

# FOX HOUNDS

PUTNEY

165-167 UPPER RICHMOND ROAD, LONDON SW15 6SE



A RARE OPPORTUNITY TO PURCHASE A FREEHOLD PUBLIC HOUSE IN THE AFFLUENT SOUTH-WEST LONDON DISTRICT OF PUTNEY, LET ON A LONG LEASE TO THE UK'S LARGEST PUB OPERATOR



FOX & HOUNDS

CRAFT BEERS  
COCKTAILS  
LARGE GARDEN WITH TV

## EXECUTIVE SUMMARY

- Putney is an affluent district of south-west London, situated in the London Borough of Wandsworth, on the south bank of the River Thames
- Occupying a prominent position on Upper Richmond Road, near the junction with Putney High Street and moments from Putney rail station
- Substantial freehold property comprising a public house with residential accommodation above, totalling 7,577 sq ft
- Successful public house trading as the Fox & Hounds, benefitting from a large external trading area. The pub was extensively refurbished by the tenant in November 2023 (reported £233k investment)
- Entire property let to Barley Pub Company Limited on an FRI lease expiring 12 November 2044, providing 20 years unexpired. The lease is guaranteed by Stonegate Pub Company Limited
- Stonegate Pub Company is the UK's largest pub company with over 4,400 pubs – 81% of their estate is owned freehold, worth c£3 billion
- In July 2024, Stonegate agreed a debt refinancing package that included a £250 million injection from owners TDR Capital
- Passing rent is £181,737 per annum
- Annual CPI uplifts (1% collar & 4% cap), next due November 2024



## PROPOSAL

We are instructed to invite offers in excess of £2,970,000 reflecting a net initial yield of 5.75% assuming standard purchaser's costs.

A purchase at this level reflects just £392 per square foot.



## LOCATION

Putney is an affluent district in south-west London, in the London Borough of Wandsworth.

Situated on the south bank of the River Thames, the neighbourhood benefits from an eclectic retail and hospitality offering, alongside local amenities including vast green spaces (including Putney Heath and Wandsworth Park).

Putney benefits from excellent communications via Putney rail station and East Putney and Putney Bridge underground stations (District Line). The former offers direct, frequent services to London Waterloo (17 minutes).

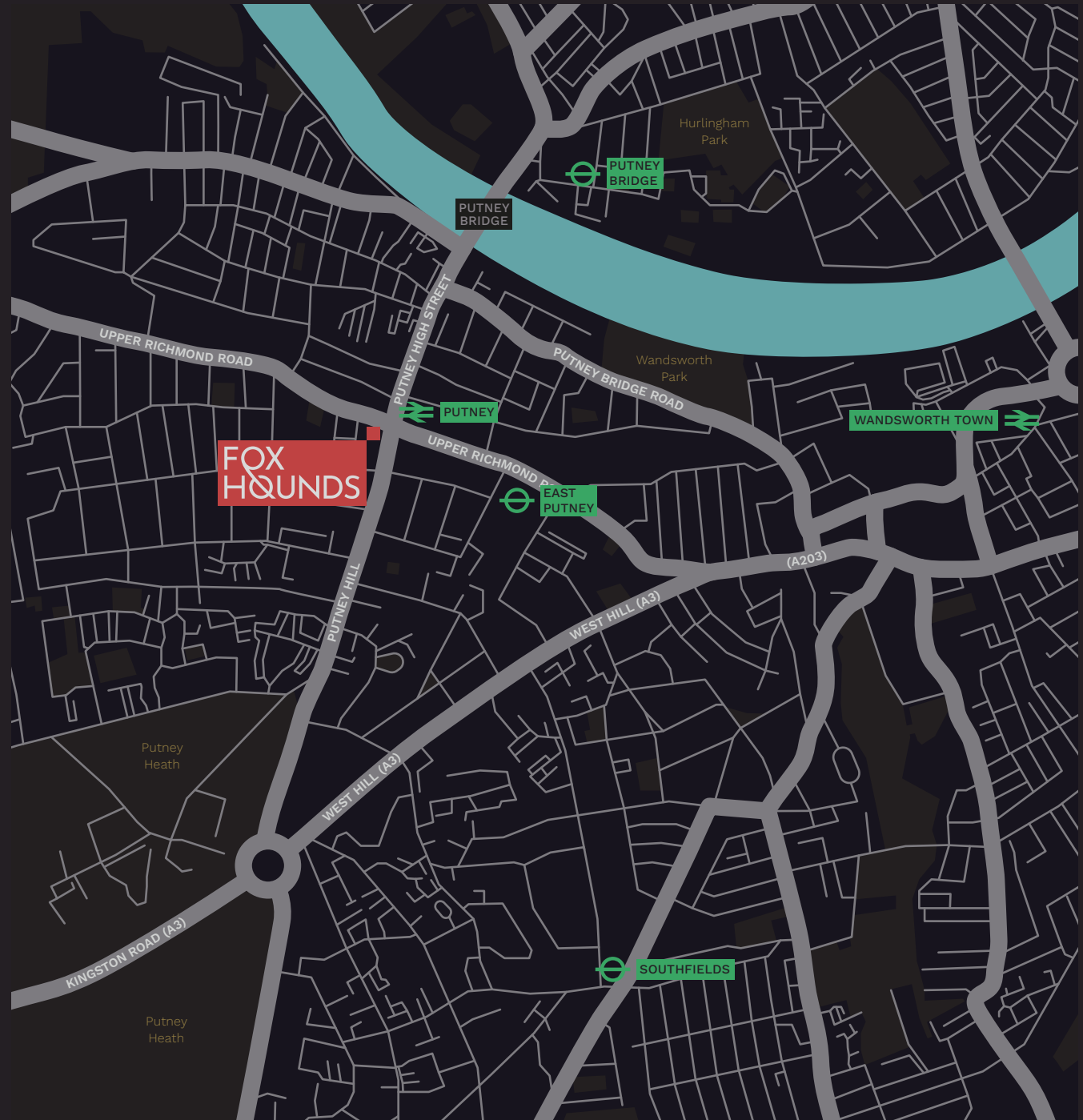


## SITUATION

The property occupies a prominent position on Upper Richmond Road, with visibility from Putney High Street.

Putney High Street is a vibrant commercial hub densely populated by an eclectic mix of household high street brands, independent retailers and a plethora of restaurants and pubs and bars. Nearby operators include The Railway Pub (Urban Pubs & Bars), itsu, Pret A Manger, Wasabi and Nandos.

STATION	TIME (WALKING)
PUTNEY STATION	1 min
EAST PUTNEY	5 mins
PUTNEY BRIDGE	12 mins



## DESCRIPTION

165-167 Upper Richmond Road comprises a public house arranged over ground, basement and two upper floors. The pub trades as Fox & Hounds.

The ground floor comprises a substantial open trading area with a central bar, commercial kitchen and customer WCs. There are approximately 120 covers. The first and second floors comprise two 3-bed residential apartments used by management. The basement comprises a beer cellar. To the rear is a 60-cover beer garden.

In November 2023, the property received £230,000 refurbishment which enhanced the pub's exterior and trading areas.



## ACCOMMODATION

The property has been measured on a Gross Internal Area (GIA) basis. The accommodation is summarised as follows:

FLOOR	USE	GIA (SQ FT)	GIA (SQ M)
Ground	Public House	3,027	281
Basement	Cellar	1,515	141
First	Residential	1,535	143
Second	Residential	1,500	139
<b>Total</b>		<b>7,577</b>	<b>704</b>

## TENURE

Freehold, held under title number 316896.



## TENANCY

The entire property is let to Barley Pub Company Limited on an FRI lease expiring 12 November 2044. The lease is guaranteed by Stonegate Pub Company Limited and Town and City Pub Group Limited.

The passing rent is £181,737 per annum. The rent increases annually with Consumer Price Index, subject to a 1% collar and 4% cap. The next uplift is due November 2024.

## COVENANT

Founded in 2010, Stonegate Pub Company is the largest pub company in the UK, operating an estate of over 4,400 sites – 81% of which are owned freehold, worth an estimated £3bn.

The Group encompasses five businesses, each delivering a distinctive operating model in both high street and suburban locations, as well as leading branded bars including Slug & Lettuce, Yates, Walkabout and Be At One.

In March 2020, Stonegate completed the transformational £3 billion acquisition of Ei Group, the UK's largest leased and tenanted (L&T) pub operator. Stonegate has the largest market share of the UK pub market at 10%.

The Group announced a substantial increase in profitability as first-half 2024 turnover hit £916m and adjusted EBITDA rose 7.7% to £196m. The L&T estate is driving the majority of this growth, with like-for-like sales up 6.2% on the previous year – significantly ahead of the wider pub market's average growth of 2.9%.

In July 2024, Stonegate announced the Group had successfully agreed a debt refinancing package, significantly simplifying and strengthening its balance sheet. Following the refinance, it is understood the Group will have close to £300m to invest back into the business over the next three years.

Stonegate  
Group

	FY2023	FY2022	FY2021*
Turnover (£m)	1,720	1,611	714
EBITDA (£m)	442	465	151
EBITDA Multiple (%)	25.7	28.9	21.1
NAV (£m)	601	109	237

\*Performance affected by the Covid-19 pandemic.





# PUB MARKET

The UK pub and bar market is valued at £26.7bn, growing at 2.6% annually.

## MARKET DOMINANCE

Major PubCos hold 68% of the market, with Stonegate leading at 10%.

## REDUCED COMPETITION

Pub closures have fallen below pre-COVID levels, expanding the effective market size.

## RECENT ACQUISITIONS

- Fuller’s £22.5m acquisition of Lovely Pubs
- Young’s £162m (12x EBITDA) acquisition of The City Pub Group
- Portobello Pub Company’s acquisition of Darwin & Wallace.

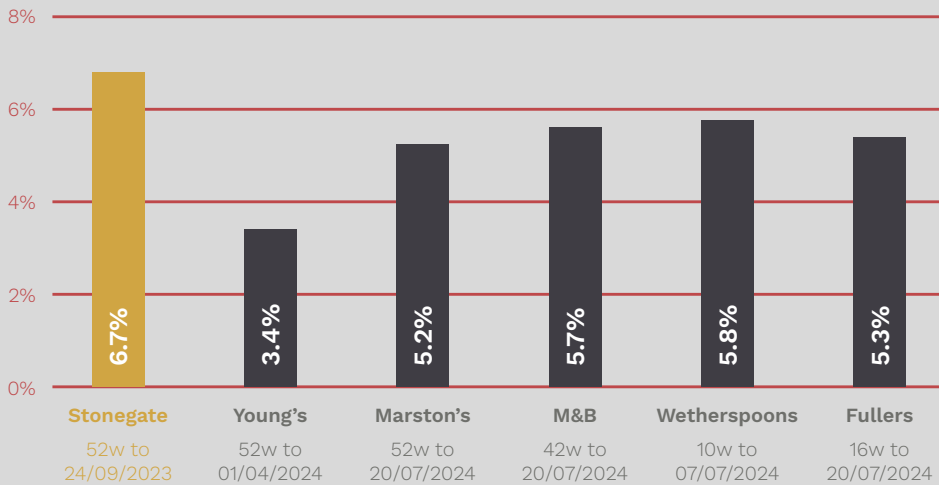
## STRONG TRADING

Leading PubCos have reported robust performance, driving renewed confidence and increased corporate activity.

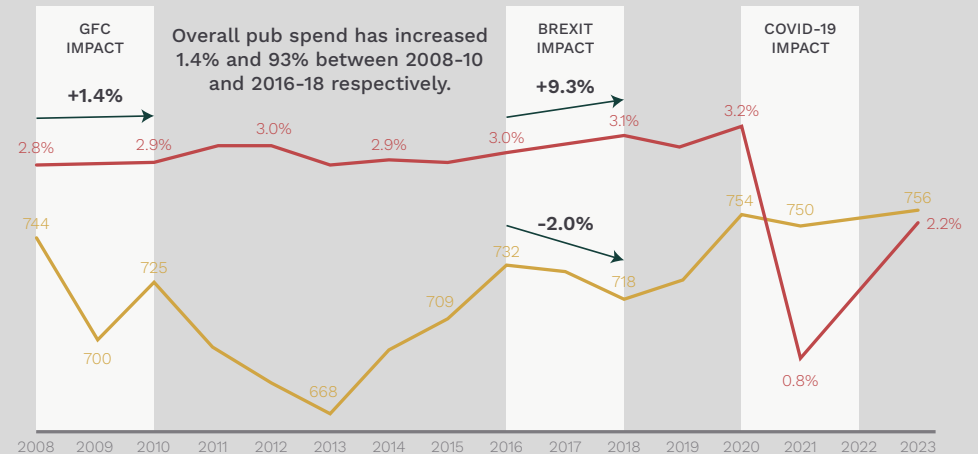
## RESILIENT SPENDING

Despite the cost-of-living crisis, pub spending remains strong, underscoring pubs as the cornerstone of the UK leisure sector.

### Like-For-Like Sales Growth



Source/s: Annual Reports



- Pub and bar spend % of total expenditure
- Real disposable income (weekly average GBP)

Source/s: ONS; BBPA; Deloitte Analysis

## INVESTMENT MARKET

Market remains robust, with a continued ‘flight to quality’ and strong demand for well located, future-proofed assets.

### STRONG FUNDAMENTALS

Pubs are very defensive with long trading histories throughout various property cycles – assets underpinned by strong fundamentals and underlying real estate values.

### RESILIENT OPERATORS

Prime assets are still extremely liquid – investors have acknowledged the resilience of UK pub operators and continue to deploy significant levels of capital to the sector.

### STRONG YIELDS

Pricing has held steady over the past 12 months, with many pub investments still transacting at strong yields.

### ATTRACTIVE TO DOMESTIC & INTERNATIONAL CAPITAL

London pubs are a desirable alternative investment and remain attractive to domestic and international capital.

### COMPARABLES

There have been several recent investment transactions of public houses let to Stonegate Pub Company, or their subsidiary Ei Group:

DATE	PUB	PRICE (£m)	NIY (%)
Sep-24	<b>The Bedford</b> , Balham	6.05	5.26
Jun-24	<b>The Prince of Wales</b> , Clapham	1.3	5.00
Apr-24	<b>The Kings Arms</b> , Borough	1.5	4.99
Apr-23	<b>The Crown</b> , Chelsea	2.2	4.06
Apr-23	<b>The Landor</b> , Clapham	2.7	4.00
Feb-23	<b>Rose &amp; Crown</b> , Southwark	2.2	3.50

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## FURTHER INFO.

### EPC

The property has an EPC rating of B43. A certificate is available upon request.

### VAT

The property has been elected for VAT. It is envisaged the sale will be treated as a transfer of a going concern (TOGC).

## CONTACT DETAILS

All contact should be directed through one of the employees of **Portland Leisure Advisers** as listed below:

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