

Mirabel House, 117 - 121 Wandsworth Bridge Road

London SW6 2TP

A retail / residential investment in Fulham let to Howden's Joinery providing 19 years of secure income together with long leasehold residential ground rent income and development potential.

STRUTT
& PARKER



Investment Summary

- Freehold investment sale.
- Prime location in Fulham, a densely populated and affluent south west London suburb.
- Mixed-use building, comprising retail accommodation over ground and basement floors with residential on the first and second floors.
- Let to Howden Joinery Properties Ltd with 19 years unexpired at a current rent of £120,000 per annum exclusive.
- Guaranteed by Howden Joinery Ltd, a **5A1** covenant.
- 12 self-contained flats and the retail unit let to Day Lewis Plc are sold off on long leases producing a current total ground rent income of £1,200 per annum.
- Total income for the building is **£121,200** per annum.
- Offers in excess of **£2,425,000** are sought, reflecting a **Net Initial Yield of 5.00%** on the retail, after deducting purchaser's costs of 6.07%. Of the total amount, **£180,000** has been attributed to the residential ground rents, reversions and lease extension potential.



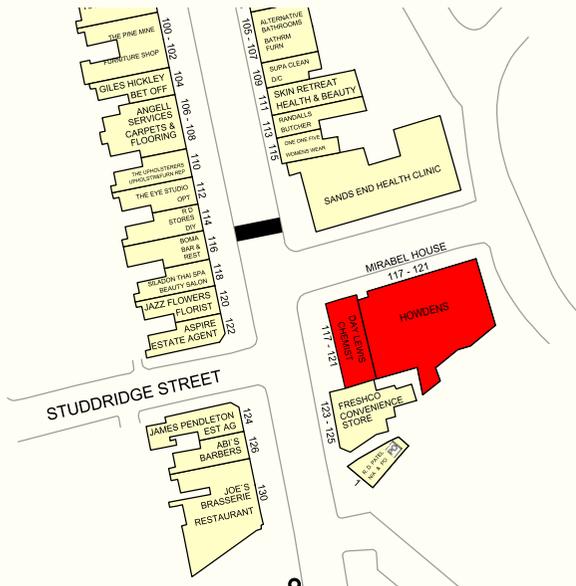
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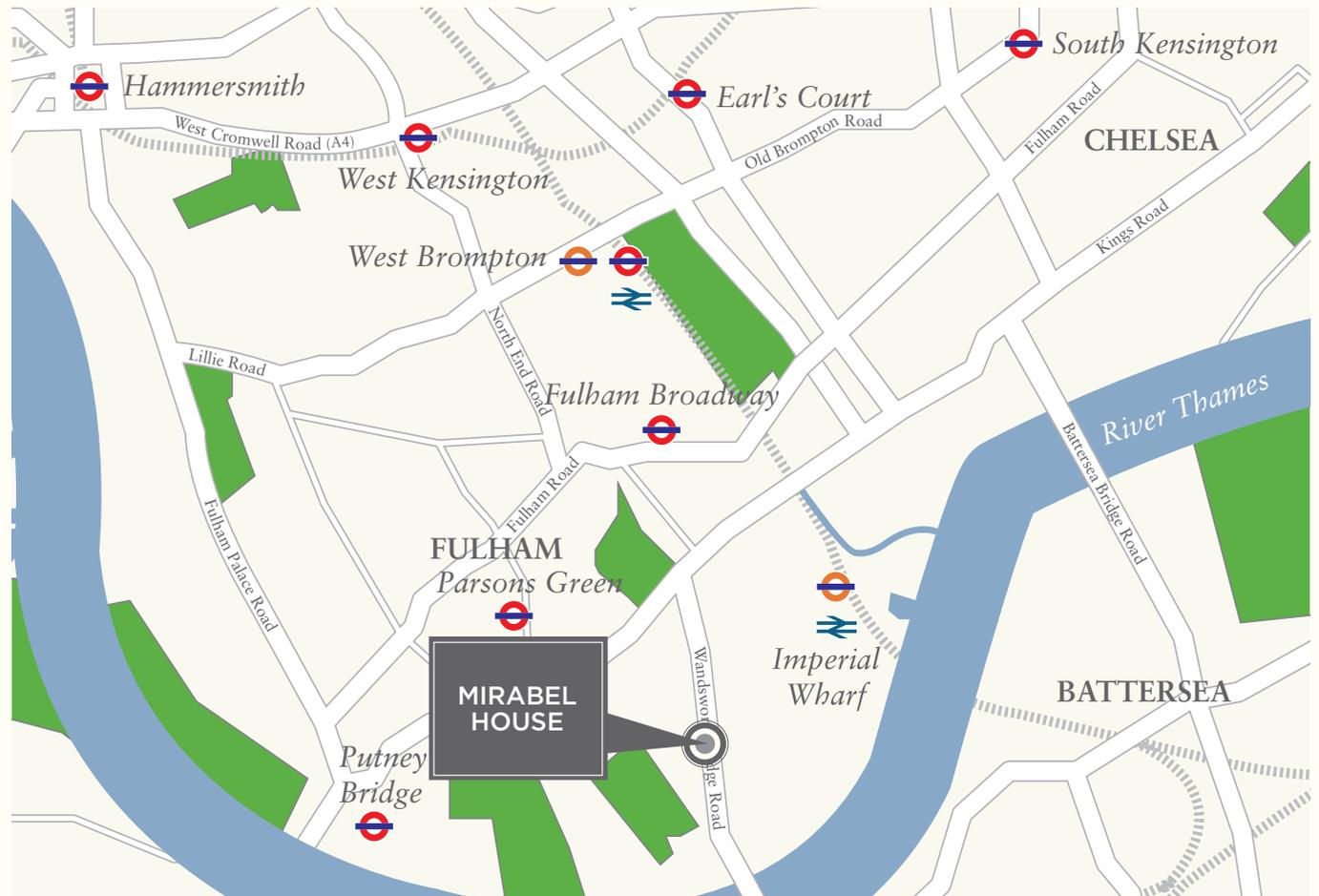
Location & Transport

Situated within the London Borough of Hammersmith and Fulham, the property is located on the eastern side of Wandsworth Bridge Road at the junction of the Broughton Road Approach. The property is located approximately 200 metres south of the intersection with New King's Road. The property benefits from good visibility from Wandsworth Bridge Road and is located in an affluent residential area.

The property is well connected with Fulham Broadway Underground Station within a ten minute walk. The surrounding area offers a wide variety of shops and restaurants, such as **Sainsbury's**, **Caffé Nero**, **Randalls Butchers**, **Starbucks**, **Neptune Kitchens**, **James Pendleton** and **Joe's Brasserie**.



Map



Local Amenities



Tenancies

Retail - Howdens

The retail unit on Broughton Road Approach is let to Howden Joinery Properties Limited with Howden Joinery Limited acting as a guarantor on a straight 20 year effective FRI lease from 9th December 2015 expiring 8th December 2035 (19 years unexpired). The passing rent is £120,000 per annum which is subject to 5 yearly open market reviews. The lease contains a beneficial open user clause which permits Class A1 (retail) and B8 (storage or distribution).

Retail - Day Lewis

The ground floor retail unit fronting Wandsworth Bridge Road is let to Day Lewis Plc. This has been sold off on a 125 year lease from 25th December 1988 (96 years unexpired) at a peppercorn rent.

Residential Apartment Leases

The residential accommodation over the upper floors of the property have been sold off as follows:

- 6 x 1 bedroom flats on 125 year leases from 1985 (93 years unexpired)
- 3 x 2 bedroom flats on 125 year leases from 1985 (93 years unexpired)
- 2 x 2 bedroom flats on 99 year leases from 1979 (61 years unexpired)
- 1 x 3 bedroom flat on a 99 year lease from 1979 (61 years unexpired)

In Summary:

- The total net receivable income for the entire building is **£121,200** per annum.
- Each of the flats currently produces a ground rent of £100 per annum, producing a current aggregate ground rent income of £1,200 per annum.
- 9 of the flats are subject to leases currently with 93 years unexpired producing £900 per annum until 24th March 2027, rising to £1,800 per annum until 24th March 2069 and £3,600 per annum until lease expiry.
- 2 of the flats are subject to leases currently with 61 years unexpired producing £200 per annum until 29th September 2045, rising to £400 until lease expiry.
- 1 of the flats is subject to a lease with 61 years unexpired, producing £100 per annum until 28th September 2045, rising to £200 per annum until lease expiry.
- The investment value that has been attributed to the residential ground rents, reversions and lease extension potential is **£180,000**. The value of the lease extensions will increase as the lease lengths reduce. The valuation for this is available upon request.

Covenant Information

Howdens Joinery is a leading manufacturer and supplier of fitted kitchens, appliances and joinery products. There are over 600 Howdens depots supplying over 365,000 kitchens each year to homes in the UK. Howdens are a trade only business that has been selling to trade professionals since 1995.

Howden Joinery Properties Limited

(company number 5656171) has the following financial highlights:

	26/12/2015 (000's)	27/12/2014 (000's)	28/12/2013 (000's)
Sales Turnover	45,202	40,790	36,248
Profit/(Loss) Before Taxes	228	686	721
Net Current Assets (Liabilities)	25,648	21,272	17,270

Howden Joinery Limited (company number 526923) has the following financial highlights:

	26/12/2015 (000's)	27/12/2014 (000's)	28/12/2013 (000's)
Sales Turnover	1,208,829	1,080,083	943,835
Profit/(Loss) Before Taxes	234,777	193,306	148,541
Net Current Assets (Liabilities)	217,848	386,958	353,241

Howden Joinery Limited benefits from a D&B rating of **5A 1**. Both tenant and guarantor are wholly owned by Howden Joinery Group Plc. which is listed on the London Stock exchange and is a constituent of the **FTSE 250 index**.

Tenure

The property is held Freehold.

VAT

The vendor has advised that the property is not currently elected for VAT.

EPC

An Energy Performance Certificate is available on request.

Asset Management

A planning report has been undertaken and is available upon request.

The report concludes that there is potential to progress a proposal for either the conversion or the comprehensive redevelopment of the site, including an increase in the height and density of the development.

Investment Comparables

Date	Address	Tenant	Price	Net Initial Yield
Nov-16	Queens, 96-98 Bishop's Bridge Road, Bayswater	Heal & Son Limited	£3,500,000*	3.88%
Oct-16	60-70 Parsons Green Lane, Fulham	Co-operative Group Ltd and Le Pain Quotidien	£6,370,000	3.75%
Apr-16	Cote, 45-47 Parsons Green Lane, Fulham	Cote Restaurants	£3,750,000	3.20%
Mar-16	43 Salusbury Road, Queen's Park	Marks & Spencer	£4,095,000	4.50%
Mar-16	227-231 Wimbledon Park Road, Wimbledon	M&S and The Gym	£12,708,000	4.25%
Aug-15	143 Kensington High Street, Kensington	Thomas Exchange Global Limited	£4,285,000	3.75%
Jun-15	132 Wandsworth Bridge Road	Sainsbury's	£9,000,000*	4.5%
May-15	442-446 Holloway Road, Holloway	Iceland	£6,200,000	3.81%
Mar-15	246 Fulham Road, Fulham	Rosa's	£2,600,000	3.98%
Jan-15	490 Fulham Road, Fulham	The Slug	£3,300,000	4.55%

* Price includes sale of residential upper parts.

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Proposal

We are instructed to seek offers in excess of **£2,425,000** (Two Million Four Hundred and Twenty Five Thousand Pounds), subject to contract and exclusive of VAT for the Freehold interest in the property. A purchase at this level would reflect a **Net Initial Yield of 5.00%** on the retail element, allowing for purchaser's costs of 6.07%.

Of the total amount, **£180,000** has been attributed to the residential ground rents, reversions and lease extension potential.

Contact details



Further information and requests for viewings are via the sole agents Strutt & Parker, please contact:

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