



WENDY'S RESTAURANT
1 STATION ROAD
READING RG1 1LG

PRIME RESTAURANT INVESTMENT OPPORTUNITY
LET UNTIL 2040 (TOB 2035) WITH RPI LINKED UPLIFTS

allsop

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REAL ESTATE



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PRIME RESTAURANT INVESTMENT
OPPORTUNITY LET UNTIL 2040 (TOB 2035)
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INVESTMENT CONSIDERATIONS

- Located in the **heart of Reading Town Centre** moments from Reading Railway Station
- Let to **Wendy's Restaurants of UK Limited** until **October 2040** (TOB break 2035 with 9 month penalty)
- **Current rent passing of £117,500 pa** with five yearly rent reviews to the higher of **RPI (cap and collar of 1.5 – 3%)** or OMV
- **Virtual Freehold**
- Arranged over **ground floor and part basement only** measuring approximately 2,775 Sq Ft (Upper floors are not included in the sale)
- **Wendy's is the world's third-largest hamburger fast-food chain** with circa **6,700 restaurants in 30 countries**
- Recently **comprehensively refurbished to a high standard**
- Lease benefits from a **guarantor from Wendy's International, LLC**
- Wendy's have plans to expand throughout the UK and Europe with the subject property being the **first in the UK for 20 years**

PROPOSAL

Offers are sought in excess of **£2,000,000 (Two Million Pounds)** which reflects a **NIY of 5.53%** subject to contract and exclusive of VAT, allowing for purchaser's costs of 6.29%.

Reversionary Yield based on RPI reviews (1.5%-3%)

	October 2025	October 2030
Minimum	5.96%	6.42%
Maximum	6.41%	7.43%



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READING - IDEAL FOR COMMUTERS  **LONDON PADDINGTON 23 MINS**

CROSSRAIL 2022  **HEATHROW 46 MINS**  **BOND STREET 54 MINS**



LOCATION

Reading is an affluent town and the principal commercial centre within the Thames Valley. The town is well located in the M4 corridor 64 km (40 miles) west of Central London and 40 km (25 miles) south east of Oxford. Road communications are excellent with the M4 (Junctions 10 to 12) providing access to London and the M25 to the east and Swindon, Bristol to the west.

The town also benefits from excellent regular train services to London Paddington (23 minutes), Birmingham New Street (1 hour 32 minutes) and Bristol (49 minutes). Rail links to London are set to improve further with Crossrail linking the town directly to Central London. Crossrail will also stop at Twyford which is located 2.5 km (1.6 miles) to the east. London Heathrow Airport is approximately 40 km (25 miles) to the east.

DEMOGRAPHICS

Reading has a primary catchment population of approximately 391,000 people* with the town providing a well-integrated service economy combining a highly skilled local workforce, with half of the working population holding higher education qualifications, and a diverse range of business types, in particular technological, financial and professional services. Close to 70%

of total employment is within the private sector, significantly above the retail PROMIS average.

The age profile of the residents in the immediate area includes a relatively high proportion of younger adults aged 25-44 years and children aged 0-14 years are also being over-represented compared to the UK average.



19,000
READING STUDENT
POPULATION



391,000
PRIMARY CATCHMENT
POPULATION

**Source: Promis Retail Report.*



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DESCRIPTION

The property comprises a former ground floor retail unit that has just been comprehensively refurbished and converted to a restaurant. The property, which was previously a Nationwide Building Society has been fitted out to a high standard with full Wendy's branding and comprises an open plan dining area customer W/Cs, kitchen/preparation area and ancillary staff accommodation.

The tenant benefits from ancillary and plant space in the basement area which is accessed via a right of way to be created through the entry point on Station Road which is shared with the residential accommodation Wendy's use the basement for plant equipment and storage space.*

**Allsop were unable to gain access to all of Wendy's demised basement space. Some areas within the basement have been scaled from architect's plans.*



ACCOMMODATION*

Floor	GIA (sq m)	GIA (sq ft)
Ground Floor	233.7	2,516
Basement	24.1	259
Total	257.8	2,775

**All interested parties should carry out their own measured survey, this should include confirming the exact demise that will be included as the long leasehold. The above measurements were measured on a GIA basis in accordance to Wendy's lease plan.*



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TENANCY

The property is let to Wendy's Restaurants of UK Limited on a full repairing and insuring lease for a term of 20 years from 30th October 2020 expiring 29th October 2040 at a current passing rent of £117,500 pa. The rent is subject to five yearly rent reviews to the higher of market rent or RPI, cap and collar of 1.5 – 3%. There is a tenant only break in 2035, if the tenant decides to activate their break they would be required to pay a 9 month rental penalty.

The tenant pays a service charge for the property, which has initially been set at £3 per sq ft. There is an RPI-linked service charge cap in place.

TENURE

The property will be sold on the basis of a long leasehold interest of 999 years at a peppercorn rent. There will be an open user clause which will include permission to use the Property for any use under Class E.



VIRTUAL FREEHOLD



LEASE EXPIRY 2040 (TOB 2035)



RENT OF £117,500 PA



RPI LINKED REVIEWS (1.5% - 3%)



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WENDY'S BACK IN THE UK – FIRST STOP, READING

After 20 years Wendy's has bought its burgers back to the UK, and its first stop is the subject property in Reading.

The global fast food restaurant chain was founded in 1969 in the USA and is the world's third-largest hamburger fast-food chain with circa 6,700 outlets in 30 countries around the world, following Burger King and McDonald's. The company has created a specifically designed menu to suit it's UK customers which will include iconic burgers like the Baconator and Spicy Chicken Sandwich as well as breakfast options and a vegan selection.

The chain has ambitious plans for the UK that include:

-  **PLANS TO OPEN UP TO 400 RESTAURANTS ACROSS THE UK**
-  **CREATE AT LEAST 12,000 JOBS**
-  **PLANS FOR THE UK TO BE THE "SPEARHEAD" OF A EUROPEAN-WIDE EXPANSION**




ENVIRONMENTAL, SOCIAL AND CORPORATE RESPONSIBILITY*

-  **COMMITTED TO SUSTAINABLE SOURCE 100% OF ITS CUSTOMER-FACING PACKAGING BY 2026**
-  **CONVERTED 24 MILLION POUNDS OF USED COOKING OIL INTO 2.8 MILLION GALLONS OF RENEWABLE DIESEL**
-  **RECEIVED AN AWARD FOR BEST PLACES TO WORK FOR LGBTQ+ EQUALITY BY HUMAN RIGHTS CAMPAIGN**
-  **GLOBAL BEST PRACTICE WINNER FOR EMPLOYEE RETENTION BY BLACK BOX INTELLIGENCE**
-  **DONATED \$500,000 TO ADVANCE SOCIAL JUSTICE, YOUTH AND EDUCATION**

*Source: Wendy's 2020 Corporate Responsibility Report. (<https://www.irwendys.com/esg/overview/default.aspx>)



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COVENANT INFORMATION

Name on the lease - Wendy's Restaurants of U.K. Ltd (company number 12260740)

Wendy's Restaurants of UK Ltd was incorporated in the UK on 14th October 2019 after a return of the brand to the UK. The restaurant in Reading will be the group's first UK opening and is expected to be a high-profile unit.

Wendy's are continuing their UK role out with sites identified in Oxford and London and they are expected to have 5 outlets by the end of 2021.

Guaranteed by - Wendy's International, LLC

Wendy's International, LLC is a 100% owned subsidiary of its parent company The Wendy's Company and the indirect parent company of (1) Quality Is Our Recipe, LLC ("Quality"), which is the owner and franchisor of the Wendy's® restaurant system in the United States and all international jurisdictions except for Canada, and (2) Wendy's Restaurants of Canada Inc., which is the owner and franchisor of the Wendy's restaurant system in Canada.* Wendy's International, LLC is registered in Dublin, Ohio, USA.

Within The Wendy's Company Annual Report 2020's consolidated balance sheets The Wendy's Company and Subsidiaries reported a turnover in excess of \$1.73 billion and an operating profit of \$269.3 million*. The Wendy's Company is listed on the Nasdaq Stock Exchange.

**Further information on the company structure and subsidiaries can be found within The Wendy's Company Annual Report 2020 here - https://s1.q4cdn.com/202642389/files/doc_financials/2020/ar/Wendys-2020-Bookmarked-Annual-Report.pdf*



EPC

Available within the data room.

VAT

The property is elected for VAT and it is anticipated that the transaction will be treated as a transfer of a going concern.

ANTI-MONEY-LAUNDERING

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

DATAROOM

For access to the Allsop dataroom please use the following link:
<https://datarooms.allso.co.uk/register/WendysReading>

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FOR FURTHER INFORMATION OR TO MAKE ARRANGEMENTS FOR VIEWING PLEASE CONTACT:



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