BEST IN CLASS NURSERY INVESTMENT OPPORTUNITY
IN BUCKINGHAMSHIRE

HIGH WYCOMBE

Montessori by Busy Bees

THE MILL HOUSE
BOUNDARY ROAD | LOUDWATER | HIGH WYCOMBE
BUCKINGHAMSHIRE | HP10 9QN

WITH OVER 23 YEARS
UNEXPIRED & CPI LINKED
RENT REVIEWS

ADS RE

Seeking offers in excess of **£3,950,000** reflecting an attractive **Net Initial Yield of 6.00%** and a **Reversionary yield of 6.73% in 2029.**

INVESTMENT SUMMARY

- Brand new, best in class nursery investment offering outstanding amenities.
- Located in the **affluent Buckinghamshire town** of **High Wycombe.**
- The **superior nursery offering** in **High Wycombe** and surrounding area.
- The property occupies an attractive private position with a gated entrance.
- **Extensive 1.13 acre site**, including a large garden.
- Total accommodation of **6,523 sq ft**.
- Parking for **23 cars**, including **2 EV charging points.**
- Registered capacity of **85 children.**
- Let to the excellent covenant of **Busy Bees Nurseries Ltd.**
- New 25 year FRI lease from January 2024, providing a **long unexpired term of 23.4 years.**
- Passing rent of **£252,000 per annum.**
- 5 yearly **CPI rent reviews**, collared and capped at 1% and 4%.
- The next rent review is 26 January 2029.
- Forecast rental increase to **£283,000 per annum in 2029.**
- Busy Bees are the **largest nursery operator in the UK with over 400 nurseries.**
- Busy Bees Nurseries Ltd reported 2023 financials of **£280.1m Turnover, £20.4m Pre-Tax Profit** and **£154m Shareholders Funds.**
- The tenant covenant has the **highest Credit safe rating of 100A**, representing 'Very Low Risk'.
- The Property was subject to **comprehensive refurbishment** in 2024 at a cost of circa **£1.32m.**
- **Freehold.**
- **Not elected** for VAT.

LOCATION

High Wycombe is an affluent Buckinghamshire town, sitting towards the edge of the Chiltern Hills Area of Outstanding National Beauty.

High Wycombe is situated approximately 29 miles north west of Central London, accessible by car in 50 minutes or 27 minutes by train, via a direct service to London Marylebone Station. The combination of an excellent quality of life and proximity to London has made High Wycombe a desirable location, popular with families and commuters.

SITUATION

The property is situated in an attractive private position set off Boundary Road just half a mile from the M40 and A40, which provides excellent road connectivity to the site from High Wycombe town centre and the surrounding areas.

The nursery is ideally located to the serve the needs of the local community with the property being surrounded by a mix of residential and commercial uses. There is a local retail parade nearby offering a convenience store, café, and other everyday amenities. The popular Wycombe Retail Park is also within a short drive, providing a broader selection of shops and services allowing parents to easily combine childcare drop-offs with other daily errands.

The property is located 3 miles east of High Wycombe Railway Station with several local bus routes running along Boundary Road providing great connectivity to and from the nursery.

Extensive refurbishment programme in 2024 at a cost of circa £1.32m

DESCRIPTION

The property comprises a best in class nursery following an extensive refurbishment programme in 2024 at a cost of circa £1.32m. The nursery has a registered capacity of 85 children.

The nursery offers outstanding facilities across a **1.13 acre site.** The internal accommodation comprises **6,523 sq ft**, arranged over ground and two upper floors.

The ground floor is comprised of lobby and reception areas, offices, WC's and two large nursery rooms. The first floor comprises two large nursery rooms and WC's. The second floor comprises a kitchen, staff room, plant room, laundry room, WC's and a large nursery room.

The site benefits from a gated driveway leading to a car park for 23 cars including 2 EV charging points. In addition, there is an extensive rear garden offering outstanding playing facilities. The property is Grade II listed.

Lobby

Reception Areas

Nursery Rooms x 5

Kitchen

Staff Room

Laundry Room

Offices

WC's

External Playing Facilities

Car Park (23 Cars)

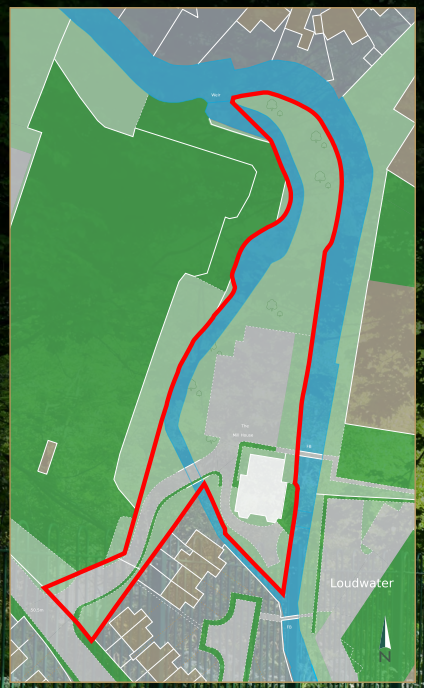
EV Charging Points

Gated Driveway

TENURE

Freehold.

Long Unexpired Term of 23.7 years



For indicative purposes only

TENANCY

The property is let to **Busy Bees Nurseries Ltd** on a new 25 year FRI lease from 26 January 2024, expiring 25 January 2049, providing a **long unexpired term of 23.4 years.**

The passing rent is **£252,000 per annum** and is subject to **5 yearly to CPI rent reviews,** with a collar and cap of 1% and 4%.

The next rent review is **26 January 2029,** with a forecast rent increase to approximately **£283,000 per annum.**

COVENANT

Busy Bees Nurseries Limited is the largest nursery provider in the UK. Established in 1983, Busy Bees has experienced substantial growth and now operates over 400 nurseries in the UK and circa 1,000 centres across 10 countries, including the USA, Canada, Australia, Singapore, Malaysia, and Italy.

Busy Bees Nurseries Ltd has the highest Creditsafe rating of 100A, representing 'Very Low Risk'. The business has reported the following financial accounts.

	31 DEC 2023	31 DEC 2022	31 DEC 2021
Turnover	£280,133,000	£255,999,000	£203,306,000
Pre-Tax Profit	£20,485,000	£15,124,000	£30,357,000
Shareholder Funds	£154,091,000	£135,642,000	£120,877,000

GOVERNMENT INVESTMENT INTO THE NURSERY SECTOR

The UK government has announced a major expansion in childcare support, aiming to double its annual childcare spending from £4bn to £8bn by 2026, including the following initiatives.

- Increasing the number of children a member of staff can look after from a ratio of 1:4 up to 1:5.
- A £204m cash investment to nurseries across all UK regions, helping to ease cost pressures.
- A further £289m is being distributed to local authorities to support implementation and expand wraparound care services.
- Nurseries will receive increased funding per child from an average of £5.29 to £5.62 for 3 and 4 year olds (a 12% increase) and £6.00 to £7.95 for 2 year olds (a 32% increase).
- By September 2025, working parents will be able to claim 30 hours of government funding a week, from 9 months until the child starts school, subject to parents earning less than £100,000.

INVESTMENT COMPARABLES

The asset provides long term index linked income secured to the UK's largest nursery operator.
The property offers best in class nursery accommodation following a £1.32m refurbishment programme.
We outline below transactions for similar nursery investments.

ADDRESS	TENANT	SIZE (Sq Ft)	RENT (PER ANNUM)	UNEXPIRED TERM	PRICE	NIY	DATE
The Mill House, Boundary Road, High Wycombe	Busy Bees	6,523	£252,200	24 years	£3,940,000	6.00%	Marketing
11 Oaklands Road, Cricklewood	Busy Bees	7,520	£195,830	25 years	£3,065,000	6.00%	Marketing
3 Simplemarsh Road, Addlestone	Busy Bees	7,488	£264,000	23 years	£4,130,000	6.00%	Aug-25
Hambledon House, Catteshall Lane, Godalming	family club	6,900	£190,000	24.5 years	£3,000,000	5.95%	Dec-24
3-5 Craven Road, Reading	family club	8,866	£215,000	24 years	£3,300,000	6.00%	May-24
2A Palmer Road, Battersea	Kido	5,990	£150,000	15 years	£2,350,000	6.00%	Aug-23
17 College Avenue, Maidenhead	fennies	4,136	£125,000	20 years	£2,000,000	5.88%	Jun-23
373 Clapham Road, Clapham	fennies	4,318	£165,000	15 years	£2,800,000	5.50%	May-23
69 Station Road, Redhill	family club	6,982	£156,750	25 years	£2,750,000	5.36%	Feb-23
73 Bushey Hall Road, Bushey	family club	4,872	£155,000	25 years	£2,650,000	5.50%	Jan-23

NURSERY COMPETITION

The High Wycombe nursery offering has historically been dominated by independent providers. The subject property is the second Busy Bees to open in High Wycombe. Monkey Puzzle are the only other large operator in the town.

The subject property is part of the Montessori by Busy Bees brand and provides a far superior offering to the other nursery provision in the town and surrounding catchment, with unrivalled internal and external facilities. The large car park also makes a hassle free drop off and pick up experience for parents. These facilities have had a significant positive impact on take up of child places since opening and continues to attract parents from other nurseries in the town.

HOUSING SUPPLY & NURSERY DEMAND

High Wycombe has seen a notable increase in residential development in recent years, driven by demand for housing and its strategic location within commuting distance of London. There are currently circa 1,000 new homes either under construction or in pipeline following planning approval. Key projects include the large-scale transformation of the Chilterns Shopping Centre into over 300 build-to-rent apartments, and the continued expansion of the Abbey Barn Park community by Berkeley Group.

This significant increase in housing supply will increase the demand for nursery places and materially benefit the subject property.

DEVELOPMENT	DEVELOPER	UNITS	PLANNING STATUS	DISTANCE FROM BUSY BEES
Abbey Barn Park	**Berkeley Group**	246 homes	Approved	2.7 miles
Castle House Conversion	**Castle House Property**	52 apartments	Submitted	3.5 miles
Chilterns Centre Redevelopment	**Dandara Living**	300 build to rent homes	Approved	3.7 miles
Terriers Farms and Hazlemere Expansion	**Persimmon & Redrow**	300 apartments	Approved	4.1 miles
Desborough Road	**Hightown Housing**	51 apartments	Approved	4.7 miles

EPC

EPC rating of B45.

VAT

The Property is not elected for VAT.

Proposal

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CONTACTS

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