



180-184 Earls Court Road
LONDON SW5 9QG



> investment summary

- Purchase Price in excess of £4,910,000 subject to contract and exclusive of VAT.
- Initial yield of 5.25% net of purchase costs at 5.7625%.
- Situated in The Royal Borough of Kensington and Chelsea, one of London's most affluent Boroughs.
- Prominently located on Earls Court Road within 115 metres to the north west of Earls Court underground station.
- Mixed use investment comprising a restaurant, nightclub and two retail units.
- Total area of 1,174.35 sq m (12,641 sq ft) arranged on basement and ground floors.
- Highly reversionary restaurant unit.
- Approximately 86% of the income is for in excess of 24 years term certain.
- Three effective full repairing and insuring leases producing a current rental of £272,500 per annum.



> location & description

Location

A cosmopolitan and fashionable area of South West London, Earls Court is situated in the Royal Borough of Kensington and Chelsea. Earls Court is an established commercial and residential location approx 6 km (4 miles) west of Central London. Nearby centres include Chelsea, Fulham, Hammersmith, South Kensington and Holland Park.

The area is renowned for the Earls Court Exhibition Centre one of the country's largest indoor arenas and a popular concert venue. In addition, the Olympia Halls and conference centre, within 1.6 km (1 mile) to the north west, hosts numerous public and trade exhibitions.

Earls Court Road is a bustling environment providing extensive and varied retail, restaurant and leisure facilities.

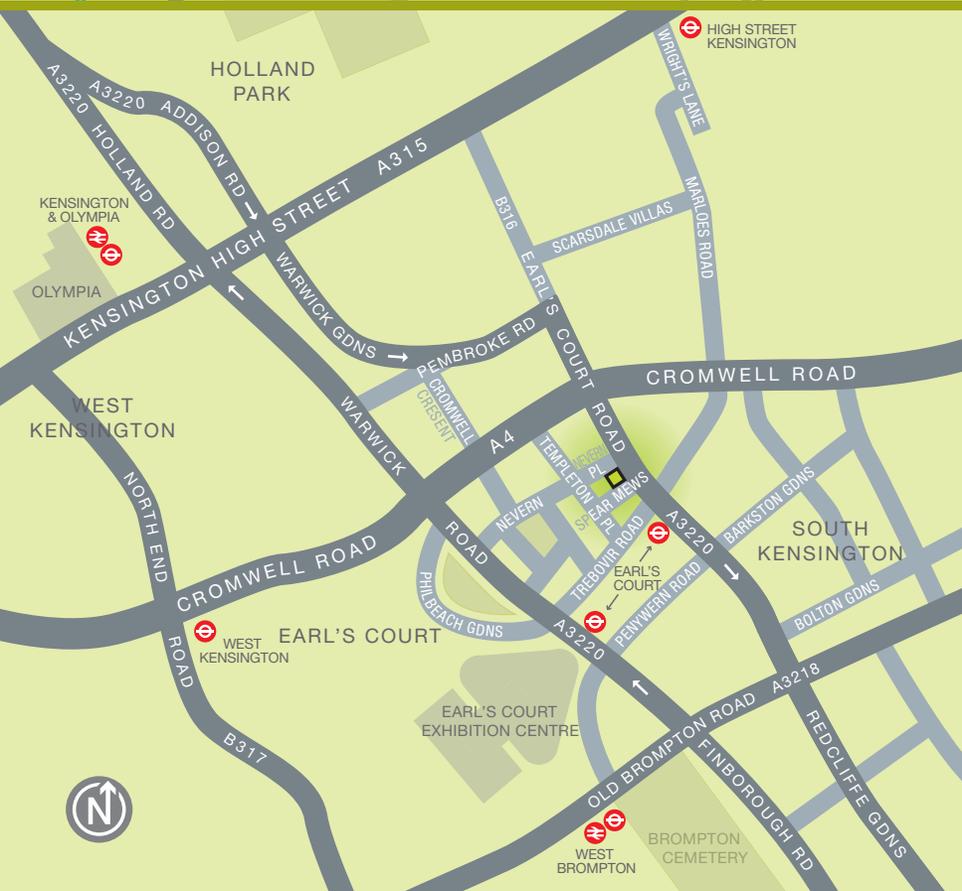
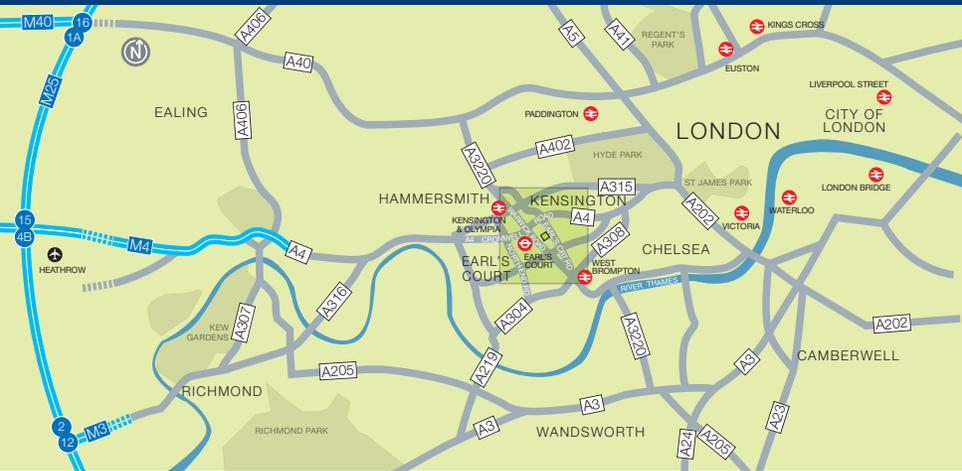
Communications

Earls Court benefits from excellent communications by road, rail and air.

The A3220 Earls Court Road runs through the heart of Earls Court connecting the A40, approximately 4 km (3 miles) to the north west, with the A3 approximately 6 km (4 miles) to the south east. The A4 forms the northern boundary of Earls Court and provides direct access to Central London to the east and the M25 (junction 15) to the west connecting with the national motorway network.

There are numerous underground stations in close proximity including Earls Court (District and Piccadilly), Olympia and West Brompton (District and mainline Silverlink), Gloucester Road (District, Circle and Piccadilly) and West Kensington (District). The Piccadilly line provides direct access to London Heathrow Airport and the mainline Silverlink station provides a direct service to London Gatwick Airport.

London Heathrow Airport is approximately 20 km (12 miles) to the west and Gatwick Airport approx 46 km (29 miles) to the south.



> location & description

Demographics

The Royal Borough of Kensington and Chelsea is one of London's most affluent Boroughs with an urban area resident population of 158,439 and a population within 10 km (6 miles) of the centre of 2,167,931 rising within 20 km (12 miles) to 6,002,726 (1994 estimate).

Employment within the travel to work area of the Borough is dominated by Banking, Finance and Business Services at 45.40% compared with Great Britain at 17.50%.

Approximately 46.30% of the population, within the Urban Area, is aged between 20-44 years, 31.53% greater than the figure for Great Britain.

Set out below are salient Class Groupings and Mosaic Consumer Classifications.

Class Groupings 2001

| | Urban Area (%) | GB (%) |
|--|----------------|-------------|
| AB Higher and intermediate managerial / administrative / professional | 38.6 | 21.7 |
| C1 Supervisory clerical / junior managerial / administrative / professional | 33.0 | 29.4 |
| C2 Skilled manual workers | 5.2 | 15.1 |
| D Semi skilled and unskilled manual workers | 8.7 | 17.2 |
| E On State benefit unemployed lowest grade workers | 14.5 | 16.6 |

Mosaic Consumer Classifications

| | Urban Area (%) | GB (%) |
|-------------------------------|----------------|--------------|
| Symbols of Success | 55.59 | 10.53 |
| Urban Intelligence | 26.20 | 6.95 |
| Municipal Dependency | 0.00 | 6.40 |
| Blue Collar Enterprise | 0.00 | 11.56 |
| Twilight Subsistence | 0.23 | 2.74 |
| Grey Perspectives | 0.25 | 6.71 |



> location & description

Situation

The investment is prominently located to the west of the A3220 Earls Court Road between Spear Mews and Nevern Place.

Earls Court underground station is situated approximately 115 metres to the south east.

The property is positioned within a vibrant mixed use location surrounded by numerous hotels, pubs, restaurants and retailing. Nearby restaurants and national multiples include Langan's Bar & Grill, Zizzi, Nandos, Sainsbury, Starbucks, Holland & Barrett, Boots the Chemist and Marks & Spencer.



> location & description

Description

Built in the mid 1900's the property extends to approximately 1,174.35 sq m (12,641 sq ft) and is of concrete frame construction with brickwork and render elevations under a flat roof.

The building is arranged with a nightclub at basement level, a ground floor restaurant and two ground floor retail units, one of which has a basement. A courtyard, accessed from Spear Mews, is located to the rear and provides both a right of escape and servicing to the nightclub and restaurant.

The basement nightclub, with a capacity of 420, is currently undergoing a £600,000 fit out. The interior and furnishings are being designed by Julien Macdonald who was the Creative Director at Paris couture house Givenchy from 2001 – 2004 and was awarded an OBE in the Queens Honours list in June 2006.

The tenant of the retail unit, 180A Earls Court Road, will undertake a refit following the completion of the lease renewal.

Please see the tenancies and accommodation schedule.



> tenure / tenancy & proposal

Tenure

Long leasehold, from the Single Persons Housing Association Limited, for a term of 300 years from 17 October 1975 at a peppercorn without review. There are approximately 268.5 years unexpired.

There is a right of way over part of 4 Spear Mews.

Tenancies

The investment is multi let on three effective full repairing and insuring leases, in accordance with the tenancy schedule, producing a current rental of £272,500 per annum.

Please see the tenancies and accommodation schedule.

Covenants

Wagamama Ltd (Restaurant)

The first Wagamama opened in Bloomsbury, London in 1992. In the last 14 years, Wagamama have rapidly expanded to more than 70 restaurants in London and across the UK, Europe, the Pacific Rim and the Middle East.

Year End Turnover Pre Tax Profit Net Worth Employees

| | | | | |
|------------|-------------|------------|------------|-------|
| 24/04/2005 | £45,642,000 | £5,680,000 | £384,000 | 1,096 |
| 25/04/2004 | £32,538,000 | £3,525,000 | £5,030,000 | 837 |
| 27/04/2003 | £25,349,000 | £2,682,000 | £2,992,000 | 663 |

For additional information, please see: www.wagamama.com



| Unit | Tenant | Floor | Use | Accommodation | | Start | Lease Expiry | Review | Rent per annum (per sq ft) | Comments |
|--------------|---|---------------------------------|-----------------------|----------------------------------|-----------------------------|--|--------------|--------------------------|----------------------------|--|
| | | | | sq ft | sq m | | | | | |
| 182 | Wagamama Ltd t/a Wagamama | Ground Total NIA | Restaurant | 308.71 308.71 | 3,323 3,323 | 24/06/2006 | 23/06/2031 | 24/06/2011 & 5 yearly | £110,000 (£33.10) | Demise includes the rear courtyard accessed from Spear Mews. |
| 180 -182 | Pencil Clip Limited t/a Coco Latte SW5 | Ground Basement Total GIA | Entrance Nightclub | 26.76 754.81 781.57 | 288 8,125 8,413 | 02/03/2007 | 01/03/2032 | 02/03/2012 & 5 yearly | £125,000 (£14.86) | Rent deposit held of £31,250. |
| 180A | Mr Ahluwalia t/a International Call Center | Ground Total NIA | Sales | 39.48 39.48 | 425 425 | Lease renewal under negotiation for a term of 10 years | Year 5 | | £15,150 (£103.00 ZA) | Landlord break at year 5 for redevelopment. Vendor will guarantee until signed (max 6 months). Zone A analysis reflects 20% discount due to alienation provisions. |
| 184 | t/a Rawsil | Ground Basement Total NIA | Sales Storage | 24.25 20.35 44.59 25.23 | 261 219 480 271.63 | | | | £22,350 (£103.00 ZA) | |
| Total | | | | 1,174.35 | 12,641 | | | | £37,500 | |
| | | | | | | | | | £272,500 | |

(i) Areas have been provided from our clients management records



The VIP Suite – The Living Room (VIP room)
at Coco Latté SW5

© Jimmie Martin Ltd www.jimmie martin.co.uk

> tenure / tenancy & proposal

Pencil Clip Limited (Nightclub)

The company, trading as Coco Latté SW5, is co-owned by Marc Merran, a highly successful restaurant, bar and nightclub owner and Nicholas Chrisostomou, owner of Coco Latté Events & PR, a London based PR and events promoter specialising in the organisation of bespoke events.

Marc Merrans' first club, Iceni, was hugely successful from its inception in 1991, holding The Sunday Times Club of the Year Awards from 1994-1996. From Iceni followed Long Legs (Puerto Banus, Spain 1995-1997), Thunderdrive (Piccadilly, London 1996-1997), The Loose Box (Knightsbridge, London 1996-1997), The Chocolate Bar (Berkeley Square, London 1997-2000) and Cirque at The London Hippodrome (Leicester Square, London April 2004-2006).

Currently, Marc co-owns a number of exclusive nightclubs including Silver, Mo*vida, 50 St James's, Chinawhite, Aura, Sssh, The Boarder and Umbaba.

Coco Latté SW5, having attracted sponsorship from luxury brands including Moët & Chandon, will be a sophisticated and versatile 420 capacity lounge, bar and nightclub launching with a series of lavish, high profile parties commencing 30 April 2007.

For additional information, please see: www.CocoLattéSW5.com (web site launches on 1 April 2007).

Planning

We have been advised that the property is not Listed and is not situated in a Conservation Area.

VAT

VAT is payable on the purchase price.

Proposal

Our client is seeking offers in excess of £4,910,000 (Four Million Nine Hundred and Ten Thousand Pounds) subject to contract and exclusive of VAT.

Yield

Initial yield of 5.25% net of purchase costs at 5.7625%.



> investment considerations

- Affluent and established commercial and residential location in close proximity to the City and West End.
- Prominent mixed use investment comprising a restaurant, nightclub and two retail units.
- Highly reversionary restaurant unit. In November 2006, 163-165 Earls Court Road was let, under aggressive competition, to Gourmet Burger for a term of 25 years at £90,000 per annum. The ground floor has been analysed at £68.18 per sq ft overall with the basement apportioned at £6.82 per sq ft.
- In excess of 86% of the income being for in excess of 24 years term certain with over 40% of the income secured to the substantial covenant of Wagamama Ltd.
- Substantial nightclub, benefiting from a valuable Premises Licence, leased to both an established and successful nightclub owner and PR and events promoter.
- The individual self contained assets provide break-up potential.
- Strong rental growth prospects with the retail rents averaging 8.45% per annum over the previous 5 years.

SUBJECT TO CONTRACT AND EXCLUDING VAT

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> downloads

- For further information including lease information and floor plans on Earls Court click [here](#) to view this property on our website.

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