



RICHMOND

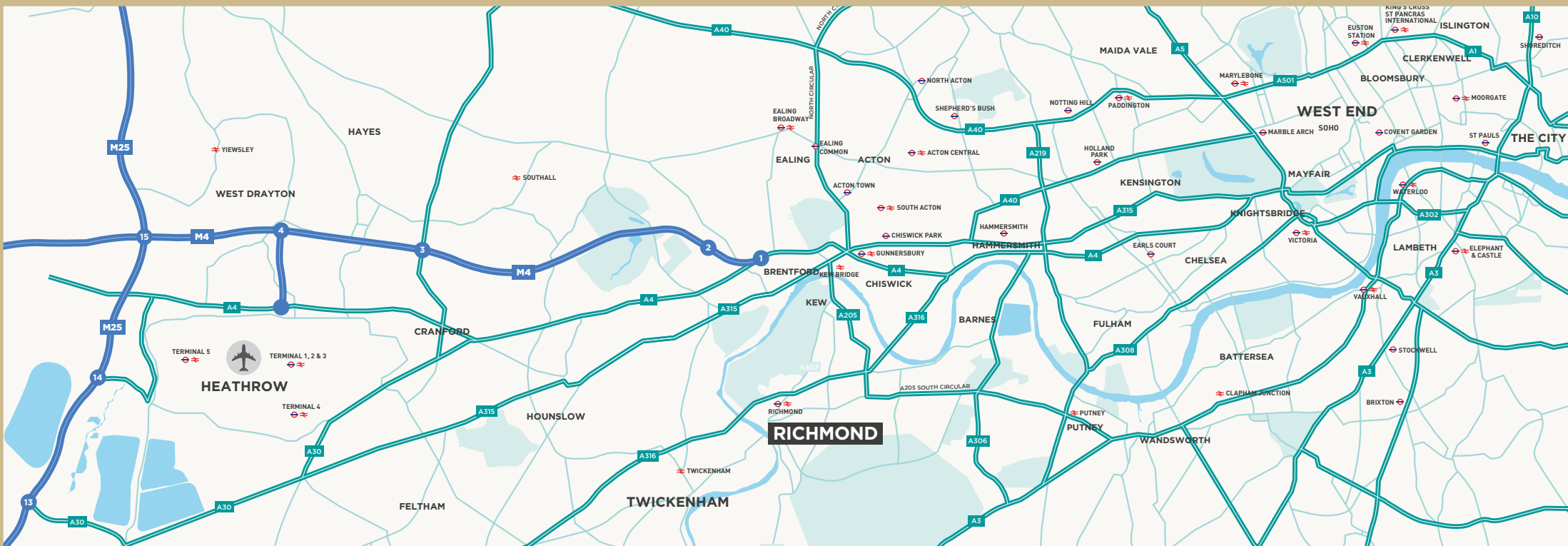
48-49 George Street | TW9 1HJ

Prime, well secured, freehold, high street retail & residential opportunity

INVESTMENT SUMMARY

- Richmond upon Thames, is one of London's most popular and prosperous boroughs offering a rare blend of urban and rural qualities within a major capital city.
- An affluent borough population of approximately 196,000 persons (GLA 2015) and a compact primary catchment population of circa 106,000 which is supplemented by a thriving tourist industry.
- An established and busy commercial centre with a flourishing retail offer encompassing an extensive array of mass market and specialist retailers including **M&S, House of Fraser, H&M, Topshop/Topman, Tesco, WH Smith, Anthropologie, Reiss, Gant, Jo Malone, Molton Brown and Links.**
- A prominent position on a 100% prime section of George Street and well secured to the undoubted covenants of **Zara Home UK Limited (Guaranteed by ITX Merken B.V.)** and **T.M. Lewin & Sons Limited.**
- Adjoining and nearby occupiers include **GAP, Massimo Dutti, Tesco, Russell & Bromley, Holland & Barrett, Crew, Office, Pret-a-Manger, Leon, Accessorize, Joe & The Juice, Itsu and Whole Foods.**
- **Weighted average unexpired retail lease term (WAULT) to expiry is 5.3 years**
- Current gross total income of **£376,939** per annum exclusive.
- Offers in excess of **£8,570,000 (Eight Million, Five Hundred and Seventy Thousand Pounds)**, subject to contract and exclusive of VAT for the freehold interest reflecting a **net initial yield of 4.31%** and a **capital value of £800 per sq ft** on the residential units, allowing for graduated purchasers costs.





RICHMOND

Richmond upon Thames is one of London's most popular and affluent boroughs and is a highly sought after residential destination for young professionals and families who are attracted to its rich history, royal connections, extensive parkland, architecture and amenities. Tourism generates an estimated total annual economic benefit of £469 million drawing an average of **4.5 million visitors every year**.

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LOCATION



The town has excellent road communications. The A307 runs directly through the town centre providing access to Kingston upon Thames, 4 miles (6.4km) to the south and ultimately the M25 (J10) via the A3. The A316 (Dual Carriageway) is located immediately to the north of Richmond Train Station and connects with the M3 motorway circa 6 miles (9.7km) to the east.



Richmond is served by mainline South West trains which provides regular direct services to London Waterloo (8 trains per hour) with a fastest journey time of 19 minutes and Windsor and Reading, with approximate journey times of 50 and 70 minutes respectively. The town is also served by London Underground via the District Line.



Heathrow, the UK's largest international airport, is located circa 11 miles (18km) to the west via the M4, providing services to a wide variety of both domestic and international destinations. Gatwick Airport is located 30 miles (48km) to the south and can be reached in approximately 45 minutes by car.

North Sheen

Richmond Rail /
Underground Station

Richmond Park

**SUBJECT
PROPERTY**

Richmond Green

Hill Street

Richmond
Riverside

Richmond
Bridge

Richmond Athletic Ground
(London Scottish)

A316
Twickenham Rd

Whole
Foods

Tesco

George
Street

Marks &
Spencer

House of
Fraser

Ebay UK
HQ

River
Thames



CATCHMENT & DEMOGRAPHICS

Richmond upon Thames has a primary catchment population of 106,000 and an estimated 280,000 persons within a 15 minute drive-time. There is an over representation of adults aged 25-44 and children aged under 14 highlighting the proliferation of young working age families and a growing population. In a recent survey conducted by Rightmove, Richmond was voted the happiest place to live in London.

The population in Richmond is very affluent and per capita spending is above the national average. In addition, there is a significantly above average percentage of working age adults categorised within the most affluent AB social group. Experian categorise 46.25% of the population (within the 15 minute drive-time) as being within the City Prosperity Mosaic grouping suggesting 'high status city dwellers living in central location pursuing high reward careers'.

The Richmond office sector is focused on media, technology and financial services. **Ebay, Paypal, Gumtree and Graze** are represented, earning the town the nickname, 'Silicon on Thames'. **RBS, British American Tobacco, Philip Morris & Company, Serco and GSA Capital** are also major employers in the borough, while **GlaxoSmithKline, BskyB and Samsung** amongst others all have significant UK headquarters nearby. In addition, the Royal British Legion Poppy Factory is based in Richmond where 32 million Remembrance poppies and 80,000 wreaths are produced annually.



RETAILING IN RICHMOND

Richmond is a busy and popular commercial business centre. It has a flourishing retail offer encompassing an extensive array of mass market and specialist retailers which attracts a significant number of tourists and visitors. The compact nature of the town centre means there is little threat to the existing retail offer from new, large scale developments and **Richmond is forecast to see a significant above average percentage growth in comparison spending by 2021.**

Richmond's **prime retail activity** is focused on **George Street** with **House of Fraser** anchoring its southern end with other notable retailers represented including **M&S, H&M, Topshop/Topman, Boots, Tesco, WH Smith, Anthropologie, Reiss, Massimo Dutti, Gant, Jo Malone, Molton Brown, Crew, Office and Links.**



SITUATION

The subject property is prominently situated in a 100% pitch on the prime section of George Street, directly opposite a **Tesco Metro** food store. Other major retailers adjoining and in the vicinity include **GAP, Massimo Dutti, Russell & Bromley, Holland & Barrett, Crew, Office, Pret-a-Manger, Leon, Accessorize, Joe & The Juice, Itsu** and **Whole Foods**.

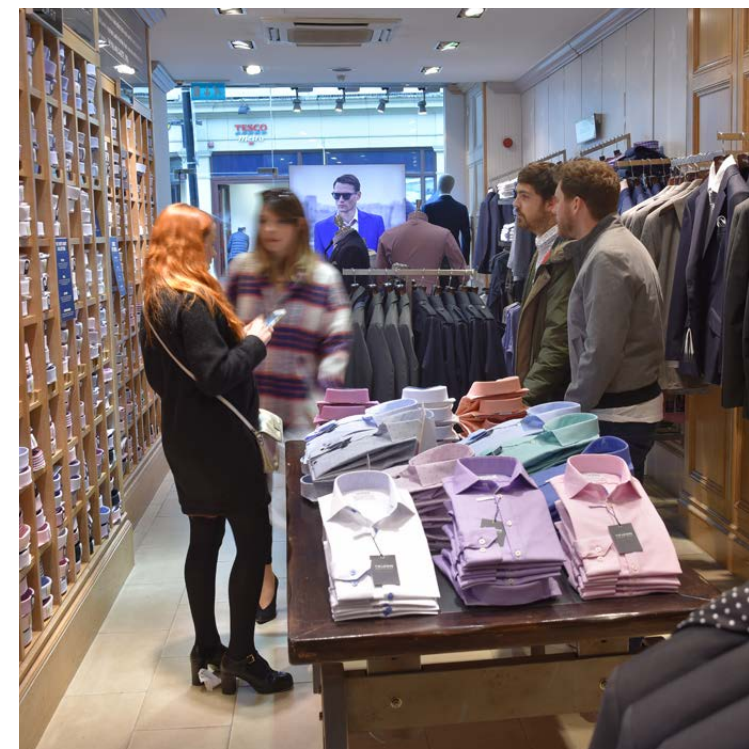
DESCRIPTION

The subject property comprises two attractive buildings fronting George Street including well configured ground floor retail units with three, self-contained, residential flats above 49 George Street. The upper floors above the retail unit at 48 George Street form a 'flying freehold' above the adjoining Gap premises.

The retail units are arranged over ground floor only and currently trade as **Zara Home** and **TM Lewin**.

The three residential flats situated on the first, second and third floors above the Zara Home have separate access fronting onto George Street. All three flats are let on Assured Shorthold Tenancies. Each flat benefits from two bedrooms, an open plan living room/kitchen, bathroom and an en-suite shower room. Each flat also has a small remote storage cupboard at 4th floor level.

The property is located within the Central Richmond Conservation Area.





SCHEDULE OF TENANCIES & ACCOMMODATION

The lettable floor area comprises 6,399 sq ft (594.4 sq m) arranged as follows:

Address	Tenant	Areas (sq ft)		Lease Start	Lease Expiry	Rent PAX	ERV	Next RR	1954 L&T	Comments
48 George Street	T.M. Lewin & Sons Limited	Sales ITZA	494	25/07/2008	24/07/2023	£111,400 (£225 ZA)	£113,500 (£230)	24/06/2018	In	Rent review date is stated in the lease - June not July like the start date. A/16 on Ancillary Space. 7.5% negative allowance for unit width.
		GF Sales	1,136							
		GF Ancillary	621							
		Total Area	1,757							
49 George Street	Zara Home UK Limited (Guaranteed by ITX Merken B.V.)	Sales ITZA	729	20/08/2008	19/08/2023	£206,000 (£266 ZA)	£176,250 (£230 ZA)	24/06/2018	In	Lease Guaranteed by ITX Merken B.V. Lease was taken on assignment from Crew Clothing Co. Limited in 2011. A/16 on Ancillary Space.
		GF Sales	2,064							
		GF Ancillary	588							
		Total Area	2,652							
Flat 1, 49a George Street	Lauren O'Mara and Thomas Henry	Total Area	650	14/07/2017	13/07/2020	£19,200	£19,776	-	N/A	£2,400 Deposit. RPI linked RR on every anniversary of the lease collar and cap at 3% and 7%. MBO after 12 mths with 2 mths notice.
Flat 2, 49a George Street	Joe Allen and Rachel Girling	Total Area	650	12/10/2016	11/10/2019	£19,939	£20,537	-	N/A	£2,400 Deposit. RPI linked RR on every anniversary of the lease collar and cap at 3% and 5%. MBO after 12 mths with 2 mths notice. The rent increased by 3.85% in 2017.
Flat 3, 49a George Street	Stefania Monetti	Total Area	690	23/10/2017	22/10/2020	£20,400	£21,012	-	N/A	£2,400 Deposit. RPI linked RR on every anniversary of the lease collar and cap at 3% and 5% respectively. MBO after 6 mths with 2 mths notice
Total Gross Income						£376,939	£351,075			

COVENANT STRENGTH

Tenant	Financial Year End	Turnover (000's)	Pre-Tax Profit (000's)	Net Worth (000's)	D&B Rating	Comments
T.M. Lewin & Sons Limited	25 Feb 2017	£109,940,000	£2,707,000	£69,588,000	5 A1	
Zara Home UK Limited	31 Jan 2017	£17,880,000	(£793,000)	£3,339,000	2 A2	The lease is entirely guaranteed by ITX Merken B.V.

RESIDENTIAL COMMENTARY

Richmond is a highly sought after location for young professionals and families on both a rental and ownership basis. The market offers a wide range of homes from smaller flats and cottages to large Georgian and Victorian terraces.

Average flat prices in Richmond were recorded at £547,543 in December 2017. Speaking with a number of residential agents in the area, we are advised that flats similar to the subject property would attract sales interest of between £750 – 850 psf capital value in the open market.

In addition, we are advised that well configured, two bedroom flats within Richmond command rents in the region of £1,700 pcm.

TENURE

Freehold.

CURRENT INCOME PAX

Current gross total income of £376,939 pax

The market offers a wide range of homes from smaller flats and cottages to large Georgian and Victorian terraces.

RETAIL RENTAL COMMENTARY

There has been significant positive letting activity on this part of George Street in recent years including the following:

Date	Address	Tenant	Type	Rent Gross ZA (Net)
Feb 2017	18-20 George Street	H&M	RR	£230
Dec 2016	59 George Street	Ole & Stein	OML	£230.50 (net)
Oct 2016	36 George Street	Leon	OML	£237.11 (net)

We are of the opinion that the current rental tone for this part of the street reflects circa £230 Zone A. We have applied a rate of A/16 to the ancillary areas.

SERVICE CHARGE

Further information is available on request.

ENERGY PERFORMANCE CERTIFICATES

EPCs are available upon request.

VAT

The property will be treated as a Transfer of Going Concern.



Richmond has been found to be the happiest place to live in Greater London by a 2017 Rightmove survey.



Growth within the borough was 32% higher than the Greater London average.



Prime property values in Richmond have increased significantly over the past 10 years rising by an estimated 105.4% on average.

INVESTMENT COMPARABLES

Date	Address	Tenant	Price	Yield
May-18	55/56 George Street	N. Courlander Jewellers	Exchanged - £2.4m	3.70%
Feb-18	8 Red Lion Street	Franco Manca	£3.25m	4.05%
Feb-18	53 George Street	Carphone Warehouse	£4.4m	4.25%
Oct-17	59 George Street	Ole & Stein	£5.5m	3.90%
Oct-17	44-55 George Street	Massimo Dutti	£7.6m	3.90%
May-17	35/38 George Street	Leon, Santander, Pret, Russell & Bromley	£21.34m	3.65%

PROPOSAL

We are instructed to seek in excess of **£8,570,000 (Eight Million, Five Hundred and Seventy Thousand Pounds)**, Subject to Contract & Exclusive of VAT.

This reflects a **blended net initial yield of 4.31%** on the commercial element and a **capital value of £800 per sq ft** on the residential units, allowing for graduated purchaser's costs.



FURTHER INFORMATION

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