



PRIME
SOUTH-WEST LONDON
RETAIL INVESTMENT

RICHMOND UPON THAMES
42 GEORGE ST **TW9 1HJ**



INVESTMENT SUMMARY

- » Located in the affluent and highly sought after London suburb of Richmond Upon Thames
- » Richmond is a thriving commercial business centre, with a strong and diverse retail offer
- » Richmond has a compact population of 106,000 people and an estimated 280,000 within a 15 minute drive time
- » 100% prime retail investment
- » Well configured retail unit providing an NIA of 754 sq ft of ground floor accommodation
- » The upper floors comprise two newly converted, high quality apartments
- » In close proximity to national retailers including Tesco, Whole Foods and Massimo Dutti
- » Let to the undoubted covenant of EE Limited on a new lease with an unexpired term of 9.7 years
- » EE recently regeared their lease having been in occupation since 1997, showing their commitment to the subject property
- » Freehold



PROPOSAL

INCOME:

£129,000
PER ANNUM

OFFERS IN EXCESS OF:

£3,745,000
subject to contract

NET INITIAL YIELD:

4.25%
on the retail element

**RICHMOND UPON THAMES
IS A HIGHLY AFFLUENT
SUBURBAN TOWN LOCATED
IN AN ATTRACTIVE AREA
OF SOUTH WEST LONDON
ON THE RIVER THAMES**



RICHMOND BENEFITS FROM EXCELLENT TRANSPORT LINKS:



Road

By road Richmond has excellent communications benefitting from direct access to the M3 and on to the M25 (Junction 12) via the A316. The M4 can also be easily accessed via Kew Bridge at Junction 2.



Rail

The town benefits from a mainline railway service providing regular (eight trains per hour) and direct services to London Waterloo (20 mins) via Clapham Junction (10 mins).



Tube

Richmond also has a London Underground service (District Line) providing a direct link to London Victoria (30 mins) and a London Overground service to Stratford via Willesden (60 mins).



Air

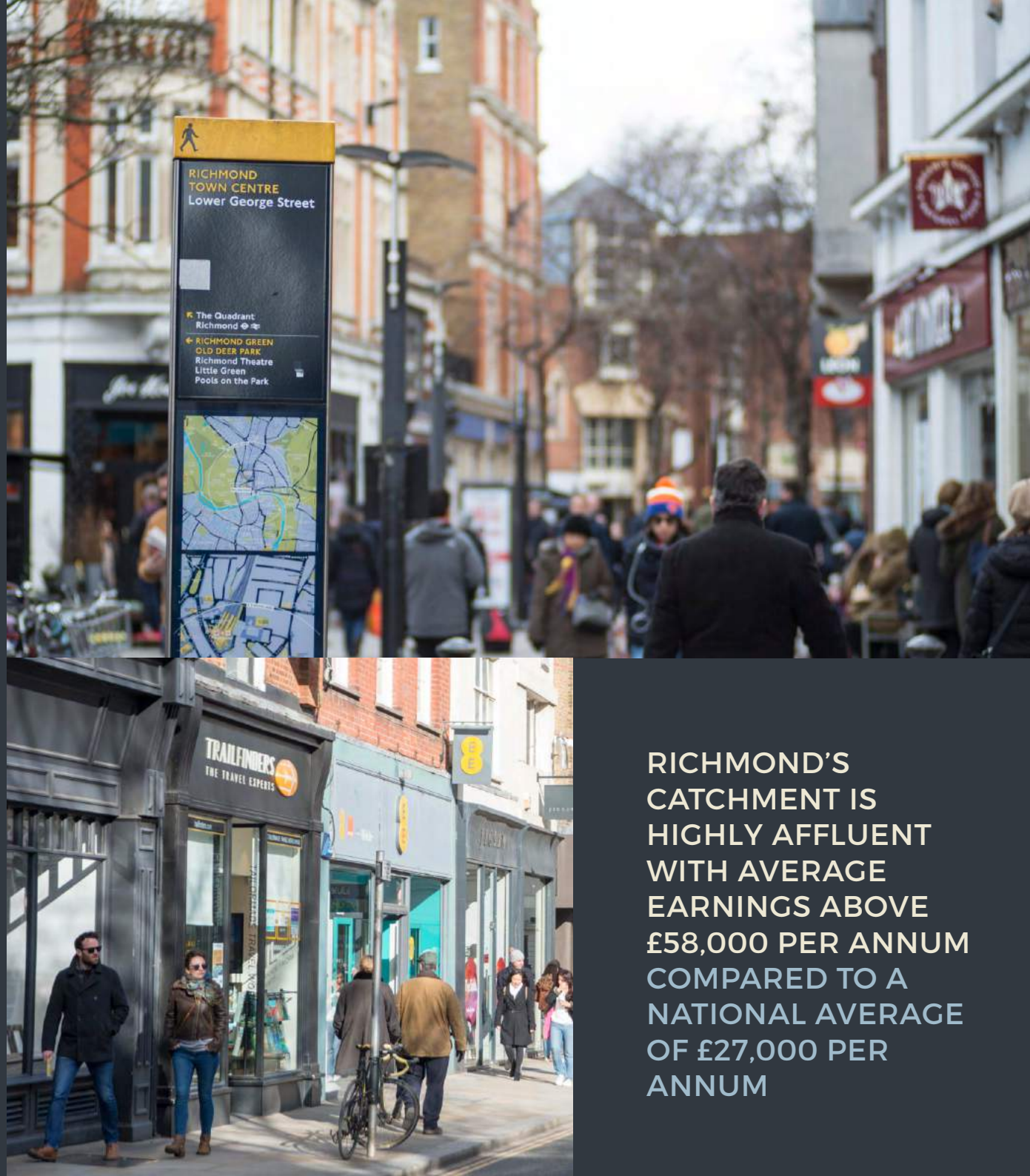
Heathrow airport, Europe's busiest airport, is located approximately 11 miles west of Richmond via the M4, Gatwick Airport is located 30 miles to the south and approximately 45 minutes by car.

RICHMOND DEMOGRAPHICS

The London Borough of Richmond Upon Thames has a prosperous population of approximately **186,900** (Census 2011) with a primary catchment of 106,000.

The Richmond area contained a significantly above average proportion of adults of working age categorised within the **most affluent AB social group (80%)**. In contrast, the least affluent social groups D, E and C2 are particularly under-represented within the Richmond area.

The Borough is home to a number of tourist attractions and sporting venues including Richmond Park, Kew Gardens, Twickenham Stadium, The Riverside, Hampton Court Palace, Ham House and Richmond town centre itself. Richmond draws **4.5 million** tourists every year.



**RICHMOND'S
CATCHMENT IS
HIGHLY AFFLUENT
WITH AVERAGE
EARNINGS ABOVE
£58,000 PER ANNUM
COMPARED TO A
NATIONAL AVERAGE
OF £27,000 PER
ANNUM**

RETAILING IN RICHMOND UPON THAMES

Richmond is a busy and popular commercial business centre with a diverse mix of national and local retailers providing an extensive retail offer along with cafes, bars and restaurants which attracts a significant number of tourists and visitors.

The built up and compact nature of Richmond town centre means there is little opportunity for new, large scale developments to threaten the existing retail. 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 national retailers represented including M&S, H&M, Topshop, Boots, Tesco, Reiss, Gant, Molton Brown, Crew, Office and Links.



NEARBY RETAILERS INCLUDE:

HOUSE OF FRASER
SINCE 1849

M&S
EST. 1884



TOPSHOP REISS OFFICE

H&M

GANT

MOLTON
BROWN
LONDON

LINKS
LONDON

TESCO

CREW CLOTHING COMPANY

LEON

BREAD
SHOP



itsu
est Beautiful

GANT

H&M

HOUSE OF FRASER

JO MALONE
LONDON



JIGSAW



THE
IVY
CAFE

L'OCCITANE
EN PROVENCE



jacadi
PARIS



ZARA HOME

RICHMOND
OLE & STEEN
LAGKAGEHUSET

REISS

ZADIG & VOLTAIRE

EF MEDISPA



**RICHMOND IS
INCREASINGLY
SYNONYMOUS
WITH HIGH END
OPERATORS
INCLUDING:**

ANTHROPOLOGIE

**THE IVY
CAFE**

JO MALONE

 **lululemon**

**MATCHES
FASHION.COM**

Sweaty Betty

**WHOLE
FOODS
MARKET**

RICHMOND UPON THAMES
7/13
42 GEORGE ST **TW9 1HJ**

RICHMOND UPON THAMES OFFICE MARKET

Richmond is a key South West London office market focussed on media, technology and financial services. The excellent transport links, access to Central London and Heathrow Airport and a skilled workforce has attracted a number of high profile occupiers including Ebay, Gumtree, Serco and Paypal.



RESIDENTIAL

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

Richmond has been found to be the happiest place to live in Greater London by a 2017 Rightmove survey and residential values has seen significant increases over the past 10 years.



Growth is expected to continue into the future due to lasting popularity, provision of schools and a limited development pipeline keeping values comfortably over £1,000 per sq ft. Average **residential house prices** in Richmond upon Thames in December 2017 were recorded at **£668,369** almost **triple the UK national average** of £226,756.



SITUATION

The property is situated in a 100% prime retailing location on George Street, immediately opposite The Square, The Quadrant and Lower George Street.

Major multiple retailers in close proximity include Jigsaw, Massimo Dutti, Itsu, Whole Foods, Sweatty Betty, Lululemon, Zara Home, Russell & Bromley, Pret A Manger and Leon.



DESCRIPTION

The subject property comprises an attractive, three storey mid-terraced retail asset fronting onto George Street. The building is of solid brick wall construction with the retail element over ground floor only and a two bedroom apartment at first floor and a one bedroom apartment at second floor. The upper floors have separate access from the rear off Duke Street.

ACCOMMODATION

The property has been measured in accordance with the RICS Code of Measuring practice (6th Edition) and provide the following Net Internal Areas:

FLOOR	USE	SQ M	SQ FT
Ground	Sales	70.05	754
ITZA			577
TOTAL RETAIL		70.05	754
First	Residential	52.43	564
Second	Residential	34.60	372
TOTAL RESIDENTIAL		87.03	936
GRAND TOTAL:		157.08	1,690



Tenure:

The property is held freehold.

Tenancy:

The ground floor is let to EE Limited on an effective full repairing and insuring lease for a term of 10 years from 10th October 2017. The current passing rent is £129,000 per annum and is subject to an upwards only rent review on 10th October 2022.

The vendor will top up any outstanding rent free period.

The residential accommodation at first and second floor will be sold with vacant possession.

Covenant Information:

EE Limited (Company No 002382161), was founded in 2010 through the merger of T-Mobile and Orange businesses in the UK. It is the largest mobile network operator in the UK, with around 30 million customers and the largest operator of 4G services in Europe.

The company has reported the following financial performance:

	31/03/17 (000s)	31/12/15 (000s)	31/12/14 (000s)
Turnover	£7,991,000	£6,307,000	£6,327,000
Profit Before Tax	£651,000	£631,000	-£255,000
Net Assets	£2,948,000	£2,840,000	£3,076,000

Rental Analysis:

We have devalued the current passing rent of £129,000 per annum to show £235 Zone A, applying a deduction of 5% for shape.

ADDRESS	TENANT	DATE	TRANSACTION TYPE	RENT	COMMENT
59 George St	Ole & Steen	Dec-16	OML	£230 ZA	£230,000 pax, 15 year lease
35-38 George St	Leon	Nov-16	OML	£238 ZA	£177,500 pax, 15 year lease, 10 year break
41 & 41A George St	Jigsaw	Mar-15 & Sep-15	RR	£226 ZA & £225 ZA	Adjacent property Two leases at £125,000 pax and £112,500 pax
44-45 George St	Massimo Dutti	Sep-14	OML	£230 ZA	£325,000 pax, 10 year lease, 6 year break



RICHMOND INVESTMENT MARKET

ADDRESS	TENANT	WAULT	DATE	PRICE	NIY
55-56 George Street & 2-8 Brewers Lane	Courlander Jewellers	52.5	Under Offer Ahead of Asking	£2.25m (Asking Price)	4.00% (Asking Price)
44-45 George Street	Massimo Dutti	3	Nov-17	£7.60m	4.00%
14 The Quadrant	Rush Hair	3	Oct-17	£2.30m	3.90%
59 George Street	Ole & Steen Bakery	14	Jun-17	£5.50m	3.90%
35-38 George Street	Santander, Leon, Pret, Russell & Bromley	7.1	May-17	£21.34m	3.65%

VAT:

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

EPC:

EPC available upon request.

Proposal:

We are instructed to seek offers for our client's freehold interest in excess of **£3,745,000 (Three Million, Seven Hundred and Forty Five Thousand Pounds)**, subject to contract and exclusive of VAT. A purchase at this level will reflect a **net initial yield of 4.25%** when assuming a value of £500,000 and £390,000 for the first floor and second floor apartments respectively, after allowing for purchaser's costs of 6.52%.



RICHMOND UPON THAMES
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FURTHER INFORMATION

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Retail property expertise

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