

TESCO SUPERMARKET INVESTMENT, WEST LONDON



 246 POWDER MILL LANE, TWICKENHAM, TW2 6EJ

Powder Mill Lane

Est. 2024

TESCO
express

INVESTMENT SUMMARY

- Newly-built virtual freehold supermarket investment
- Located in an affluent suburb of London, part of the Borough of Richmond Upon Thames
- The property comprises a ground-floor retail unit of 4,157 sq ft
- This strategically situated supermarket caters to a highly populated area, conveniently positioned opposite the entrance of a sprawling 21-acre logistics park
- The retail unit is let to Tesco Stores Limited on an unbroken 15-year lease with CPI-linked reviews from 12th January 2024
- Nestled at a bustling junction, this location sees approximately 14,000 vehicles passing by on the A314 each day, along with around 4,000 on Powder Mill Lane daily
- 5 allocated parking spaces to the rear

PROPOSAL

OFFERS SOUGHT IN EXCESS OF £2,300,000

(Two Million, Three Hundred Thousand Pounds) subject to contract and exclusive of VAT and subject to contract. A purchase at this level would reflect a net initial yield of 5.22% with an anticipated reversion to 6.05% in December 2028, assuming purchasers costs of 6.29%.

(Freehold available with 8 flats above by way of separate negotiations)



LOCATION

Twickenham is a charming area located in the London Borough of Richmond upon Thames, in southwest London, England. It's best known for being the home of Twickenham Stadium, which is the world's largest rugby stadium and hosts numerous international rugby matches, including the Six Nations Championship and Rugby World Cup matches. The stadium also hosts music concerts and events.

Aside from its sports connections, Twickenham boasts a picturesque riverside setting along the River Thames, with lovely parks and green spaces such as Marble Hill Park and Radnor Gardens offering peaceful retreats from the urban hustle.

The town centre features a mix of independent shops, cafes, restaurants, and pubs, giving it a vibrant and community-oriented atmosphere. Twickenham also has a rich cultural scene, with theatres like the Mary Wallace Theatre and the Exchange, as well as art galleries and museums. Transport links are excellent, with regular trains from Twickenham station connecting to central London in around 20 minutes, making it an attractive residential area for commuters.

Overall, Twickenham offers a mix of sports, culture, and natural beauty, making it a desirable place to live and visit in London.

SITUATION

This property is strategically positioned at a bustling junction connecting Hounslow Road/Hanworth Road (A314) and Powder Mill Lane. A stone's throw from Hounslow Heath, it resides in a densely populated residential area. Moreover, it sits directly across the street from a substantial c.21-acre logistics hub housing Royal Mail and other freight operators.

THE DEVELOPMENT

The unit forms part of a larger development project which includes the development of a ground-floor retail unit, a community centre and 15 residential apartments. The development includes off-street parking, Bicycle parking and associated hard and soft landscaping.





ACCOMMODATION

Ground Floor Retail Unit	Sq Ft	Sq M
Sales Area (FOH)	2,748 sq ft	255 sq m
Back Of House	1,409 sq ft	130 sq m
Total	4,157 sq ft	386 sq m



RESIDENTIAL ELEMENT

This development consists of 8 flat arranged above the retail unit over the first and second floors.

They are all currently vacant. There is potential for a purchase of the freehold along with all 8 apartments, by way of separate negotiations. Please contact us for further information.





COVENANT INFORMATION

Tesco Stores Limited is one of the largest supermarket chains in the United Kingdom and a subsidiary of Tesco PLC, with over 2,866 strategically located stores across the UK.

As of February 2023

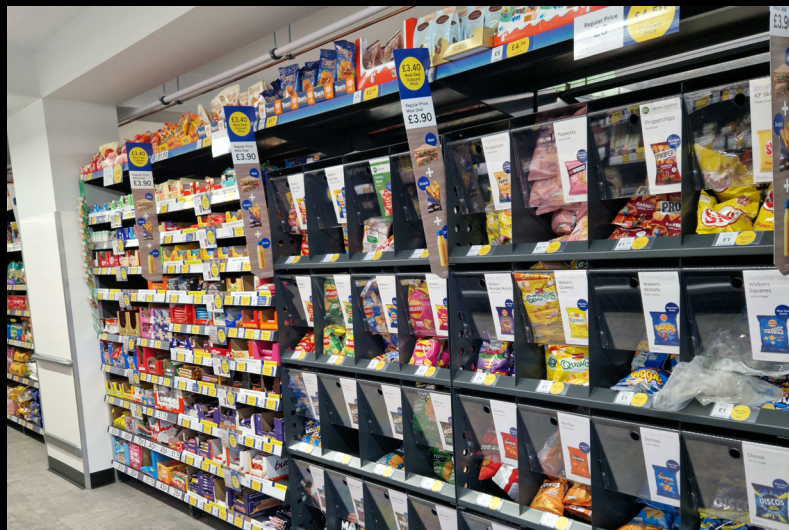
Turnover	£47.48b
Total Assets	£20.19b
Net Worth	£3.834b

TENANCY

The ground floor retail unit is let to Tesco Stores Limited on a new 15-year lease from 12th January 2024.

A rent of £127,500 p.a. with annually compounded CPI-linked rent reviews every 5th year, collar of 1% and capped at 3%.

This unit attracted very strong competition from other supermarket chains, Tesco proved to be the strongest choice of operator to lease the unit to.





DEMOGRAPHICS

The demographics of Twickenham reflect its status as an affluent and diverse area within the London Borough of Richmond upon Thames.

Population: Twickenham has a relatively large population compared to some other areas in the borough, with over 62,000 residents. The age distribution is likely diverse, with a mix of young professionals, families, and older residents. Due to its amenities and transport links, it may attract people across various age groups.

Twickenham, like much of London, is ethnically diverse, with residents from various cultural backgrounds. While historically predominantly White British, the area has seen increased ethnic diversity over the years, with significant communities from South Asian, Black, and other ethnic backgrounds. Twickenham is known for its relatively affluent population, with many residents working in professional occupations and enjoying higher-than-average incomes. The area has a mix of housing, including upscale properties, apartments, and more affordable housing options.

Twickenham is home to several primary and secondary schools, including both state-funded and independent schools. The area typically has a strong focus on education, with many families attracted to its schools and educational resources. As for employment while some residents work locally, many commute to central London or other parts of the city for employment. Twickenham's proximity to central London and its excellent transport links make it a desirable location for professionals.

Cultural and Community Diversity: Twickenham's diverse population contributes to a rich tapestry of cultural events, community initiatives, and local businesses. Residents often take part in community activities and contribute to the vibrant social fabric of the area. Overall, Twickenham's demographics reflect a blend of affluence, diversity, and community spirit, making it a dynamic and desirable place to live within the London Borough of Richmond upon Thames.



PROPOSAL

We are instructed to seek offers in Excess of £2,300,000 (Two Million, Three Hundred Thousand Pounds) subject to contract and exclusive of VAT.

Net Initial Yield	5.22%
Running Yield 2028	6.05% NET
Running Yield 2033	7.01% NET

*Net Yields is calculated after allowing for purchaser cost of 6.29%.
Running Yield is based on CPI forecast exceeding 3% annually.
The Rent review would be capped at 3% per annum compounded.*

TENURE

The property will be sold on a 999 year-long leasehold.

VAT

We are advised that the property is elected for VAT however, it is understood that the sale would be treated as a Transfer of a Going Concern (TOGC)

EPC

A copy of the EPC can be supplied upon request.

ANTI- MONEY LAUNDERING

The Successful purchaser will be required to provide certain documentation to satisfy the current Anti-Money Laundering legislation. These documents will be requested at a relevant time.

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