

RICHMOND UPON THAMES

4-6 George Street and 3 Red Lion Street TW9 1JY



INVESTMENT SUMMARY

- **Richmond upon Thames**, is one of London's most popular and prosperous boroughs.
- An affluent 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** and **Jo Malone**.
- A large town centre mixed use site, prominently situated opposite the **House of Fraser** with frontages on to both George Street and Red Lion Street.
- Income split: **70%** secured to retail, **14%** to offices and **16%** to residential flats.
- **Weighted average unexpired lease term (WAULT) of 3.8 years to expiry.**
- Gross annual income of **£591,140** per annum exclusive.
- Net annual income of **£576,934** per annum exclusive.
- An opportunity to acquire a **substantial town centre site** comprising circa **585.9 sq m (0.14 acres)**.
- **Significant development potential STPP.**
- Offers are sought for the freehold interest of the property, subject to contract and exclusive of VAT.

LOCATION

Richmond upon Thames is one of London's most popular and affluent boroughs and is a highly sought after residential destination for young professionals, families and celebrities 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.

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.

DEMOGRAPHICS

Within Richmond, 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 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 increase in comparison spending by 2021.

Experian categorise 46.25% of the population (within the 15 minute drive-time) as 'high status city dwellers living in central location pursuing high reward careers'.

Population affluence is further evidenced by positive house price growth, which in Richmond upon Thames in 2015 was 32% higher than the Greater London average. Prime residential property values in Richmond have increased significantly over the past 10 years rising by an estimated 105.4% on average.

RETAILING IN RICHMOND

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

The northern end of George Street has become something of an A1 food and fashion hub with the likes of **Pret a Manger** and **Leon, Whole Foods, Tesco, Itsu** and **Joe & The Juice, Lulu Lemon** and **Sweaty Betty** taking occupation recently.

Hill Street is primarily tenanted by up-market fashion as well as restaurants and cafes. Examples include **Zadig Voltaire, Whistles, Space NK Apothecary, Hatton Garden Rings**.

Within close proximity to the subject property are a number of A3 restaurant operators, including **Cote Brasserie, Franco Manca** and **The Ivy Café**.

THE PROPERTY

The premises are known as 4/6 George Street & 3 Red Lion Street and comprise **four retail units, two office suites and five residential flats**. Three retail units occupied by Molton Brown, Luxottica and Gandys, five flats (let on AST's) and a dentist surgery at first floor, are all accessed via George Street, while Headmasters and Cirrus Response operate from a retail unit and office suite fronting Red Lion Street. The communal and residential elements have been refurbished to a high specification and the office accommodation also presents well. There is a bin store at the side of the Headmasters which also acts as a secondary means of escape from the upper parts, onto Red Lion Street.

TENURE

Freehold.

TENANCY

Please see the accompanying Excel Sheet for a detailed tenancy schedule.

INCOME

The property produces a gross annual income of **£591,140** and a net annual income of **£576,934**, assuming the letting to Gandy's completes. There is an annual landlord shortfall of £14,205.20 associated with the service charge for the residential element, which is currently covered by the landlord.

WAULT

Weighted Average Unexpired Lease Term of **3.8 years** to expiry.

TENANT COVENANT

Tenant	Company Number	Year ending	D&B Rating	Turnover	Profit / loss	Tangible Net Worth
Molton Brown Limited	2414997	31/12/2016	5A 1	£79,719,000	£2,690,000	£35,096,000
Luxottica Retail UK Limited	2767938	31/12/2016	5A 1	£122,340,000	£16,493,000	£50,307,000
Gandys International Limited	9759440	31/12/2016	N 3	n/k	n/k	(322,912)
Endocare Ltd	6768969	31/12/2016	N 3	n/k	n/k	(242,906)
Headmaster Partnership Ltd	3107060	25/03/2017	2A 1	£6,776,392	£1,688,928	£6,281,078
Cirrus Response Ltd	9700358	30/09/2016	C 2	n/k	n/k	£171,081

EPC

An EPC pack is available upon request.

VAT

The property has been elected for VAT and any disposal will be by way of a Transfer of a Going Concern (TOGC).

INVESTMENT COMPARABLES

Date	Address	Tenant	Price	Yield (NIY)
February 2018	8 Red Lion Street	Franco Manca	£3.25m	4.05%
October 2017	59 George Street	Ole & Stein	£5.5m	3.90%
October 2017	44-55 George Street	Massimo Dutti	£7.6m	3.90%
July 2017	1 George Street	Romeos Menswear	£1.675m	4.50%
May 2017	35/38 George Street	Leon, Santander, Pret-A-Manger, Russell & Bromley	£21.34m	3.65%

PROPOSAL

Offers are sought for the freehold interest of the property, subject to contract and exclusive of VAT.

CONTACT

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RICHMOND UPON THAMES: PRIDE HOUSE, 4-6 GEORGE STREET & 3 RED LION STREET

Unit No:	Address	Sector	Tenant	Lease Start	Lease Expiry	Rent		ERV		Rent Reviews	Breaks	Areas			SC %	Service Charge (To 31/03/2018)	RV	Rates @ UBR £0.497	Landlord Shortfall	Comments
						£ PAX	Zone A (psf)	£ PAX	Zone A (psf)			Description	Sq. Ft.	M ²						
1	4 George Street (Ground Floor & Basement)	Retail	Molton Brown Limited	08-Nov-15	23-Jan-26	£ 97,500	£ 189	£ 93,000	£ 180	23-Jan-21	23-Jan-21	ITZA	497	n/a	9.50%	£3,323.63	£ 94,000	£ 46,718	£ -	
												GF Sales	795	74						
												Basement	704	65						
2	5 George Street (Ground Floor & Basement)	Retail	Luxottica Retail UK Limited (t/a David Clulow)	15-Mar-04	14-Mar-19	£ 119,000	£ 187	£ 115,000	£ 180	-	-	ITZA	599	n/a	7.71%	£2,697.63	£ 125,000	£ 62,125	£ -	
												GF Sales	978	91						
												Basement	916	85						
3	6 George Street (Ground Floor & Basement)	Retail	Gandys International Ltd (Temp)	15-Mar-18	14-Mar-23	£ 95,000	£ 160	£ 110,000	£ 180	-	15-Mar-21	ITZA	571	n/a	5.92%	£2,071.12	£ 106,000	£ 52,682	£ -	Lease scheduled to complete on 15/03/2018. Outside the 1954 Act.
												GF Sales	1,041	97						
												Basement	590	55						
4	4-6 George Street (1st Floor Offices)	Office / Dentist	Endocare UK Ltd	23-Jul-16	22-Jul-26	£ 40,000	£ 28	£ 46,508	£ 32.50	23-Jul-21	23-Jul-21	Total Area	1,431	133	18.27%	£6,393.75	£ 49,500	£ 24,602	£ -	Rent deposit in place. Landlord break option on 23/07/2023. Outside the 1954 Act.
5	Flat 1 - 3rd Floor (2 Bed)	Residential AST	Mr Clive Leicester & Miss Paula Costin	27-Jun-15	26-Jun-18	£ 20,400	£ -	£ 20,400	£ -	-	-	Total Area	700	65	8.94%	£3,127.40	£ -	£ -	£3,127.40	£1,700 pcm
6	Flat 2- 3rd Floor (2 Bed)	Residential AST	Aaron Lotey and Rossella Moscino	25-Sep-17	24-Sep-18	£ 20,400	£ -	£ 20,400	£ -	-	Mutual from 24-Mar-2018	Total Area	818	76	10.44%	£3,654.07	£ -	£ -	£3,654.07	£1,700 pcm
7	Flat 3 - 2nd Floor (1 Bed)	Residential AST	Ar Adam Penton and Mr William Martin	01-Jun-15	31-May-18	£ 16,200	£ -	£ 16,200	£ -	-	-	Total Area	438	41	5.59%	£1,957.15	£ -	£ -	£1,957.15	£1,350 pcm
8	Flat 4 - 2nd Floor (2 Bed)	Residential AST	Marguerite Sophia Phanzu	31-Aug-17	30-Aug-19	£ 17,940	£ -	£ 17,940	£ -	-	Mutual from 30-Aug-2018	Total Area	537	50	6.86%	£2,400.56	£ -	£ -	£2,400.56	£1,495 pcm
9	Flat 5 - 2nd Floor (2 Bed)	Residential AST	Mr Andre Guettouche	26-Jun-17	25-Jun-18	£ 19,200	£ -	£ 19,200	£ -	-	Mutual from 25-Dec-2017	Total Area	686	64	8.76%	£3,066.02	£ -	£ -	£3,066.02	£1,600 pcm
10	3 Red Lion Street (Ground Floor)	Retail	Headmaster Partnership Ltd	20-Jul-04	19-Jul-19	£ 104,000	£ 116	£ 100,000	£ 110	-	-	ITZA	897	n/a	6.97%	£2,438.77	£ 69,500	£ 34,542	£ -	
												GF Sales	1,648	153						
11	3 Red Lion Street (1st Floor Offices)	Office	Cirrus Response Limited	24-Jul-14	23-Jul-19	£ 41,500	£ 24	£ 56,648	£ 32.50	-	-	Total Area	1,743		11.06%	£3,869.91	£ 39,000	£ 19,383	£ -	Tenant did not exercise their option to break the lease. Outside the 1954 Act.
Total						£ 591,140.00		£ 615,295.00				TOTAL AREA	13,025		100%	£35,000				
Net Income (Less shortfalls)						£ 576,934.80		£ 601,089.80				WAULT - L/E	3.8						£ 14,205.20	
						Retail	£ 415,500	70%												
						Offices	£ 81,500	14%												
						Residential	£ 94,140	16%												



50 metres

Experian Goad Plan Created: 08/03/2018
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