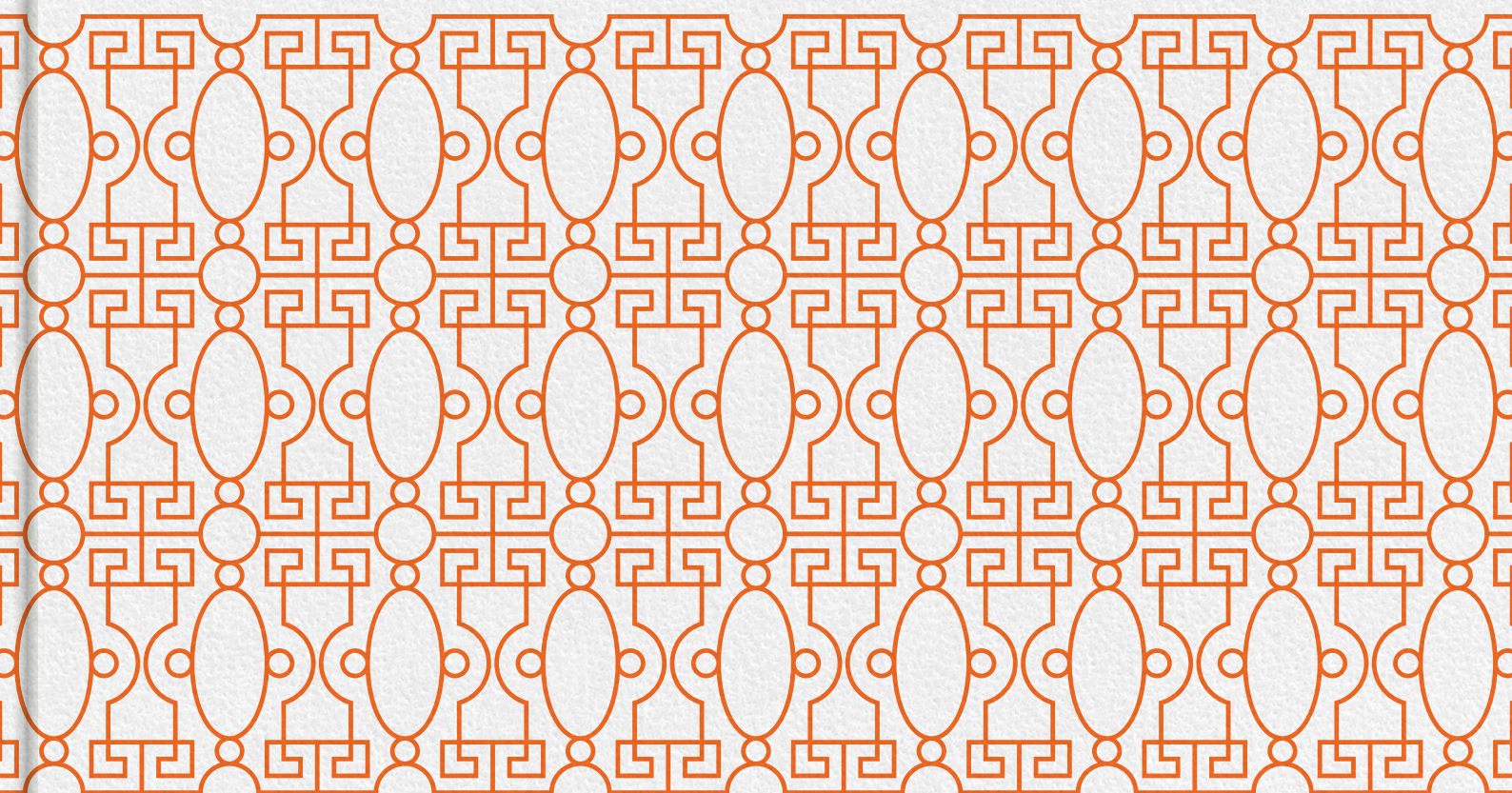


# THE ROYAL ARCADE



28 OLD BOND STREET

MAYFAIR W1

# Unique Bond Street Ground Rent Investment



# INVESTMENT SUMMARY

Bond Street is recognised as the world's most illustrious retailing street, home to the most exclusive and prestigious brands including Chanel, Dior, Burberry, Louis Vuitton, and Mulberry.

A truly unique Grade II\* listed Freehold arcade in the heart of London's most exclusive shopping district.

Securely let to Bluston Securities Ltd for a term expiring 2166 (143 years unexpired).

Rent geared to 13% of rents received, calculated annually.

Exceptional sub-tenant line up including Charbonnel et Walker, Beards 1804, Ormonde Jayne & Browns Jewellers.

Attractive rental growth prospects and significant reversion at lease expiry.

We are instructed to seek offers in excess of £13,150,000 for the Freehold interest, subject to contract and exclusive of VAT, equating to 2.50% NIY (after the deduction of standard purchaser's costs).



# LONDON

London is one of the world's principal financial and commercial centres, alongside New York, Hong Kong and Tokyo. Globalisation has shifted London towards a service-led economy, with the rise of the City (London's banking and financial district) and the business, professional and financial services sector serving as key drivers of its rapid growth, underpinned by its world-class retail, tourism, creative sectors and status as a hub for academic excellence.



As one of the world's leading tourism destinations, the city attracts over 15 million international visitors annually who travel to visit its renowned retail, leisure and cultural attractions, including numerous world heritage sites and over 170 museums. By 2025, London is projected to attract 40.4 million overnight visitors per annum, injecting £22bn a year into the city's economy. The city's population is currently estimated at 8,900,000 people and is projected to increase to 9,800,000 by 2035 (GLA).

Bond Street

Hanover Square

New Bond Street

Berkeley Square

Regent Street

THE ROYAL ARCADE

Old Bond Street

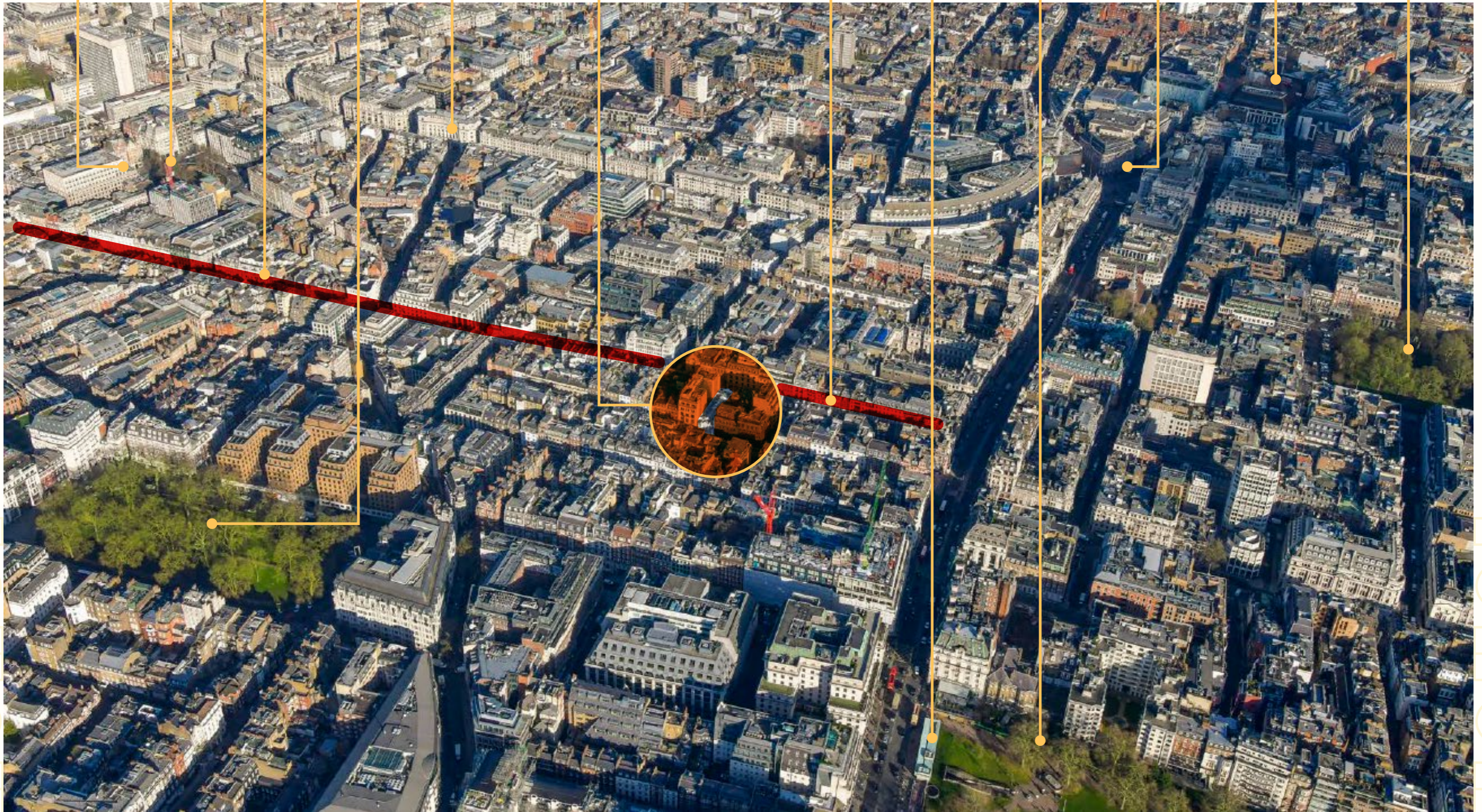
Green Park

Green Park

Piccadilly Circus

Leicester Square

St James's Square



# BOND STREET

Located in the heart of Mayfair, Bond Street is recognised as one of the world's most illustrious retailing streets and home to the most exclusive and prestigious brands, such as LVMH, Cartier, Chanel, Balenciaga, Dior and Gucci. The street stretches approximately half a mile in length, connecting Oxford Street at its northern end with Piccadilly at its southern end.

The prime pitch is situated at the southern end of New Bond Street, running from the established Jewellery Quarter around Burlington Gardens through to Old Bond Street, towards the junction with Piccadilly. Revered throughout the world for its abundance of flagship stores, exclusive brands and designer fashion, Bond Street features over 145 globally luxury brands and is estimated to account for 25% of luxury spend in London. In addition, the area boasts renowned art galleries, together with prestigious auction houses such as Bonhams, Christie's and Sotheby's, and an array of upscale restaurants and luxury hotels.



The West End Partnership has recently completed a £10m investment into Bond Street's public realm to ensure its position as the best place in the world to enjoy luxury fashion is maintained. The improvements included widening pavements and a new public square on the corner of Old Bond Street and Burlington Garden, in close proximity to the subject property.

# OCCUPIERS & AMENITIES

## Retailers

1. Ralph Lauren
2. Prada
3. Burberry
4. Gucci
5. Chanel
6. Dior
7. Cartier
8. Dolce & Gabbana
9. Vashi
10. Patek Philippe
11. Alexander McQueen
12. Burlington Arcade

## Restaurants

1. Hakkasan
2. Amazonica
3. Sexy Fish
4. Novikov
5. Hide
6. Robuchon
7. Umu
8. Cecconis
9. The Wolesley
10. Scott's
11. Street XO
12. Isabel

## Hotels

1. The Westbury
2. Browns
3. The May Fair
4. The Connaught
5. Hotel Cafe Royal
6. The Ritz
7. Claridges

## Members Clubs

1. Annabell's
2. The Arts Club
3. Dunhill
4. Little House Mayfair
5. The Lansdowne Club
6. 5 Hertford Street
7. George
8. Oswald's

## Gallery

1. Gagosian
2. Royal Academy
3. Philips
4. Hauser & Wirth
5. Halcyon Gallery
6. Sadie Coles HQ
7. David Zwirner
8. Pace

## Office Occupiers

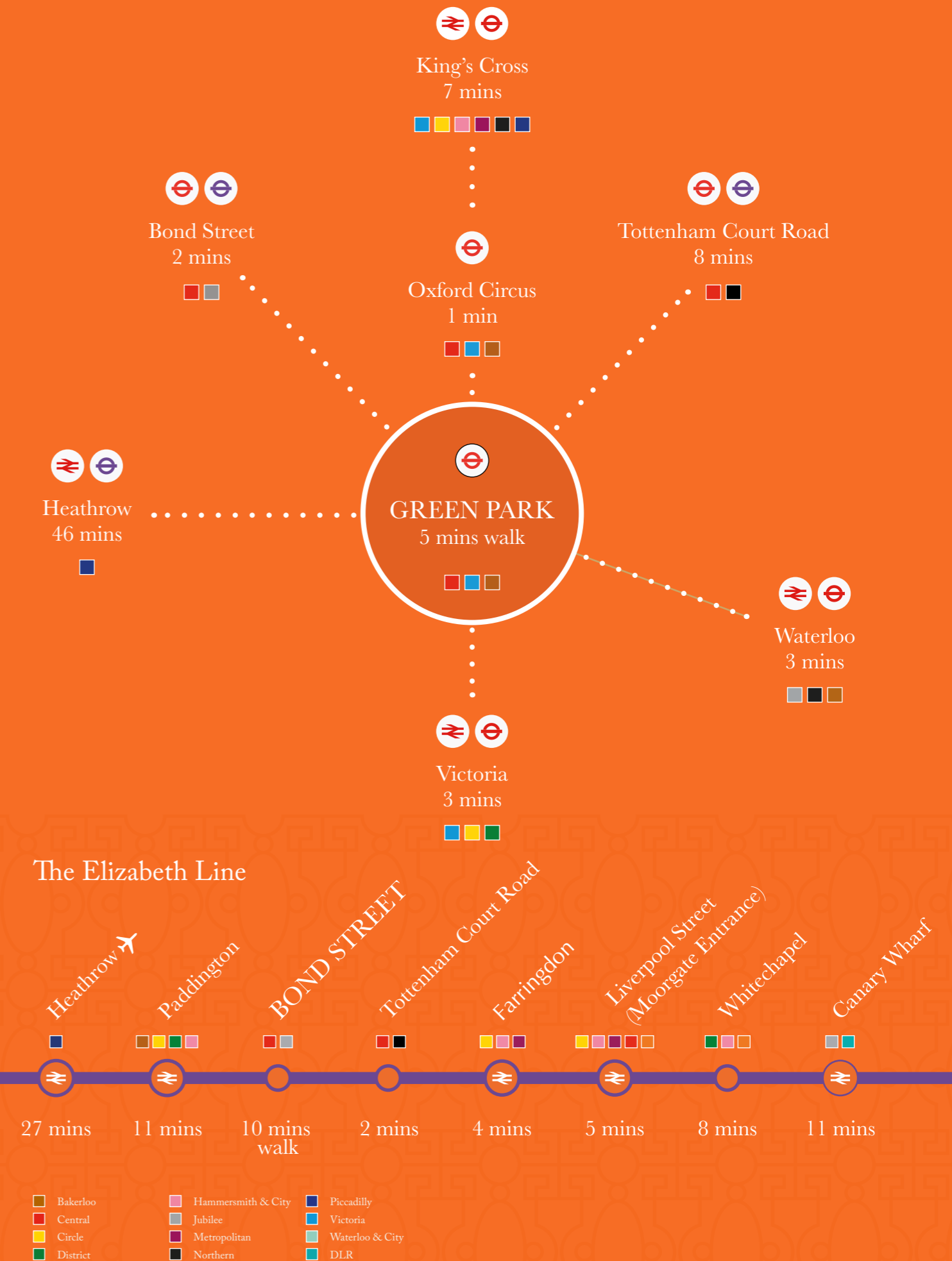
1. Blackstone
2. Lazard & Co
3. Conde Nast
4. The Children's Investment Fund Management
5. Perella Weinberg Partners
6. Lansdowne Partners
7. Richemont
8. HSBC
9. KKR
10. Glencore
11. Rokos Capital Management
12. Angelo Gordon & Co



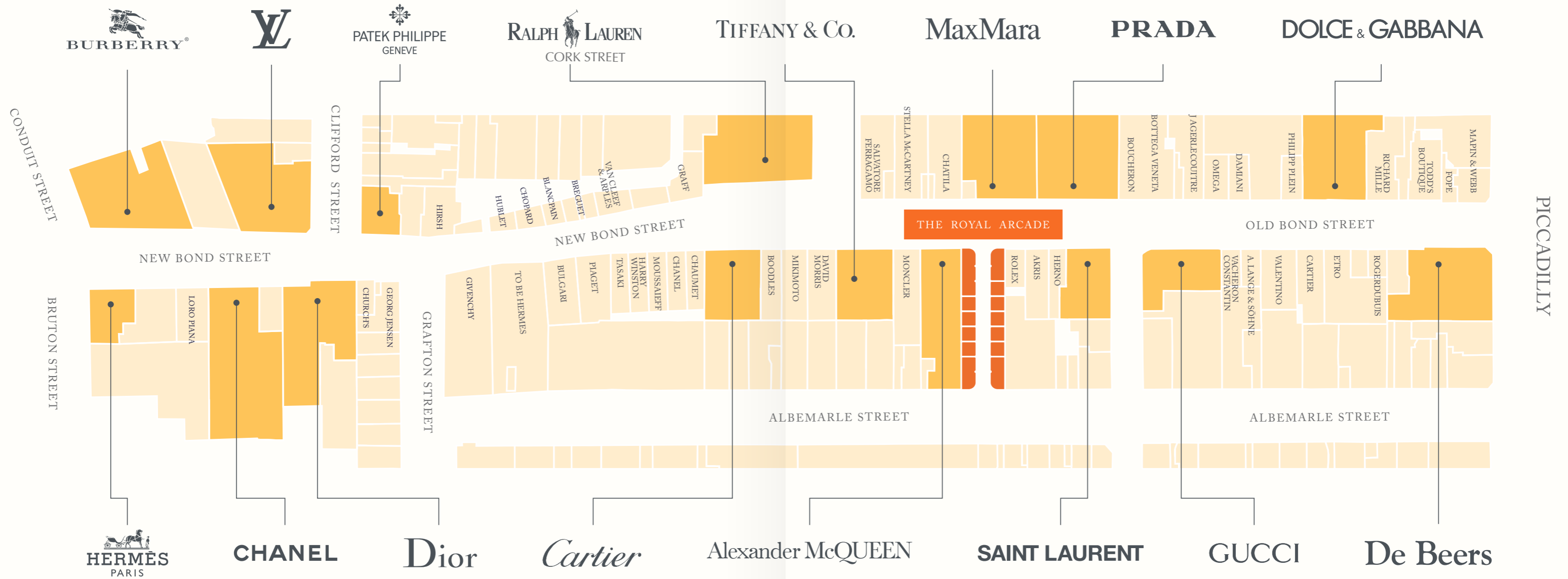
# CONNECTIVITY

The property benefits from excellent transport connectivity, with Green Park (0.2 miles), Piccadilly Circus (0.4 miles), Bond Street (0.5 miles) and Oxford Circus (0.5 miles) stations providing access to the Elizabeth, Jubilee, Piccadilly, Victoria, Bakerloo and Central lines within walking distance.

Bond Street station has recently undergone an extensive £680m redevelopment, which includes the creation of a new entrance and ticket hall both north and south of Oxford Street to increase capacity and enhance accessibility. In addition, the integration of the Elizabeth Line (Crossrail) will increase the overall station capacity to 225,000 people, making it one of London's busiest stations. The redevelopment of Bond Street station is transforming the area and serving as a catalyst for further investment into the surrounding shopping and entertainment districts.



# SITUATION



The Royal Arcade is situated in a prime position on Old Bond Street, between the junctions of Stafford Street and Burlington Gardens, in the established Jewellery Quarter, which benefits from the highest rents on the street.

The property provides an important thoroughfare between Bond Street and Albemarle Street, with premium retail along both sides of the Arcade. Surrounding brands include the likes of Cartier, Tiffany, St Laurent, Gucci, Dolce & Gabbana, Richard Millie, Alexander McQueen, Ralph Lauren and Prada London.

# THE ARCADE

Floor areas have been sourced from the VOA and are not to be relied upon by purchasers. Floor areas are on a NIA basis and floor by floor area breakdowns are available through our dataroom.

- 01 Charbonnel et Walker  
1,568 sq ft

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- 02 Charbonnel et Walker  
491 sq ft

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- 03 Simon Griffin Antiques  
491 sq ft

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- 04 Watch Club  
473 sq ft

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- 05 Watch Club  
473 sq ft

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- 06 Funky Mango Opticians  
477 sq ft

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- 07 Calleija  
806 sq ft

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- 08-11 Browns Jewellery  
1,855 sq ft

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- 12 Ormonde Jayne Perfume  
358 sq ft

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- 13 George Cleverley  
750 sq ft

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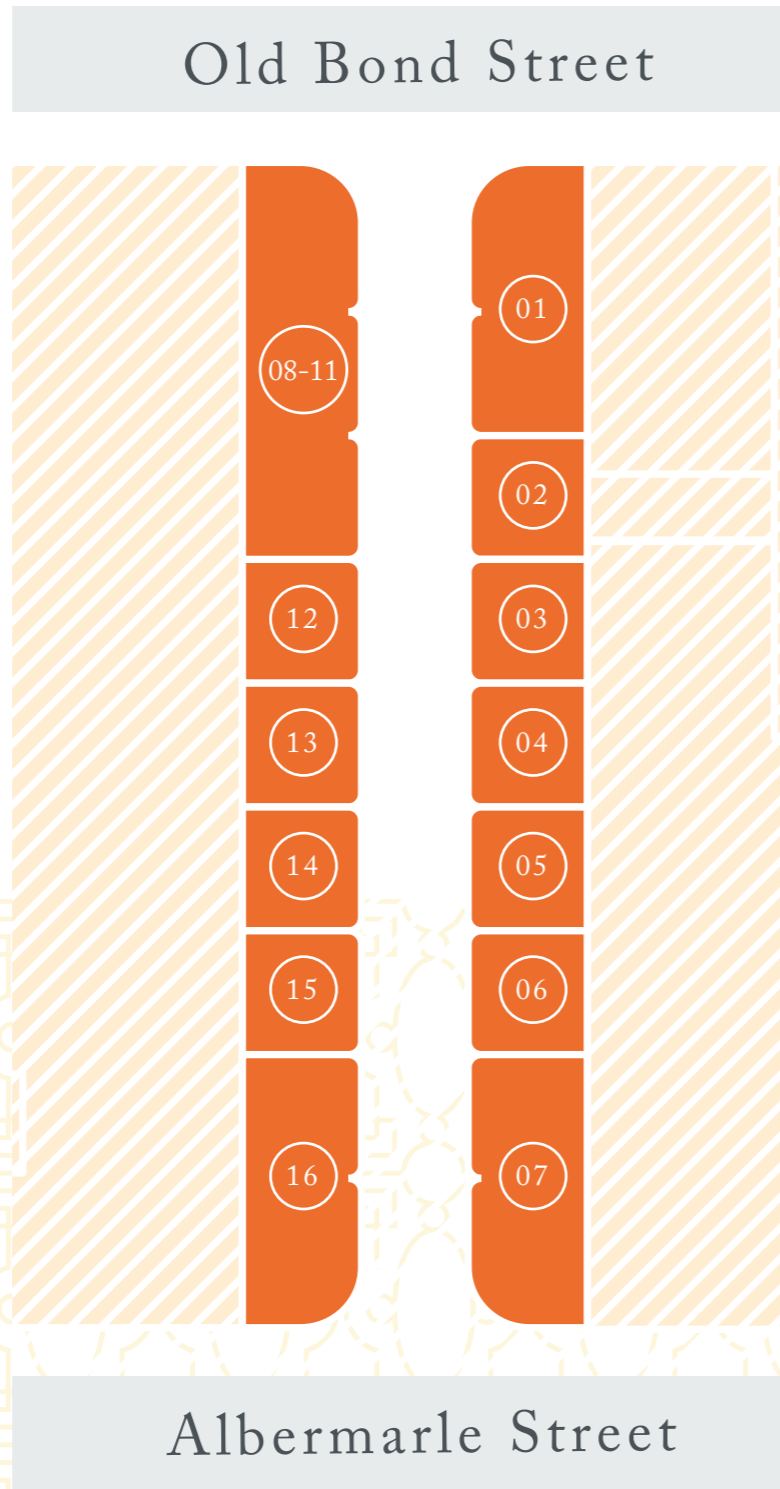
- 14 Beards Jewellers  
266 sq ft

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- 15 Erskine Hall & Coe Ceramics  
& Modern Art Gallery  
748 sq ft

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- 16 Vacant  
702 sq ft



Total Area: 9,458 sq ft





## DESCRIPTION

Constructed in 1879, the Grade II\* listed building serves as the oldest shopping arcade in London. The property is characterised by decorative stucco façades at each entrance, cast iron balconies and bold orange and white tones. The Royal Arcade comprises 16 retail units, currently configured as 13 units, in the heart of London's most exclusive shopping district.

The Royal prefix was acquired in the early 1880's, when Queen Victoria patronised shirtmakers H.W. Brettell who occupied unit 12. The Arcade's royal connection has continued in place, with Charbonnel et Walker holding the Royal Warrant to the late Queen Elizabeth II.

# TENANCIES

The property is let in its entirety to Bluston Securities Ltd, on a lease expiring 1st August 2166 (143 years unexpired).

The rent is reviewed annually to 13% of total underlease rents received (calculated from and including 29 September), after permitted deductions for irrecoverable expenditure.



Plan not to scale and for indicative purposes only.

# TENURE

The property is held Freehold.



# RENTAL HISTORY & PROJECTIONS

Over the past six years, the freehold interest in The Royal Arcade has generated the following rental income:

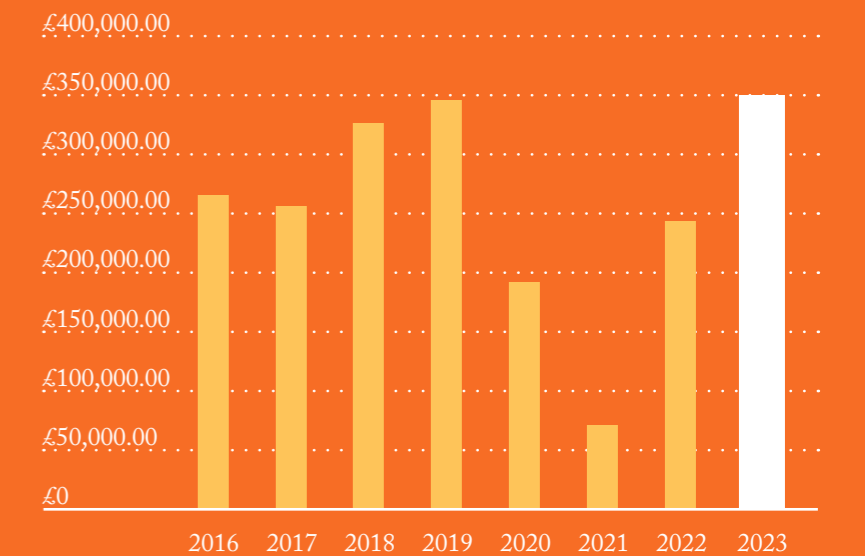
Rental Year	Rent Received
29/09/2016 to 28/09/2017	£230,027.75
29/09/2017 to 28/09/2018	£296,866.18
29/09/2018 to 28/09/2019	£444,237.68
29/09/2019 to 28/09/2020	£208,747.51
29/09/2020 to 28/09/2021	£79,582.99
29/09/2021 to 28/09/2022	£176,788.01

The contracted rent on Units 1-15 plus a 12-month rental top-up on Unit 16, generate a net rental income of £350,886.75 for 2023.

The sub-tenancies have a WAULT of 5.16 years to break/expiry.

A copy of the sub-tenancy schedule can be made available to interested parties following completion of a Non-Disclosure Agreement.

Annual Rent Collection (Calendar Year)



White Bar - contracted rent on Units 1-15 plus rental top-up on Unit 16



# INVESTMENT COMPARABLES

## Bond Street Investment Comparables

### Ground Rent Investment Comparables

#### 86 Jermyn Street, SW1

Date	Q1 2020
Price	£27.5m
NIY	1.88%
Term	99 years
Rent Review	15% of rents received



#### 10 Bloomsbury Way, WC1

Date	Q3 2017
Price	£36.4m
NIY	2.70%
Term	108 years
Rent Review	10% of rents received



#### 44 Old Bond Street

Date	Q2 2023
Tenure	FH
Price	£18.25m
Yield	2.26%
Cap Val (psf)	£11,314



#### 32-33 Old Bond Street

Date	Under Offer
Tenure	FH
Price	Quoting c. £120m
Yield	Quoting c. 3.00%
Cap Val (psf)	Quoting c. £7,500



#### 27 Old Bond Street

Date	Q1 2023
Tenure	FH
Price	£140m
Yield	2.64%
Cap Val (psf)	£6,384



#### 160-162 New Bond Street

Date	Q2 2022
Tenure	FH
Price	£155m
Yield	2.42%
Cap Val (psf)	£9,132



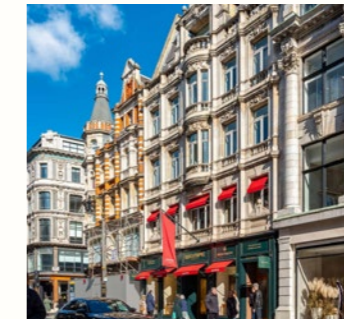
#### 48-50 New Bond Street

Date	Q2 2021
Tenure	FH
Price	£227m
Yield	3.29%
Cap Val (psf)	£4,633



#### 51-52 New Bond Street

Date	Q2 2021
Tenure	FH
Price	£95.5m
Yield	3.04%
Cap Val (psf)	£6,232



#### 43-44 New Bond Street

Date	Q2 2021
Tenure	VFH
Price	c. £84m
Yield	c. 2.05%
Cap Val (psf)	£7,170



#### 158-159 New Bond Street

Date	Q4 2020
Tenure	FH
Price	£305m
Yield	2.27%
Cap Val (psf)	£8,060



#### 144-146 New Bond Street

Date	Q1 2020
Tenure	VFH
Price	£130m
Yield	1.70%
Cap Val (psf)	£8,486



#### 172 New Bond Street

Date	Q1 2019
Tenure	LH
Price	£74m
Yield	1.58%
Cap Val (psf)	£17,391



#### 107 New Bond Street

Date	Q1 2019
Tenure	FH
Price	£58.6m
Yield	2.35%
Cap Val (psf)	£9,847



#### Burlington Arcade

Date	Q2 2018
Tenure	FH
Price	£296.5m
Yield	3.20%
Cap Val (psf)	£8,014

# FURTHER INFORMATION

## Dataroom

Further information and sub-tenancy data is available on our marketing dataroom.

## VAT

The property is not elected for VAT.

## EPCs

Available upon request.

## Proposal

We are instructed to seek offers in excess of £13,150,000 for the Freehold interest, subject to contract and exclusive of VAT, equating to 2.50% NIY (after the deduction of standard purchaser's costs).

## Contact

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Date of particulars: May 2023. Made by Tayler Reid

