

16 BALHAM HILL, CLAPHAM, LONDON, SW12 9EB

THE  
AVALON

HIGHLY-SUCCESSFUL FREEHOLD PUBLIC HOUSE INVESTMENT IN AFFLUENT  
LONDON SUBURB LET TO THE UK'S LARGEST PUB OPERATOR

AVALON





THE AVALON, 16 BALHAM HILL, LONDON, SW12 9EB

## INVESTMENT HIGHLIGHTS

A landmark freehold investment in Clapham comprising a highly successful public house let to the UK's leading pub operator

Clapham is an affluent suburb of London situated 4 miles south of central London, known for its attractive architecture, vast green spaces and bustling cafes, restaurants, pubs and bars.

Substantial freehold building comprising a public house totalling 7,529 sq ft and benefitting from expansive external trading areas to the front and rear.

Occupying a prime position on Balham Hill, a short distance from Clapham South Underground Station (Northern Line) and Clapham Common.

Highly successful venue, trading as The Avalon, which underwent a £3m transformation and now comprises a all-day gastropub and restaurant providing over 470 customer covers.

Entirely let on a 35-year FR&I lease to Ei Group Ltd from 31 January 2011, providing an unexpired term of 20.2 years.

Ei Group is a wholly owned subsidiary of Stonegate Pub Company, the UK's leading pub operator with over 4,300 sites and a freehold estate valued at c£3bn.

Passing rent of £203,496 per annum, reviewed every 5 years to RPI with a minimum 15.9% - maximum 21.7% uplift: next due on 30 January 2026, increasing the rent to £247,584 per annum.

## PROPOSAL

Offers in excess of £4,000,000, based on the January 2026 rent being topped up, subject to contract and exclusive of VAT.

A purchase at this level reflects a Net Initial Yield of 5.81%, assuming standard purchaser's costs.

## CLAPHAM

Clapham is an affluent district of south-west London with vibrant nightlife, green space and excellent schools.



## LOCATION

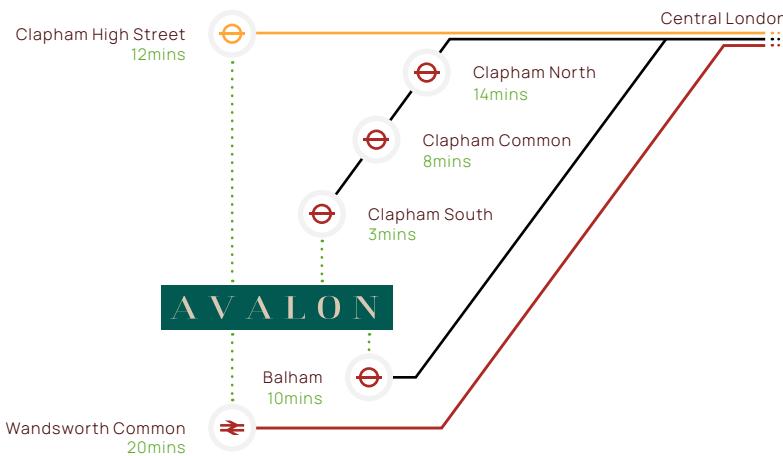
Known for its attractive Victorian architecture and vast green spaces including the 220-acre Clapham Common, Clapham has an abundance of bustling restaurants, cafes, pubs and bars.

The area boasts a very wealthy local population of young professionals and families. In 2023, Clapham Common became the first area of the UK where the average annual household income exceeds £100,000 (three times the UK average).

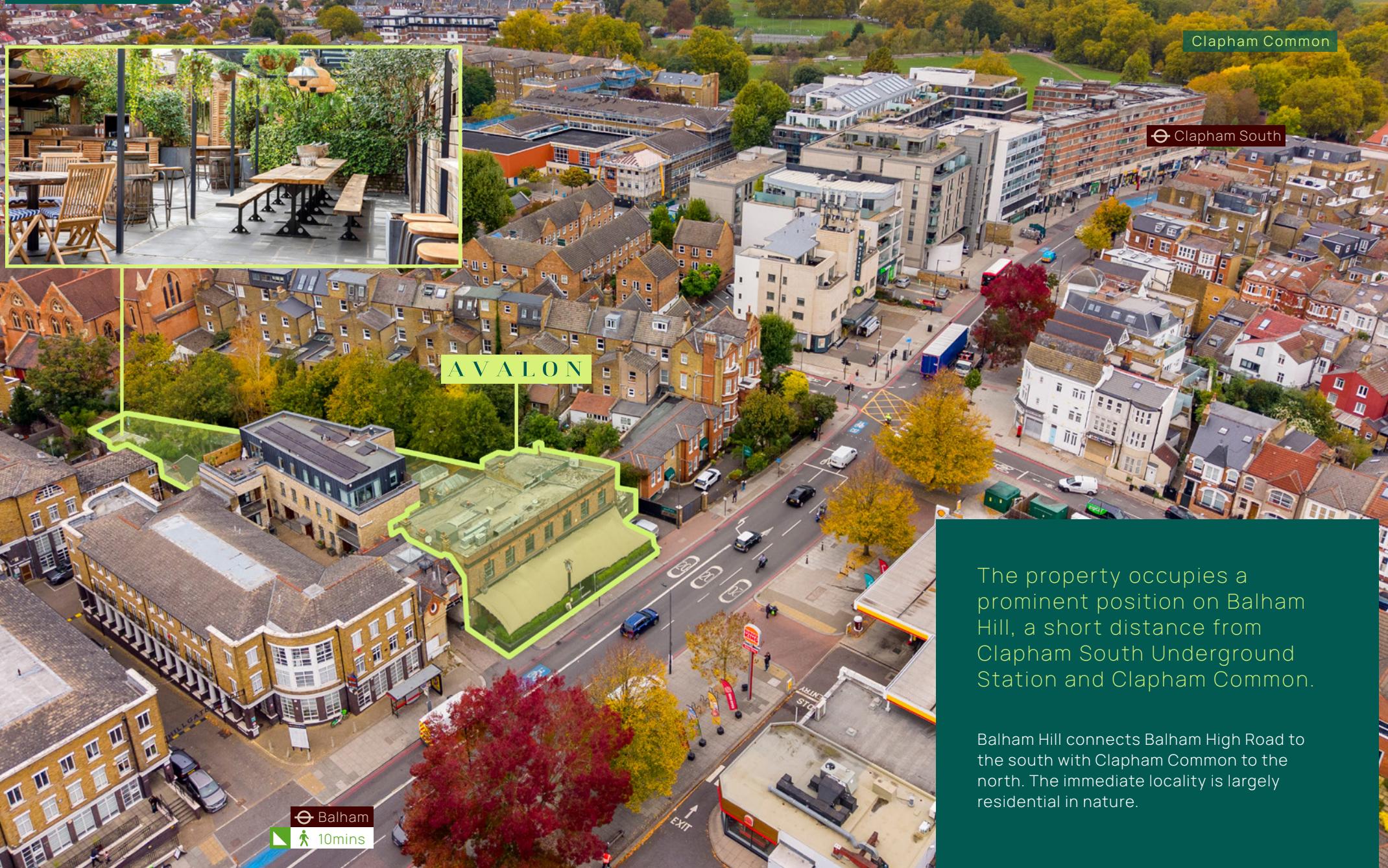


## TRANSPORT LINKS

Clapham benefits from excellent transport connections being located on the A3, a major arterial route that connects Clapham to Central London, and with public transport connections via Overground and Northern line services.



## SITUATION



The property occupies a prominent position on Balham Hill, a short distance from Clapham South Underground Station and Clapham Common.

Balham Hill connects Balham High Road to the south with Clapham Common to the north. The immediate locality is largely residential in nature.

## DESCRIPTION

A highly successful pub that is frequently featured on “Best beer garden in London” articles.

The Avalon is a historical pub which has been extensively refurbished and modernised to comprise a traditional public house and restaurant with three separate large external trading areas and first floor private dining room.

The property extends to 7,529 sq ft over ground, basement and first floors. The ground floor comprises the main customer trading area with a large bar servery, restaurant, secondary servery and customer WCs. The basement contains the cellar.

The first floor provides a private dining room, large commercial kitchen and ancillary areas. In total there are 156 internal covers.

Externally the pub benefits from three large trading areas. The largest, the rear beer garden, provides 190 covers with its own external bar servery. The front terrace, which benefits from a permanent marquee structure and heaters, provides a further 78 covers. The side terrace, also covered by a permanent structure, benefits from heaters used for private events and functions and has 50 covers.

In total there are over 470 customer covers.



## ACCOMMODATION

The accommodation is summarised as follows:

FLOOR	GIA (SQ FT)	GIA (SQ M)
Ground	3,638	338
Basement	1,536	143
First	2,355	219
<b>TOTAL</b>	<b>7,529</b>	<b>700</b>



## TENURE

Freehold – SGL127549



## TENANCY

The entire property is let on an FR&I lease to Ei Group Ltd for a term of 35 years from 31 January 2011, providing an unexpired term of 20.2 years.

The passing rent is £203,496 per annum, reviewed every 5 years to RPI subject to a collar of 15.9% and a cap of 21.7% (the equivalent of 3% per annum and 4% per annum). The next review is due 30 January 2026, whereby the rent will increase to £247,584 per annum.

The property is sublet on a tied lease. The pub is operated by Three Cheers Pub Company.

## COVENANT

Ei Group Ltd (10517727) is a wholly owned subsidiary of Stonegate Pub Company Ltd (FC029833).

Experian Risk Score:

86 / 100

Stonegate Pub Company is the largest pub company in the UK, operating an estate of over 4,300 sites – c80% of which are owned freehold, worth an estimated £3bn. The company holds a 10% share of the UK pub market.

The Group's portfolio includes well-known brands such as Slug & Lettuce, Yates, Walkabout and Be At One. In March 2020, Stonegate completed the transformational £3bn acquisition of Ei Group, the UK's largest leased and tenanted (L&T) pub operator.

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

Stonegate Pub Company Ltd's (FC029833) financial performance is as follows:

	FY24	FY23	FY22
Turnover (£m)	1,747	1,720	1,611
EBITDA (£m)	477	442	465
NAV (£m)	791	601	109



THREE CHEERS PUB COMPANY

Three Cheers is an award-winning pub company operating ten sites in London. The company, founded in 2003, is one of the most respected operators in the capital with high profile sites including The Bedford, Balham, The Abbeville, Clapham and the recently opened Trafalgar on King's Road.

AVALON



## PUB INVESTMENT MARKET

The pub investment market remains robust, driven by a clear 'flight to quality' and strong demand for well-located, high-quality assets.

Sites in affluent London suburbs continue to perform strongly – particularly where the properties benefit from external trading areas.

Pubs are very defensive, backed by long trading histories throughout various property cycles – assets are underpinned by underlying operational value, making them less volatile than many other commercial real estate sectors.

Pricing has remained resilient over the past 12 months, supported by investor appetite for assets with strong fundamentals – particularly in premium locations with affluent catchments and strong underlying property values.

Investors have acknowledged the resilience of UK pub operators and continue to deploy significant levels of capital to the sector.

## COMPARABLE INVESTMENT TRANSACTIONS

All properties are let on identical lease terms as the subject property, with differing rent rolls.

DATE	PROPERTY	SUMMARY	PRICE	NET INITIAL YIELD
Nov-25	<b>Horse &amp; Groom, Windsor</b>	Freehold pub investment. 21 years unexpired. RPI reviews (2%/4%). Let to El Group.	£1,800,000	<b>4.82%</b> (5.87% rev 2026)
Jul-25	<b>Sir John Balcombe, Marylebone</b>	Freehold pub investment. 21 years unexpired. RPI reviews (2%/4%). Let to El Group.	£3,675,000	<b>4.24%</b> (5.16% rev 2026)
Jul-25	<b>The Latchmere, Battersea</b>	Freehold pub investment. 21 years unexpired. RPI reviews (2%/4%). Let to El Group.	£2,520,000	<b>4.76%</b> (5.8% rev 2026)
Jul-25	<b>The Hope, Farringdon</b>	Freehold pub investment. 21 years unexpired. RPI reviews (2%/4%). Let to El Group.	£1,900,000	<b>4.09%</b> (5% rev 2026)
May-25	<b>The Hillgate, Notting Hill</b>	Freehold pub investment. 21 years unexpired. RPI reviews (2%/4%). Let to El Group.	£3,000,000	<b>4.40%</b> (5.35% rev 2026)
Feb-25	<b>The Albion, Islington</b>	Freehold pub investment. 9 years unexpired. OMV reviews. Let to Punch Taverns.	£2,870,000	<b>4.55%</b>



**Horse & Groom, Windsor**



**Hillgate, Notting Hill**

Nov-25 / £1,800,000 / 4.82%

May-25 / £3,000,000 / 4.40%

## FURTHER INFO

### Planning

The property is not listed and is not situated within a conservation area.

### EPC

The property has an EPC rating D-81.

### VAT

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

### Anti-Money Laundering

A successful purchaser will be required to provide information to satisfy the Anti-Money Laundering Regulations when Heads of Terms are agreed.



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