

LIDL

**HALLSVILLE QUARTER
CANNING TOWN
LONDON**

Prime, New-Build London Foodstore



INVESTMENT SUMMARY

- **Canning Town is on an upwards trajectory** and there is no better place to witness the eastward march of London, with a multitude of new residential and commercial developments reshaping its landscape.
- **Extensive residential population of approximately 277,500, persons** with a 56.4% of households categorised within the most affluent ABC1 social grades and 72% under 44 years old.
- Catchment of over **70,000 persons within 20 minutes' walk.**
- **Brand new**, highly prominent **15,985 sq ft** foodstore, forming part of Hallsville Quarter, a vast town centre regeneration scheme transforming Canning Town.
- **New Virtual Freehold interest** – 246 years at a peppercorn rent.
- **Securely let to Lidl Great Britain Ltd** for a term of **25 years** (subject to tenant break at year 20).
- Annual rent of **£350,000 pa**, reflecting just **£21.90 psf**.
- **Five yearly CPI linked rent reviews** (C&C, 1% & 3%).
- Unit due to be handed over to Lidl in September 2024 and **open in Q4 2024.**



We are instructed to seek offers in excess of **£6,250,000 (Six Million, Two Hundred and Fifty Thousand Pounds)**, subject to contract and exclusive of VAT. A purchase at this level would reflect an attractive **Net Initial Yield of 5.25%**, after the deduction of standard purchaser's costs of 6.63%.

LONDON

London is one of the world's principal financial and commercial centres, alongside New York, Hong Kong and Tokyo. Globalisation has shifted London towards a service-led economy, with the rise of the City (London's banking and financial district) and the business, professional and financial services sector serving as key drivers of its rapid growth, underpinned by its world-class retail, tourism, creative sectors and status as a hub for academic excellence.

As one of the world's leading tourism destinations, the city attracts over 15 million international visitors annually who travel to visit its renowned retail, leisure and cultural attractions, including numerous world heritage sites and over 170 museums. By 2025, London is projected to attract 40.4 million overnight visitors per annum, injecting £22 billion a year into the city's economy. The city's population is currently estimated at 8,900,000 people and is projected to increase to 9,800,000 by 2035 (GLA).



Image taken: 07/05/2023 – shaded buildings now completed.
The subject property forms part ground floor of the building shaded blue.



Major investors in the area include:

- Ballymore Group
- Bouygues UK Limited
- Fizzy Living
- Grainger PLC
- HUB
- Legal & General
- Lendlease
- Linden Homes
- Mount Anvil
- Oxley Holdings
- Redrow PLC
- Starwood Capital
- Taylor Wimpey PLC

CANNING TOWN

Canning Town is a historic East End neighbourhood, which was built to support heavy industry developed outside the boundaries of the City of London in the mid-1800s, around the Royal Victoria Dock.

Regeneration of the area was long overdue, particularly given its close proximity to key tourist attractions, leisure activities and its connectivity to all of London's key business districts including Canary Wharf, Stratford, the West End and the City. Today, Canning Town has undergone and continues to experience extensive regeneration, with a multitude of new residential and commercial developments reshaping its landscape. The area also recently became home to City Hall, the headquarters of the Greater London Authority (GLA), who relocated to Royal Docks in 2022.

Newham Council set out their masterplan for the area in 2007. Since then, significant development has taken place and the area has been completely transformed. The estimated £3.7bn regeneration programme will deliver an astounding 10,000+ new homes (of which 3,500+ are already under construction/built), a new town centre, leisure, health, riverside walkway and community facilities across an area of approximately 62 acres. Canning Town is on an upwards trajectory and there is no better place to witness the eastward march of London.

DEVELOPMENTS IN THE AREA FOR 18,000+ HOMES PLANNED



■ COMPLETED
 ■ UNDER CONSTRUCTION
 ■ PLANNED



1 Hallsville Quarter

Developer: Linkcity
 Under Construction
 1,148 homes
 325,000 sq ft commercial and community



2 London City Island

Developer: Ballymore
 Completed
 1,706 homes
 215,000 sq ft commercial and community



3 Goodluck Hope

Developer: Ballymore
 Completed
 841 homes
 27,500 sq ft commercial and community



4 Limmo Peninsula

Landowner: TFL
 Planned
 1,500 homes



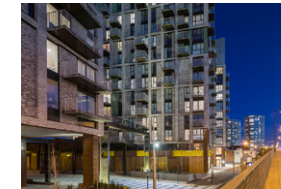
5 Thameside West

Landowner: GLA & Keystone London
 Planned - planning approved
 5,500 homes



6 Brunel Street Works

Developer: Linden Homes & Fizzy Living
 Completed
 975 homes
 32.500 sq ft commercial
 152 bed Premier Inn



7 Caxton Works

Developer: u+i & Galliard
 Completed
 336 homes
 25,000 sq ft light industrial



8 Manor Road

Developer: Muse Developments & English Cities Fund
 Under Construction
 800 homes



9 Rathbone Market

Developer: Muse Developments, English Cities Fund & London Borough of Newham
 Completed
 651 homes
 35,000 sq ft commercial and community



10 Canning Town Estates

Developer: London Borough of Newham
 Planned
 1,750 homes



11 Crown + Mayer Perry Wharf

Developer: Barratt
 Planned - planning approved
 871 homes
 28,000 sq ft of commercial space



12 Council Development site

Land Owner: London Borough of Newham
 Planned
 2,000 homes
 (*Stock image)

LOCATION & COMMUNICATIONS

Canning Town is in the London Borough of Newham on the north side of the River Thames, adjacent to Canary Wharf, the Docklands and in close proximity to the Olympic Regeneration Area surrounding Stratford.

Public Transport

Canning Town is key part of the London Underground network as it provides an interchange between the Jubilee Line and Docklands Light Railway (DLR). The station serviced over 13 million travellers in 2023.

Hallsville Quarter is directly opposite Canning Town underground station, meaning favourable journey times are achievable. Furthermore, Crossrail's arrival at Custom House has put Liverpool Street Station 10 minutes away, Tottenham Court Road just 15 minutes away and London Paddington 21 minutes away.

Road

By road, the new town centre is located at the junction of the A13 dual carriageway and Silvertown Way. Canary Wharf is 2.0 miles west whilst Stratford is 2.6 miles north. The City of London is 4.7 miles west whilst the West End is 9.4 miles away. The M25 and wider national road network are easily accessible, via the A13 with the M25, junction 31 being 14 miles east. Hallsville Quarter offers 400 shopper car parking spaces.

Air

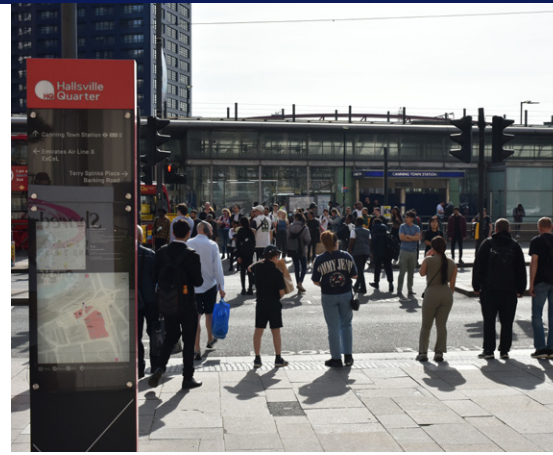
The nearest major airport to Canning Town is London City Airport (LCY), located just a few miles east of the district. London City Airport serves domestic and European destinations, with a focus on short-haul flights. It offers convenient access to Canning Town via the Docklands Light Railway (DLR) or by road.



Approximate journey from Canning Town Underground station

Station	Journey Time
Custom House for Excel Centre	2 minutes
Canary Wharf	4 minutes
Emirates Air Line	5 minutes
London Bridge	11 minutes
Waterloo	14 minutes
Bank	15 minutes
Bond Street	19 minutes
Liverpool Street Station	20 minutes





CANNING TOWN IS WITHIN
CLOSE PROXIMITY TO KEY
TOURIST ATTRACTIONS,
LEISURE ACTIVITIES AND
IS WELL CONNECTED TO
LONDON'S KEY BUSINESS
DISTRICTS



CATCHMENT & DEMOGRAPHICS

The sale offers an excellent opportunity to invest in one of the largest and most exciting town centre regeneration projects in London. A range of high quality new residential developments, exceptional transport links and the areas relative affordability are leading to a rapid influx of young professionals.



Residential population of approx. **277,500**



16% 'City Sophisticates', 4.3 x larger than GB average



56.4% categorised within the most affluent ABC1 social grade (national average of 53.2%).



Extremely youthful professional base, with **72%** under 44 years old (vs. 55% GB average)



A catchment of over **70,000** within 20 minutes' walk.



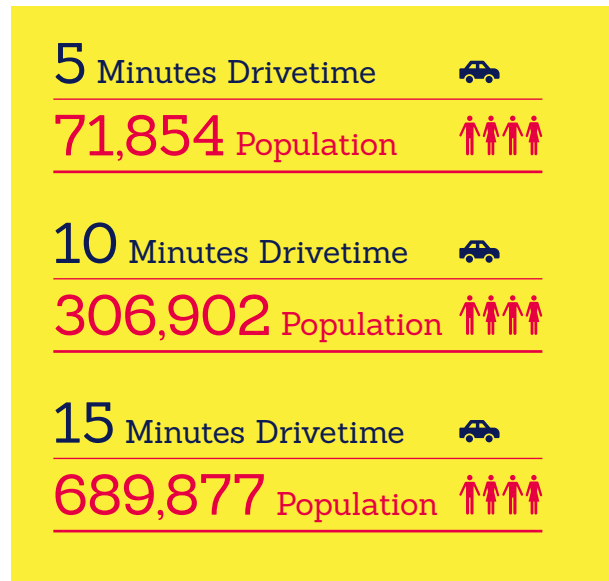
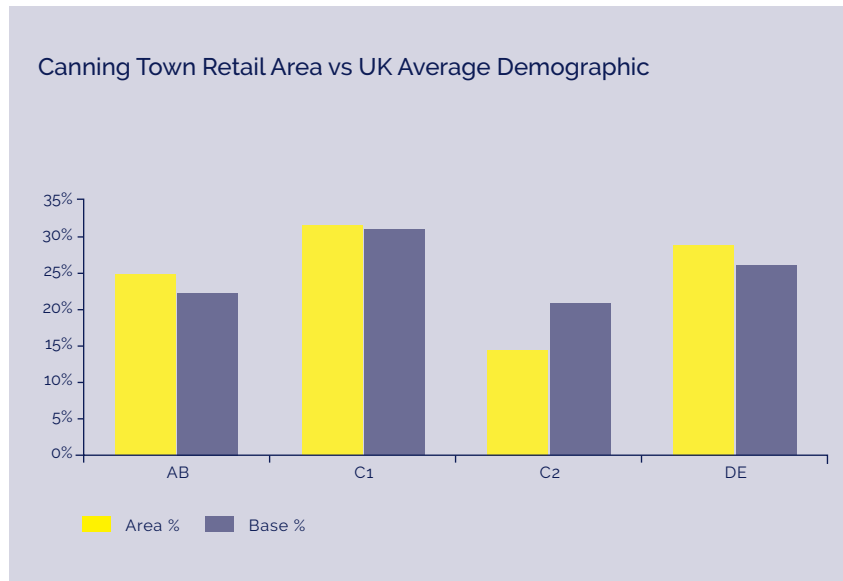
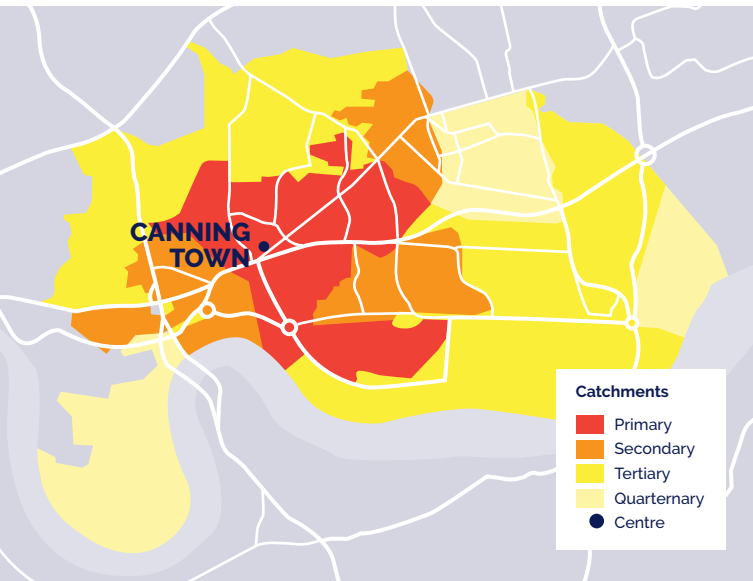
Catchment growth predicted at **+18%** catchment growth predicted by 2025.



23% of catchment within 20 minutes' walk are "city sophisticates" or "career climber", compared to the National Average of 10%.



Shopper population set to grow **+5.8%** by 2032



HALLSVILLE QUARTER

Hallsville Quarter is at the heart of Canning Town's regeneration. The £600 million development by the London Borough of Newham, in partnership with Linkcity, Bougues' UK development arm, provides Canning Town with a brand new, dynamic town centre with a traditional open high street feel, mixed-tenure housing, parking facilities and open public spaces. This transformational scheme is being delivered over five phases and with Phase 3 scheduled to be completed by Q4 2024.

Once complete, Hallsville Quarter will provide:

1,148 new homes

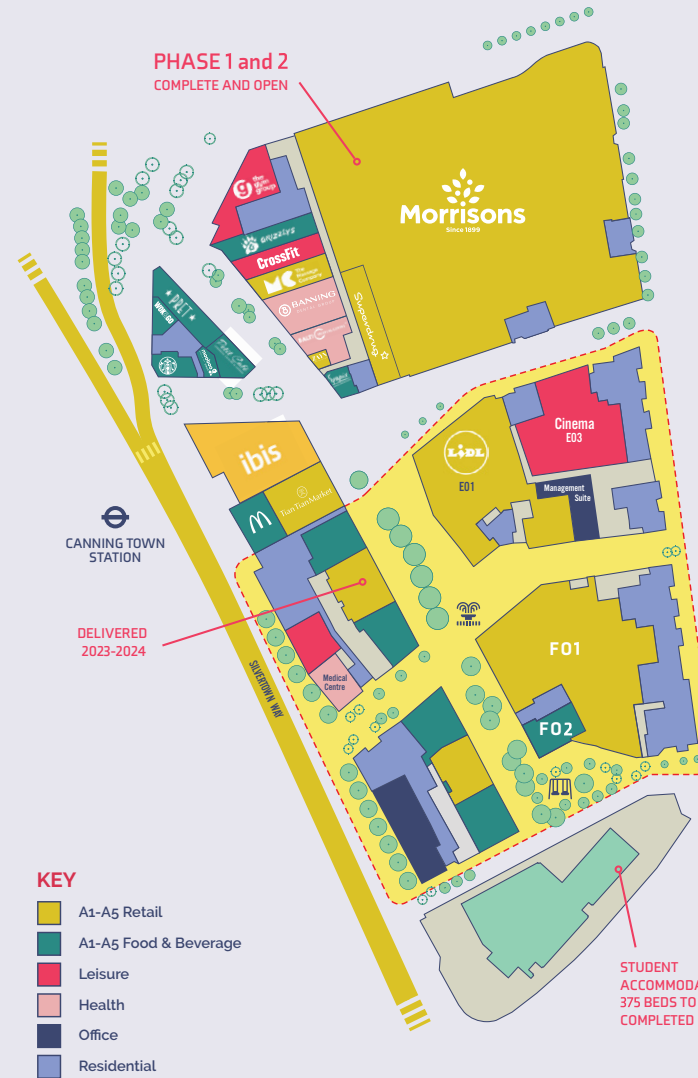
375 student beds

A new town centre for Canning Town

C. 300,000 sq ft of commercial floorspace

196 bed hotel

400 secure parking spaces for customers with 2 hours free parking



Phase 1 (completed 2015)

- Morrisons supermarket and Superdrug
- 179 new homes
- 400 space shopper car park (2 hours free parking)

Phase 2 (completed 2019)

- 16 retail units (100% let)
- The Gym - 14,500 sq ft
- 349 new homes
- 196 bed ibis hotel
- 300 parking spaces

Phase 3 (completing 2024)

- 620 new homes
- c 90,000 sq ft commercial space including 3 screen boutique cinema
- c 20,000 sq ft NHS GP Practice and c 40,000 sq ft workspace

Phase 4 (completing 2026)

- 375 bed student accommodation
- c 5,000 sq ft commercial space



FOODSTORE COMPETITION



Store	Postcode	Sq ft (Mins)	Drive Time (Mins)	Walking Time
1 Morrisons, Canning Town	E16 1ED	28,500	-	1
2 Iceland, Canning Town	E16 1EN	9,350	3	7
3 Waitrose and John Lewis, Canary Wharf	E14 5EW	110,000	7	39
4 M&S, Canary Wharf	E14 5NY	20,770	8	46
5 Lidl, Bow Common	E14 7DL	9,110	8	51
6 Tesco Express, Canary Wharf	E14 4QT	27,790	9	43
7 Asda, Isle Of Dogs*	E14 3BT	94,730	10	46
8 Tesco, Bromley By Bow**	E3 3DA	70,020	9	50
9 Lidl Beckton London	E6 5YA	19,300	10	49
10 Asda, Beckton	E6 5JP	82,650	10	57
11 Sainsbury's, Beckton	E6 6JF	137,630	10	64
12 Iceland, Stratford	E15 1XA	12,720	10	48
13 Lidl, Stratford	E15 1XE	17,889	10	48

Foodstore competition over 7,500 sq ft
 * Planning granted to be redeveloped into 526 homes and a new Asda
 ** Earmarked for redevelopment and potentially downsized

Key to Foodstores

- Asda
- Morrisons
- Sainsburys
- Waitrose
- Lidl
- Iceland
- Tesco
- Marks & Spencer

There is no Aldi store within a 10 minute drive. Their nearest branch is 3.1 miles away in Charlton, south of the River Thames.

Approximate Drive Times

- 5 minutes
- 10 minutes



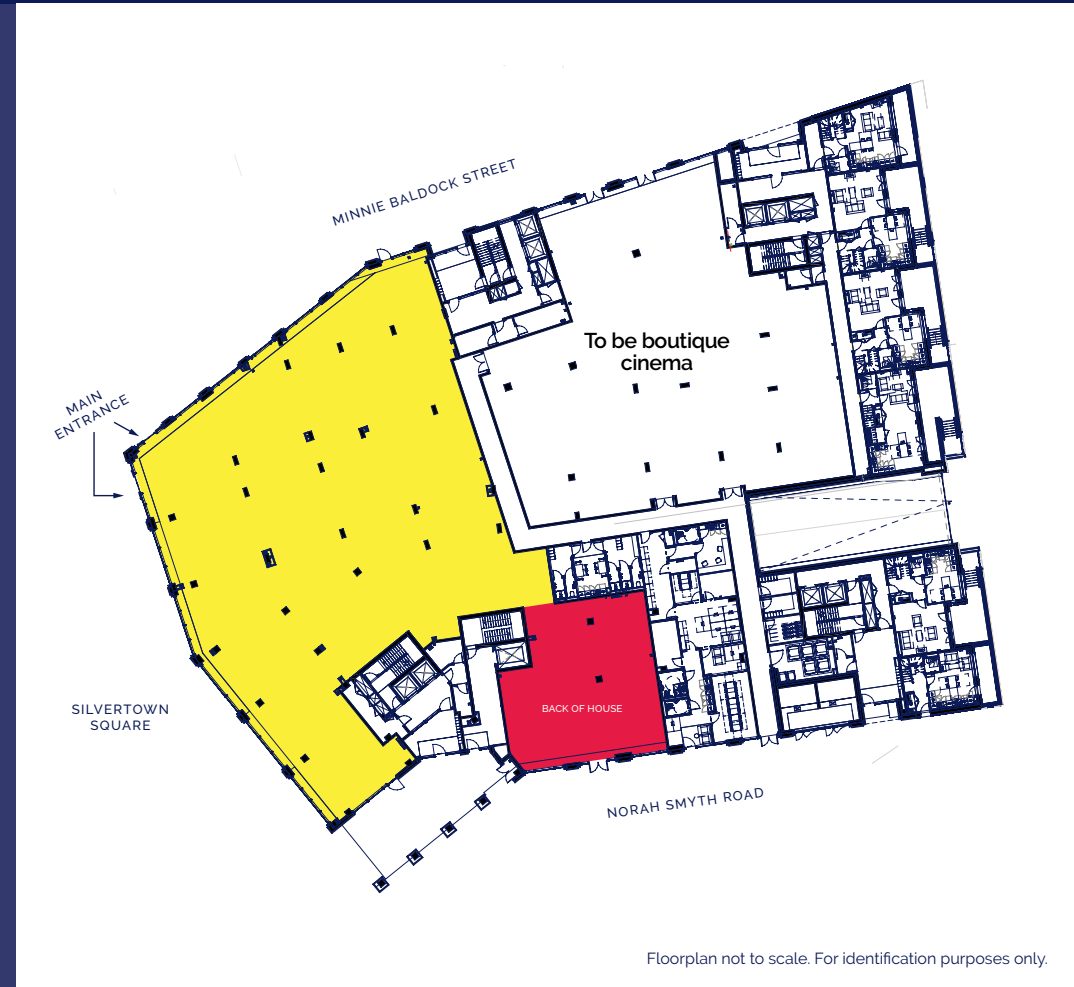
DESCRIPTION

The property comprises a brand new, purpose-built foodstore below a modern residential scheme (sold-off). The store totals 15,985 sq ft (GIA) and occupies a highly prominent corner on Silvertown Square with a vast frontage of approximately 104 metres and grand floor to ceiling heights ranging from 4-5 metres.

Frontage Silvertown Square (west elevation)	43.36 metres
Frontage to Minnie Baldock Street (north elevation)	35.67 metres
Frontage to Norah Smyth Road (south elevation)	25.29 metres
Total Frontage	104.32 metres

There is a 400 space shopper car park below Hallsville Quarter and shoppers benefit from 2 hours free car parking. The car park is accessed via stairs and a passenger lift opposite the store entrance on Silvertown Square and travelators and lifts within Morrisons. The store is serviced via Norah Smyth Road to the south.

The store is forecast to be handed over to the tenant in September 2024 and open in Q4 2024.



TENURE

A new Virtual Freehold interest expiring 03/06/2270 at a peppercorn rent (246 years unexpired). The freeholder is The Mayor and Burgesses of The London Borough of Newham.

TENANCY

The property will be let to Lidl Great Britain Limited on a 25 year effective full repairing and insuring lease at a rent of £350,000 per annum (£21.62 psf). The tenant will be granted a 6 month rent free period which will be topped-up by the vendor.

The rent is reviewed 5 yearly in line with the Consumer Price Index (CPI), subject to a collar and cap of 1.00% and 3.00%.

There is a tenant only break clause at year 20, subject to six months' notice. All planning and licencing consents been obtained and the only remaining condition to be satisfied before the lease completes is Landlord's enabling works, which are due to be completed by September 2024.



CGI of subject property

Foodstore Investment Comparables

Address	Tenant	Expiry	Break (Years)	Unexpired Term (Years)	Price	NIY	Date
Tesco, Bromley-by-Bow	Tesco	2029	-	5	£30,000,000	4.50%	Mar-24
Waitrose, Kings Hill, Kent	Waitrose	2038	-	14	£3,200,000	5.27%	Jan-24
Sainsbury's, Chadwell Heath	Sainsbury's	2038	-	15	£17,850,000	5.25%	Nov-23
Lidl, Reading	Lidl & McDonalds	2032	-	9	£7,470,000	5.40%	Sep-23
Lidl, Guildford	Lidl (part sublet)	2045	-	23	£17,159,000	4.75%	May-23
Lidl, High Wycombe	Lidl	2045	2035	11.25	£11,000,000	5.15%	Feb-23
M&S Foodhall, Temple Fortune	M&S Foodhall	2027	-	4.5	£13,700,000	4.00%	Feb-23

LIDL GREAT BRITAIN LIMITED

Lidl Great Britain Limited is a subsidiary of Lidl, a German global discount supermarket chain which serves as one of the largest retailers in Europe. Lidl entered the British market in 1994 and has since become one of the leading supermarket chains in the Britain with a market share of 8% (Kantar Worldpanel). The company's rapid expansion can be attributed to the convenient and cost-effective shopping experience it provides to its customers throughout its vast network of stores, in addition to its commitment to offering quality products at competitive prices.

Lidl Great Britain Limited oversees the company's operations in the UK, which includes stores across England, Scotland, Wales and Northern Ireland. The company has invested heavily in its infrastructure to support its growth initiatives. This includes the construction of new stores, distribution centres and logistics networks to enhance operational efficiency and meet the growing demand for its products. Lidl now boasts over 960 stores across and 14 distribution centres across the UK, employing 32,000 people. As of April 2024, Lidl has announced further plans to expand their network, opening hundreds of new stores across the UK with a particular focus on major cities.

	28/02/2023	28/02/2022	28/02/2021
Turnover	£9,300,716,000	£7,829,310,000	£7,710,434,000
Profit (Loss) before taxation	(£75,986,000)	£41,144,000	£9,816,000
Tangible Net Worth	£1,389,045,000	£1,461,535,000	£1,303,919,000

THE DEVELOPER

Linkcity is a real estate development company that operates primarily in Europe, with a focus on urban regeneration and sustainable development projects. It is part of the Bouygues Construction group, one of the world's leading construction and development companies.

Linkcity specialises in creating mixed-use developments that combine residential, commercial, retail and leisure spaces. These projects often involve revitalising underutilised or brownfield sites in urban areas, transforming them into vibrant and sustainable communities. They are also known for their collaborative approach to development, working closely with local authorities, communities and other stakeholders to deliver projects that meet the needs of both residents and businesses while contributing positively to the surrounding environment.

The company's portfolio includes a diverse range of projects, including residential developments, office buildings, retail centres, hotels and public infrastructure. They place a strong emphasis on sustainability, incorporating energy-efficient design, green spaces and sustainable building materials into their developments. It is due to this considered and holistic approach to development that they are revered as experts in creating innovative mixed-use spaces that enhance the quality of life of residents and contribute to the economic and social vitality of communities.





EPC

To be provided following completion of Landlord's works.

VAT

The property is opted to tax. It is therefore anticipated that the sale will be treated as a Transfer of Going Concern (TOGC).

PROPOSAL

We are instructed to seek offers in excess of **£6,250,000 (Six Million Two Hundred and Fifty Thousand Pounds)**, subject to contract and exclusive of VAT. A purchase at this level would reflect an attractive **Net Initial Yield of 5.25%**, after the deduction of standard purchaser's costs of 6.63%.

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