

13-25 & 29-37
VILLIERS STREET

LONDON WC2

Prime Central London Mixed-Use Investment

*A highly prominent
parade in the heart of
Central London.*



INVESTMENT SUMMARY

Freehold mixed-use, reversionary property combining retail, leisure and residential uses.

Highly prominent parade in the heart of Central London.

Excellent transport connections being located directly between Charing Cross and Embankment stations.

Exceptionally high levels of footfall.

Comprising 32,385 sq ft (3,009 sq m) across 10 commercial units, 29 residential units let on ASTs, and 19 residential units which are sold off on long leases.

Upper floors provide highly sought-after, well connected residential accommodation.

Total gross current income of £2,202,900 per annum with 83% derived from the retail and leisure element.

Very secure income with a weighted average unexpired term on the commercial income of 8.07 years to expiry (and break).

PROPOSAL

We have been instructed to seek offers in excess of **£60,500,000 (Sixty Million and Five Hundred Thousand Pounds)**, subject to contract and exclusive of VAT.

A purchase at this level reflects only **£1,300 psf capital value** on the residential upper parts and a yield profile on the commercial element as follows:

Net Initial Yield:	3.30%
(Rising to 3.47% upon settlement of outstanding rent reviews)	
Equivalent Yield:	3.98%
Reversionary Yield:	4.02%

Yields are net of purchaser's costs of 6.78%.

Proposals will be considered for both or either of the unbroken parades individually.





LONDON

As the capital of the United Kingdom and the largest city in Europe, London is one of the world's most diverse, vibrant and wealthy cities and is home to over eight million residents.

Central London real estate has always played a fundamental role in cross border investment at a global scale owing to its transparency, long income flows and liquidity. An established legal system and underlying economic and political security make London a safe haven for domestic and international investors looking for secure returns on their capital.

With the largest GDP of any city in Europe, London is one of the world's principal financial centres along with New York, Hong Kong and Tokyo. By virtue of its location, language, political and legal structure and existing business districts, London is also Europe's pre-eminent creative centre having established itself as a world leader for creative industries.

A world leading tourist destination, the city attracts in excess of 19 million international visitors annually who come to enjoy the many attractions, retail and leisure amenities.

London boasts a rich and diverse cultural offering including numerous world heritage sites, over 300 theatres, over 240 museums and galleries, and hosts 62 Michelin-starred restaurants.

Over 300 languages are spoken in the Capital, more than in any other city in the world, contributing to an exciting and interesting cultural hub.

Heathrow is a major international air transport hub and one of the world's busiest airports with over 72 million passengers arriving and departing annually and the Capital is also served by Gatwick, City and Luton airports.

London also benefits from a fully integrated transport network which will be further improved with the delivery of Crossrail in 2018.

With its stable politics and transparent banking systems, world-famous cultural landmarks and educational systems, Royal institutions, extensive cultural offerings and business-convenient GMT time zone, London is at the centre of international commerce.

London's status as the preferred location for investors creates a highly liquid real estate market, with investment volumes totalling approximately £18 billion for the year ending 2016 and a record £9.1 billion in the first half of 2017.



Hyde Park

Horse Guards Parade

Trafalgar Square

Oxford Circus

Leicester Square

Charing Cross

13-25 & 29-37 Villiers Street

Embankment

Tottenham Court Road

Covent Garden

Holborn



LOCATION

Villiers Street is strategically situated in the heart of Central London and forms an exceptionally busy thoroughfare between Strand and Charing Cross station at its northern end and the River Thames and Embankment station at the southern end.

This area, within the City of Westminster, is a major tourist destination with famous attractions such as Trafalgar Square, The National Portrait Gallery, Strand, Savoy Hotel, Waldorf Hotel and Covent Garden all within the immediate vicinity.

Surrounding occupiers include Pricewaterhouse Coopers, Coutts & Co headquarters, Jigsaw, TM Lewin, Oliver Bonas, Five Guys, Starbucks, EAT, Costa, Sainsbury's, Itsu and McDonalds. Leisure operators such as All Bar One, The Beer House, Gordon's Wine Bar, Heaven Bar and Opel Bar all contribute to the thriving night time economy, enhanced further by being in the centre of the world renowned theatre district.

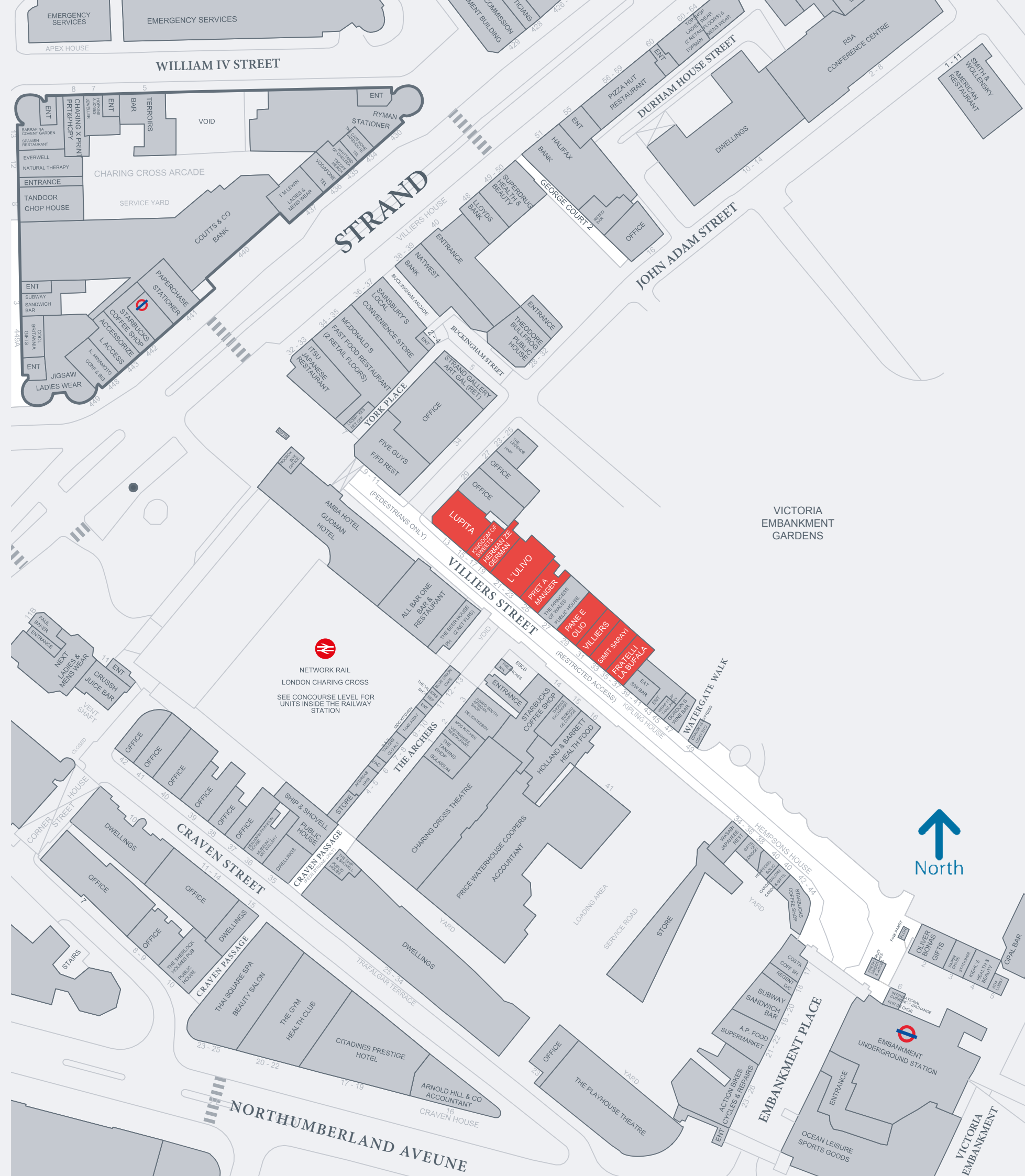
Villiers Street is an extremely busy pedestrian route with some of the highest footfall in central London. For many visitors and commuters, the area around Villiers Street is the primary gateway to the West End, Charing Cross and Embankment stations, Victoria

Embankment Pier and Trafalgar Square. In addition, 3000 workers are based at PWC headquarters at 1 Embankment Place.

Villiers Street is positioned within the Northbank Public Realm Strategy Area and is set to see a large amount of improvement over the next couple of years. The west entrance to Victoria Embankment Gardens, the Adelphi Terrace and Charing Cross station forecourt are all set to benefit from upgrading which will have a significant impact on the area.

The number of foreign visitors to London exceeded 19 million for the first time in 2016. The total number of visits rose 2.6% from 18.6 million to 19.1 million (Office for National Statistics).

The National Gallery alone attracts over 6 million visitors per year, and the National Portrait Gallery over 2.4 million.



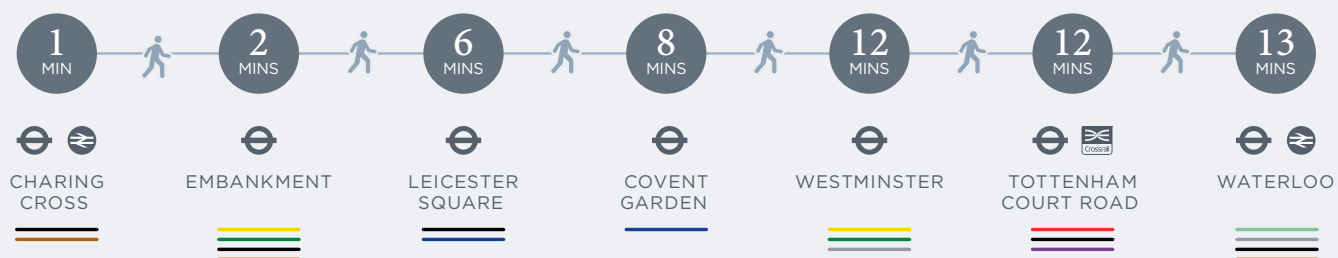


COMMUNICATIONS

The property benefits from excellent transport connections across the capital. Charing Cross station, situated directly opposite, is served by the Bakerloo and Northern underground lines and provides mainline services to Kent.

Charing Cross station is one of the busiest in the country and currently accommodates over 42 million passengers a year, connecting tourists and commuters to London and the whole of the south east.

Embankment underground station is positioned immediately to the south eastern end of Villiers Street, adjacent to the Golden Jubilee Bridges, and serves the District, Circle, Northern and Bakerloo lines.



In addition, Leicester Square, Covent Garden and Westminster Underground Stations are all within easy walking distance (serving between them the Bakerloo, Jubilee, Piccadilly, Northern, Circle and District lines), providing access to the whole of London, together with the national and international railway network and international airports.

Transportation links are set to be further improved with the transformational Crossrail (Elizabeth Line) service due to open in 2018, accessible in 3 minutes on the Northern line. Tottenham Court Road Station will be at the heart of the new network and when complete will be one of London's busiest underground stations, offering an interchange between the Northern, Central and Elizabeth line services, with more than 200,000 passengers forecast to pass through the station every day.

THE PROPERTY

The property comprises a prominent mixed-use parade arranged with retail and leisure on the ground and basement level across 10 units, with 29 residential apartments above, together with a further 19 apartments sold off on two long leases.

The investment benefits from extensive frontage onto Villiers Street and encompasses the following properties which all form part of the Adelphi Conservation Area:

31 St John Adam Street & 13-17 Villiers Street (Title Numbers: LN81361 and 61587)

Two buildings provide a restaurant and retail unit arranged over ground and basement levels with three floors of residential accommodation above. The restaurant and retail unit encompass a total floor area of 2,439 sq ft.

The 6 flats are all held on a long lease expiring in 2259 at a peppercorn rent.

19-25 Villiers Street (Title Numbers: NGL9475 and LN72340)

Two adjoining buildings provide three units arranged over ground and basement level with four upper floors of residential flats. The retail units are let to Herman Ze German, Pilot Foods (t/a L'Ulivo) and Pret a Manger encompassing a total floor area of 4,577 sq ft.

The 13 flats are held on a long lease expiring in 2259 at a peppercorn rent.

29 Villiers Street (Title Number: 67949)

The building provides a restaurant at ground and basement levels, with four levels of residential accommodation above. The restaurant is let to Rosecrown Restaurants Limited (t/a Pane e Olio) and comprises a total area of 1,222 sq ft. The residential accommodation above comprises 6 flats let on short term leases.

31 Villiers Street (Title Number: LN77950)

The property comprises a 921 sq ft restaurant at ground and basement levels, let to Gordon & Daughters (trading as Villiers), with four floors of residential accommodation above. The residential accommodation provides 8 flats which are let on short term leases.

33, 33a and 35-37 Villiers Street (Title Numbers: NGL694804 and 148425)

Adjoining buildings provide two units arranged over ground and basement levels with residential accommodation above. The commercial units comprise 2,898 sq ft and are let to Simi Sarayi (bakers) and Londinium Charing Cross (t/a Fratelli La Bufala Italian restaurant) and the residential accommodation above (15 flats) is let on short term leases.



THE RETAIL AND LEISURE ACCOMMODATION

The commercial parade occupies a prime pitch linking The Strand, Charing Cross and Trafalgar Square to Embankment and onwards to Southbank.

Unit	Tenant	Floor	Floor Area (sq ft)	Lease Start	Next Review	Lease Expiry	Passing Rent (pa)	Headline Rent (ZA psf)	ERV (pa)	ERV (ZA psf)	Total Shortfalls (pa)	Comments
31 John Adam Street	Calita Limited (t/a Lupita)	Ground ITZA Basement Vaults Total	397 332 419 - 816	12/08/2010	12/08/2015	11/08/2025	£100,000	£283.33	£119,000	£337.00		The vendor's representative has quoted £119,000 pa for the August 2015 rent review which devalues to £262 psf ZA on the areas proposed at review.
13-15 Villiers Street	Calita Limited (t/a Lupita)	Ground ITZA Basement Vaults Total	521 521 448 75 1,044	31/03/2010	31/03/2015	30/03/2025	£235,000	£430.98	£272,750	£500.00		The vendor's representative has quoted £279,000 pa for the March 2015 rent review which devalues to £505 psf ZA on the areas proposed at review.
17 Villiers Street	Oldgreen Ltd (t/a Kingdom of Sweets)	Ground ITZA Basement Vaults Total	332 251 165 82 579	28/06/2016	28/06/2021	27/06/2026	£135,000	£530.21	£127,250	£500.00		Rent deposit held of £11,250.00 plus VAT. Outside of the Security of Tenure provisions of the Landlord & Tenant Act 1954. Rents payable monthly by a personal side letter.
19 Villiers Street	Herman Ze German Ltd	Ground ITZA Basement Vaults Total	362 299 519 - 881	15/07/2010	15/07/2019	14/07/2020	£143,700	£473.32	£163,250	£500.00		Service charge capped at £0.75 psf. Insurance capped at £1.50 psf (no current shortfall). Schedule of condition attached to the lease. Rent deposit held of £29,375. 3 yearly review pattern.
21 -23 Villiers Street	Pilot Foods Ltd (t/a L'Ulivo)	Ground ITZA Basement Vaults Total	1,229 818 919 217 2,365	20/10/2009	20/10/2019	19/10/2024	£270,000	£355.53	£379,750	£500.00		
25 Villiers Street	Pret A Manger (Europe) Ltd	Ground ITZA Basement Vaults Total	527 357 683 121 1,331	18/05/2007	18/05/2018	17/05/2022	£160,000	£334.60	£193,500	£500.00		Outside of the Security of Tenure provisions of the Landlord & Tenant Act 1954. 3 yearly RR pattern.
29 Villiers Street	Rosecrown Restaurants Ltd (t/a Pane e Olio)	Ground ITZA Basement Vaults Total	645 453 411 166 1,222	24/06/2006	25/03/2019	23/06/2021	£169,000	£353.78	£238,750	£500.00		Outside of the Security of Tenure provisions of the Landlord & Tenant Act 1954.
31 Villiers Street	Gordon & Daughters Ltd (t/a Villiers)	Ground ITZA Basement Vaults Total	486 333 435 - 921	10/04/2013	10/04/2018	09/04/2038	£135,000	£380.55	£177,500	£500.00		Leaseholder has received an offer from an award winning international Japanese restaurant of a positive premium of £500,000 for the lease. The vendor has simultaneously received an initial offer from the same party of £165,000 pa plus £150,000 premium for a new 20 year lease which we analyse at over £500 ZA psf. The existing lease is outside of the Security of Tenure provisions of the Landlord & Tenant Act 1954.
33 Villiers Street	Simit Sarayi UK Holding Ltd	Ground ITZA Basement Vaults Total	634 438 679 132 1,445	27/05/2016	27/05/2021	26/05/2026	£215,000	£452.40	£237,750	£500.00		Rent deposit held of £107,500 plus VAT. Outside of the Security of Tenure provisions of the Landlord & Tenant Act 1954.
35-37 Villiers Street	Londinium Charing Cross Ltd (t/a Fratelli La Bufala)	Ground ITZA Basement Vaults Total	661 545 700 92 1,453	03/07/2014	03/07/2017	02/07/2026	£256,000	£439.64	£291,250	£500.00	£13,090	Service Charge is currently capped at £2,635.16 pa and increases annually with RPI. £5,000 pa OMCI license fee for extract duct also payable annually by the tenant. Rent review not yet activated pending agreement of new lease / assignment on 31 Villiers Street. 3 year rent review pattern.
TOTAL			12,057				£1,818,700		£2,200,750		£13,090	

Gross Income from Leases and Licences	£1,818,700
Non Recoverable Shortfalls	£13,090
Total Net Operating Income After Deduction of Income Shortfalls	£1,805,610
Gross Rental Value	£2,200,750



There have been a number of recent lease events within the parade which highlight excellent reversionary potential.

- **31 Villiers Street** has received a new lease offer from an International Japanese restaurant which we believe equates to over £500 psf Zone A.
- **17 Villiers Street** was let in June 2016 to Oldgreen Ltd (t/a Kingdom of Sweets) for a term of 10 years at £135,000 per annum, reflecting £530.21 psf Zone A.
- **19 Villiers Street**, let to Herman Ze German Ltd, was subject to a rent review in July 2016. The review was settled at £473.32 Zone A.
- **33 Villiers Street** let in May 2016 to Simit Sarayi for a 10 year term at £215,000 per annum reflecting £452.40 psf Zone A.

TENANT MIX

Calita Limited (t/a Lupita)

Lupita is a Mexican restaurant serving authentic Mexican dishes in a vibrant atmosphere. The company opened its first restaurant in London in 2010 – Lupita Central (located in the subject parade) and has since opened two further restaurants – Lupita East and Lupita West, in 2013 and 2015 respectively.

Lupita was named Mexican Restaurant of the Year in 2013 in the LUKAS Awards, and Restaurant Group of the Year in 2014. Lupita was rated top Mexican Restaurant in London in the Zagat Survey for 2015.

Oldgreen Ltd (t/a Kingdom of Sweets)

Kingdom of Sweets is a one stop sweet shop specialising in retro sweets, chocolates and Pick 'n' Mix. The company has 6 stores in the heart of London located on Oxford Street, Bond Street, Coventry Street, Villiers Street, Charing Cross Road and in Hammersmith.

Herman Ze German Ltd

Herman Ze German is a small, but very popular, deli serving German wurst sausages. The company was founded in 2008 in Brighton and has evolved from mobile food stalls catering at festivals and events, to three permanent stores in London located in Charing Cross, Soho and Fitzrovia.

Pret a Manger (Europe) Ltd

Pret a Manger is a dynamic international sandwich chain. The company was founded in 1986 in the UK, with the first Pret a Manger shop opening in Hampstead, London. The company now operates from over 375 stores worldwide, with shops in the UK, USA, Paris, Hong Kong, Dubai and Shanghai.

D&B Credit Rating:	5A1 (Minimum Risk)
Turnover (2015):	£520,546,000
Net Worth (2015):	£306,134,000
Pre Tax Profit (2015):	£56,903,000

Pilot Foods Ltd (t/a L'Ulivo)

L'ulivo is an authentic Italian restaurant that focuses on simple, fresh ingredients and great service. The company has two branches in London located in Leicester Square and Villiers Street and is popular with tourists and Londoners alike. The restaurant is available for individual tables or private hire and was a winner of the Open Table Diners' Choice Award in 2016.

Rosecrown Restaurants Ltd (t/a Pane e Olio)

Pane E Olio is an Italian restaurant focusing on traditional Italian recipes. The restaurant offers a pre-theatre menu which is popular with tourists and Londoners alike.

Gordon & Daughters Ltd (t/a Villiers)

Villiers is an all-day British café and restaurant serving simple and classic British dishes and charcuterie. Villiers was started by the younger generation of the Gordon Family, who own the legendary Gordon's Wine Bar, also located on the same historic street between Embankment and The Strand.

Simit Sarayi UK Holding Ltd (t/a Simit Sarayi Bakery Café)

Simit Sarayi was founded in 2002 in Turkey and is known as the 'world's new bakery chain', specialising in selling 'simit', a sesame bagel. The company has opened four stores within central London and serves an estimated 650,000 customers daily across the world, employing 10,000 employees.

Londinium Charing Cross Ltd (t/a Fratelli La Bufala)

Fratelli La Bufala was established in 2003 in Italy. The company focuses on recipes using specialist meats and buffalo mozzarella, and the brand has been built on the authenticity of its ingredients. In 10 years the company has grown and now operates from approximately 100 restaurants in Italy and abroad, employing around 2,000 people and serving 12,000 customers daily.



THE RESIDENTIAL ACCOMMODATION

The property benefits from having 29 residential units arranged over the first, second, third and fourth floors, encompassing a total of 7,108 sq ft (660 sq m). The flats are accessed from a number of separate entrances fronting Villiers Street.

The majority of the units are let on short term leases, with 6 units currently vacant (due to relocation and site office uses during the proposed redevelopment).

A further 19 residential units over 15A Villiers Street and 23A Villiers Street have been sold off on peppercorn rents and leases expiring 2nd February 2259.

The current total passing rent for the residential elements is £384,200 per annum and there are rental deposits held on each of the units as detailed in the schedule below:



Unit	Tenant	Floor Area (sq ft)	Lease Start	Effective Break	Lease Expiry	Lease Term	Passing Rent (pa)	ERV (pa) (post refurb)	Comments
15A Villiers Street	George Lloyd Ltd	3,187	17/08/2013	-	02/02/2259	245 Years	-	-	Peppercorn rent. Comprises 6 residential units.
23A Villiers Street	Freehold Properties 23 Ltd	10,033	03/02/2009	-	02/02/2259	250 Years	-	-	Peppercorn rent. Comprises 13 residential units.
29 Villiers Street, Flat 1	Catherine Anne Kelly	420	01/02/2017	01/08/2017	31/01/2018	1 Year	£26,220	£27,531	Mutual option to determine on or at any time after 01.08.2017 on not less than 1 month's notice. Rent deposit held £2,970.
29 Villiers Street, Flat 2	Yue Yang	452	19/06/2017	19/12/2017	18/06/2018	1 Year	£26,000	£27,300	Mutual option to determine on or at any time after 19.12.2017 on not less than one month's notice. Rent deposit held £3,000.
29 Villiers Street, Flat 3	Vacant	206	-	-	-	-	-	£14,414	To Let.
29 Villiers Street, Flat 4	Daniel Cassol	271	01/02/2014	01/01/2015	30/06/2015	1 Year	£13,520	£14,196	Mutual option to determine on or at any time after 01.01.2015 on not less than 2 months notice. Deposit held £1,126.66. Periodic tenancy.
29 Villiers Street, Flat 5	Calum Bryson Thomson	234	28/04/2017	28/10/2017	27/04/2018	1 Year	£14,300	£15,015	Mutual option to determine on 28.10.2017 on not less than 2 months notice. Deposit held £1,650.00.
29 Villiers Street, Flat 6	Anastasia Alexaki	215	01/02/2017	01/08/2017	31/01/2018	1 Year	£13,440	£14,112	Mutual option to determine on or at any time after 01.08.2017 on not less than 2 months notice. Deposit held £1,083.33.
31 Villiers Street, Flat 1	Lee Spencer Willis	180	01/06/2017	01/12/2017	31/05/2018	1 Year	£13,200	£13,860	Mutual option to determine on or at any time after 01.12.2017 on not less than 2 months notice. Deposit held £1,500.
31 Villiers Street, Flat 2	Vacant	156	-	-	-	-	-	£15,834	To Let.
31 Villiers Street, Flat 3	Joshua Willdigg and Emma Griffiths	152	01/06/2017	01/12/2017	31/05/2018	1 Year	£13,680	£14,364	Mutual option to determine on or at any time after 01.12.2017 on not less than 2 months notice. Deposit held £1,620.
31 Villiers Street, Flat 4	Tatiana Krylova	179	28/04/2017	28/10/2017	27/04/2018	1 Year	£13,520	£14,196	Mutual option to determine on or at any time after 28.10.2017 on not less than 2 months notice. Deposit held £1,560.00.
31 Villiers Street, Flat 5	Yingsheng Xiao	174	11/08/2016	11/02/2017	10/08/2017	1 Year	£13,520	£14,196	Mutual option to break on or at any time after 11.02.2017 on not less than 2 months notice. Deposit held of £1,560.
31 Villiers Street, Flat 6	Jean-Baptiste Alain Joseph Sory	153	27/08/2016	27/02/2017	26/08/2017	1 Year	£12,480	£13,104	Mutual option to determine on or at any time after 27.02.2017 on not less than 2 months notice. Deposit held £1,440.00.
31 Villiers Street, Flat 7	Gustika Fardani Jusuf	133	31/05/2017	30/11/2017	30/05/2018	1 Year	£13,000	£13,650	Rent paid 6 monthly in advance on 31.05.2017 and 30.11.2017. Mutual option to determine on or at any time after 30.11.2017 on not less than 2 months notice. Deposit held £1,500.00.
31 Villiers Street, Flat 8	Eleonore Joy Annelise Hajek	173	26/05/2017	26/11/2017	25/05/2018	1 Year	£13,520	£14,196	Mutual option to determine on or at any time after 26.11.2017 on not less than 2 months notice. Deposit held £1,560.00.
33a Villiers Street, Flat 1	Vacant	257	-	-	-	-	-	£13,910	Site office for Scott Osborn.
33a Villiers Street, Flat 2	Vacant	164	-	-	-	-	-	£13,650	Site office for Scott Osborn.
33a Villiers Street, Flat 3	Dr Bettina Urte Renate Schonberger	368	13/02/2017	13/08/2017	12/02/2019	2 Years	£30,420	£30,420	Landlord option to determine on or at any time after 13.08.2017 on not less than 2 months notice. Deposit held of £3,510.
33a Villiers Street, Flat 4	Emmanuel Roland Mochkovitch	244	07/10/2016	07/04/2017	06/10/2017	1 Year	£16,900	£17,745	Mutual option to determine on or at any time after 07.04.2017 on not less than 2 months notice. Deposit held of £1,950.
33a Villiers Street, Flat 5	Margarita Barrientos Guerrero	282	14/06/2017	14/12/2017	13/06/2018	1 Year	£19,240	£20,202	Mutual option to determine on or at any time after 14.12.2017 on not less than 2 months notice. Deposit held £2,220.00.
33a Villiers Street, Flat 6	Nooreddine Salahi	283	01/07/2017	01/01/2018	30/06/2018	1 Year	£18,000	£18,900	Mutual option to determine on or at any time after 01.01.2018 on not less than 2 months notice. Deposit held £1,473.33.
33a Villiers Street, Flat 7	Shashank Sripada	294	13/06/2014	13/10/2014	13/06/2015	1 Year	£16,640	£17,472	Mutual option to determine on or at any time after 13.10.2014 on not less than 2 months notice. Deposit held £1,386.66. Periodic tenancy.
33a Villiers Street, Flat 8	Vacant	240	-	-	-	-	-	£17,273	Vacant for relocation during works.
33a Villiers Street, Flat 9	Siyu Du	189	16/06/2016	16/12/2016	15/06/2017	1 Year	£13,000	£13,650	Mutual option to determine on or at any time after 16.12.2016 on not less than 2 months notice. Deposit held £1,500.00.
33a Villiers Street, Flat 10	Vacant	243	-	-	-	-	-	£16,380	Vacant for relocation during works
33a Villiers Street, Flat 11	Phillip Steven Brown	172	24/10/2016	24/10/2017	23/10/2017	1 Year	£14,560	£15,288	Mutual option to determine on or at any time after 24.04.2017 on not less than 2 months notice. Deposit held £1,680.00.
33a Villiers Street, Flat 12	Shi Chu Su	289	01/06/2017	01/12/2017	30/05/2018	1 Year	£17,040	£17,892	Mutual option to determine on or at any time after 01.12.2017 on not less than 2 months notice. Deposit held £1,408.33.
33a Villiers Street, Flat 13	Michael Koustaal	386	01/02/2017	01/08/2017	31/01/2018	1 Year	£20,820	£21,861	Mutual option to determine on or at any time after 01.08.2017 on 2 months notice. Deposit held of £2,370.
33a Villiers Street, Flat 14	Chulathap Fungsa	277	02/09/2016	02/03/2017	01/09/2017	1 Year	£16,900	£17,745	Mutual option to determine on or at any time after 02.03.2017 on not less than 2 months notice. Deposit held £1,950.00.
33a Villiers Street, Flat 15	John Grant Buckham	322	01/06/2017	01/12/2017	30/05/2018	1 Year	£14,280	£14,994	Mutual option to determine on or at any time after 01.12.2017 on not less than 2 months notice. Deposit held £1,620.00.
TOTAL		20,328					£384,200	£493,350	

Gross Income from Leases and Licences	£384,200
Non Recoverable Service Charge and Insurance Shortfalls	£91,179
Total Net Operating Income After Deduction of Income Shortfalls	£293,021
Gross Rental Value (Post Refurbishment Works)	£493,350

N.B. For the purpose of pricing we have apportioned a low capital value of £1,300 psf to the residential accommodation – a conservative approach when compared to prices achieved on similar properties nearby to reflect that some are in need of cosmetic refurbishment.

ASSET MANAGEMENT OPPORTUNITIES

The investment presents an excellent opportunity for a number of asset management initiatives:

Princess of Wales – The pub, held freehold by Mitchells and Butler, is positioned within the centre of the parade and splits the holding. If this could be acquired, the opportunity to expand the holding and create additional residential units on the upper floors could be realised.

25 Villiers Street – Pret a Manger have an upcoming rent review in May 2018. Passing rent £160,000 pa with an ERV of £193,500 pa.

31 Villiers Street – Gordon & Daughters have an upcoming rent review in April 2018. Passing rent of £135,000 pa with an ERV of £177,500 pa.

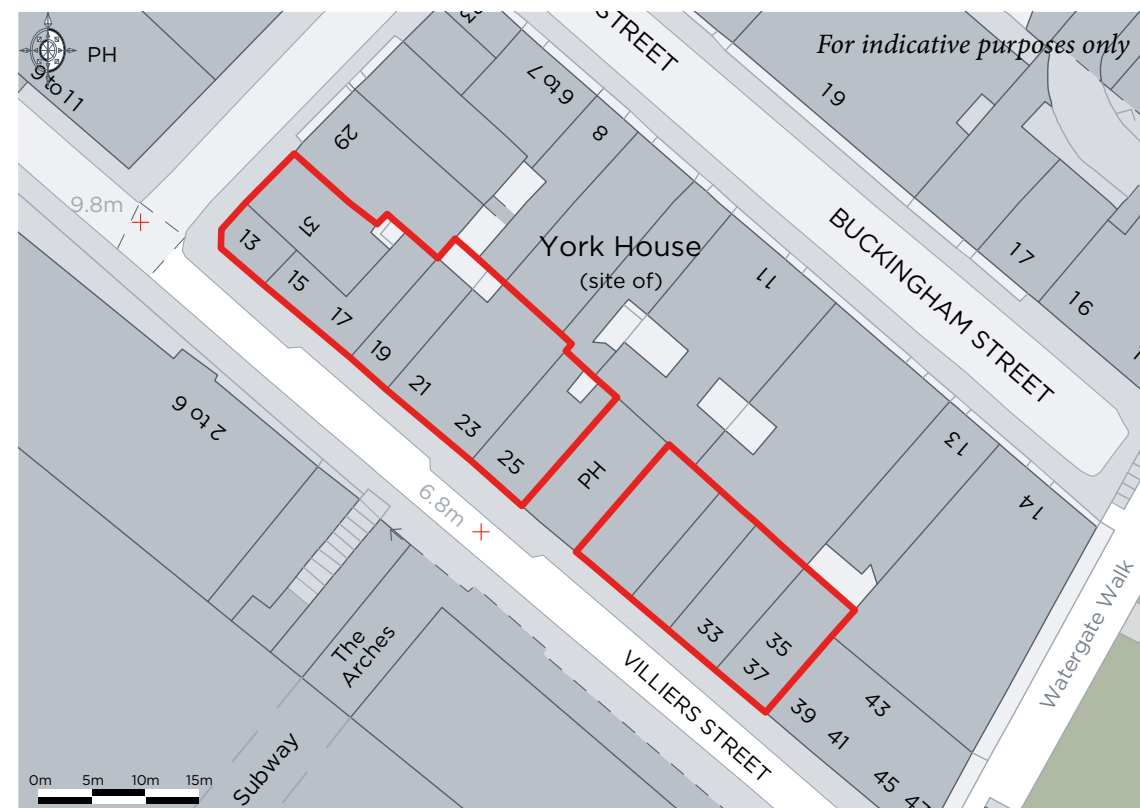
33 Villiers Street – Simit Sarayi have an outstanding rent review from May 2017. Passing rent of £215,000 pa with an ERV of £237,750 pa.

35 – 37 Villiers Street – Londinium Charing Cross have an upcoming rent review in July 2017. Passing rent of £256,000 pa with an ERV of £291,250 pa.

Residential Refurbishment – There is an ongoing programme of maintenance and refurbishment which will be completed by the vendor. We believe the residential cosmetic refurbishment as well as letting the remaining vacant units will lead to a significant uplift in the residential rents.

TENURE

The properties are all held Freehold.



SERVICE CHARGE & MAINTENANCE

As part of the vendor's ongoing programme of maintenance and refurbishment (due to complete in October 2017), the rooftop water heaters are being removed and Point of Use heaters are being installed to all residential flats. The roof and dormer windows to 29 and 31 Villiers Street are also being repaired whilst the scaffolding is erected.

The total contract cost of these works is £298,334 of which the service charge is bearing a proportionate cost and the remaining c.£200,000 is to be paid by the vendor.

The total service charge budget for the year ending 31 December 2017 is £152,411.57 including an abnormal charge of £101,252.80 of project works for roof repairs and external repairs / decoration.

The service charge is administered across six schedules and equates to £4.83 psf on average.

Under the current apportionment schedule the freeholder is liable for service charges relating to the AST apartments amounting to £86,962.16 per annum and insurance charges of £4,217.14 for 2017.

VAT

The property has been elected for VAT purposes and it is expected that the investment sale will be treated as a Transfer of Going Concern (TOGC).

EPCS

The Energy Performance ratings for the property are available upon request.



PROPOSAL

We have been instructed to seek offers in excess of **£60,500,000 (Sixty Million and Five Hundred Thousand Pounds)**, subject to contract and exclusive of VAT.

A purchase at this level reflects only **£1,300 psf capital value** on the residential upper parts and a yield profile on the commercial element as follows:

Net Initial Yield:	3.30%
(Rising to 3.47% upon settlement of outstanding rent reviews)	
Equivalent Yield:	3.98%
Reversionary Yield:	4.02%

Yields are net of purchaser's costs of 6.78%.

Proposals will be considered for both, or either of the unbroken parades individually.

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MISREPRESENTATION ACT DISCLAIMER

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