

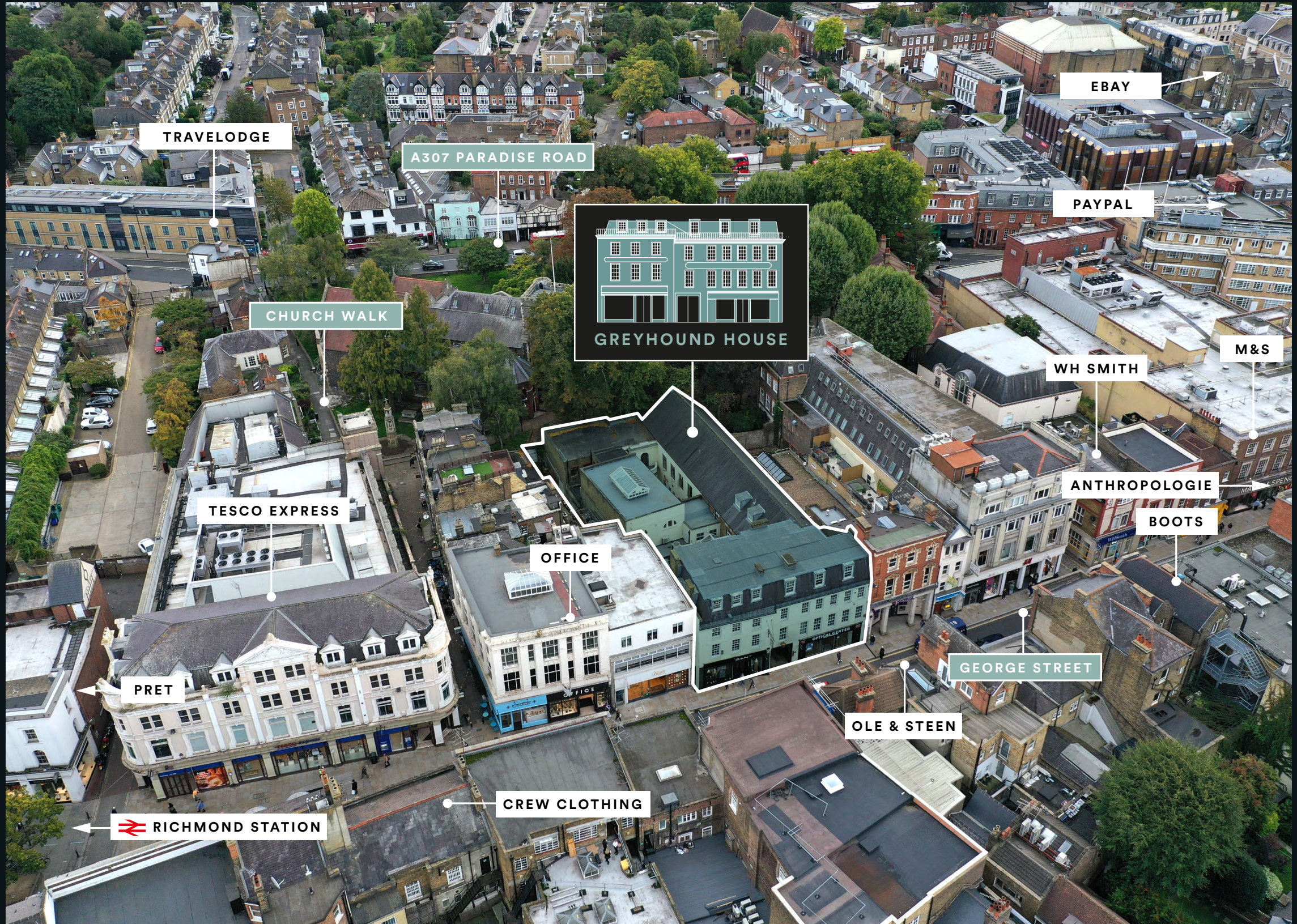
# GREYHOUND HOUSE

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23-24 GEORGE STREET | RICHMOND UPON THAMES | TW9 1HY

100% PRIME RETAIL & OFFICE INVESTMENT





TRAVELODGE

A307 PARADISE ROAD

EBAY

PAYPAL

CHURCH WALK



M&S

WH SMITH

TESCO EXPRESS

ANTHROPOLOGIE

OFFICE

BOOTS

PRET

GEORGE STREET

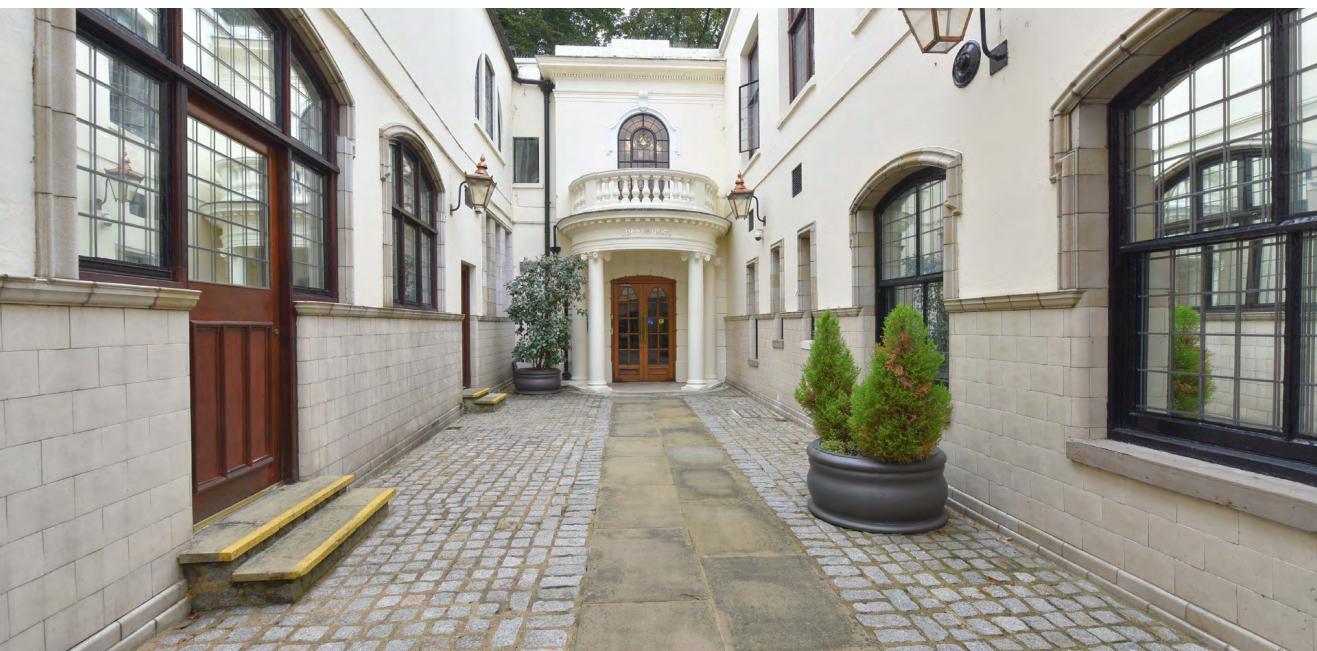
OLE & STEEN

RICHMOND STATION

CREW CLOTHING

## INVESTMENT SUMMARY

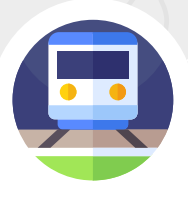
- **Prime mixed-use investment** in an **affluent and highly desirable** South West London suburb.
- **One of London's wealthiest boroughs**, located just 8 miles (13km) from Central London.
- **Attractive and prominent Grade II Listed building** in a 100% prime location on George Street.
- Two well configured shops, let to **Gant and Optical Center** with six office suites above.
- 90% of the income from **companies with international presence**.
- **Total net income of £598,416** after allowing for shortfalls and top ups (54% derived from the retail and 46% from the offices).
- **WAULT of 6.0 years** to expiry and **2.6 years** to break assuming 12 month guarantee on the vacant office.
- **Freehold**.
- Upper floors separately accessed via a **dedicated and secure courtyard**, with potential for future asset management.



## PROPOSAL

Offers are sought in excess of **£7,000,000** (Seven Million Pounds), subject to contract and excluding VAT.

A purchase at this level would reflect an attractive **Net Initial Yield of approximately 8.00%**, assuming standard purchaser's costs at 6.65%, and a **low capital value per sq ft of £410**.



**Richmond upon Thames is one of London's most popular and affluent boroughs.**




It is a highly sought-after residential destination for young professionals, families and celebrities who are attracted to its rich history, royal connections, extensive parkland, beautiful architecture and amenities.

Tourism generates an estimated total annual economic benefit of £469 million drawing an average of 4.5 million visitors every year.

## LOCATION

Richmond is located approximately 8 miles (13km) southwest of Central London and 3.73 miles (6km) north of Kingston Upon Thames.

The borough can boast excellent transport links:

-  Richmond Station is served by a mainline railway station with up to 8 trains an hour into London Waterloo (19 minutes) and London Underground via the District Line.
-  J1 of the M4 is 2.8 miles (4.5km) to the northeast and J1 of the M3 is 6.2 miles (10km) to the southwest.
-  Heathrow is 11 miles (18km) to the west.



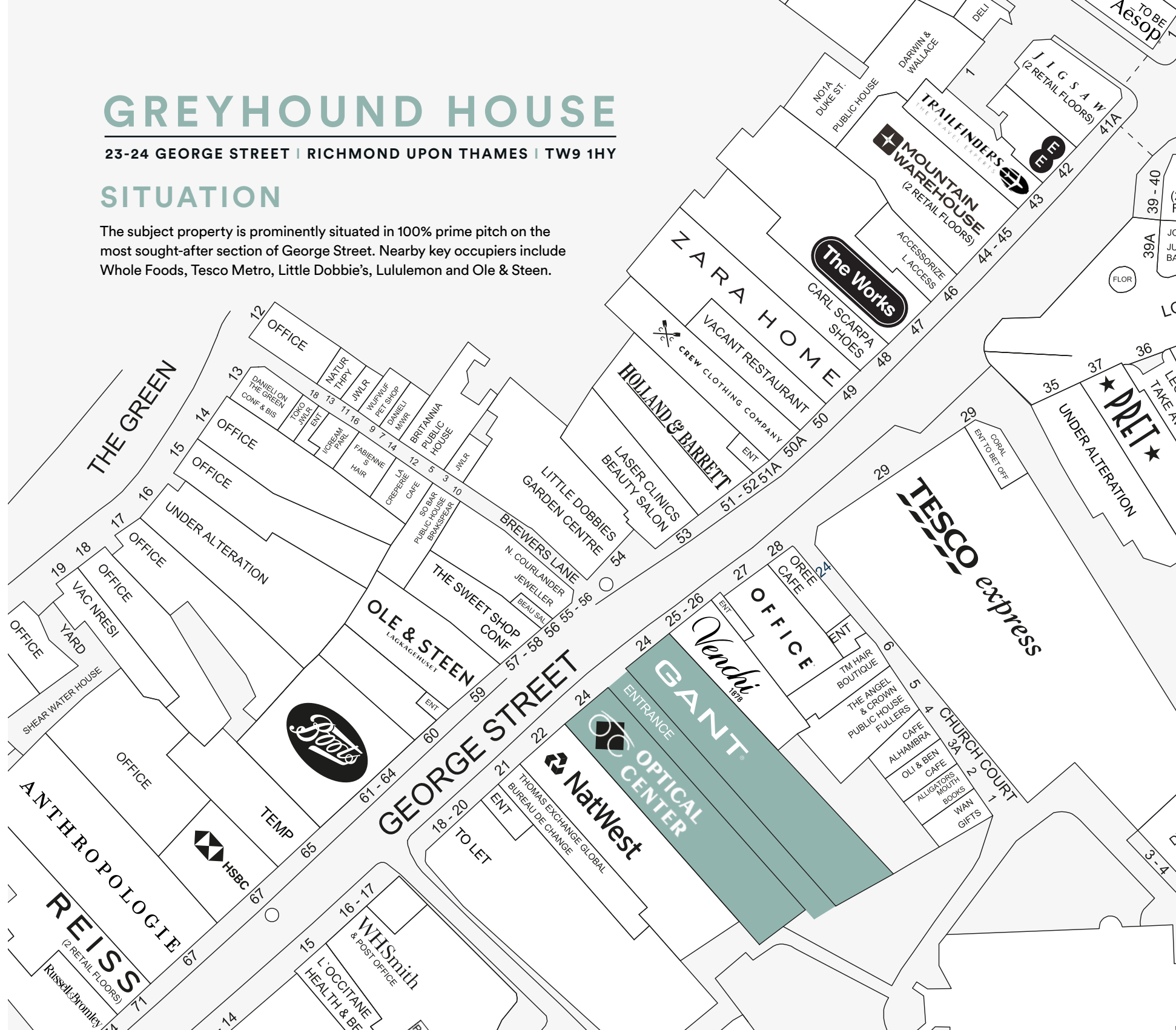


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## SITUATION

The subject property is prominently situated in 100% prime pitch on the most sought-after section of George Street. Nearby key occupiers include Whole Foods, Tesco Metro, Little Dobbie's, Lululemon and Ole & Steen.





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## DEMOGRAPHICS



Richmond has a **catchment population of over 250,000** and an estimated 1.9 million people within a 20-minute journey time.



There is an **over representation of adults within the key 25-44 age group** reflecting its status as a popular location for **young families and commuters** working in the West End and City.



Experian categorise **46% of the population** (within the 15 minute drive time) as being within the City Prosperity Mosaic group of '**high status city dwellers** living in central location pursuing high reward careers'.



**49%** of adults in Richmond are within the most affluent **AB social group**, significantly above the national average of 25%. The least affluent D and E social groups are under represented, at half the national average.



For the sixth consecutive year, **Richmond was named the happiest place to live in London.**





## RETAILING IN RICHMOND

Richmond is a busy and thriving local centre with a blend of national multiples mixing with quality independent retailers. The beautiful architecture, strong food & beverage provision and café culture attracts a significant number of tourists and visitors.

Richmond's prime retail pitch is focused on George Street with key occupiers including M&S, Tesco Metro, Boots and Whole Foods. The former House of Fraser building at 75-81 George Street is being redeveloped to provide up to 90,000 sq ft of mixed use accommodation incorporating retail, office and restaurant use in addition to a private members gym and swimming pool.

## RENTAL TONE

Historic rental tone peaked at approximately £230 per sq ft Zone A before rebasing in 2020. The rental tone has since recovered. Oree occupied 28 George Street in December 2021 at a rent which equated to £180 per sq ft Zone A. Most recently Aesops completed on a new letting at 1 The Quadrant in October 2023, agreeing a new 10 year term at a rent of £130,000 per annum reflecting £184 per sq ft Zone A.



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# OFFICE MARKET

Richmond's proximity to Central London and Heathrow Airport, as well as its highly skilled workforce and attractive town centre, means it attracts a diverse mixture of businesses. Notable tenants include: Not On The High Street, eBay, PayPal, Gumtree, Reed Exhibitions and William Grant & Sons.



The mix of tech, media and telecoms occupiers has led Richmond to become known as 'Silicon upon Thames' and even during recessionary times the Richmond office market operates well.

Many business executives have chosen to live in the environs of Richmond. The attractive town centre with the Riverside and The Green, in combination with a multitude of restaurants and pubs, renders it a desirable place to work, and therefore employers find it easy to recruit.

With an increased trend for entrepreneurial businesses to set up in attractive live and work locations such as Richmond, we predict continued demand for office accommodation in affluent London boroughs such as this.

Historically strong market dynamics including low vacancy rates, a finite supply of space and loss of office stock through the conversion to alternative uses, has led to rental growth over the last five years. As such, prime Grade-A rents in Richmond now stand at £55 per sq ft, psf. Accommodation above shops achieves up to £42 psf depending upon specification.





## DESCRIPTION

The property comprises a historic building fronting prime George Street, originally constructed in 1725. It is arranged over basement ground and three upper floors.

23 George Street (Optical Center) provides a ground floor lock up shop.

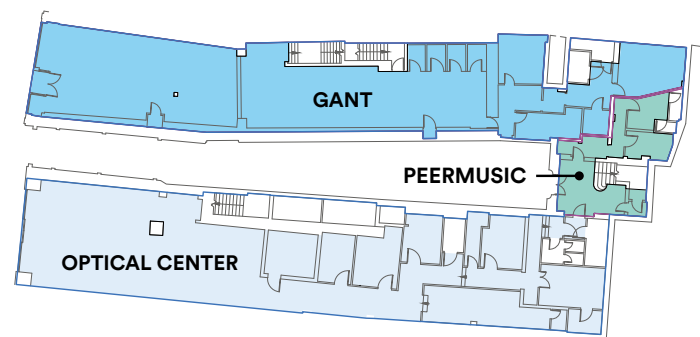
24 George Street (Gant) provides a ground floor shop with first floor sales and ancillary with storage at basement level.

The office accommodation benefits from its own dedicated entrance arranged around an attractive courtyard setting. Peermusic has a dedicated entrance towards the rear of the property. The remaining office suites positioned above the two shops at the front of the property benefit from a separate entrance within the courtyard.

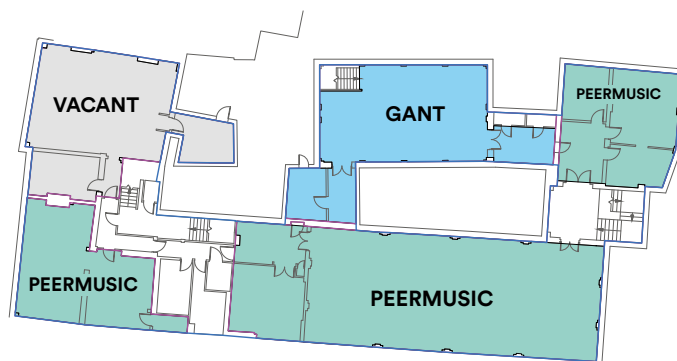
Part 1st, 2nd and 3rd floor offices have undergone internal refurbishment over the last three years. Furthermore, extensive external works were carried out to the subject property in 2019.

The property is located within the Central Richmond Conservation Area and is Grade II Listed.

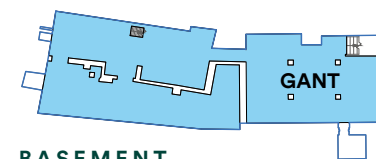
## FLOOR PLANS



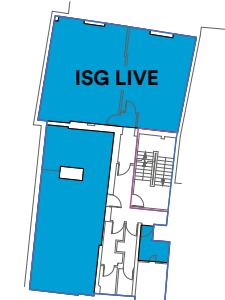
GROUND FLOOR



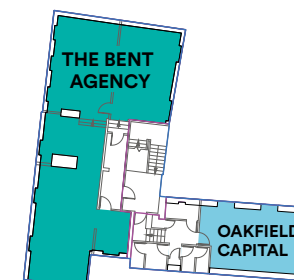
1ST FLOOR



BASEMENT



2ND FLOOR



3RD FLOOR

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## TENANCY SCHEDULE

Unit	Tenant Name	Net Internal		Floor Areas		Lease			Rent	Rent psf	Budgeted Service Charge	Comments
		Floor	Area	sq ft	Start	Break	End					
23 George Street	Optical Center UK Ltd	Ground	Sales ITZA TOTAL	3,197 1,063 3,197	01/07/2021	01/07/2026 01/07/2031	30/06/2036	£125,000	£117.60 ZA	£10,685.65	1) Guarantor: Optical Center SAS. 2) Rent deposit: £31,250 plus VAT equivalent to 3 months rent. 3) Rent commencement date: 1 April 2022. 4) 5 yearly rent reviews - upwards only to open market rent. 5) Remainder @ A/14 to reflect lock up shop / storage allowance.	
24 George Street	Gant UK Limited	Ground Basement First	Sales ITZA Ancillary Sales/Ancillary TOTAL	2,764 880 1,586 1,163 5,513	16/08/2019	16/02/2026	15/08/2029	£200,000	£201.60 ZA	£15,105.66	1) Tenant has been in occupation since August 2004. 2) Rent review date: 16 August 2024. Upwards only to open market rent.	
Ground and 1st Floor Rear (Suite 1)	Peermusic (UK) Limited	Part Ground & Part First		3,462	22/02/2018	-	21/02/2028	£115,839.95*	£32.17	£33,779.52	1) The tenant did not exercise their Feb 2023 break option. 2) Tenant has been in occupation since February 2008. 3) Service charge cap of £28,495.58 increasing with RPI annually. Current service charge shortfall of £5,283.94. 4) Annual RPI rent reviews on 22 February. Collar and cap at 2% p.a. and 4% p.a. 5*) Assumes 4% uplift at the February 2024 review. 6) Rent deposit: £35,000 plus VAT	
1st Floor Front Offices (Suite 3)	Peermusic (UK) Limited	Part First		736	13/11/2023	-	21/02/2028	£28,350	£38.52	£8,285.22	1) Rent deposit equivalent to 6 months rent (£14,175 plus VAT). 2) Annual RPI rent reviews. Collar and cap at 2% p.a. and 4% p.a.	
1st Floor Offices (Suite 2)	Vacant	Part First		1,124	-	-	-	£37,650	£33.50	£13,251.34	1) Rent and service charge guarantee for 12 months. 2) Refurbished condition.	
2nd Floor (Suite 3)	ISG Live Limited	Second		1,398	21/09/2021	-	20/09/2026	£47,000	£33.62	£16,179.42	1) £11,750 plus VAT is held as a rolling credit on the account. Effectively a 3 month rent deposit. 2) Service charge cap of £10,080 p.a. Current service charge shortfall of £5,975.45.	
3rd Floor (Suite 4 Front)	The Bent Agency UK Ltd	Part Third		1,278	19/05/2023	19/05/2026	18/05/2028	£42,000	£32.86	£16,179.42	1) Service Charge Cap @ £15,000 increasing with RPI annually. Current service charge shortfall £1,179.62. 2) Refurbished condition. 3) Rent deposit equivalent to 3 months rent (£10,500 plus VAT). 4) Rent reduction to £21,000 from 19/05/2026-19/09/2026 if the break is not exercised.	
3rd Floor (Suite 4 Rear)	Oakfield Capital LLP	Part Third		376	09/10/2023	09/10/2026	08/10/2028	£15,015	£39.93	£5,567.16	1) Service Charge Cap @ £5,567 for the current service charge year ending 31 March 2024 which is in line with the budget, so no shortfall. Cap increased annually by RPI. 2) Rent free period from 10/10/2026-09/01/2027 if break is not exercised. 3) Rent deposit of £3,754 + VAT 4) Rent commencement date: 9 April 2024.	
<b>Total</b>				<b>17,084</b>				<b>£610,855</b>		<b>£118,909.42</b>	<b>Current Service Charge Shortfall - £12,439.01</b>	

\*An assignable measured survey will be made available to the successful purchaser.

Less Shortfalls	£12,439.01
<b>Total Net Income</b>	<b>£598,416</b>

## SERVICE CHARGE

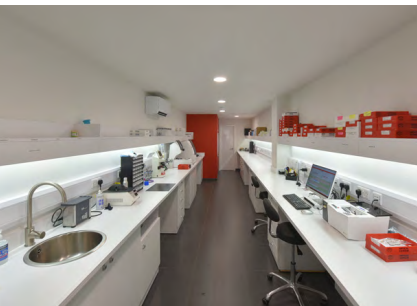
The total budgeted service charge for the year ending March 2024 is estimated to be £118,909.42.

There is a shortfall of £12,439.01 for the current year, due to Peermusic, ISG Live and The Bent Agency having a service charge cap.

Further details are available in the marketing data room.

## TENURE

Freehold.



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## FUTURE ASSET MANAGEMENT POTENTIAL

Whilst the immediate opportunity is to re-let the remaining vacant office, there is a medium to long term prospect of converting the office accommodation into desirable residential use, subject to necessary consents.

Other properties on George Street have undergone such change of use to residential. Residential capital values for such accommodation in Richmond are approximately £900 psf.



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## EPCS

EPCs are available in the marketing data room.

## VAT

The property is elected for VAT and it is anticipated the sale will be treated as a Transfer of a Going Concern.

## AML

In order to comply with anti-money laundering legislation, the successful purchaser will be required to provide certain identification checks.

The required documents will be confirmed and requested from the successful purchaser at the relevant time.

## PROPOSAL

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## CONTACT

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