



197/207 CITY ROAD LONDON EC1V 1JN

Central London Multi Let Investment Opportunity

INVESTMENT SUMMARY

- ❑ Prominent multi let mixed use investment comprising three self contained buildings.
- ❑ Situated on City Road, a short distance from Old Street Roundabout and Underground Station in a growth area of London.
- ❑ Well specified office accommodation totalling 3,001.32 sq m (32,306 sq ft) with rear yard and car parking.
- ❑ Each building provides office accommodation over five storeys plus lower ground, with typical floorplates of 139.35 – 185.81 sq m (1,500 – 2,000 sq ft).
- ❑ Let to 12 tenants on 19 effective Full Repairing and Insuring leases, providing a total income of £543,731 per annum.
- ❑ Occupiers include Moorfields Eye Hospital, Altlaw, The Co-operative Travel Management, Jamie Oliver's Fifteen Restaurant, and Absolute Publishing.
- ❑ Freehold interest.
- ❑ Ongoing tenant expansion from Altlaw and Moorfields Eye Hospital, respectively accounting for 17% and 14% of the income.
- ❑ Asset management opportunities offering the potential to enhance value.
- ❑ Quoting **£7.6 million** reflecting the following attractive yield profile and low capital value of **£235 per sq ft:**

■ Net Initial Yield	6.76%
■ Equivalent Yield	7.00%
■ Reversionary Yield	7.27%



LOCATION

The property is well located approximately 1.8 km (1.1 miles) north of the City of London, with the increasingly important commercial districts of Clerkenwell and Shoreditch less than 1.6 km (1 mile) to the east and west respectively.

City Road forms part of a key office district within the City Fringe. Old Street Roundabout and its surrounds have become a core focus for IT related businesses, with the government announcing

its commitment in November 2010 to create East London Tech City, and develop the area into a world leading IT hub.

Google have recently taken a lease within the heart of the scheme, while other major technology companies who have committed or expressed interest in the initiative include Cisco Systems, Facebook, Intel Corporation, Vodafone and British Telecom. The Tech City will focus around Shoreditch and

Hoxton, extending east from Old Street and City Road, as far west as the Olympic Park.

A number of additional development projects boosting the area's resurgence are situated along City Road, all within easy walking distance of the subject property.



261 CITY ROAD

Planning consent granted for the construction of one 36 storey and two 8 storey towers to provide 308 apartments and 9,100 sq ft of commercial accommodation plus car parking. Pembroke Real Estate are developing the scheme.

259 CITY ROAD

An 8.5 acre site surrounding the Islington Canal. Mixed use scheme providing a 29 storey, 202 apartment tower, 15 storey, 93 affordable apartment tower, and 7,250 sq ft of commercial accommodation plus car parking. The joint venture scheme between Miller Developments, City Road Basin Ltd and Groveworld fronts the City Road Basin Plaza. Phase 1 is under construction.

EAGLE HOUSE

Three buildings under construction which will comprise between 6 and 27 storeys, providing 276 apartments in addition to office, retail, restaurant and leisure uses plus car parking.

BEZIER APARTMENTS

Two residential towers completed by Tudorvale comprising 184 apartments across a 14 storey and a 16 storey tower. Fronting Old Street Roundabout the scheme also provides retail and leisure accommodation.

CITY ROAD ESTATE

Planning consent granted for Derwent London to part refurbish and part redevelop a site at the south west corner of Old Street Roundabout. The office led scheme with retail and residential elements will provide four new buildings between 4 and 16 storeys, refurbishment of two existing properties and a new public square.

CITY FORUM

A 4.7 acre site by City Road Basin Plaza. Planning consent for a residential led scheme which will total 1.1 million sq ft providing 720 homes, a hotel, student accommodation, office, retail and restaurant uses. Land Securities are developing the scheme.



SITUATION

The property is prominently situated on the northern side of City Road approximately 300 metres from Old Street Roundabout. Forming the major part of a mixed use office, retail and residential island site between Westland Place and Shepherdess Walk, the premises are well positioned to benefit from the surrounding developments.

Eagle House and Moorfields Eye Hospital are directly west of the subject property. A range of local retail amenities, restaurants, pubs and cafes are within immediate proximity including Fifteen, Starbucks, The Cooperative and Barclays.

A number of luxury residential developments are situated to the rear of the premises with City Road Basin five minutes walk north.



TRANSPORT AND COMMUNICATIONS

Road

City Road and Old Street comprise major arterial routes leading from the City of London.

City Road links from Moorgate to the Euston Road (A501) less than 1.6 km (1 mile) to the north, leading to Islington, Kings Cross and Euston all of which are within 3.2 km (2 miles).

Old Street forms part of the major A2501 east to west route across London. Extending from the West End to Shoreditch, the A2501 links to the A10 which provides direct access out of London.

Rail

Old Street Station is less than five minutes walk from the subject property being 300 metres to the south. The station is served by the Northern and London Overground lines, with Kings Cross, Bank, Moorgate and Highbury & Islington all within two stops.

Angel, Farringdon, Barbican, Moorgate and Liverpool Street stations are all within a one mile radius. Jointly these provide access to the Central, Circle, Hammersmith & City and Metropolitan Underground lines, in addition to First Capital Connect and the London Overground.



Air

London's major airports are easily accessed via the Underground and Mainline Railway networks. London City Airport is approximately 30 minutes from Old Street via the Docklands Light Railway, with Heathrow and Gatwick Airports within an hour's journey via the Piccadilly Line and Gatwick Express respectively.

DESCRIPTION

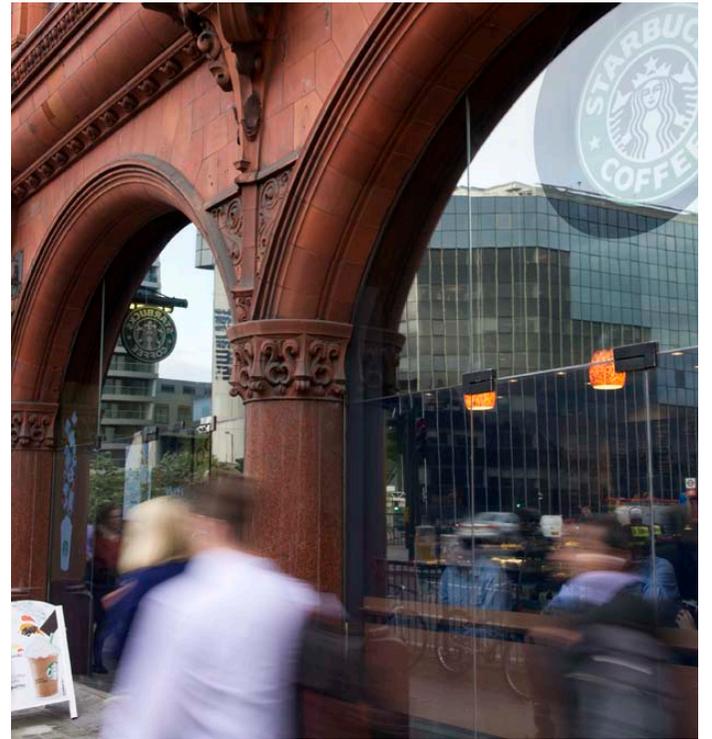
197/207 City Road comprises three attractive period buildings arranged over lower ground, ground and four upper floors. Each property benefits from flexible, regular floorplates with excellent natural light allowing for occupation either as single or multiple suites.

The buildings have been fitted out to a uniform specification subject to some individual tenant differentiations. A number of suites have benefited from recent refurbishment including the lower ground floor of 197/199 and the lower ground and second floors of 201/203 City Road. The specification broadly comprises:

- ❑ Air Conditioning
- ❑ Category II Lighting
- ❑ 8 Person Passenger Lift
- ❑ Suspended Ceilings
- ❑ Raised Floor / Underfloor / Perimeter Trunking
- ❑ Male & Female Toilets on All Floors

Each property benefits from self contained entrances allowing for separate building occupation, although lateral floorplates can be configured across the premises.

The rear yard is accessed from Westland Place which provides external storage and car parking areas.



ACCOMMODATION

We have been advised of the following Net Internal Areas for the premises:

197/199 City Road

Floor	Use	Area (Sq M)	Area (Sq Ft)
Fourth	B1	47.38	510
Third	B1	41.81	450
Third	Storage	28.34	305
Second	B1	147.25	1,585
First	B1	185.43	1,996
Ground	B1 & D1	268.12	2,886
Lower Ground	D1	230.86	2,485
Subtotal		949.19	10,217

201/203 City Road

Floor	Use	Area (Sq M)	Area (Sq Ft)
Fourth	B1	172.34	1,855
Third	B1	168.62	1,815
Second	B1	168.62	1,815
First	B1	166.39	1,791
Ground	D1	222.04	2,390
Lower Ground	D1	210.33	2,264
Subtotal		1,108.33	11,930

205/207 City Road

Floor	Use	Area (Sq M)	Area (Sq Ft)
Fourth	D1	143.07	1,540
Third	D1	141.86	1,527
Second	D1	137.22	1,477
First	B1	139.35	1,500
Ground	B1	185.81	2,000
Lower Ground	B1	196.49	2,115
Subtotal		943.80	10,159
Total		3,001.32	32,306



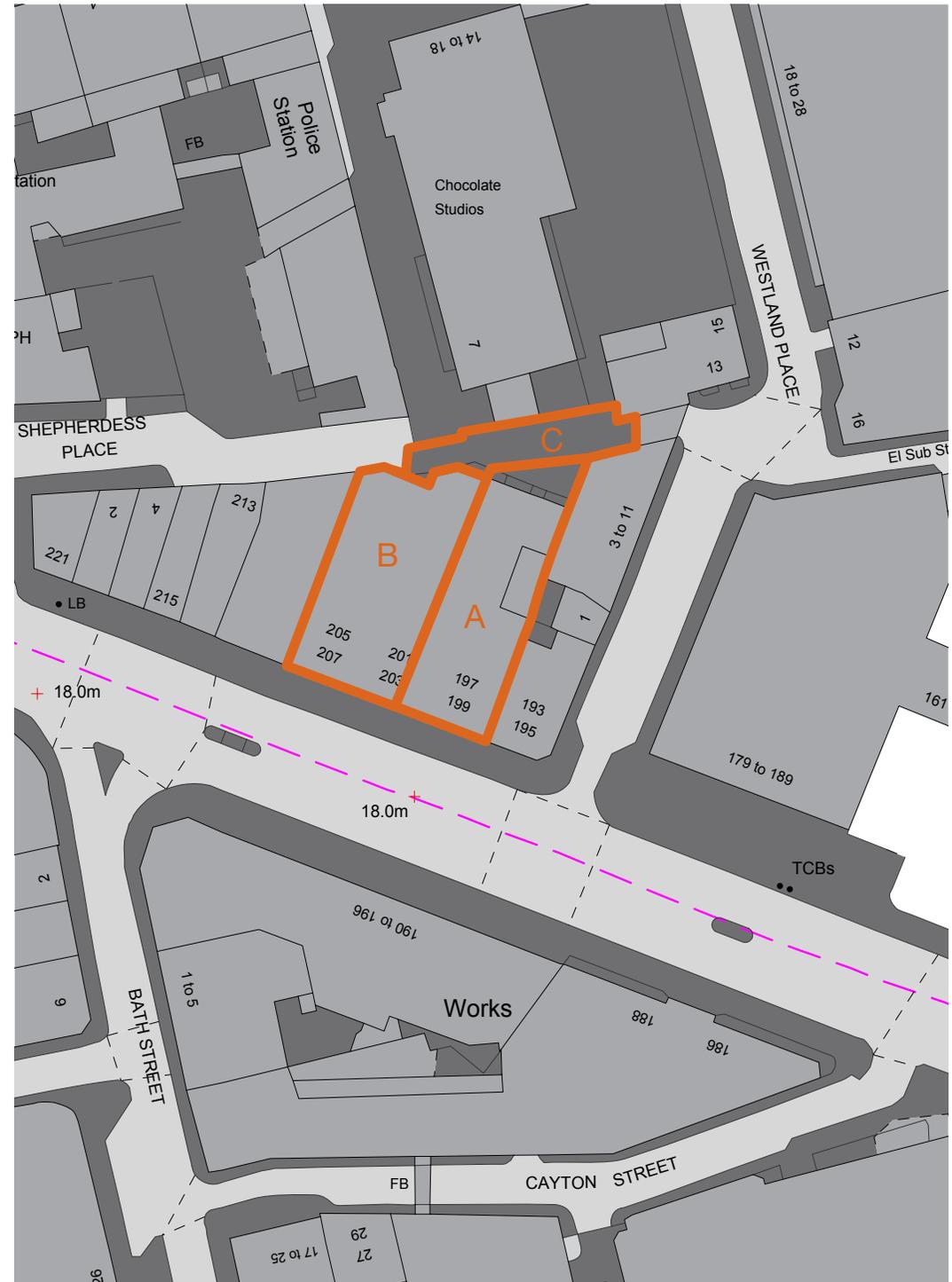
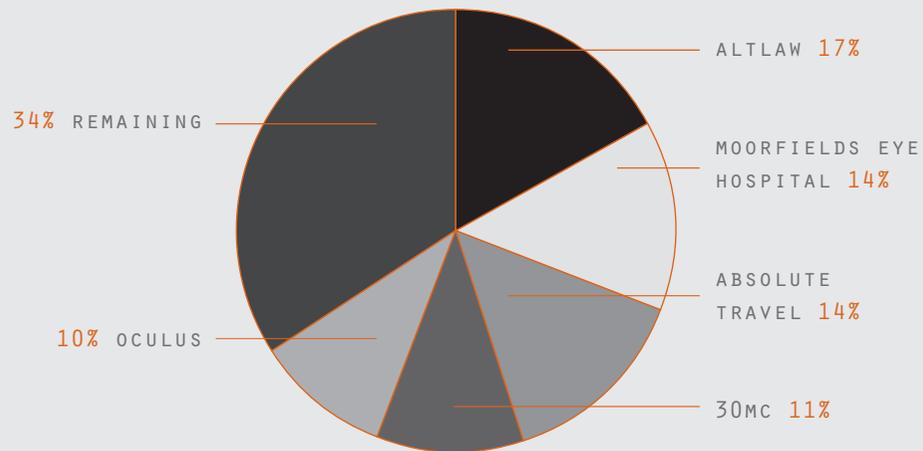
TENURE

The property is held freehold under three separate titles, EGL208533 (A), EGL270294 (B) and EGL287861 (C). The extent of ownership is outlined and lettered on the Ordnance Survey plan.

TENANCY

The property is multi let to 12 tenants across 19 leases in accordance with the tenancy schedule.

INCOME SPLIT



Accommodation	Tenant	Area (Sq Ft)	Lease Start	Lease Expiry	Break Date	Rent Review	Rent (£ Per Annum)	Rent (£ Per Sq Ft)	1954 Act Protected	Comments
197/199 City Road										
Lower Ground	Europe Academy Ltd	2,485	-	-	-	-	£28,500	£11.47	N	Let on a Tenancy at Will until new 5 year lease finalised subject to year 3 break option.
Ground Floor	30MC Ltd	2,886	21-May-07	20-May-17	-	20-May-12	£62,000	£21.48	Y	
First Floor	Absolute Publishing Ltd	1,996	08-Aug-07	07-Aug-14	-	-	£39,920	£20.00	N	
Second Floor	Absolute Publishing Ltd	1,585	08-Aug-07	07-Aug-12	-	-	£31,700	£20.00	N	
Third Floor	Unitas (UK) Ltd (In Solicitors Hands)	450	5 years	-	Year 3	-	£8,400	£18.67	N	2 month rent free period to be topped up. Further 1 month rent free if Unitas do not exercise the break.
Storage Shed on Third Floor Roof	Absolute Publishing Ltd	305	06-Jul-11	07-Jul-12	See Comments	-	£2,750	£9.02	N	Mutual break option on 90 days notice.
Fourth Floor	Penn Services Ltd	510	01-Jan-10	31-Dec-12	-	-	£9,400	£18.43	N	
Yard	Fifteen Restaurant Ltd	Platform	11-Jun-04	02-Apr-22	24-Mar-17	11-Jun-12	£10,000	-	Y	Annual unfettered RPI indexed reviews.
Yard	Fifteen Restaurant Ltd	Shed	24-May-05	02-Apr-22	24-Mar-17	24-May-15	£3,500	-	Y	5 yearly unfettered RPI indexed reviews.
Yard	Sweet as Candy (Holdings) Ltd	Yard	16-Dec-05	02-Apr-22	See Comments	16-Dec-15	£20,000	-	N	Mutual break option on 1 month's notice. Tenant is an associated company of Fifteen Restaurant.
SUBTOTAL		10,217					£216,170			
201/203 City Road										
Lower Ground	Vacant	2,264	-	-	-	-	-	-	-	Refurbished. Quoting £28,300 pa, £12.50 psf.
Ground Floor	Oculus Ltd	2,390	01-Dec-11	30-Nov-16	01-Dec-14	-	£52,580	£22.00	TBC	4 month rent free period to be topped up. Further 4 months rent free if Oculus do not exercise the break. City & Hackney Teaching PCT in occupation until 30-Nov-11.
First Floor	Parador Travel Management Ltd (t/a The Co-operative Travel Management)	1,791	14-May-08	13-May-18	-	14-May-13	£35,820	£20.00	Y	
Second Floor	Vacant	1,815	-	-	-	-	-	-	-	Refurbished. Quoting £35,400 pa, £19.50 psf.
Third Floor	Seaclaim Ltd (Anglo Caribbean Insurance Agents Ltd act as surety)	1,815	05-Mar-90	04-Mar-15	-	04-Mar-15	£45,375	£25.00	Y	
Fourth Floor	Anglo Maritime (Shipbrokers) Ltd	1,855	08-Mar-10	07-Mar-13	See Comments		£29,216	£15.75	N	The tenant may terminate at any time on 6 months notice.
SUBTOTAL		11,930					£162,991			
205/207 City Road										
Lower Ground	Altlaw Outsourcing Ltd	2,115	24-Apr-10	23-Apr-15	-	-	£62,500	£15.19	N	
Ground Floor		2,000								
First Floor	Altlaw Litigation Support Ltd	1,500	01-Aug-11	23-Apr-15	-	-	£26,250	£17.50	N	
Second Floor	Moorfields Eye Hospital NHS Foundation Trust	1,477	16-Jun-05	15-Jun-15	16-Jun-13	-	£22,155	£15.00	Y	
Third Floor	Moorfields Eye Hospital NHS Foundation Trust	1,527	16-Jun-05	15-Jun-15	16-Jun-13	-	£22,905	£15.00	Y	
Fourth Floor	Moorfields Eye Hospital NHS Foundation Trust	1,540	19-Aug-11	15-Jun-15	16-Jun-13	-	£29,260	£19.00	Y	
Car Parking	Altlaw Litigation Support Ltd	Car Parking	01-Aug-11	23-Apr-15	-	-	£1,500	-	N	
SUBTOTAL		10,159					£164,570			
TOTAL		32,306					£543,731	£18.08*		

* Average rent across let accommodation excluding Yard income.

SERVICE CHARGE

All tenants are held on effective Full Repairing and Insuring leases. The buildings are subject to individual service charges which are set out below:

Building	Year Ending	£ Per Annum	£ Per Sq Ft
197/199	31 December 2011	£37,750	£3.68
201/203	30 June 2012	£40,850	£3.42
205/207	30 June 2012	£46,850	£4.61



COVENANTS

Information on the three largest tenants by income are below.

Altlaw

Altlaw are technological specialists in electronic litigation support and legal document services, offering a range of products to assist in litigation procedures. Their five main services are the forensic investigation and collection of data, data assessment, data organisation services, online data review platform and hardcopy and electronic data reproduction.

Further information is available at their website www.altlaw.co.uk

Moorfields Eye Hospital

Moorfields are the world's largest and a leading eye hospital, caring for NHS and private patients. The hospital is the UK's specialist eye centre, operating from the main site at City Road with 12 other sites around London, including separate private patient facilities. Moorfields additionally run a postgraduate teaching centre and are a national centre for ophthalmic research. Undertaken with UCL Institute of Ophthalmology, this is the world's largest ophthalmic research programme.

Further information is available at their website www.moorfields.nhs.uk

Absolute Publishing

Absolute are magazine publishers specialising in the sports and lifestyle sectors, with a particular emphasis on travel. The company offers a full range of services for both hard copy and e magazines including directories. Absolute's titles include ABTA Magazine, ASTA Network and National Geographic Traveller (UK Edition). Clients include Hyatt Hotels & Resorts, Hills Balfour Synergy and Malta Tourism Authority.

Further information is available at their website www.absolutepublishing.com

VAT

The property is elected for VAT and as such VAT will be payable on the purchase price. It is envisaged that the sale will be treated as a Transfer Of a Going Concern (TOGC).

INVESTMENT CONSIDERATIONS

- Located in a growth part of London undergoing significant regeneration, with government commitment to develop the area into a world leading IT hub.
- The property will benefit from the area's improvement through the significant redevelopment projects in the immediate vicinity.
- Flexible accommodation which allows for the creation of three fully self contained buildings, large lateral floorplates across the properties or small self contained suites. Furthermore individual buildings could be sold.
- Enhance value by expanding the major occupiers of Moorfields Eye Hospital and Altlaw further who are already consolidated in one of the buildings.
- Refurbish and relet vacant accommodation to increase rental tone and current income.
- Diversify income and enhance value through conversion of the ground floor accommodation to retail or supermarket uses.
- The property offers a low capital value of £235 per sq ft especially in comparison to other uses within the area.
- Change of use potential to residential subject to planning, where top capital values have achieved in the region of £900 per sq ft.
- The premises form the major part of an island site. Potential for site assembly for redevelopment to a tower given nearby precedents, subject to planning consents.

PROPOSAL

Quoting **£7.6 million** (Seven Million, Six Hundred Thousand Pounds) reflecting the following attractive yield profile and low capital value of **£235 per sq ft**:

■ Net Initial Yield	6.76%
■ Equivalent Yield	7.00%
■ Reversionary Yield	7.27%

Our client may consider individual property sales.



FURTHER INFORMATION

For further information please contact:

Simeon Cohen
simeon@dbaprop.co.uk
020 7631 2242

David Baroukh
david@dbaprop.co.uk
020 7631 2244



David Baroukh Associates LLP
6A Wimpole Street
London, W1G 8AL

Tel: 020 7323 1010
Fax: 020 7323 6600

www.dbaprop.co.uk

MISREPRESENTATION CLAUSE

David Baroukh Associates LLP for themselves, their Associated Companies, their employees and for the vendors or lessors of the properties whose agents they are give notice that:- 1. All particulars or properties provided are given as a general outline only for the guidance of intending purchaser, lessee or tenant, and do not constitute, nor constitute part of, an offer or contract. 2. Whilst all particulars of properties given including but not limited to descriptions, dimensions, references to condition and necessary permissions for use and occupation and maps are believed to be correct and are given in good faith, they are however given without responsibility on the part of David Baroukh Associates their Associated Companies, their employees and or the vendors or lessors as the case may be. 3. None of the statements contained in any particulars is to be relied upon as a statement or representation of fact. 4. Any intending purchaser or lessee or tenant should not rely on any particulars provided by us and must satisfy themselves by inspection or otherwise as to the correctness of each statement made in such particulars. 5. The vendor or lessor (as the case may be) do not make or give and neither David Baroukh Associates LLP, their Associated Companies or any person in their employment have any authority to make or give any representation or warranty whatever in relation to any properties. **October 2011**