

# PRIME RETAIL AND RESIDENTIAL INVESTMENT



108 HIGH STREET, HOUNSLOW, LONDON, TW3 1NA

LEWIS & TUCKER  
CHARTERED SURVEYORS  
EST. 1932





# INVESTMENT SUMMARY

- Prominent corner freehold located on High Street, Hounslow
- Close proximity to Hounslow East Underground station
- Good communication links being 10 miles South West of Central London and 3 miles from Heathrow Airport
- Attractive building comprising two retail units and nine residential flats totalling 9,470 sq ft
- Retail trading as Costa Coffee and Bake & Take producing £64,000 per annum
- Nine flats (3 x 2 beds & 6 x 1 beds) let on AST's producing £105,005 per annum
- Total rent of £169,055 per annum
- Seeking offers in excess of **£2,850,000 (Two Million, Eight Hundred and Fifty Thousand Pounds)** subject to contract and exclusive of VAT
- A purchase at this price reflects a **net initial yield of 5.57%** assuming 6.13% purchasers costs
- Low capital value of £300 psf on the overall GIA





## LOCATION

The London Borough of Hounslow is one of the capital's largest boroughs covering approximately 22 miles. Hounslow's catchment encompasses a total population of 2,361,000 and a population within the primary catchment area of 345,000, significantly above the smaller London centre average. Hounslow's population is projected to grow significantly over the period to 2021.

The estimated shopping population of Hounslow is 123,000 with a particularly high proportion of adults aged 25-44. Hounslow is a thriving economic hub with employment levels above the national average with over-representation in the Professional & Business Services Computing arena.

Hounslow is currently undergoing major regeneration as part of the Hounslow Town Centre Master Plan. The town centre has recently undergone a £3.5m regeneration acting as a catalyst for significant private investment. Projects completed to date include improvements to the public realm, creation of a new town square and the refurbishment of a number of store fronts. A proposed second phase of regeneration will see further works undertaken including the construction of a new civic centre and further improvements to the public realm.

In particular, The Hounslow High Street Quarter development was granted planning permission in March 2016 which will redevelop Alexandra Road and Holloway Street car parks into a mixed use leisure scheme comprising 527 homes, a multiplex cinema, retail, restaurants and 513 parking spaces vastly improving Hounslow's town centre amenity. The development is expected to be completed in 2020.

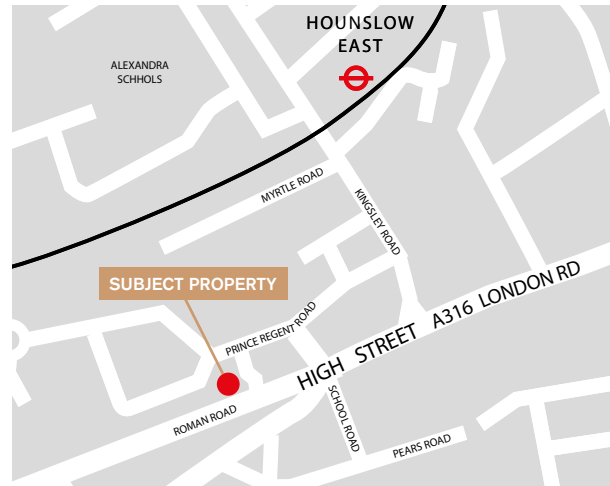
## TRANSPORT

Hounslow is located approximately 10 miles south west of central London and 3 miles from Heathrow Airport. Hounslow sits less than 0.5 miles south of the Great West Road (A4) providing quick and easy access to the M4, M25 and the national motorway network.

Hounslow Rail Station provides services on the Hounslow Loop Line, Waterloo and Chertsey Line providing six 40 minute services per hour to London Waterloo. Three tube stations serve the town all of which are on the Piccadilly Line together with five major bus routes.

## SITUATION

The property occupies a prominent position on the High Street at the junction of Crown Yard. The High Street at this point is restricted to buses and delivery vehicles. Nearby multiple retailers include a large Poundland adjacent, Mothercare and Maplins.



## DESCRIPTION

The property comprises a prominent corner building redeveloped in 2006 of brick construction with an attractive featured stone façade under a mansard style roof. Arranged as two well configured shop units over basement and ground floors together with three floors of residential accommodation. The residential upper parts provide nine modern apartments accessed via a self-contained entrance from the side elevation known as Crown Yard. Costa enjoys a return frontage with outdoor seating area.

Amenities to each flat include a fully fitted kitchen with integral oven and hob, a fully fitted bathroom and independently controlled water and central heating.

The property is kept in good condition with the landlord regularly carrying out a rolling maintenance and repair programme.

## ACCOMMODATION

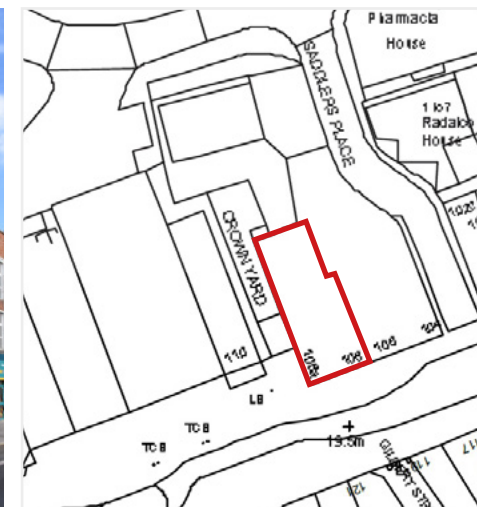
We are informed the property provides the following approximate Gross Internal Areas:

Unit	Bedrooms	GIA (sq m)	GIA (sq ft)
Flat 1	1 bed	48.5	522
Flat 2	1 bed	50.4	543
Flat 3	2 bed	75.9	817
Flat 4	1 bed	48.5	522
Flat 5	1 bed	50.4	543
Flat 6	2 bed	75.9	817
Flat 7	1 bed	45.1	485
Flat 8	1 bed	47.1	507
Flat 9	2 bed	68.1	733
<b>Total</b>		<b>509.9</b>	<b>5,489</b>
<b>Common Parts</b>		<b>125</b>	<b>1,345</b>
<b>Total Residential</b>		<b>634.9</b>	<b>6,834</b>

Retail Unit	GIA (sq m)	GIA (sq ft)
Costa	96.9	1,043
Ground Bake & Take	111.1	1,196
Basement Bake & Take	36.9	397
<b>Total Retail</b>	<b>244.9</b>	<b>2,636</b>
<b>Grand Total</b>	<b>879.8</b>	<b>9,470</b>

## TENURE

Freehold.



For indicative purposes only

## TENANCIES

The property provides the following income.

Unit	Start Date	End Date (Break Option)	Rent (p.a.)
Flat 1	28/01/2017	27/01/2018	£10,800
Flat 2	09/06/2016	08/06/2018	£11,100
Flat 3	01/09/2017	31/08/2018	£13,524
Flat 4	08/04/2017	07/04/2018	£10,920
Flat 5	01/03/2014	25/02/2018	£10,680
Flat 6	27/01/2017	26/01/2018	£13,560
Flat 7	21/07/2015	18/07/2018	£10,500
Flat 8	12/04/2008	11/10/2017	£10,400
Flat 9	07/06/2013	03/06/2018	£13,571
Costa	13/10/2010	12/10/2025 (TBO 13/10/2020)	£32,000
Bake & Take	23/08/2016	22/08/2026 (TBO 23/08/2021)	£32,000
<b>Total</b>			<b>£169,055</b>



## MARKET EVIDENCE

We estimate the Zone A rate to be £58.32 per sq ft in respect of the Costa unit and £60.95 per sq ft for Bake and Take. Prime High Street Zone A rents range between £80-£100 Zone A psf as supported by the recent lettings highlighted in the table below:

Date	Address	Tenant	Rent (£ Zone A psf)
Jan 17	247 High Street, Hounslow	CEX	£81.05
Jan 17	147-161 High Street, Hounslow	Savers	£83.00
Feb 16	196 High Street, Hounslow	State Bank of India	£100.00

In respect of the residential accommodation we would conservatively suggest that the 1 bedroom units have a value of circa £250,000 each and the 2 bedroom units circa £290,000, which is an average of £431 per sq ft.

We understand that the site to the rear of the property at 108b High Street has planning permission for a 7-storey new build scheme comprising 22 self-contained apartments and ground floor commercial space. The development is based on an average of £590 per sq ft and other comparable sales include Blenheim Centre £560 per sq ft, Craneshaw House at £695 per sq ft and Trinity Square at £532 per sq ft. Therefore, 108 High Street offers a significant discount to surrounding property.

## COVENANT INFORMATION

There is limited financial information in respect of the retail tenants though we understand that Yummie Coffee Co trades as Costa Coffee from other units including 114-116 High St Acton, 241 High St Hounslow and 437 Uxbridge Road Ealing Common.





## EPC

EPCs for the property are available on request.

## FLOORPLANS

Floorplans are available on request.

## VAT

The residential element of the property is not elected for VAT purposes.

The commercial element is elected for VAT purposes.

## PROPOSAL

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A purchase at this price reflects a **net initial yield of 5.57%** assuming 6.13% purchaser's costs.

This represents a low capital value of £300 psf on the overall GIA.



## CONTACT

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