

stonegate
PUB COMPANY

WALKABOUT

13 BIRD STREET • LICHFIELD • WS13 6PW

“Freehold public house investment for sale, currently let to the UK’s largest privately owned managed pub company, Stonegate Pub Company”



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INVESTMENT SUMMARY

- + Freehold public house investment
- + Let to Stonegate Pub Company Limited
- + September 2019 rent £113,140.82 annum (to be topped up by the vendor on completion)
- + Fixed five yearly rental increases reflecting 2.5% annual increases
- + Lease expiry September 2039
- + Business unaffected by sale
- + Close to the Garrick Theatre, Lichfield Cathedral and Staffordshire University
- + Entire building GIA – 592.2 sq m (6,376 sq ft)
- + We are seeking offers in excess of £1,950,000 (5.46% NIY)

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LOCATION

Located in the Cathedral City of Lichfield in the heart of Staffordshire close to the University of Staffordshire with a student population of over 16,500, the Garrick Theatre, Lichfield Cathedral, the Three Spires Shopping Centre and the 70 acre Beacon Park.

The Walkabout occupies a prominent corner position fronting Bird Street which is the main leisure pitch in the centre of Lichfield. The property is directly opposite the Best Western George Hotel and a short walk from operators including Brewhouse and Kitchen, Acorn Inn (JD Wetherspoon), Ego Restaurants and Premier Inn.

DESCRIPTION

The property comprises the ground and first floor of a two storey corner building with painted rendered and exposed brick elevations beneath a flat roof. Externally there is a trading terrace to the front elevation at ground and first floor levels.



ACCOMMODATION

GROUND FLOOR

The ground floor trading area is fitted as a modern bar with central servery and a variety of loose tables, chairs, sofas and bar stools for approximately 70 customers. Ancillary accommodation includes a disabled toilet, trade kitchen and cellar.

FIRST FLOOR

Additional trading area with seating on loose tables, chairs and sofas for approximately 40 customers. There is a trading terrace to the front elevation with additional seating for approximately 16 customers. Ancillary accommodation includes ladies and gentlemen's toilets, prep kitchen, managers office and staff changing rooms.

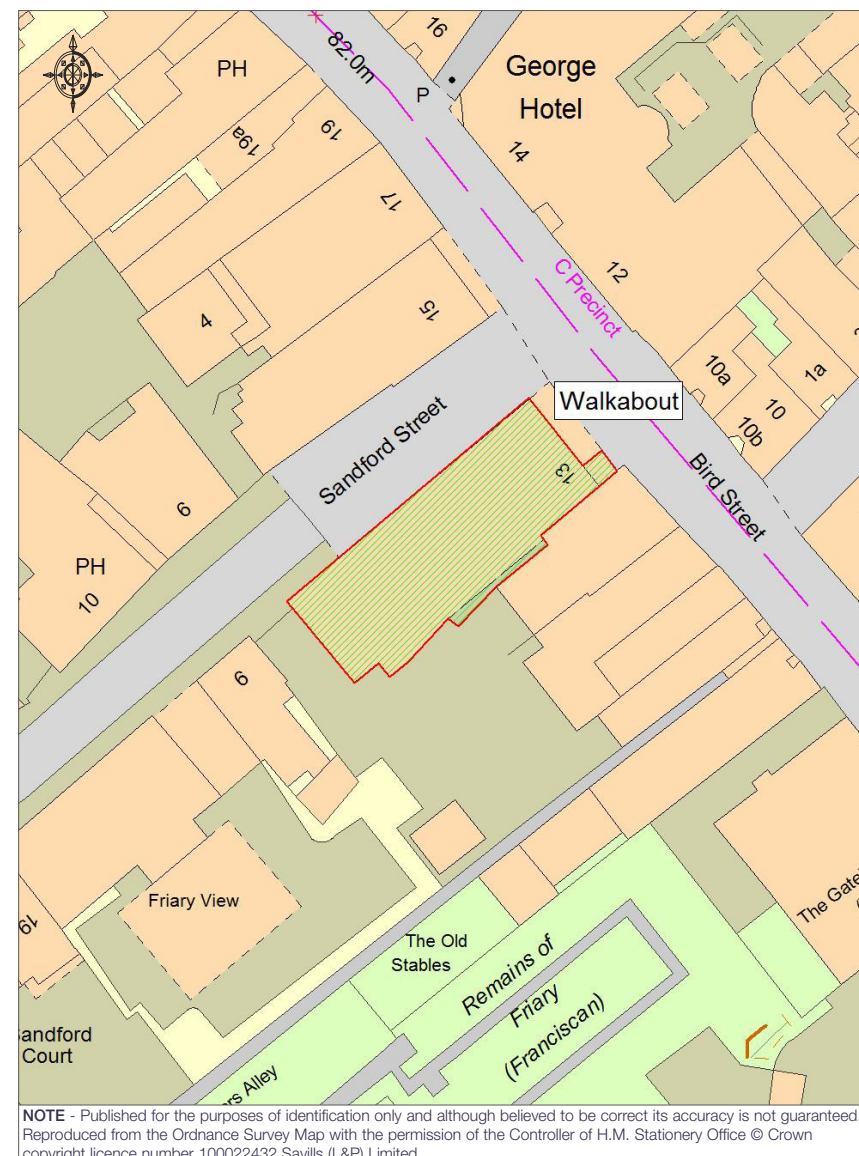
Level	Sq M	Sq Ft
Ground	296.1 sq m	3,188 sq ft
First	296.1 sq m	3,188 sq ft
Total	592.2 sq m	6,376 sq ft

PLANNING

Our initial enquiries of the local authority have revealed that the property is not listed but is situated within the Lichfield City Conservation Area.

EPC

E-105



TENURE AND TENANCY

The property is held freehold.

The entire property is let on a 25 year lease to Stonegate Pub Company Limited (Company Number FC029833) expiring on 9 September 2039 at a current rent of £113,140.82 per annum (to be topped up by the vendor to this level at the time of sale) subject to the following fixed increases which reflect 2.5% annual increases:

- 10 September 2019 - £113,140.82 per annum
- 10 September 2024 - £128,008.45 per annum
- 10 September 2029 - £144,829.82 per annum
- 10 September 2034 - £163,861.64 per annum

COVENANT

Stonegate Pub Company Limited is the largest privately owned managed pub company in the United Kingdom currently operating over 770 pubs/bars and generating a revenue of over £774m.

Stonegate are backed by private equity firm TDR Capital and were established in 2010 through the acquisition of 333 pubs from Mitchells and Butlers for £373 million. Since then the company has grown its estate to more than 770 sites through strategic acquisitions including Town & City Pub Company in 2011, Living Room and Bramwell Pub Company in 2013, Maclays Inns in 2015, Tattershall Castle Group, Intertain (Walkabout), Sports Bar & Grill and assets from JD Wetherspoon. Stonegate has most recently acquired the 33 strong Be at One cocktail chain as well as 21 prime London sites from Novus Leisure and the 32 strong Fever Bars.

The company is renowned for its Yates and Slug & Lettuce brands however they operate seven other formats including Classic Inns, Proper Pubs, Town Pub & Kitchen, Venues, Walkabout, Common Room and Be at One.



THE MARKET

Investor appetite for public house investments throughout the United Kingdom has increased in recent years particularly where opportunities are let to strong covenants in affluent towns and cities with guaranteed rental growth. The continued strong operational performance across the public house sector, which has outperformed the more traditional asset classes in recent times, has provided further certainty to investors as to the security of their income.

COMPARABLE TRANSACTIONS

Property	Tenant	Price	Yield (NIY)	Date
Golf Hotel, Ipswich	Greene King	£1.53m	5.30%	Jan-19
Slug & Lettuce, Romford	Stonegate Pub Company	£3.15m	5.33%	Oct-18
Walkabout, Leeds	Stonegate Pub Company	£3.43m	4.85%	Aug-18
Saracens Head, Bath	Spirit Pub Company (Greene King)	£3.25m	4.14%	Aug-18
Redwood Farm, Bristol	Greene King	£4.25m	4.31%	Jul-18

Stonegate Pub Company has published the following financial information:

Year End	20/09/2018	24/09/2017	25/09/2016
Turnover	£774,400,000	£697,468,000	£642,561,000
Adjusted Ebitda	£114,900,000	£103,500,000	£96,000,000
Number of Assets	725	703	654



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VAT

It is envisaged that the property will be sold as a TOGC so the transaction should therefore be exempt from VAT.

TERMS

We are instructed to invite offers in excess of £1,950,000 (5.46% NIY) assuming purchasers costs of 6.26%.

The business will continue to trade unaffected from the premises during the marketing of the property and post completion of the sale.

VIEWING AND CONTACTS

All viewings must be made by prior appointment and under no circumstances should any direct approach be made to any of the occupational tenants staff.

For further information and all viewing requests please contact the sole selling agents Savills.

Stuart Stares

+44 (0) 207 299 3088
sstares@savills.com

Paul Breen

+44 (0) 207 877 4555
pbreen@savills.com



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February 2019

