63-66 ST MARTIN’S LANE

A Covent Garden long income freehold investment
Freehold

Prominent Covent Garden location with excellent footfall, between the London cultural hotspots of Leicester Square, Soho, Covent Garden & Trafalgar Square

Prime position on St Martin's Lane just below St Martin’s Cross, the main pedestrian route between Leicester Square and Covent Garden

Restaurant and bar totalling 6,728 sq ft of flexible, well arranged space over ground and basement

Single let to The Alchemist Bar & Restaurant Limited for 24.1 years unexpired (14.1 years to break)

Rental income of £480,000 per annum reflecting £119 per sq ft on a weighted area basis offering growth potential

Market leading and award winning tenant at the forefront of the mixology field

We are seeking offers in excess of £11,250,000 (Eleven Million, Two Hundred and Fifty Thousand Pounds), exclusive of VAT and subject to contract. This reflects a net initial yield of 4.00% and a low capital value of £1,672 per sq ft, allowing for acquisition costs of 6.71%
Covent Garden, situated in the heart of London’s West End, is a hugely popular tourist destination. The area is renowned for its world class cultural and leisure offer, attracting 44 million visitors a year.

Covent Garden is London’s premier theatre and cultural district and is home to the Royal Opera House, Theatre Royal and Covent Garden Piazza. No other district in the world is home to two artistic companies – The Royal Opera and The Royal Ballet – in addition to more than twenty renowned theatres.

Covent Garden is regarded as one of London’s major retail destinations, and has attracted many of the world’s leading retail brands including: Apple, Reiss, Aspinal, Ted Baker, Calvin Klein and H&M.

The high numbers of visitors, local residents and office workers attracts internationally renowned restaurateurs and ensures a thriving restaurant scene.

LOCATION

Covent Garden, situated in the heart of London’s West End, is a hugely popular tourist destination. The area is renowned for its world class cultural and leisure offer, attracting 44 million visitors a year.

Covent Garden is London’s premier theatre and cultural district and is home to the Royal Opera House, Theatre Royal and Covent Garden Piazza. No other district in the world is home to two artistic companies – The Royal Opera and The Royal Ballet – in addition to more than twenty renowned theatres.

Covent Garden is regarded as one of London’s major retail destinations, and has attracted many of the world’s leading retail brands including: Apple, Reiss, Aspinal, Ted Baker, Calvin Klein and H&M.

The high numbers of visitors, local residents and office workers attracts internationally renowned restaurateurs and ensures a thriving restaurant scene.
63-66 St Martin’s Lane occupies a prominent position just below St Martin’s Cross, the intersection of Cranbourn Street, St Martin’s Lane, Long Acre and Garrick Street, where there is substantial pedestrian flow between Covent Garden and Leicester Square.

There are several theatres located on St Martin’s Lane, including The Duke of York’s Theatre, the Noel Coward Theatre and the English National Opera. These theatres naturally encourage footfall along the street and are therefore a huge draw for restaurants and bars.

The opening of Crossrail at Tottenham Court Road is expected to substantially increase pedestrian flow along St Martin’s Lane.

COMMUNICATIONS

The property benefits from excellent access to transport connections across London, with London Underground stations at Covent Garden, Leicester Square, Tottenham Court Road and Charing Cross all within walking distance.

TRAVEL TIMES FROM DOOR TO DESTINATION:

The diagram illustrates the travel times from 63-66 St Martin’s Lane to various central London locations via different transport routes.
THE PROPERTY

63-66 St Martin’s Lane comprises a seven storey building with commercial accommodation on the ground and basement floors and private residential accommodation on the upper floors sold off on a long lease.

63-66 St Martin’s Lane is currently arranged to provide a 72-cover restaurant and bar on ground with storage and ancillary use at basement level. The unit is well configured and provides flexibility that would suit a variety of occupiers.

The property benefits from a licence which allows for trading until midnight Monday through Saturday and 11:30 pm on Sundays.
The property comprises the following Gross Internal Areas (GIA):

<table>
<thead>
<tr>
<th>Floor</th>
<th>Use</th>
<th>GIA (Sq Ft)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ground</td>
<td>Sales</td>
<td>3,219</td>
</tr>
<tr>
<td>Basement</td>
<td>Ancillary</td>
<td>3,014</td>
</tr>
<tr>
<td></td>
<td>Storage</td>
<td>495</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>6,728</td>
</tr>
</tbody>
</table>
**TENANCY**

- The commercial premises are single let to The Alchemist Bar & Restaurant Limited
- The lease is from 13th August 2018 until the 12th August 2043, providing 24.1 years unexpired on a lease inside the protections of the Landlord & Tenant Act 1954
- The use is for bar and restaurant within A3/A4 with ancillary offices
- The rent commencement date is 13th August 2019, the vendor will top up any outstanding rent free
- The lease is subject to a tenant break option on the 13th August 2033, providing 14.1 years to break
- There are upwards only open market rent reviews every five years, with the next rent review on the 13th August 2023
- The passing rent of £480,000 per annum reflects £119.34 per sq ft on a weighted area basis

**TENURE**

Freehold.

The upper parts of the property, which comprise private residential accommodation, and the dedicated ground floor entrance are let on a 999 year fully repairing and insuring lease at a peppercorn rent from the 25th December 1996.

**TENANT COVENANT**

The Alchemist is an award winning, innovative and exciting bar and restaurant group. Their vision is to serve up a theatrical, cocktail and casual dining experience, that combines molecular mixology with great service and knowledge from its creative team.

The Alchemist is set to undergo an international expansion. It currently has sixteen venues with a further four in the pipeline.

It has seen impressive growth over the last five years with compounded average growth in revenue of 39% a year. The total revenue in 2018 was £34.5m.

The Alchemist Bar & Restaurant Limited has a Dun & Bradstreet Rating of 2A 2, which represents a lower than average risk of business failure.

www.thealchemist.uk.com
Occupiers in Covent Garden benefit from a strong tenant mix and high footfall. Continued growth in visitors has been accelerated by the ongoing place making being undertaken by local estates, including Shaftesbury, CapCo and Soho Estates.

Covent Garden and the wider West End is at the forefront of the UK dining scene and is home to some of London’s most exciting restaurants and bars. The abundance of occupiers and chains competing for the best sites are being faced with a lack of supply of suitable A3/A4 units which continues to put upwards pressure on rents.

**OCCUPATIONAL MARKET**

**Covent Garden is the premier cultural and retail destination in London, with over 44 million visitors per year.**

Occupiers in Covent Garden benefit from a strong tenant mix and high footfall. Continued growth in visitors has been accelerated by the ongoing place making being undertaken by local estates, including Shaftesbury, CapCo and Soho Estates.

Covent Garden and the wider West End is at the forefront of the UK dining scene and is home to some of London’s most exciting restaurants and bars. The abundance of occupiers and chains competing for the best sites are being faced with a lack of supply of suitable A3/A4 units which continues to put upwards pressure on rents.

St Martin’s Lane is anticipated to see a significant increase in footfall thanks to Crossrail at Tottenham Court Road. Pedestrians will naturally flow up and down St Martin’s Lane en route to the attractions around Covent Garden and Trafalgar Square.

This expected increase in footfall and the positive effects of local estates’ place making, coupled with the comparatively low passing rent should ensure St Martin’s Lane sees rental growth surpassing that of the wider area in the next five years.

**INVESTMENT MARKET**

There has been strong demand for restaurant investments over recent years, with record pricing being achieved. Investors are attracted to the asset class by the long lease terms and potential for rental growth. The scarcity of new late licences being granted by local authorities means premises with existing licences like 63-66 St Martin’s Lane attract significant occupier and investor demand.

**DATE** | **ADDRESS** | **TENURE** | **TENANT** | **AREA** | **VAULT** | **PRICE** | **NIY** | **CAPITAL VALUE EPSF**
---|---|---|---|---|---|---|---|---
Under Offer | 30/32 Neal Street, WC2 | FH | Schuh | 8,045 | 10.1 | £18.75m | 3.25% | £2,331
Q4 2018 | 29 Great Marlborough Street, W1 | FH | Spirit Pub Company | 5,244 | 25.5 | £17.55m | 3.64% | £3,347
Q2 2018 | 28 Maiden Lane, WC2 | FH | Cinnamon Bazaar | 2,802 | 9.5 | £6.00m | 3.05% | £2,141
Q1 2018 | 62-65 Trafalgar Square, WC2 | VFH | Pret A Manger | 3,783 | 15.0 | £6.05m | 3.49% | £1,599
Q4 2017 | 6 Neal Street, WC2 | VFH | David Giulow | 1,504 | 6.2 | £7.15m | 3.15% | £4,754
Q4 2017 | 38-42 Kingsway, WC2 | VFH | Bills & Paul | 5,603 | 9.6 | £7.50m | 3.78% | £1,339
PLANNING

The property is not listed but sits within the Covent Garden Conservation Area.

EPC

A copy of the Energy Performance Certificate is available in the data room.

VAT

The property is elected for VAT. The sale will be treated as a Transfer of Going Concern (TOGC).

DATA ROOM

Please contact the sole agents for access to the data room.

PROPOSAL

We are seeking offers in excess of £11,250,000 (Eleven Million, Two Hundred and Fifty Thousand Pounds), exclusive of VAT and subject to contract. This reflects a net initial yield of 4.00% and a low capital value of £1,672 per sq ft, allowing for acquisition costs of 6.71%.

CONTACT

To arrange an inspection or for further information, please contact the sole agents Cushman & Wakefield:

PAUL GUMMER
Direct: +44 (0) 20 7152 5479
Mobile: +44 (0) 7966 784 972
paul.gummer@cushwake.com

GRAHAM HARDING
Direct: +44 (0) 20 7152 5756
Mobile: +44 (0) 7841 804 770
graham.harding@cushwake.com

Important Notice

Cushman & Wakefield gave notice to anyone who may read these particulars as follows:

1. These particulars are prepared for the guidance only of prospective purchasers. They are intended to give a fair overall description of the property but are not intended to constitute part of an offer or contract. 2. Any information contained herein (whether in the text, plans or photographs) is given in good faith but should not be relied upon as being a statement or representation of fact. 3. Nothing in these particulars shall be deemed to be a statement that the property is in good condition or otherwise nor that any services or facilities are in good working order. 4. The photographs appearing in this brochure show only certain parts and aspects of the property at the time when the photographs were taken. Certain aspects may have changed since the photographs were taken and it should not be assumed that the property remains precisely as displayed in the photographs. Furthermore no assumptions should be made in respect of parts of the property which are not shown in the photographs. 5. Any areas, measurements or distances referred to herein are approximate only. 6. Where there is reference in these particulars to the fact that alterations have been carried out or that a particular use is made of any part of the property this is not intended to be a statement that any necessary planning, building regulations or other consents have been obtained and these matters must be verified by any intending purchaser. 7. Descriptions of a property are inevitably subjective and the descriptions contained herein are used in good faith as an opinion and not by way of statement of fact. Subject to Contract. Designed and produced by TLGD.co.uk. July 2019.

We are seeking offers in excess of £11,250,000 (Eleven Million, Two Hundred and Fifty Thousand Pounds), exclusive of VAT and subject to contract. This reflects a net initial yield of 4.00% and a low capital value of £1,672 per sq ft, allowing for acquisition costs of 6.71%.

CONTACT

To arrange an inspection or for further information, please contact the sole agents Cushman & Wakefield:

PAUL GUMMER
Direct: +44 (0) 20 7152 5479
Mobile: +44 (0) 7966 784 972
paul.gummer@cushwake.com

GRAHAM HARDING
Direct: +44 (0) 20 7152 5756
Mobile: +44 (0) 7841 804 770
graham.harding@cushwake.com

Important Notice

Cushman & Wakefield gave notice to anyone who may read these particulars as follows:

1. These particulars are prepared for the guidance only of prospective purchasers. They are intended to give a fair overall description of the property but are not intended to constitute part of an offer or contract. 2. Any information contained herein (whether in the text, plans or photographs) is given in good faith but should not be relied upon as being a statement or representation of fact. 3. Nothing in these particulars shall be deemed to be a statement that the property is in good condition or otherwise nor that any services or facilities are in good working order. 4. The photographs appearing in this brochure show only certain parts and aspects of the property at the time when the photographs were taken. Certain aspects may have changed since the photographs were taken and it should not be assumed that the property remains precisely as displayed in the photographs. Furthermore no assumptions should be made in respect of parts of the property which are not shown in the photographs. 5. Any areas, measurements or distances referred to herein are approximate only. 6. Where there is reference in these particulars to the fact that alterations have been carried out or that a particular use is made of any part of the property this is not intended to be a statement that any necessary planning, building regulations or other consents have been obtained and these matters must be verified by any intending purchaser. 7. Descriptions of a property are inevitably subjective and the descriptions contained herein are used in good faith as an opinion and not by way of statement of fact. Subject to Contract. Designed and produced by TLGD.co.uk. July 2019.