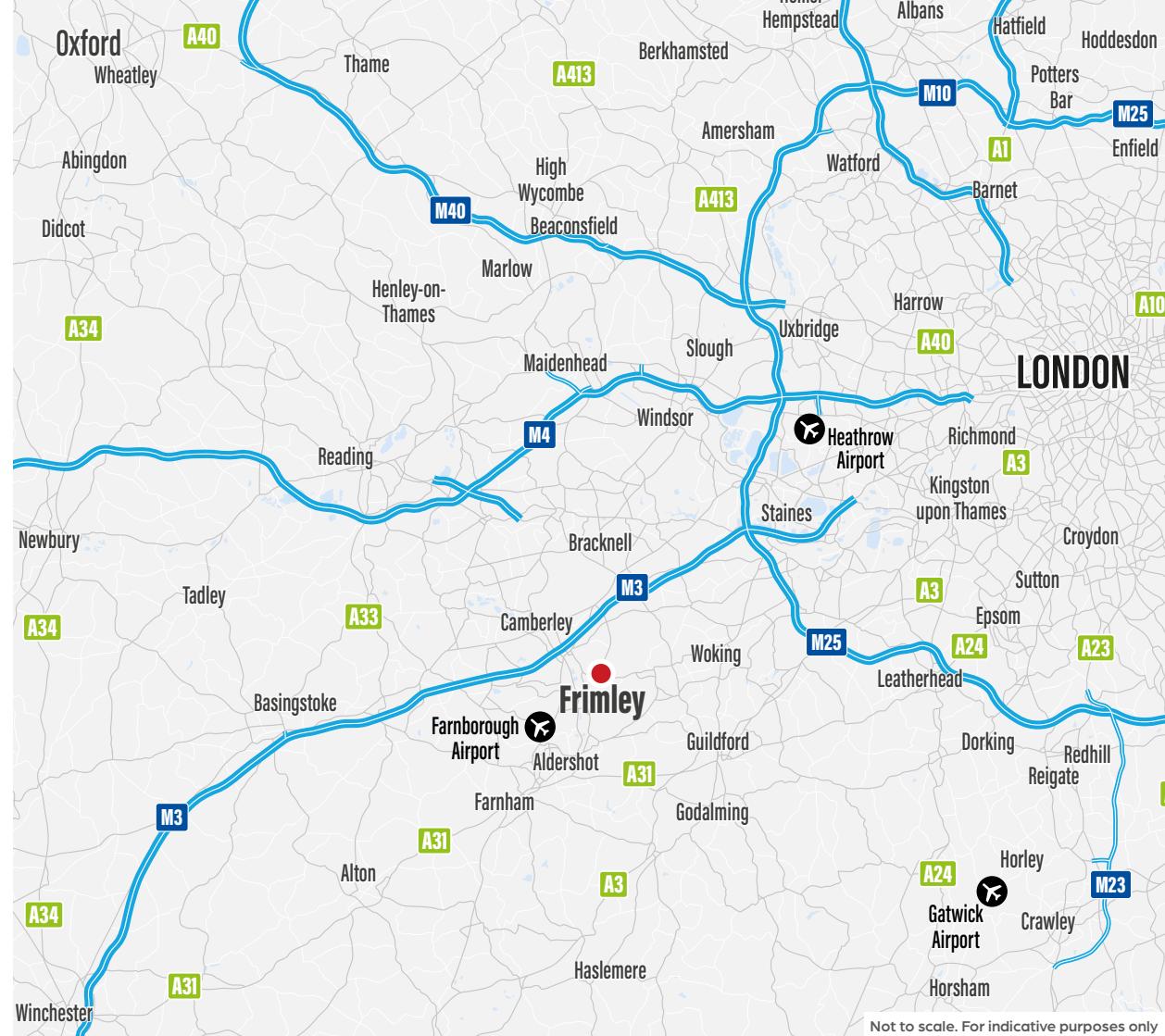
Frimley has excellent transport links and is a strategic location, being close to several major arterial road links with direct access to the M3, M4, M25, A31 and A3 all within 20 minutes, connecting the town to London (East) and Brighton, Southampton and Portsmouth (South).



Frimley Station is a commuter station with approximately 500,000 passengers, annually (pre-Covid). The rail service connects the town to London Waterloo within an hour. Camberley Station is located 1.2 miles (5 minutes) north of Frimley and provides additional service lines into Central London and recently benefitted from a £1.4 million refurbishment to accommodate additional passengers.



Heathrow Airport is the UK and Europe's largest, busiest airport and the 7th busiest airport, globally. Heathrow airport is located 18 miles (20 minutes) north of Frimley. It accommodates approximately 80 million passengers, annually and carries over 1.7 million tonnes of cargo.



Not to scale. For indicative purposes only

FRIMLEY HAS EXCELLENT TRANSPORT LINKS AND IS A STRATEGIC LOCATION, BEING CLOSE TO SEVERAL MAJOR ARTERIAL ROAD LINKS WITH DIRECT ACCESS TO THE M3, M4, M25, A31 AND A3.

DEMOCRAPHICS



Frimley has a 10 minute drivetime catchment estimated at approximately 147,000 people. It is an exceptionally affluent catchment, with an over-representation for AB social grades of 33% against the GB average.



30.3%

of the 10 minute drive time catchment comprises the most affluent AB social categories.



£282,250,000

annual spend on convenience goods, reflecting £4,781 per household, which is **27% higher than the GB average**.



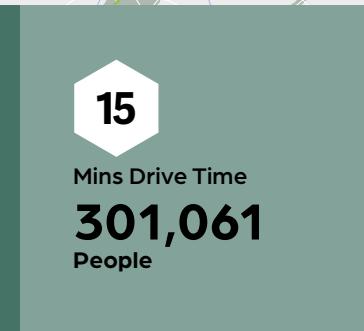
74%

house prices 74% higher than the GB average.



13%

over representation of Family Household income group against the GB average.



Source: ORC



SITUATION

The property is prominently situated on Frimley High Street, immediately south of Farnborough Road (A325).

The immediate area comprises a mixture of commercial and residential uses, positioned within the main localised retail area.

FOODSTORE PROVISION

The property is the only major supermarket in Frimley town centre.

Competing supermarket floor space increases to approximately 588,000 sq ft (GIA) within a 10-minute drive time but the majority of this is located on the very edge of the 10 minute drive-time. The property is the closest supermarket for over 35,000 people.

Foodstore	Area (sq ft)	Travel time (mins)
Waitrose (Subject Property)	29,617	-
Aldi, Blackwater Shopping Park, Farnborough GU14 8BL	21,116	4
Sainsbury's, Camberley GU15 3YN	104,898	6
Sainsbury's, Farnborough GU14 7GL	60,817	7
Lidl, Camberley GU17 9AP	14,613	8
Sainsbury's, Camberley GU15 3SW	31,747	9
Aldi, Camberley GU17 0AA	21,935	9
Asda, Farnborough GU14 7LT	99,310	9
Morrisons, Farnborough GU14 0NA	42,044	10
Aldi, Sandhurst GU47 0PU	16,021	10
Waitrose, Bagshot GU19 5DG	33,721	10
Tesco, Camberley GU47 0FD	152,255	10

Source: ORC

DESCRIPTION

The property comprises a purpose built foodstore unit arranged over ground and first floor. There are also two self-contained residential flats at first floor that are within the Waitrose demise and used for additional storage and staff training.

Internally, the store has been fitted to the tenant's specification across ground and first floor. The ground floor provides for sales area and the first floor accommodates meeting and training rooms, together with storage.

The service yard is located at the rear of the property on Hale Way, which is also used to accommodate the tenant's online fulfilment requirements, currently operating 3 vans.

There is a large surface car park to the rear of the property comprising a total of 125 customer car parking spaces, 60 of which are within the freehold demise. This provides an overall car parking ratio of 1:236 sq ft. The car park includes 10 dedicated spaces for click and collect, 8 spaces for disabled customers and 4 spaces for family customers.

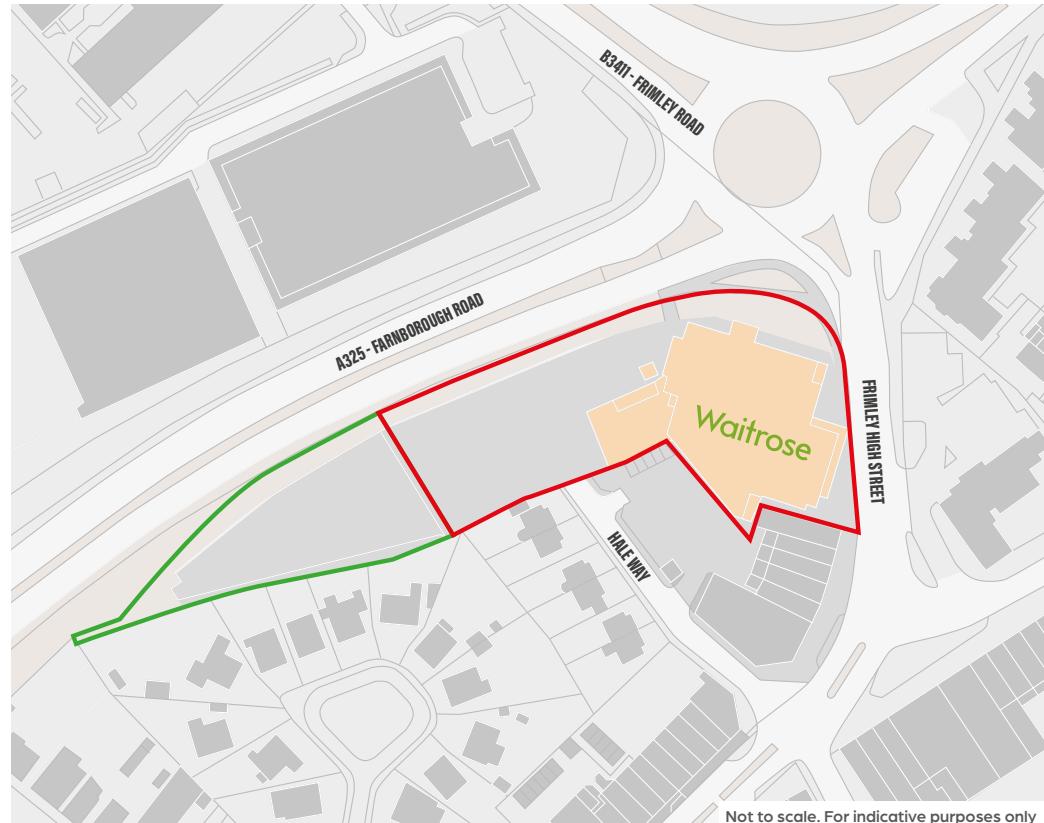
Waitrose acquired the freehold interest in a parcel of land to extend the car park in 2008 to accommodate consumer demand.

ACCOMMODATION SCHEDULE

The property has been measured on a Gross Internal Area basis, as follows:

	Sq ft	Sq m
Ground Floor (sales)	20,426	1,897
First Floor (office / storage)	7,762	721
Residential Flats (Storage)	1,429	133
TOTAL AREA	29,617	2,751

The above GIA incorporates some tenant improvements / extensions. The areas previously agreed at rent review with the tenant were 26,548 sq ft (GF: 18,765 sq ft; and 1F: 7,783 sq ft), which excluded the two flats that were apportioned a separate value.



TENURE AND SITE

The property is held freehold, which includes 60 car parking spaces, outlined red as per the plan, above.

Waitrose own part of the car park freehold, which includes 65 spaces, outlined green as per the plan, above.

The site area for the property, outlined red extends to 1.30 acres.

The property benefits from a right of way via Hale Way to enable access to the property.

Waitrose have a pre-emption right on disposal by the landlord.

TENANCY

The property is let to Waitrose Ltd on a full repairing and insuring lease, expiring 14th June 2036, providing an unexpired term of 10.75 years.

The rent is reviewed every 5 years, upwards only to CPI, collared and capped at 1% – 3% pa calculated over the 5 year period.

The contractual rent is £430,000 pa (£15.94 psf). The vendor will top-up the rent to the 15th June 2026 rent review to the anticipated uplift of £498,488 pa (£18.52 psf).

Waitrose Ltd signed a reversionary lease in June 2021, extending the term for an additional 10.75 years, rebasing the rent from £500,000pa (£18.52psf) to £430,000pa (£15.94psf) and incorporating the CPI uplifts.

The tenant received a 12 month rent free incentive, which has now expired.

Historically, the rent was reviewed 5 yearly to OMRV on the previous lease. The tenant and vendor agreed that the two residential flats were to be devalued at £8,400pa each, less 60% for service tenancy restrictions, totalling £6,720 at previous rent reviews.

Waitrose have a pre-emption right on disposal by the landlord.



COVENANT

Waitrose

Waitrose are the eighth largest grocery retailer in the UK, with a current market share of 4.5% (Kantar).

The lease is secured against the highly attractive Waitrose Limited covenant, which has a current CreditSafe rating of 81 A. Waitrose Limited is a subsidiary of the John Lewis Partnership Trust Limited

Waitrose was founded in 1904 and forms part of the John Lewis Partnership, which is the UK's largest employee owned business, owned in Trust by 80,000 Partners. There are a total of 329 Waitrose stores across the UK, of which 65 are 'Little Waitrose' convenience stores.

A summary of Waitrose Limited recent accounts are included below:

Year Ending	Jan-25 (000s)	Jan-24 (000s)	Jan-23 (000s)
Sales / Turnover (£000s)	£7,267,000	£6,951,000	£6,578,000
Pre-Tax Profit (£000s)	£138,000	£42,000	(£217,265)
Shareholder's Funds	£645,000	£531,000	£490,300

CreditSafe score: 81 A – Very Low Risk

Waitrose have allocated £600 million to invest into 20 store refurbishments to deliver strong sales growth, 100 new Little Waitrose convenience stores by 2029 and improving supply chain.

This store has an important online fulfilment function. Growing on-demand grocery sales at a corporate level by 110% for 2024, agreeing a partnership deal with Just Eat, adding to Uber Eats and Deliveroo.

RENTAL COMMENTARY

We consider the topped up passing rent of £498,488 pa, reflecting £18.52 per sq ft to be comfortably rack-rented and is low relative to the strong trading performance. There is limited supermarket competition within a 5-minute drive time in an exceptionally affluent catchment. If the property was available, we would expect competitive interest from a number of occupiers.

Occupier	Location	GIA (sq ft)	Transaction	Date	£ per sq ft
Waitrose	Harpenden	29,787	Sale & Leaseback	Feb-24	£22.81
Waitrose	Wokingham	42,005	Sale & Leaseback	Feb-24	£22.00
Aldi	Farnborough	21,116	Open Market Letting	Jun-23	£20.83
Lidl	Kingston Upon Thames	25,200	Assignment	Jan-21	£28.00
Lidl	Guildford	33,464	Open Market Letting	Dec-20	£26.00
Lidl	Weybridge	15,055	Open Market Letting	Dec-19	£31.27
Aldi	Fleet	18,568	Open Market Letting	Oct-19	£19.12
Asda	Kingston Upon Thames	37,430	Rent Review	Jun-19	£24.50



INVESTMENT MARKET

The subject property comprises an excellent investment opportunity, comprising a rare south-east foodstore with approximately 10.75 years unexpired, inflation linked reviews and a low passing rent relative to strong trading performance. We have detailed a schedule of evidence below:

Property	Date	Area (sq ft)	Price	NIY	Lease Expiry (Yrs)	Rent (£psf)	Comments
Waitrose, Peterborough	Under Offer	42,737	£14,810,000	5.60%	9.3	£20.72	5 yearly rent reviews, to higher of OMRV or RPI (0% - 4%)
Waitrose, Anglesey	Sept-25	20,589	£4,600,000	6.17%	10	£14.92	Annual rent reviews to RPI (2% - 4%)
Aldi, Canterbury	May-25	13,211	£4,680,000	6.10%	7.3	£23.07	5 yearly rent reviews, to higher of OMRV or RPI (0% - 3%)
Waitrose, Worcester	Jan-25	51,000	£18,750,000	5.85%	10.5	£20.32	5 yearly rent reviews, fixed at 2.5%pa, compounded
Waitrose, Swindon	Jan-25	40,000	£14,250,000	6.05%	9.5	£23.02	5 yearly rent reviews to higher of OMRV or RPI (1.5% - 3%)
Aldi, Gloucester	Jan-25	18,505	£5,250,000	5.25%	5	£16.69	5 yearly rent reviews, to higher of OMRV or RPI (1% - 2.5%)
Waitrose, Chipping Sodbury	May-24	32,414	£11,275,000	5.25%	20	£19.50	5 yearly rent reviews to higher of OMRV or CPI (1% - 4%)
Waitrose, Longfield (Kent)	May-24	28,106	£9,050,000	5.50%	20	£18.81	5 yearly rent reviews to higher of OMRV or CPI (1% - 4%)

AML

The successful bidder will be required to fulfil ours and the Vendor's anti-money laundering requirements.

VAT

The property is elected for VAT and it is proposed that the sale will be treated as a Transfer of Going Concern.

EPC

Waitrose Limited: C (70)

PROPOSAL

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(Seven Million, Seven Hundred and Eighty Thousand Pounds), subject to contract and exclusive of VAT. A purchase at this level would reflect an **Net Initial Yield of 6.00%**, assuming standard purchase costs.

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FURTHER INFORMATION



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