



O'NEILL'S 4 FRIAR STREET

READING, BERKSHIRE RG1 8DB



Well secured freehold town
centre leisure investment let to
Mitchells & Butlers Retail Limited

INVESTMENT SUMMARY

Reading is the county town of Berkshire with a large immediate population of around 175,000

•
Located in Reading's main night-time pitch close to Slug & Lettuce, Pitcher & Piano and The Botanist

•
Large three storey property with two floors of bar and entertaining space, extending to circa 13,500 sq.ft

•
Fully-let to the excellent covenant of Mitchells & Butler Retail Limited until Lease expiry on 28/09/2033

•
Total passing rent of £172,500 per annum

•
Late night licence until 1pm on Friday and Saturday

We are instructed to seek offers in excess of £3,000,000 (Three Million Pounds) subject to contract and exclusive of VAT.

An acquisition at this level would reflect a Net Initial Yield of 5.40% allowing for purchaser's costs of 6.45%

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LOCATION & DEMOGRAPHICS

Reading is the county town of Berkshire in South East England approximately 38 miles west of London. This position at the heart of the Thames Valley has enabled Reading to grow into one of largest towns in the South East, supported by substantial infrastructural investment in major projects such as the Elizabeth Line and the £895 million redevelopment of Reading Station.

The town benefits from excellent road communications, with easy access to Junction 11 of the M4 via the A33 to the south and to Junction 10 via the A329 to the East.

Reading is the largest commercial centre in the South East outside of Central London, boasting the Global and European Headquarters of over 200 Fortune 500 companies. 'Blue chip' companies have taken advantage of good transport links and the highly skilled workforce. As a consequence Reading is ranked second on PwC's Good Growth for Cities Index and is widely regarded as the 'capital' of the Thames Valley.

Reading is a major technology hub, often referred to as England's Silicon Valley. It is one of the strongest tech hubs in the country, being particularly strong for artificial intelligence, IoT (Internet of Things) and cyber-security firms.

Some of the larger occupiers in Reading include Microsoft, Oracle, Prudential, PepsiCo, Visa, and Symantec.

Reading is undergoing significant development and improvement with the nearby Station Hill Development underway. This is a transformational development for the town creating a connected live-work-play experience with up to 1,300 new homes, 95,000 sq ft of activated lifestyle-led retail and leisure, plus 625,000 sq ft of office space.

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Easy access to
junctions 10 & 11 of
the M4



Reading train station
– direct trains to
London



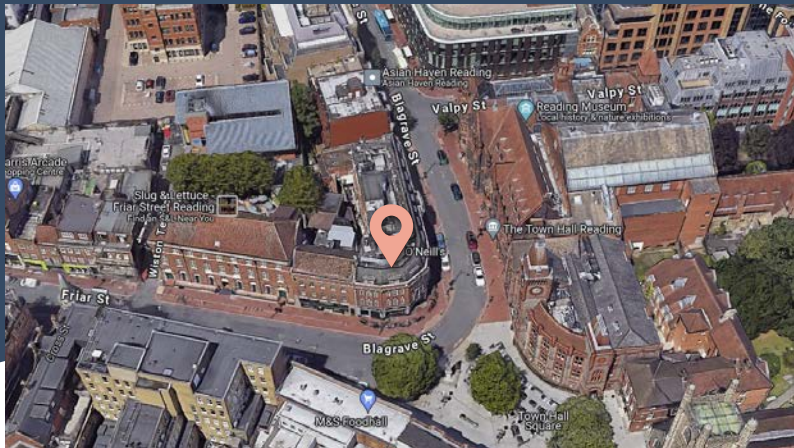
Largest commercial
centre in the South East
outside of Central London

SITUATION

The property is prominently situated on a corner plot on the north side of Friar Street at its junction with Blagrove Street.

The entrance faces Town Hall Square and the rear entrance of M&S which links through to Broad Street and The Oracle Shopping Centre.

Friar Street provides easy access to Reading train station, a 3 minute walk away.



CAFÉS

- 01 Caffe Nero
- 02 Costa
- 03 Starbucks
- 04 Workhouse Coffee

BARS

- 01 Milk
- 02 Zero Degrees

RESTAURANTS

- 01 Carluccios
- 02 The Forbury
- 03 Bill's
- 04 London St Brasserie
- 05 Côte Brasserie
- 06 Miller & Carter

HOTELS

- 01 Malmaison
- 02 Novotel
- 03 Forbury Hotel
- 04 Premier Inn

RETAIL AND LEISURE

- 01 Advance Gym
- 02 M&S
- 03 John Lewis
- 04 The Oracle
- 05 Vue Cinema

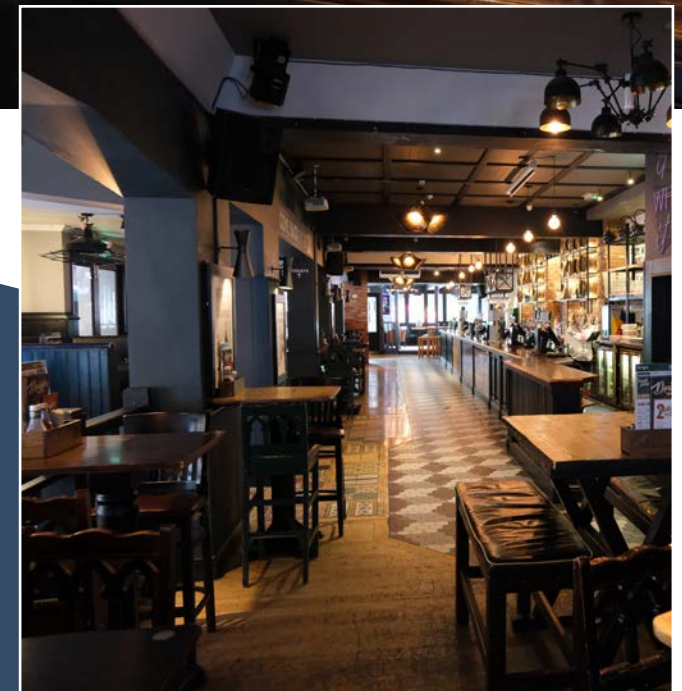


TENANCY DETAILS

The entire property is let to Mitchells & Butler Retail Limited on a 35 year lease from 29th September 1998, expiring 28th September 2033 at a current rent of £172,500 per annum.

There are 5 yearly upward on only rent review provisions within the lease.

The tenant has made alterations to remove two of the original floors (1st and 2nd) and has created a single floor in between. Upon expiry, the tenant is required to re-instate the premises back to 4 floors, putting the unit back to its original 18,000 sq.ft. The current cost (as of April 2024) to the tenant of this is estimated at circa £2,000,000.



COVENANT INFORMATION

Established in 1898, Mitchell's & Butler are one of the largest operators of restaurants, pubs and bars in the UK with over 1700 outlets. Their brands include All Bar One, Ember Inns, Browns, Miller & Carter Steakhouse, Toby Carvery and Harvester, among others.

Their latest trading statement to 13th January 2024 shows a strong trading performance over the festive season which has resulted in increased like-for-like sales growth in the year to date of 7.7%, with total sales growth of 9.7%.

Turnover for 2023 is £1.85 Billion with total assets of £5.3B Billion and a net worth of £3.19 Billion.

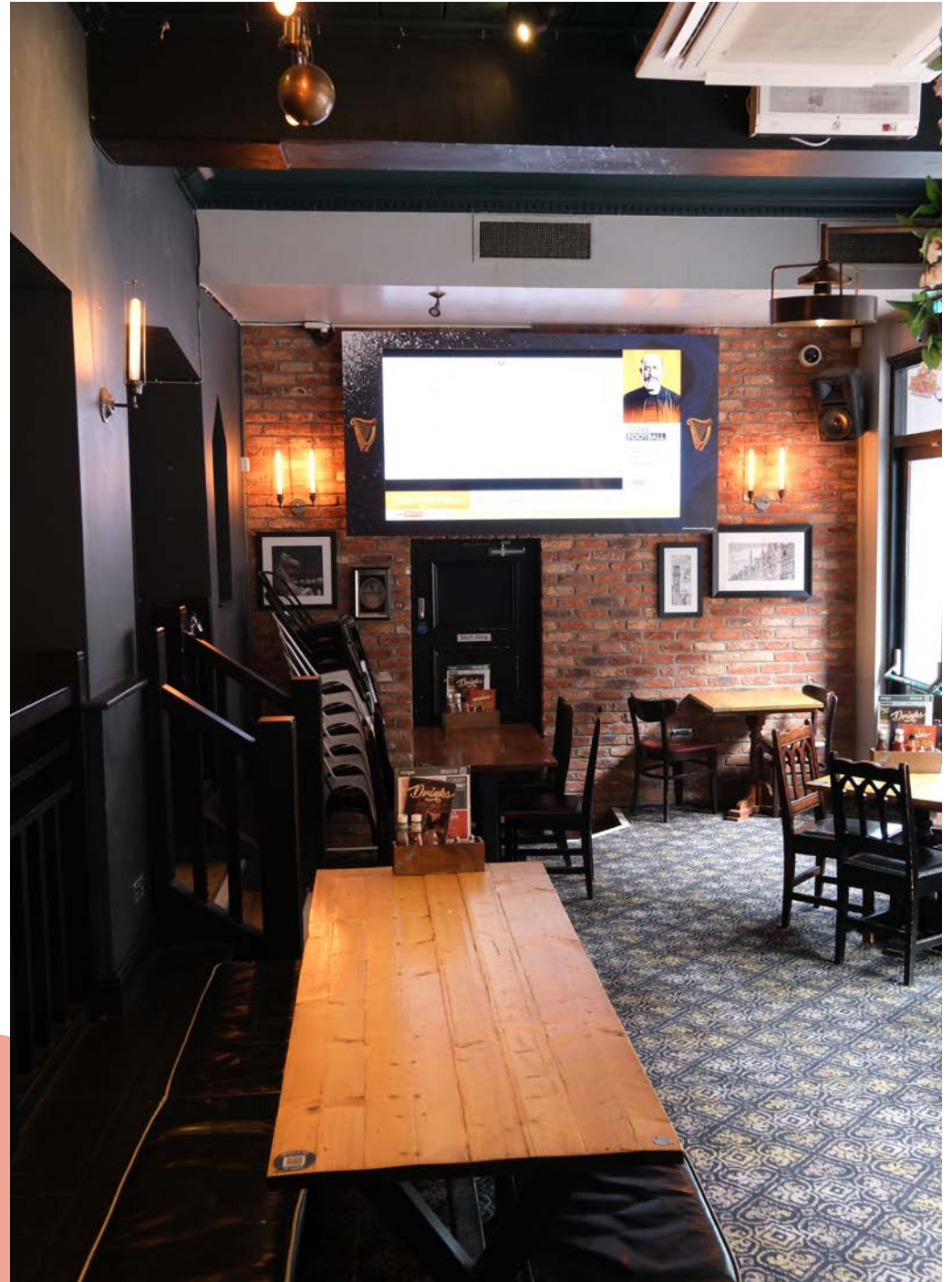
The company has a D&B rating of 5A2, showing a lower than average risk of business failure.

PROPOSAL

We are instructed to seek offers in excess of £3,000,000 (Three Million Pounds) for the freehold, subject to contract and exclusive of VAT.

This reflects a Net Initial Yield of 5.40% allowing for purchaser's costs of 6.45%.

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AML

A successful bidder will be required to satisfy all the AML requirements when Heads of Terms are agreed.

VAT

The property is elected for VAT, however, it is anticipated that the transaction will be treated as a "Transfer of a Going Concern" (TOGC).



FURTHER INFORMATION

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