INVESTMENT SUMMARY

✦ Prominent Freehold corner site
✦ Situated on the prime Queensway pitch adjacent to Bayswater London Underground station
✦ Substantial ongoing investment and regeneration of the immediate surrounding area
✦ Retail, leisure and one residential unit totalling 9,038 sq ft (839.7 sq m) arranged over basement, ground and first floors, remaining residential uppers (eight flats) are sold off on long leases
✦ Fully let to excellent covenants - Barclays Bank and Spirit Pub Company
✦ Pub lease guaranteed by SA1 covenant Spirit Group Parent Ltd, a wholly owned subsidiary of Green King Plc
✦ WAULT of 21.5 years to lease expiries (no breaks)
✦ Total passing rent of £555,310 per annum
✦ Lapsed 2016 Planning Consent for three additional flats provides an opportunity to add massing and value
✦ Residential uppers (sold off) comprise nine flats of which six have under 65 years remaining
✦ Opportunity to realise lease extension premiums on the majority of the residential units
✦ No VAT applicable
✦ Offers are invited in excess of £10,950,000 (Ten Million Nine Hundred and Fifty Thousand Pounds), subject to contract. Pricing at this level reflects a Net Initial Yield of 4.75% assuming full purchaser’s costs of 6.70%.
Location & Situation

The property is located in Queensway in central London. Queensway is bordered by Notting Hill (west), Kensington (south), Paddington / Marylebone (east) and Maida Vale (north). The location is internationally recognised as one of London’s most desirable and affluent neighbourhoods, characterised as a premier retail, residential and leisure destination, home to fashionable boutiques, restaurants, markets and bars. Tourism is a significant driver of the local economy with nearby Portobello Road market and the Notting Hill Carnival attracting millions of visitors each year.

Whiteleys Shopping Centre has traditionally been the focus of Queensway’s retailing, which closed in 2018 and is now undergoing a £1 billion redevelopment by Meyer Bergman that includes new retail, residential and leisure amenities. Significant stakeholders investing in the area’s regeneration project also include GMS Estates and Boume Capital.

Queensway is a desirable residential location due to its proximity to London’s open green spaces of Hyde Park and Kensington Gardens to the south.

The building occupies a prominent corner position on the western side of Queensway, at its junction with Moscow Road, and benefits from being immediately adjacent to Bayswater London Underground Station. Queensway acts as a strategic link between Westbourne Grove and Bayswater Road.
CONNECTIVITY

Queensway’s transport communications are excellent, with Bayswater London Underground station (District & Circle lines) being situated immediately adjacent to the property.

Additional nearby stations include Queensway (Central line), Notting Hill Gate (Central, District & Circle lines) and Paddington (Bakerloo, District & Circle, Hammersmith & City lines).

Paddington provides access to the UK’s wider national rail services and express rail services to Heathrow. Communications will be further improved when the Elizabeth line (Crossrail) opens at the station.

Approximate walking times:

- **BAYSWATER**
  - District & Circle Lines: 1 MIN

- **QUEENSWAY**
  - Central Line: 2 MINS

- **NOTTING HILL GATE**
  - Central, District & Circle Lines: 9 MINS

- **PADDINGTON**
  - Bakerloo, Hammersmith & City, Circle & District Lines: 14 MINS
  - National Rail: 14 MINS
  - Elizabeth Line (Crossrail): 14 MINS
Whiteleys Shopping Centre  – Meyer Bergman
Whiteleys is undergoing a £1 billion regeneration to transform Queensway into the ‘Covent Garden of the West’. The mixed-use scheme will enhance the area with over 150 new homes, a cinema, boutique hotel, and retail and leisure offerings. Meyer Bergman’s additional scheme opposite (114-150 Queensway) seeks to provide further retail and restaurant offerings along with residential.

103-131 Queensway  – GMS Estates
Planning pending for £30 million masterplan to restore the 1.4 acre site and the wider Queensway area to its ‘former glory’. The mixed-use scheme includes retailing, residential and public realm works.

Streetscape
Together, the substantial investment from Queensway’s key stakeholders and Westminster City Council will enhance the area’s public realm to deliver a semi-pedestrianised environment to Queensway.

The Queensway Estate  – Bourne Capital
The multi-million pound investment programme includes 65 luxury apartments, over 45,000 sq ft of offices and major public realm improvements. Queensway Walk will provide over 135,000 sq ft of retail, restaurant and leisure space.
The property occupies a prominent corner site and comprises a five-storey retail, leisure and residential building.

**RETAIL**
The 5,596 sq ft retail unit (93-97 Queensway) is arranged as a ground floor banking hall, with first floor offices and basement storage.

**PUB**
The 2,398 sq ft public house (99 Queensway) is arranged as a ground floor bar / restaurant, with basement storage.

**RESIDENTIAL**
The property also includes nine flats, known as 1-9 Duke’s Court, accessed separately from Moscow Road, which are arranged over first to third floors. Flat 2, totalling 1,044 sq ft, is let on a co-terminus lease with the pub. The remaining flats have been sold off on individual long leasehold interests.

To the property’s rear is a car park, accessed from Moscow Road, with space for approximately six cars.

### ACCOMMODATION
The property provides the following areas as measured by Lane & Frankham.

<table>
<thead>
<tr>
<th>ORT</th>
<th>Floor</th>
<th>Use</th>
<th>Sq Ft</th>
<th>Sq M</th>
<th>ITZA Sq Ft</th>
</tr>
</thead>
<tbody>
<tr>
<td>93-97 Queensway</td>
<td>First</td>
<td>Offices</td>
<td>1,359</td>
<td>126.3</td>
<td>126.3</td>
</tr>
<tr>
<td></td>
<td>Basement</td>
<td>Storage</td>
<td>1,708</td>
<td>158.7</td>
<td>158.7</td>
</tr>
<tr>
<td></td>
<td>Sub-Total</td>
<td></td>
<td>5,596</td>
<td>519.9</td>
<td>519.9</td>
</tr>
<tr>
<td>99 Queensway</td>
<td>Ground</td>
<td>Banking Hall</td>
<td>2,529</td>
<td>234.9</td>
<td>234.9</td>
</tr>
<tr>
<td></td>
<td>Basement</td>
<td>Storage</td>
<td>1,353</td>
<td>125.7</td>
<td>125.7</td>
</tr>
<tr>
<td></td>
<td>Sub-Total</td>
<td></td>
<td>2,388</td>
<td>222.8</td>
<td>222.8</td>
</tr>
<tr>
<td>Flat 2, Duke’s Court</td>
<td>First</td>
<td>Residential</td>
<td>1,044</td>
<td>97.0</td>
<td>97.0</td>
</tr>
<tr>
<td></td>
<td>Sub-Total</td>
<td></td>
<td>1,044</td>
<td>97.0</td>
<td>97.0</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td></td>
<td>9,038</td>
<td>839.7</td>
<td>839.7</td>
</tr>
</tbody>
</table>
## TENANCY SCHEDULE

<table>
<thead>
<tr>
<th>Unit</th>
<th>Tenant</th>
<th>Use</th>
<th>Floor(s)</th>
<th>Area SQ FT</th>
<th>Lease Start</th>
<th>Lease Expiry</th>
<th>Next Review</th>
<th>Rent £PA</th>
<th>Rent £PSF / £SF</th>
<th>Comment</th>
</tr>
</thead>
</table>

Sub-total: 7,994 £525,000

1. Individual Residential First - 25 Dec 1984 25 Dec 2173 - Peppercorn - -
2. Spirit Pub Company (Managed) Limited Residential First - 1,044 | 24 Jun 1965 | 23 Jun 2028 | 24 Jun 2028 | £28,000 | -
3. Individual Residential Second - 25 Dec 1984 25 Dec 2173 - Peppercorn - -

Fire Escape Barclays Bank UK Plc Fire Escape - 29 Sep 1989 23 Jun 2028 24 Jun 2023 £1,300 - -
Car Parking Individual Car Parking - - - - - - Licence dated 07 Jul 2004

Sub-total: 1,044 £35,310

TOTAL 9,038 £555,310

## COVENANTS

### BARCLAYS
Barclays Bank is one of the UK’s largest, most recognisable, brand names with over 1,600 branches. Barclays also provides global financial services in over 50 countries worldwide with in excess of 130,000 employees. The company has a primary listing on the London Stock Exchange and is a member of the FTSE 100. Barclays is graded low risk by ICC and Dun & Bradstreet reports a SA 1 rating.

### SPIRIT PUB COMPANY
Spirit Pub Company was acquired by Greene King PLC in 2015 for £774 million, to form the UK’s largest managed pub company. Combined, the groups operate over 3,000 public houses, restaurants and hotels. Greene King operates brands including Hungry Horse, Loch Fyne Seafood & Grill and Old English Inns. Green King is listed on the London Stock Exchange and is a FTSE 250 company. Dun & Bradstreet reports a SA1 rating for Spirit Group Parent Limited.
DEVELOPMENT OPPORTUNITY

PLANNING
The property is situated in the London Borough of Westminster and sits within both the Queensway and Bayswater Conservation Areas. The building is not listed. Planning Permission (15/07000/FULL) was granted in May 2016 for a single storey roof extension, providing three flats (1 x 1 bed, 1 x 2 bed & 1 x 3 bed) totalling 2,454 sq ft, all with their own terraces. The BuckleyGrayYeoman designed scheme also includes a new entrance to the residential and façade alterations. The consent has now expired, however the exercise has identified the potential to add extra massing to the building and has established a precedent for future development.

TENURE
Freehold.
RETAIL OCCUPATIONAL MARKET

London’s retail market is one of the world’s most robust, benefitting from wealth, occupier demand (both domestic and international), and high levels of consumer spending power from both overseas tourists (20 million in 2018) and domestic footfall. London’s local retail markets are predominantly supported by domestic consumers, particularly in affluent residential areas with high disposable incomes.

Queensway, and neighbouring Notting Hill, is an established London retail sub-market benefitting from solid tenant demand and low vacancy rates due to the location’s ability to appeal to retailers requiring sizeable flagship units and those seeking a boutique outfit.

The vibrancy and appeal of Queensway has further been enhanced by a number of high end gyms, including Barry’s Bootcamp and BodyWorksWest, providing first-class health and fitness offerings to local residents, workers and fitness fanatics, which has driven footfall in the area.

Queensway offers a significant discount to other major London retail destinations both in terms of rents and rateable values. Retail business rates have remained static, making the location more affordable and promoting future rental growth in Queensway.

INVESTMENT MARKET

London’s real estate investment market remains robust in a market environment of low interest rates, weakened sterling and a healthy debt market. The market continues to be characterised by a shortage of available investment product with many investors reluctant to sell in a market with attractive fundamentals.

Total West End investment volume during 2018 reached approximately £7.6 billion, which is in line with 2017’s total and illustrates sustained investor appetite for London’s West End market.

Overseas investors continue to dominate accounting for 65% of transactions in the London’s West End in 2018. The geographic origin of this capital remains diverse, whilst there has been a notable increase from Asian and Middle Eastern investors, European (including UK buyers) remain very active.

Strong demand from investors (both domestic and overseas) combined with a limited number of sellers, means long dated income, to secure institutional grade covenants continue to be a particularly attractive investment opportunity in the market.

<table>
<thead>
<tr>
<th>Date</th>
<th>Address</th>
<th>Tenant(s)</th>
<th>Price</th>
<th>NIY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jun 19</td>
<td>118-120 Wigmore Street, W1</td>
<td>Wigmore Street Kitchens, Halcyon Interiors</td>
<td>£8,300,000</td>
<td>4.24%</td>
</tr>
<tr>
<td>Jun 19</td>
<td>Shakespeare’s Head, 29 Great Marlborough Street, Soho, W1</td>
<td>Greene King (Spirit Pub Company Guarantees)</td>
<td>£17,550,000</td>
<td>3.63%</td>
</tr>
<tr>
<td>Oct 18</td>
<td>42-46 Westbourne Grove, Notting Hill, W2</td>
<td>Planet Organic, Alounak Faber, Faber</td>
<td>£7,000,000</td>
<td>3.49%</td>
</tr>
<tr>
<td>Apr 18</td>
<td>145 Kensington Church Street, Kensington, W8</td>
<td>Savills UK</td>
<td>£7,380,000</td>
<td>4.00%</td>
</tr>
<tr>
<td>Mar 18</td>
<td>Prince of Wales, 150-151 Drury Lane, Covent Garden, WC2</td>
<td>Greene King</td>
<td>£10,450,000</td>
<td>2.52%</td>
</tr>
<tr>
<td>Feb 18</td>
<td>The Butcher Arms, 13 Bithur Street, Chelsea, SW3</td>
<td>Eli Group</td>
<td>£4,370,000</td>
<td>3.22%</td>
</tr>
<tr>
<td>Sep 17</td>
<td>137-143 Notting Hill Gate, Notting Hill, W11</td>
<td>Pizza Express, Ledbury</td>
<td>£5,000,000</td>
<td>3.85%</td>
</tr>
<tr>
<td>Aug 17</td>
<td>The Old Swan, 256 Kensington Church Street, Notting Hill, W8</td>
<td>Greene King</td>
<td>£4,500,000</td>
<td>1.82%</td>
</tr>
<tr>
<td>Mar 17</td>
<td>Grove House, 90 Westbourne Grove, Notting Hill, W2</td>
<td>Sainsbury’s King Media, Deliberate PR</td>
<td>£12,000,000</td>
<td>4.21%</td>
</tr>
</tbody>
</table>
FURTHER INFORMATION

VAT
The property is not elected for VAT and therefore VAT will not be chargeable on the purchase price.

EPC
EPCs are available in the data room.

DATA ROOM
Please contact Allsop for access to the data room.

PROPOSAL
Offers are invited in excess of £10,950,000 (Ten Million Nine Hundred and Fifty Thousand Pounds), subject to contract. Pricing at this level reflects a Net Initial Yield of 4.75% assuming full purchaser’s costs of 6.70%.

CONTACTS
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allsop.co.uk

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