

— PROJECT —
TOPAZ
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THE
ABERCORN ARMS
TEDDINGTON

THE
RISING SUN
EPSOM

THE
ROYAL GEORGE
WALTON ON THAMES

COMMUTER BELT PUBLIC HOUSE GROUP INVESTMENT OPPORTUNITY

AG&G
CHARTERED SURVEYORS
LEISURE PROPERTY SPECIALISTS



ABERCORN ARMS

76 CHURCH ROAD,
TEDDINGTON, TW11 8EY

THE RISING SUN

14 HEATHCOTE ROAD,
EPSOM, KT18 5DX



THE ROYAL GEORGE

130-132 HERSHAM ROAD,
WALTON ON THAMES, KT12 5QJ



INVESTMENT SUMMARY

- A collection of three freehold public house investments, located in the affluent commuter belt of Greater London/Surrey, inside the M25 within high value residential districts.
- High quality 'managed houses' each benefitting from extensive, well fitted trading bars, commercial kitchens, trade gardens and ample domestic accommodation.
- Each pub is let to Twickenham Green Taverns forming part of the Morgan Pub Collective which has close links to the popular Big Smoke Brewery.
- Each lease runs to 2043 and benefits from valuable annual RPI increases, capped and collared at 6% and 2% respectively, with additional turnover 'top up'.
- Combined Gross Internal Areas totalling 12,300 sq ft
- Combined base rent of £308,688
- Combined turnover 'top up' rent of £28,499 until June 2025
- Combined security deposit of £75,000
- Seeking offers in excess of £4.2 million for the group of freehold assets, representing a net initial return of 6.9% (ignoring the top up rent), a low capital value of £341 psf.
- Businesses unaffected.

Viewings by appointment only.

Contact James Grimes of sole agents AG&G on 0207 836 7826.



ABERCORN ARMS

An attractive detached two storey building over basement of late Victorian style, with painted brick elevations and parapet wall to roof. Trade garden to rear, partially covered.

LOCATION

The property fronts Church Road at its junction with Latimer Road in the popular residential suburb of Teddington approximately 350m from the main retail pitch and 500m from Teddington mainline railway station. It faces St Mary's and St Peter's Primary School.



ACCOMMODATION

GROUND FLOOR:

Two interconnecting trade areas with a central bar servery, games room, and customer toilets.

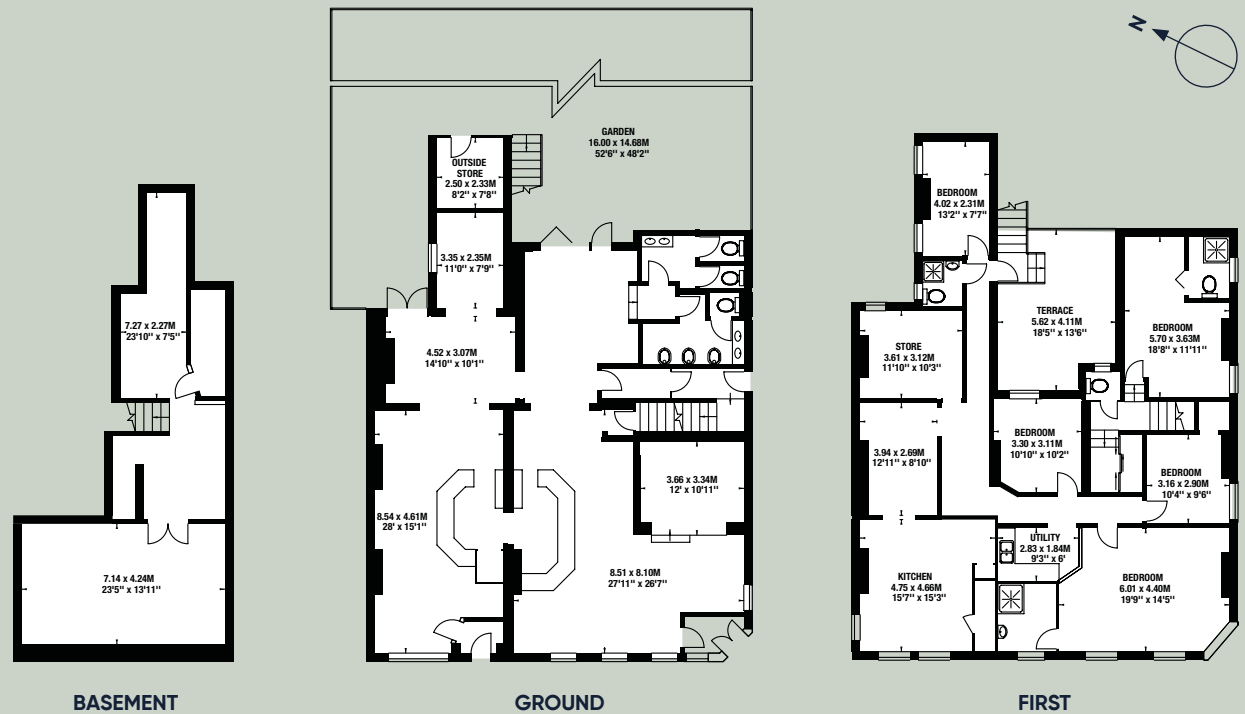
BASEMENT:

Cellar with storage.

FIRST FLOOR:

Used for managers accommodation with five bedrooms, bathroom, lounge and additional commercial trade kitchen.

FIRST FLOOR	170 sq m	1,827 sq ft
GROUND FLOOR	183 sq m	1,972 sq ft
BASEMENT	67 sq m	717 sq ft
TOTAL	420 sq m	4,516 sq ft
TOTAL SITE AREA	452 sq m	4,863 sq ft





TENURE

Freehold subject to a 20 year lease from June 2023 until June 2043.

The base rent is subject to annual indexation, which is capped at 6% and collared at 2%. The passing rent is £102,896 until June 2025. In addition, there is a turnover related top-up whereby 11% of net of VAT sales at the pub is payable, as the headline rent, less the base rent. For the year to June 2024, this turnover provision increased the rent by £9,413, payable over the year to June 2025. Thus, the total annual rent payable to the landlord equates to £112,309 until June 2025.

This turnover provision may be removed by a third-party freehold investor, subject to an additional, one-off open market rent review. Market rent reviews also take place every fifth year, to the greater of the passing base rent or the open market rent.

SERVICES

The property is understood to be connected to all mains services.

LICENSING

The property benefits from a Premises Licence which permits the sale of alcohol from 10:00am until 11:30pm Sunday to Thursday and 10:00am until midnight Friday and Saturday

PLANNING

From enquiry of the London Borough of Richmond Upon Thames it has been established that the property is not listed as being of special architectural or historical interest, but is situated within the Church Road Conservation Area.

RATING ASSESSMENT

The property is listed as a 'Public House and Premises' with a rateable value of £14,700, with effect from 1st April 2023.

EPC

Available upon request.



THE RISING SUN

The property comprises a two-storey end of terrace building with part timber cladding part painted elevations beneath a pitched roof. There is an extensive trade garden to the rear.

LOCATION

The property is located in the popular Surrey commuter town of Epsom, approximately 350 metres from the one-way gyratory system which circles the town centre, in a predominantly residential area. The University for the Creative Arts is 100 metres to the south. The property fronts Heathcote Road, and there is a pedestrian footpath at the side which links to the town centre.

ACCOMMODATION

GROUND FLOOR:

Set out in two sections, with a saloon area to the front and larger bar/dining area to the rear, commercial kitchen, storage and customer toilets.

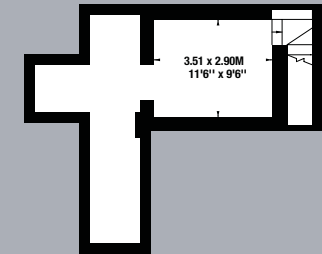
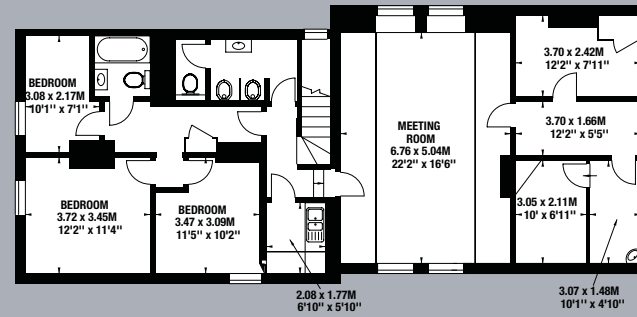
BASEMENT:

Cellar with additional storage.

FIRST FLOOR:

A function room and customer toilets, together with a three-bedroom managers accommodation.

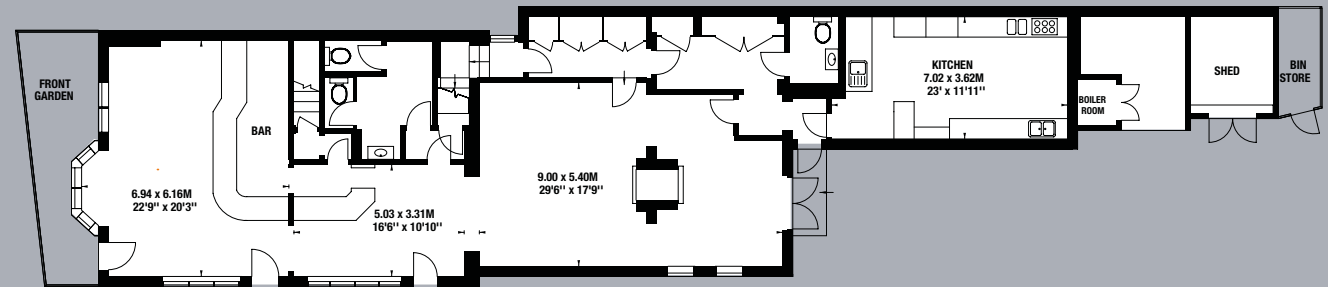
FIRST FLOOR	125 sq m	1,344 sq ft
GROUND FLOOR	167 sq m	1,793 sq ft
BASEMENT	26 sq m	261 sq ft
TOTAL	316 sq m	3,398 sq ft
TOTAL SITE AREA	602 sq m	0.15 acres



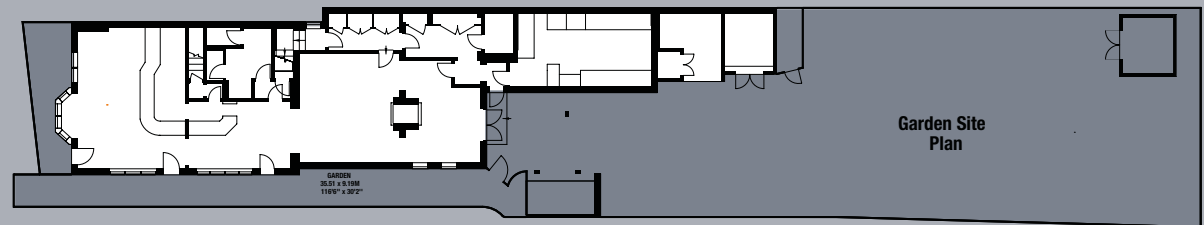
FIRST

A function room, customer toilets and three-bedroom manager's accommodation.

BASEMENT



GROUND



BOUNDARY



TENURE

Freehold subject to a 20 year lease from June 2023 until June 2043.

The base rent is subject to annual indexation, which is capped at 6% and collared at 2%. The passing rent is £102,896 until June 2025. In addition, there is a turnover related top-up whereby 11% of net of VAT sales at the pub is payable, as the headline rent, less the base rent. For the year to June 2024, this turnover provision increased the rent by £11,522, payable over the year to June 2025. Thus, the total annual rent payable to the landlord equates to £114,418 until June 2025.

This turnover provision may be removed by a third-party freehold investor, subject to an additional, one-off open market rent review. Market rent reviews also take place every fifth year, to the greater of the passing base rent or the open market rent.

SERVICES

The property is understood to be connected to all mains services.

LICENSING

The property benefits from a Premises Licence which permits the sale of alcohol from 10:00am until 11:00pm Monday to Thursday, 10:00am until midnight Friday and Saturday and noon until 10:30pm on Sunday.

PLANNING

From enquiry of the Epsom and Ewell Borough Council it has been established that the property is not listed as being of special architectural or historical interest, but is situated within the Church Street Conservation Area.

RATING ASSESSMENT

The property is listed as a 'Public House and Premises' with a rateable value of £40,800, with effect from 1st April 2023.

EPC

Available upon request



THE ROYAL GEORGE

The sizable, detached, two storey property above basement with exposed brick elevations beneath a pitched roof.

Beer garden to the front with a patio and carpark to the rear.

LOCATION

The property fronts Hershams Road at its junction with Falmouth Road within the residential district of Hershams, which forms part of Walton on Thames. The property faces Bell Farm Primary School and playing fields. The nearest railway station is Walton on Thames, just under one mile to the north west, served by frequent train services with a journey time of circa 25 minutes to London Waterloo.

ACCOMMODATION

GROUND FLOOR:

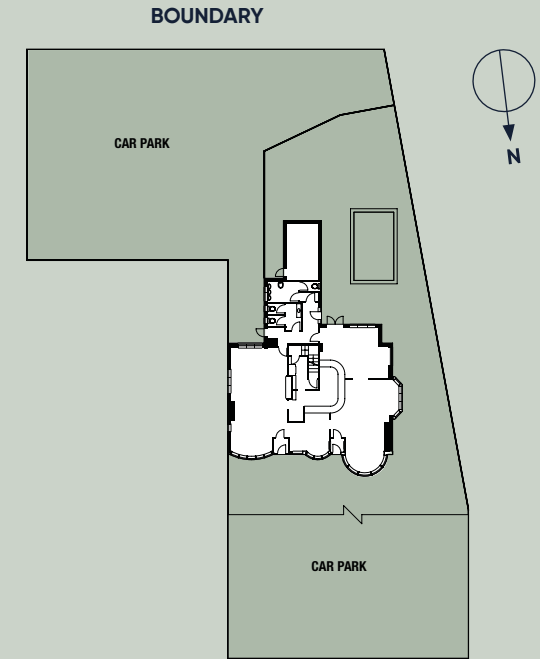
Open plan trading area, partially divided into two sections with a central bar counter, customer, toilets, and ancillary storage.

BASEMENT:

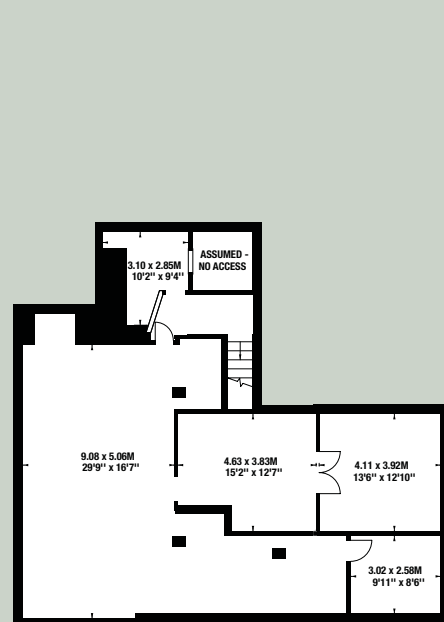
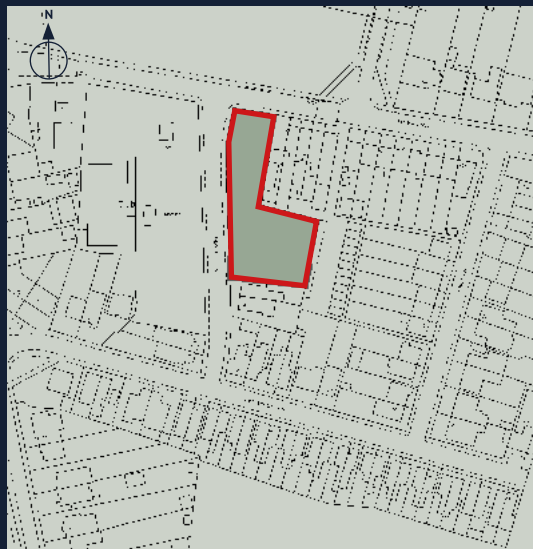
Cellar with storage.

FIRST FLOOR:

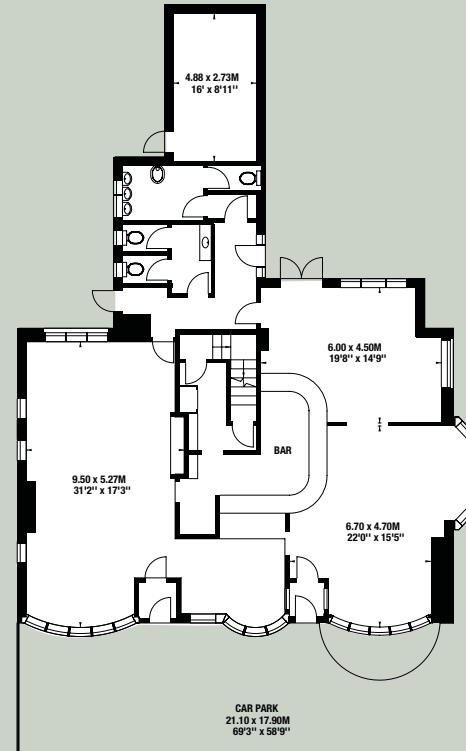
One bedroom, managers flat, and storage, commercial kitchen, managers office and staff toilet.



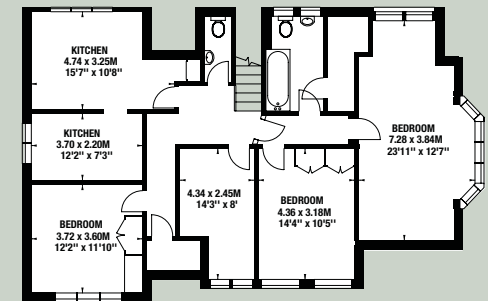
FIRST FLOOR	118 sq m	1,273 sq ft
GROUND FLOOR	117 sq m	1,907 sq ft
BASEMENT	115 sq m	1,241 sq ft
TOTAL	410 sq m	4,421 sq ft
TOTAL SITE AREA	1,470 sq m	0.36 acres



BASEMENT



GROUND



FIRST



TENURE

Freehold subject to a 20 year lease from June 2023 until June 2043.

The base rent is subject to annual indexation, which is capped at 6% and collared at 2%. The passing rent is £102,896 until June 2025. In addition, there is a turnover related top-up whereby 11% of net of VAT sales at the pub is payable, as the headline rent, less the base rent. For the year to June 2024, this turnover provision increased the rent by £7,564, payable over the year to June 2025. Thus, the total annual rent payable to the landlord equates to £110,460 until June 2025.

This turnover provision may be removed by a third-party freehold investor, subject to an additional, one-off open market rent review. Market rent reviews also take place every fifth year, to the greater of the passing base rent or the open market rent.

SERVICES

The property is understood to be connected to all mains services.

LICENSING

The property benefits from a Premises Licence which permits the sale of alcohol from 11:00am until 1:00am seven days a week.

PLANNING

From enquiry of the Elmbridge Borough Council it has been established that the property is not listed as being of special architectural or historical interest, nor does it lie in a conservation area.

RATING ASSESSMENT

The property is listed as a 'Public House and Premises' with a rateable value of £23,800, with effect from 1st April 2023.

EPC

Available upon request.

WIDER LOCATION

Conveniently clustered group within South West commuter belt of Greater London/Surrey

Each pub is within easy walking distance of a railway station providing regular, fast links into London Waterloo.

Excellent road links to the area include A3, A24 and M3, all leading to the London orbital M25.

Each within popular, high value suburban residential locations.



INVESTMENT SUMMARY

PUB NAME	LOCATION	PASSING RENT	NEXT RENT REVIEW	UNEXPIRED TERM	GROSS INTERNAL AREA
Abercorn Arms	76 Church Road, Teddington, TW11 8EY	£102,896	June 2028	19 years	4,516 sq ft
Rising Sun	14 Heathcote Road, Epsom, KT18 5DX	£102,896	June 2028	19 years	3,395 sq ft
Royal George	130-132 Hersham Road, Walton on Thames, KT12 5QJ	£102,896	June 2028	19 years	4,421 sq ft

THE TENANT COMPANY

The pubs have close links with The Big Smoke Brew Co, a multi-award-winning brewery, distillery and pub company based in Surrey. The brewery brand encompasses these three sites whilst being offered within another 16 pubs across the region. The brewery has an annual output of circa 3.5M pints.

The tenant company, Twickenham Green Taverns Ltd forms part of the Big Smoke family and the leases are guaranteed by both the individual founding directors, Big Smoke Pub Co, and Express Taverns Ltd. The pub sits within the Morgan Pub Collective, which comprises 19 properties from the West End of London to Oxford in the West.

INVESTMENT MARKET

Despite the uncertainty in the economy and the recent surprise increase in inflation, the short to medium term outlook by the majority of economists is for the base rate of interest to remain steady or decrease in 2025. A strong appetite remains for defensive, well located public houses providing long term income and fixed rental growth throughout the lease term. Pricing within London has held firm with pubs offering full amenity future proof trading potential offering an attractive asset class among investors wishing to benefit from a diverse pub property portfolio.

COMPARABLE TRANSACTIONS

PROPERTY	DATE	NET INITIAL YIELD	PRICE	TENANT
Bedford, Balham	Q3 2024	5.26%	£6,050,000	Stonegate Pub Co
Prince of Wales, Clapham	Q2 2024	5.02%	£1,130,000	Stonegate Pub Co
Rose, Southwark	Q1 2024	4.50%	£2,300,000	Stonegate Pub Co
Duke of York, Fitzrovia	Q4 2023	4.38%	£3,000,000	Independent
The Crown, Chelsea	Q2 2023	4.06%	£2,200,000	Stonegate Pub Co
The Royal Vauxhall Tavern, Vauxhall	Q2 2024	6.32%	£2,200,000	Independent
Brompton Cross, South Kensington	Q4 2024	5.57%	£1,860,000	Independent

VAT

The properties are elected for VAT and will be treated as a Transfer of a Going Concern (TOGC) for transaction purposes.

PROPOSAL

The Vendor is seeking offers in excess of £4.2 million for the group of three freehold assets which represents a net initial return of 6.9% of the base rent, a return until June 2025 of 7.5%, and a low capital value of £341 psf.

VIEWING

Prospective investors are requested to undertake customer visits in the first instance. Under no circumstances should on site staff or customers be approached. Full access is by appointment only.

For further information please contact

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