

59 CLAPHAM HIGH STREET, CLAPHAM, LONDON, SW4 7TG
PRIME FREEHOLD RESTAURANT IN SOUTH WEST LONDON

SW4

Investment Summary

- Prime freehold restaurant with the benefit of two self-contained one bedroom flats above.
- Located within an affluent south west London suburb less than 5 minutes walk from Clapham North Underground Station, Clapham Common Underground Stations and Clapham High Street Rail Station.
- Situated on a prominent corner position on the High Street, adjacent to Tesco in an established pitch.
- Local occupiers include Sainsbury's, HSBC, Boots, Superdrug, Evans Cycles, KFC, McDonald's, Gourmet Burger Kitchen and Strada.
- Let on an overriding lease to the excellent covenant of Nando's Chickenland Limited (D&B 5A1) with in excess of 18.25 years unexpired.
- Current passing rent £96,170 per annum.
- Offers are invited in excess of £1,730,000, reflecting a Net Initial Yield of 5.25%, subject to contract and exclusive of VAT.

Communications

Clapham benefits from excellent road, rail, underground and air transport links.

Clapham High Street (A3) leads to the City of London approximately 4.2 miles to the north east and the M25 Motorway (Junction 10) approximately 20.3 miles to the south west. The A205 (South Circular) is located 0.9 miles to the south west.

Clapham High Street Rail station is located approximately 0.2 miles to the north east providing access to London Victoria within 10 minutes. Clapham North Underground Station (Northern Line) and Clapham Common Underground Station (Northern Line) are respectively 0.2 miles to the north east and south west providing access to the City of London and West End. Extensive bus services run from Clapham High Street.

London Heathrow Airport is approximately 17.7 miles to the west. Gatwick Airport is approximately 25.6 miles to the south.



Description

The property comprises an attractive end of terrace building arranged over basement, ground, first and second floors.

Nando's have fully fitted out the ground floor as a restaurant in line with their standard corporate style, including dining area, fully fitted feature kitchen and disabled toilet. The basement comprises office, staff changing room, walk in freezer and male and female toilets.

The upper floors comprise two one bedroom flats with a separate access on Clement Avenue.

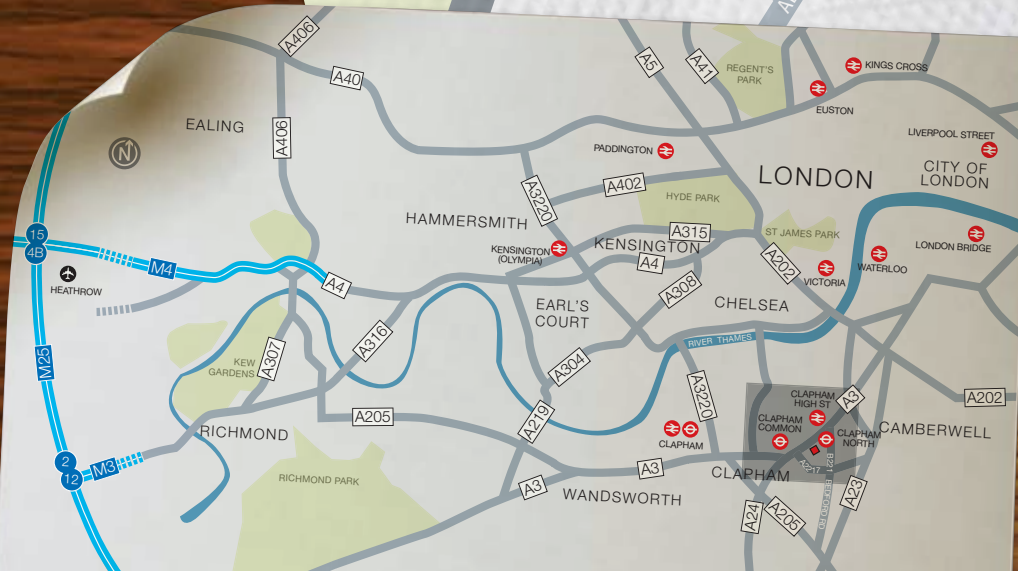


Location

Clapham is located in the London Borough of Lambeth 3.9 miles south of Central London. The subject property is situated approximately 3.5 miles north of Streatham with Vauxhall, Lambeth and Camberwell all within a 3.0 mile radius to the north east. Battersea is located approximately 2.1 miles to the north west, Wandsworth 3.2 miles to the west, Balham 1.7 miles to the south and Brixton 1.1 miles to the east.



Maps Not to scale
For indicative purposes only



Demographics

The biggest employers within Lambeth's Travel to Work Area are the banking, finance and business services sector (31.10% compared with 17.50% for Great Britain).

Mosaic Consumer Classifications records 51.33% of the Lambeth Urban Area as being Urban Intelligence (young, single and mostly well educated individuals with cosmopolitan tastes and liberal attitudes), significantly above the Great Britain average of 7.35%.

22.2% of the Urban Area population is aged between 20-29 years and 29.2% between 30-44 years. This jointly represents 51.4% of the urban population compared to the Great Britain average of 35.2%.



Situation

The property is situated on the corner of Clapham High Street and Clement Avenue in a well established retail pitch comprising numerous supermarkets, retailers, restaurants and leisure operators as well as residential and office users.

Other national multiples on Clapham High Street include the adjacent Tesco, Sainsbury's, HSBC, Boots, Superdrug, Evans Cycles, KFC, McDonald's, Gourmet Burger Kitchen and Strada.

Clapham is undergoing a series of comprehensive redevelopments which will further improve the area's facilities.

Adjacent to the subject property, Cathedral Group Plc and the London Borough of Lambeth are developing Clapham One, a mixed use development comprising Mary Seacole House and The Leisure Centre.

Mary Seacole House will become a new community hub on the corner of Clapham High Street and Saint Lukes Avenue. The 12 storey building will provide a mixed-use development including library, medical centre, community rooms and 136 flats.

The Leisure Centre will be located at the corner of Clapham Manor Street and Voltaire Road and will provide two swimming pools, fitness centre, sports hall, and residential accommodation.

Further information can be found at www.claphamone.com.

Clapham Common is located approximately 0.4 miles to the south west of the property. The Common hosts several events every year including The Clapham Weekender, Toast Festival and Ben & Jerry's Sundae on the Common.



Accommodation

	Description	sq m	sq ft
Ground Floor	Dining facilities, feature kitchen and disabled toilet	152.17	1,638
Ground Floor ITZA		78.69	847
Basement	Office, staff changing room, walk in freezer, male and female toilets.	28.80	310
First Floor	One bedroom flat		
Second Floor	One bedroom flat		
TOTAL		180.97	1,948

Areas are Net Internal and are provided from our client's management records





Covenant

The original Nando's restaurant opened in South Africa in 1987 and the company has now grown to operate from over 30 countries globally.

The first Nando's in the UK opened in Ealing in 1992. The chain has since successfully expanded nationwide taking market share from fast-food restaurants and now trades from over 250 restaurants employing over 7,000 people. Nando's plan to further expand this year with the opening of at least 20 new restaurants.

Nando's Chickenland Limited is rated by Dun & Bradstreet as 5A1 (a minimum risk of business failure). The 2010 accounts show a Tangible Net Worth of £42.389 million. The company has recorded both an increasing turnover and net worth in each of the last four years and the latest accounts show a 300% increase in Pre Tax Profits from 2009 to 2010. A summary of their financial accounts is shown below:

Nando's Chickenland Limited	28/02/2010	22/02/2009	24/02/2008
	£ 000s	£ 000s	£ 000s
Turnover	278,753	230,857	186,642
Pre Tax Profit	23,872	7,818	11,849
Net Worth	42,389	25,303	20,288

For additional information, please see www.nandos.co.uk

Tenure

Freehold

Tenancy

The property is let in its entirety on an effectively FRI lease to Nando's Chickenland Limited for a term of 25 years from 29 September 2004. This provides an unexpired term of in excess of 18.25 years.

The current rent passing is £96,170 per annum and the lease benefits from five yearly upwards only rent reviews, the next being on 29 September 2014.



Investment Considerations

- Clapham is a vibrant London suburb located close to the West End and City of London benefiting from excellent transport links to Central London.
- Excellent local demographics, with an affluent catchment area and especially popular with young professionals.
- The property occupies a prominent corner location adjacent to Tesco and the Clapham One development within a well established restaurant and retail location. Local occupiers include Sainsbury's, HSBC, Boots, Superdrug, Evans Cycles, KFC, McDonald's, Gourmet Burger Kitchen and Strada.
- Let to the excellent covenant of Nando's Chickenland Limited for in excess of 18.25 years unexpired. Nando's have successfully expanded their operations across the UK and have recorded increased turnover performance and net worth in each of the last four years.
- Potential to negotiate the surrender of the valuable upper parts - residential capital values in the area range from £400 - £600 per sq ft and rental value for the two flats are approximately £20,500 per annum.

Planning

We have been advised that the property is not Listed, however it does lie within the Clapham High Street Conservation Area.

VAT

VAT is payable on the purchase price.

Proposal

Our client is seeking offers in excess of £1,730,000 (One Million Seven Hundred and Thirty Thousand Pounds) reflecting a Net Initial Yield of 5.25% assuming standard Purchaser's costs of 5.80% subject to contract and exclusive of VAT.

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Viewing

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