

PRIME SOUTH EAST LONG INCOME RESTAURANT OPPORTUNITY

Sigaling Quec

4/6 Howardsgate
Welwyn Garden City



ADS RE



Clifton



Investment Summary

- Located in Welwyn Garden City, an affluent London commuter town, located **22 miles north of Central London**.
- **Highly prominent trading location** on Howardsgate, the prime retail, restaurant and leisure pitch.
- **Prominent corner unit** comprising 3,744 sq ft GIA.
- **Outdoor seating to account for over over 25% of total cover capacity.**
- Let to Chokdee Limited (t/a Giggling Squid) **England's leading Thai restaurant brand**.
- **Highly secure income**, rated by Creditsafe as **A87**, reflecting **Very Low risk**.
- Let on a **new 20 year term**, expiring 6 September 2041 (TBO 2036).
- Passing rent of £75,000 per annum, reflecting a **low level rental level of £20 psf**.
- **Covid-19 lockdown letting with minimal void period, demonstrating the Property's prime position and the strength of restaurant demand in the city.**

Offers are invited in excess of **£1,230,000** subject to contract and exclusive of VAT.
Attractive Net Initial Yield of 5.75%.



Location

Welwyn Garden City is an expanding, highly sought after commuter town in Hertfordshire located only 22 miles (35.4 km) north of Central London.

Demographics

15%

TOP 15% CENTRE PMA AFFLUENCE



£420k

WELWYN AVERAGE HOUSE PRICE
£420,000



+60%

+60% HOUSE PRICE GROWTH 2012-2022*



36%

36% PREMIUM TO UK AVERAGE HOUSE PRICE**



* Zoopla

** Gov.uk

Major employers in Welwyn have invested heavily into the area, including:



The Wheat Quarter: Development

In 2019 Welwyn and Hatfield Borough Council granted planning consent for the complete regeneration of the Wheat Quarter. The scheme will comprise:



+1,500 residential units



High-Quality Landscaping



Car Parking



Civic Building with GP surgery and museum

This is anticipated to materially increase Welwyn's population density, which should in turn increase consumer spend within the city centre.



CGI of The Wheat Quarter.



Welwyn Garden City Station

The Wheat Quarter: 1,500+ new homes

M&S

The Howard Centre

Waitrose

Travelodge

John Lewis

Howardsgate

Feeling Good

Sainsbury's

CÔTE BRASSERIE

Bill's RESTAURANT & BAR

Parkway

Outside seating area

Connectivity

Welwyn Garden City benefits from exceptionally strong transport links.



Junctions 4, 5 and 6 of the A1(M) are all located within 2 miles. Junction 23 of the M25 Motorway intersects with Junction 1 of the A1(M), just 8.5 miles to the south.



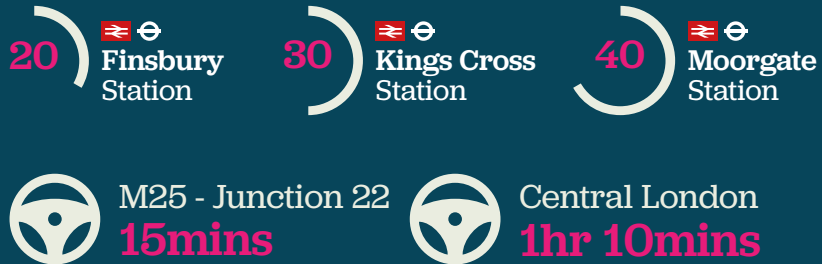
Welwyn is well served by public transport, with regular rail connections from Welwyn Garden City Station to London.



Luton International Airport is located 13 miles to the north west and facilitates c.18 million passengers in a normal year.



Travel Times



Situation

The Property occupies a prominent corner unit on Howardsgate, Welwyn Garden City's prime restaurant, retail and leisure pitch, Howardsgate. Nearby occupiers include:





Description

The Property benefits from a prominent frontage to Howardsgate with an attractive return frontage to Parkway. Giggling Squid have recently completed a comprehensive fitout of the Property, which has been fitted out to an extremely high standard.

The ground floor has been configured to provide trading space, kitchen, storage and WC facilities in line with the Giggling Squid corporate style.

Internally the Property benefits from approximately 119 covers.

Outdoor Seating


A licence has been granted for 45 external covers, which is understood to be the largest external seating offer of any restaurant operator in Welwyn.

The ability to cater to a high percentage of the potential total customer base via outdoor seating is extremely beneficial to the tenant in safeguarding their trading performance against any future governmental restrictions relating to COVID-19.

Accommodation

We understand the Property comprises 3,744 sq ft (347.82 sq m) GIA.

Welwyn's largest external seating offer

119  internal covers

45  external covers



For indicative purposes only.

Mid-Covid Letting

The Property's prime pitch in a limited supplied restaurant location is well reflected in the nominal 5 months rent free incentive provided despite being a mid-COVID letting.

Outdoor Seating Area
45 Covers

Tenure

A new long leasehold interest is to be created of 992 years at a peppercorn rent. The Freeholder is Sainsbury's Supermarkets Limited.

Tenancy

Tenant Chockdee Limited (t/a Gigging Squid)

Unexpired Term 20 years

Tenant Break Year 15

Passing Rent £75,000 per annum

Rent Review 5-yearly upwards only open market rent reviews



Occupational Market

Welwyn Garden City benefits from an extremely low vacancy rate within Howardsgate, its prime restaurant, retail and convenience pitch. This is largely due to the restricted levels of available commercial floorspace in the city.

City centre retail and leisure floorspace is estimated to be 500,000 sq ft, well below the PROMIS Average Resilient Town average and ranking the town 197 of 200 in the PROMIS Centres on this measure (Source: PMA).

Leisure operators benefit from a captive and loyal customer base due to the distinct lack of casual dining options. Within the city's commercial core there is a particularly limited supply of restaurant operators, almost all of which suffer any meaningful outdoor seating offer. Operators represented within the prime pitch include Giggling Squid, Cote, Bill's, Pizza Express, Turkuaz and Postino Lounge.

We consider the agreed passing rent of £75,000 per annum to be low in the context of competing casual dining occupiers situated within the prime pitch.

We outline below a rental comparison for competing restaurants in the town:

PROPERTY	TENANT	RENT (PER ANNUM)
17-19 Howardsgate	Postino Lounge	£85,000
1-3 Howardsgate	Cote	£85,000





Covenant

Giggling Squid opened its first unit in Brighton in 2002 and has since organically grown to become England's leading Thai restaurant brand.

Since its inception, the company has hugely benefitted from a highly selective acquisition strategy, only choosing to occupy well located units in the country's most affluent cities and market towns.

Giggling Squid is one of the few hospitality businesses to weather the events surrounding the Coronavirus pandemic. The company has successfully pivoted to a takeaway and delivery model when required during each lockdown and has reported robust trading figures when restrictions were lifted.

A-87

CreditSafe Score

£33.89 million

Turnover

£3.99 million

Pre-Tax Profit

£8.15 million

Shareholders' Funds



VAT

The Property is elected for VAT which will therefore be payable on the purchase price. It is envisaged that the sale will be treated as a Transfer Of a Going Concern (TOGC).

EPC

An EPC is available upon request.

Proposal

We are instructed to seek offers in excess of **£1,230,000 (One Million, Two Hundred and Thirty Thousand Pounds)** subject to contract and exclusive of VAT.

A purchase at this level reflects an attractive **Net Initial Yield of 5.75%**, allowing for Purchaser's costs of 5.95%.

Further Information



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