

Prime Fitzrovia Freehold
Investment

NEWMAN STREET 40-44

LONDON W1



Investment Summary

- Freehold
- Prime Fitzrovia location between Fitzroy Place and Rathbone Square developments
- Excellent transport links with the new Crossrail (Elizabeth line) interchange at Tottenham Court Road (Dean Street) only 300 metres away
- 20,081 sq ft office and retail accommodation over lower ground, ground and five upper floors
- Flexible office floorplates of between 1,546 sq ft and 4,064 sq ft as two suites or single let
- Multi let to seven tenants with one office floor, one office suite and one retail unit vacant from 31.1.2022
- Producing a total rent of £1,148,090 pa reflecting just £57.17 psf overall

Offers are invited in excess of **£28 million** (Twenty Eight Million Pounds) reflecting a **Net Initial Yield of 4.0%** (purchaser costs of 2.4% for purchasing the share capital of the UK owning entity) and a capital value of **£1,394 psf**.

Regent's Park

Oxford Street

Fitzroy Place

40-44
NEWMAN STREET


Euston Station

Rathbone Square


Tottenham Court Road
(Dean Street Entrance)

King's Cross
St Pancras

Soho Square


Tottenham Court Road

FITZROVIA

SOHO



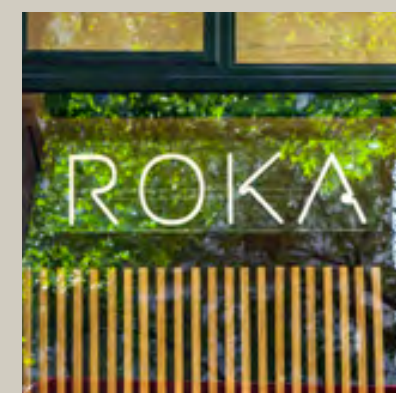
Location



The building is located in the prime southern end of Fitzrovia which is bordered by Oxford Street to the south, Regents Park to the North, Bloomsbury to the East and Regent Street to the West. The area is traditionally associated with office occupiers from the TMT sector with nearby tenants including Facebook, Saatchi & Saatchi, The Boston Consulting Group, Netflix, Sony and MTV.

Fitzrovia boasts an array of independent cafés, pubs, bars and restaurants including five Michelin starred restaurants. Nearby hotels include The Mandrake, The London Edition and Charlotte Street Hotel.

The area is also well served with gyms, fitness centres and spas, while Regent's Park provides green space for exercise and relaxation.



Restaurants

- 01 Berners Tavern
- 02 Gaucho
- 03 Hakkasan
- 04 Percy & Founders
- 05 Pied à Terre
- 06 Roka
- 07 Salt Yard
- 08 The Riding House Café

Occupiers

- 01 20th Century Fox
- 02 Arup
- 03 BBC
- 04 Boston Consultancy Group
- 05 BT
- 06 Dennis Publishing
- 07 Dolby
- 08 Estée Lauder
- 09 Facebook
- 10 Fremantle Media

Hotels

- 11 Google
- 12 Lionsgate Films
- 13 Major League Baseball
- 14 Netflix
- 15 New Look
- 16 Sony

Hotels

- 01 Charlotte Street Hotel
- 02 London Edition
- 03 The Mandrake Hotel

Communications



40-44 Newman Street is extremely well connected, with the following underground stations close by:

- Goodge Street, Northern Line 300m (4 minute walk) due East
- Tottenham Court Road, Central and Northern Lines 600m (7 minute walk) due South East
- Oxford Circus, Central, Victoria and Bakerloo Lines 800m (10 minute walk) due South West

In addition, the area is due to benefit from the imminent opening of The Elizabeth Line (Crossrail) which is due to open during the first half of 2022.

The Western entrance to the Tottenham Court Road Elizabeth Line station is currently under development on Oxford Street immediately opposite the Southern end of Newman Street. The station entrance at Dean Street will be c.300m from 40-44 Newman Street.

The Elizabeth Line is a new 117 km East West underground line, connecting Abbey Wood and Shenfield in the East to Heathrow and Reading in the West. Trains will operate at up to 90 mph and will enable direct access to areas of Central London without the need for interchange at one of the traditional Central London rail termini.

International Communications:

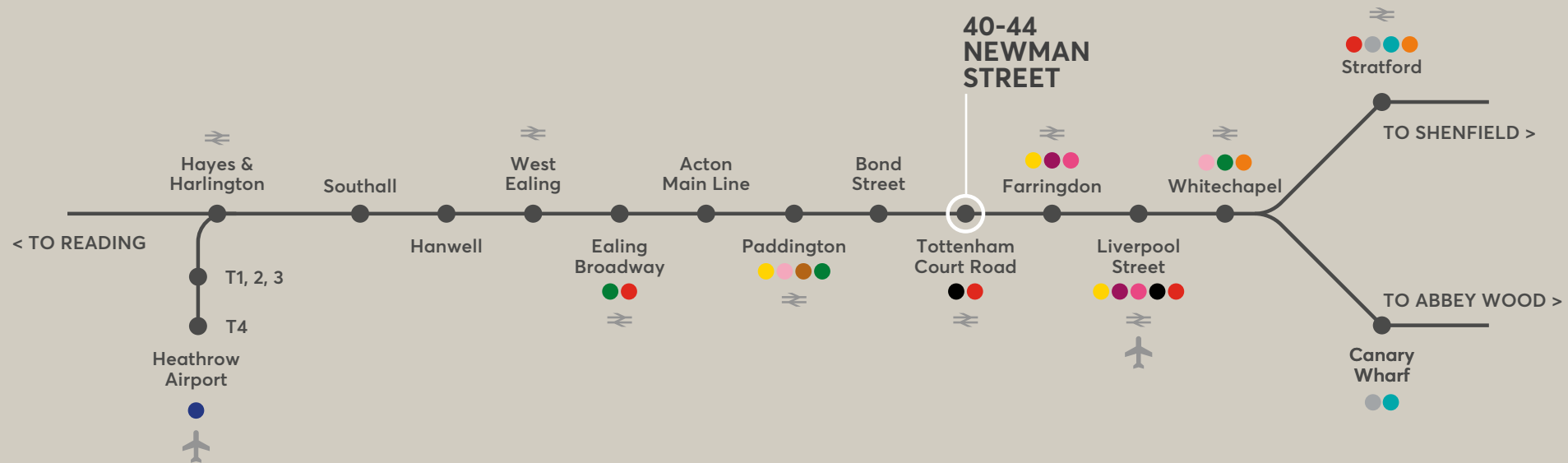
Heathrow
One of the world's major hub airports. Reachable from your front door at Newman in 40 minutes – and that is before Crossrail completes. heathrowairport.com

London City
A convenient hub for short-haul routes to Europe and just a Tube and DLR ride from Tottenham Court Road. londoncityairport.com

Eurostar
From the renovated St Pancras railway station. Eurostar provides an efficient link to Europe. St. Pancras is only 10 minutes from Newman Street by tube. eurostar.com

Travel times to/from Tottenham Court Road will be:

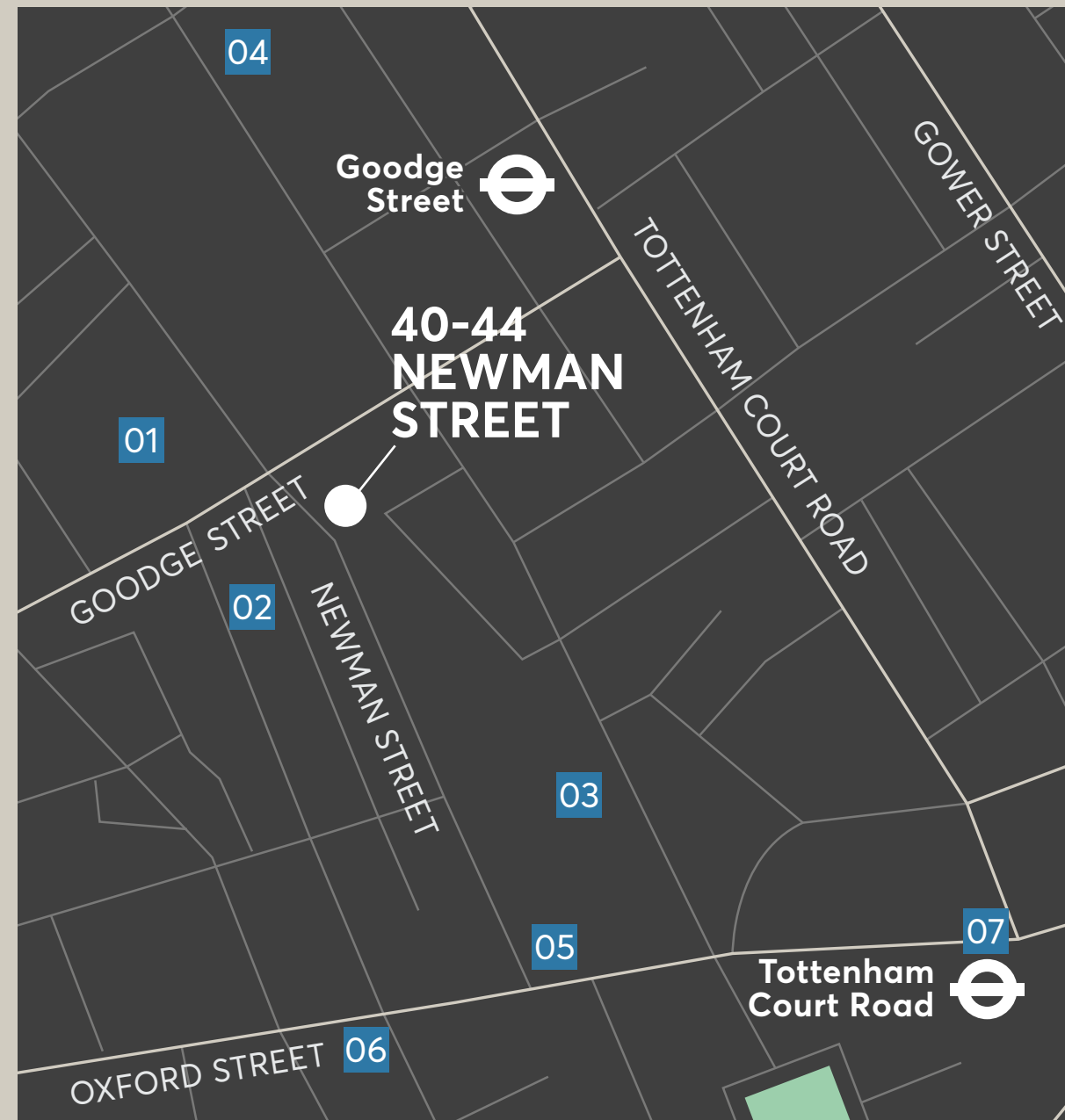
Bond Street	2 minutes
Farringdon	3 minutes
Liverpool Street	5 minutes
Paddington	5 minutes
Canary Wharf	12 minutes
Heathrow	28 minutes



Local Developments

SIGNIFICANT LOCAL DEVELOPMENTS

Numerous high profile developments have attracted major office tenants and continue to add to the vibrancy and amenity of the immediate area. These are shown on the map below; dates refer to practical completion.



LOCAL DEVELOPMENTS



01 Fitzroy Place, Mortimer Street

Year Completed: 2014
 Size: 250,000 sq ft + 289 apartments
 Developer: Exemplar and Aviva
 Owner: Ashby Capital
 Tenants: Netflix, Estée Lauder, London and Capital and LendInvest



02 The Copyright Building, 30 Berners Street

Year Redeveloped: 2017
 Size: 107,150 sq ft
 Developer: Derwent London
 Owner: Union
 Tenant: Capita



03 One Rathbone Square

Year Completed: 2017
 Size: 243,000 sq ft + 142 apartments
 Developer: GPE
 Owner: DEKA
 Tenant: Facebook



04 80 Charlotte Street

Year Completed: 2020
 Size: 377,000 sq ft + 55 apartments
 Developer: Derwent London
 Owner: Derwent London
 Tenants: Boston Consulting Group and Arup Group



05 Oxford House, 70/88 Oxford Street & 1 Newman Street

Year Completed: 2021
 Size: 124,000 sq ft
 Developer: GPE
 Owner: GPE
 Tenant: Exane



06 127-143 Oxford Street

Redevelopment Started: 2021
 Size: 85,000 sq ft
 Developer: Freshwater
 Owner: Freshwater
 Tenants: Vacant



07 Soho Place

Expected to Complete: 2022
 Size: 275,000 sq ft
 Developer: Derwent London
 Owner: Derwent London
 Tenants: G - Research and Apollo



Description



40-44 Newman Street was originally constructed around 1910 and has a handsome Edwardian façade with significant frontage to Newman Street. The attractive brick built frontage incorporates large ornate windows which provide an excellent level of natural daylight to the offices.

The lower ground floor is currently in medical use. The Ground floor provides three units with both retail and office use. First to Fifth floors are offices, generally in two suites but also capable of single occupation.

Floorplates vary from 1,546 sq ft (fifth) to 4,064 sq ft (lower ground) providing a wide range of flexibility and appeal to occupiers.

The office specification generally comprises:

- Air conditioning
- Perimeter trunking
- Exposed ceilings with suspended lighting
- 1 x 13 person passenger lift
- Demised WCs and kitchenettes
- Excellent natural light

Accommodation

Floor	Sq Ft	Sq M
Fifth	1,546	143.7
Fourth	1,951	182.8
Third	2,537	235.8
Second	3,121	290.1
First	3,141	291.9
Ground	3,721	345.8
Lower Ground	4,064	377.7
Total	20,081	1,867.8

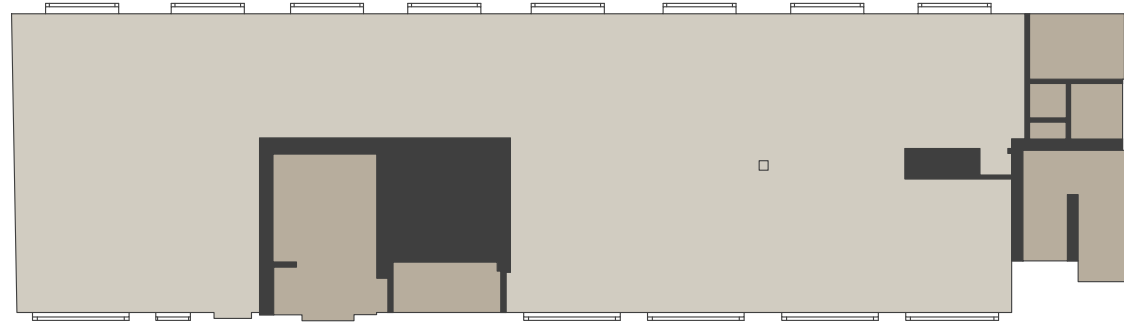
The building has been measured by Lane & Frankham Associates in accordance with The RICS Code of Measuring Practice (6th edition) and an assignment of this measured survey will be made available to the purchaser.



Floor Plans

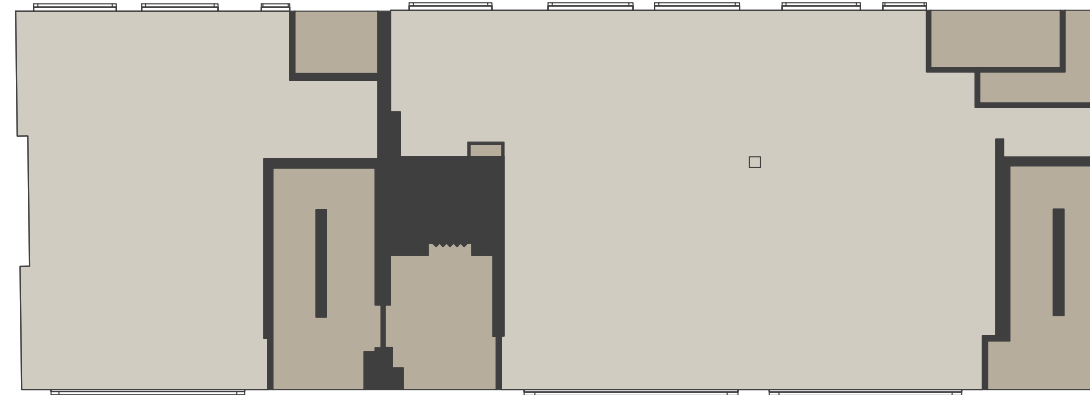
Fifth

1,546 sq ft (143.7 sq m)



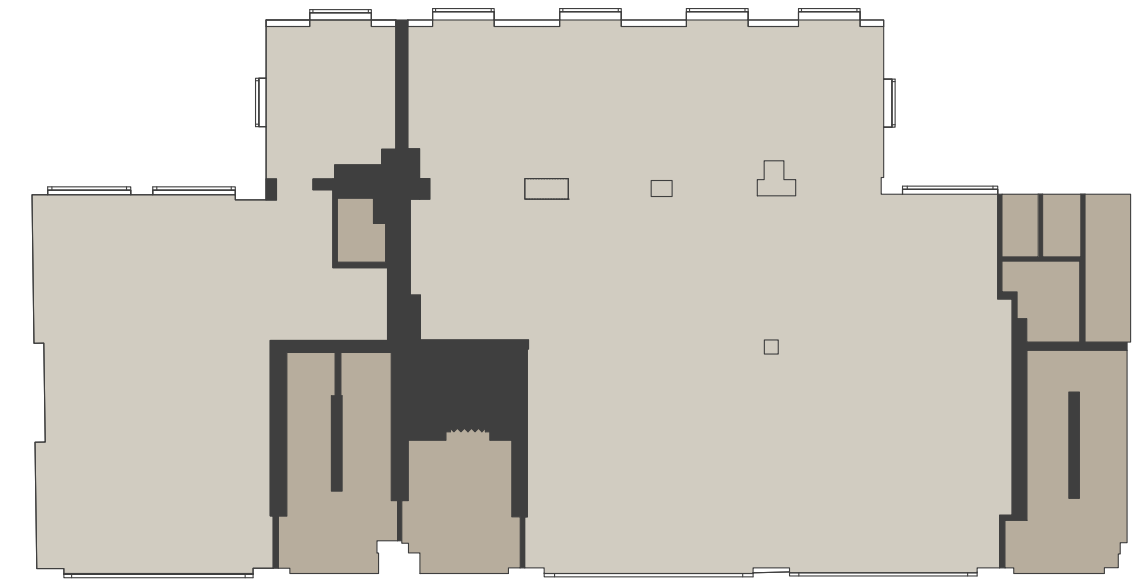
Fourth

1,951 sq ft (181.3 sq m)



Third

2,537 sq ft (235.7 sq m)

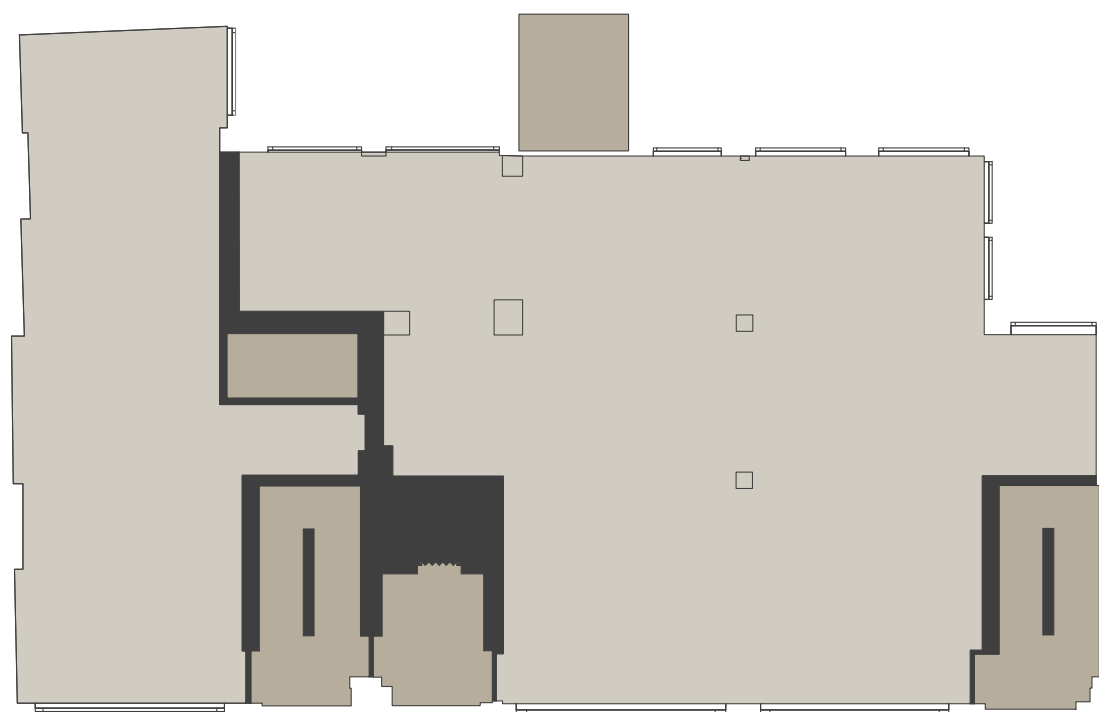


Second

3,121 sq ft (289.9 sq m)

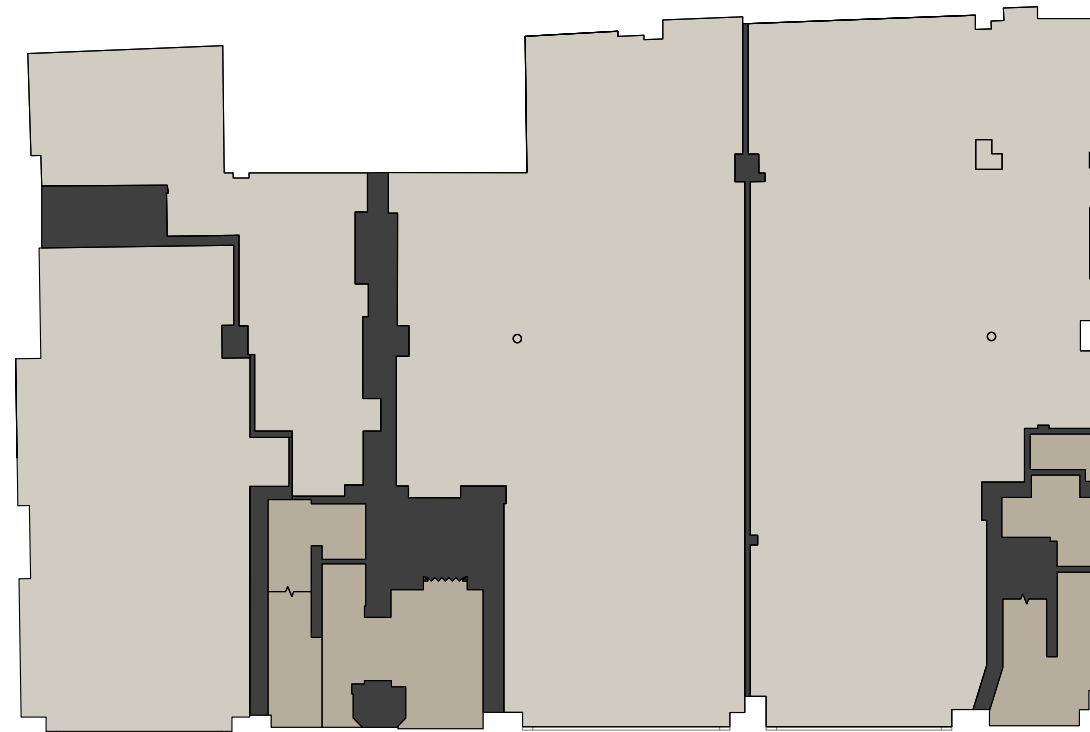
First

3,141 sq ft (291.8 sq m)



Ground

2,613 sq ft (242.8 sq m)



Lower Ground

4,064 sq ft (377.7 sq m)



Not to scale. Indicative only.



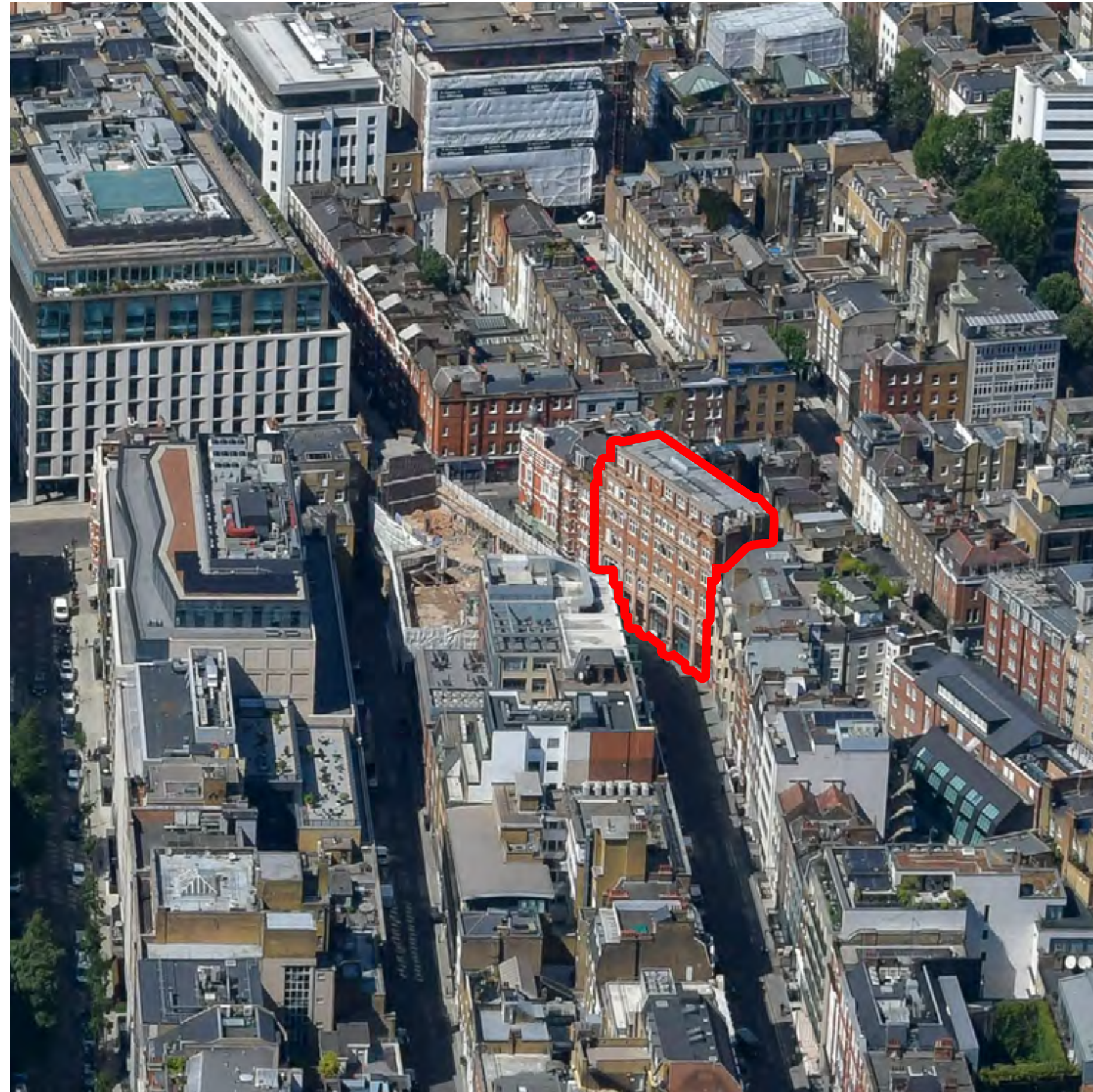


For Indicative purposes only.

Situation

40-44 Newman Street is located on the East side of Newman Street, toward the Northern End. It is c.30m from the junction with Goodge Street and c.300m from the junction with Oxford Street.

To the north end of Newman Street is Estée Lauder's headquarters at Fitzroy Place whilst at the southern end of Newman Street, recently completed Rathbone Place scheme is fully let to Facebook.



Tenure

Freehold.

Tenancy Schedule

The tenancy schedule below outlines the tenancies as at 1st February 2022. Until then certain units are let to different tenants at different rents – see notes in comments section.

In summary as at 1st February 2022:

20%

of the income is let on a 10 year term

50%

of the income is let for 3–5 years until expiry or breaks

30%

of the income will be by way of a 18 month rent guarantee

Floor	Tenant	sq ft	Lease Start	Lease End	Lease Break	Annual rent	Rent psf	Rent deposit	Notes
5th	FKS Capital Partners LLP	1,546	1.2.2022	31.1.2027		£92,760	£60.00		Tenant is vendor and would consider alternative lease arrangements by negotiation
4th North	Fitzrovia Management Ltd	656		31.7.2022		£ 40,000	£60.97	£24,000	—
4th South	Gerry Weber	1,295	1.2.2022	31.1.2027	31.1.2025	£77,700	£60.00	£46,620	Tenant break option at end of year 3
3rd North	Sassy Films Ltd	774	1.2.2022	31.1.2027	31.10.2024	£45,000	£58.14		—
3rd South	Ignition Creative London	1,763	1.2.2022	31.1.2027	31.1.2025	£105,780	£60.00	£63,468	Tenant break option at end of year 3
2nd North	Ignition Creative London	964	1.2.2022	31.1.2027	31.1.2025	£57,840	£60.00	£34,704	Tenant break option at end of year 3
2nd South	Ignition Creative London	2,157	1.2.2022	31.1.2027	05.7.2024	£129,420	£60.00	£77,652	Tenant break option at end of year 3
1st North	Vacant	981				£68,670	£70.00		Will be vacated on lease expiry, 31.1.2022 Thereafter 18 month vendor guarantee to be provided
1st South	Vacant	2,160				£151,200	£70.00		Will be vacated on lease expiry, 31.1.2022 Thereafter 18 month vendor guarantee to be provided
No 40 G	Vacant	1,362				£81,720	£60.00		18 month vendor guarantee to be provided. InHealth in temporary occupation during fit out of LG floor. Fitzrovia Management in negotiations for a new lease
No 42 G	Newman Studios Ltd	1,251	1.2.2022	31.1.2027	31.1.2025	£65,000	£51.95	£39,000	—
No 44 G	InHealth Limited	1,108	1.2.2022	31.1.2032		£233,000	£45.05	£139,800	Rent deposit for 2 years. Thereafter deposit may be released subject to tenant generating net profit of 3 times annual rent for 3 consecutive years
Entire Basement		4,064					£45.05		—
		20,081				£1,148,090	£57.17		

Tenant Covenants



FKS Capital Partners.

Company number OC386997

FKS Capital Partners was founded in 2013 by Fawzi Kyriakos-Saad, the former CEO of Credit Suisse Group for Europe, the Middle East and Africa. The global team is located across the UK, US and Lebanon and specialises in global real estate, financial markets and distressed credit.

fkscapitalpartners.com



InHealth Limited

Company number 05190234

InHealth provide an alternative to traditional supine MRI scans, enabling MRI scans to be undertaken in a seated, standing or lying down position. This avoids the traditional claustrophobic approach and can also provide improved scans of joints in their relaxed, natural position. The company has facilities in London Birmingham and Manchester.

inhealthgroup.com

GERRY WEBER

Gerry Weber

Company number 05250550

Since its foundation in 1973, GERRY WEBER International AG has developed into one of the best-known fashions and lifestyle companies. The group has sales structures in more than 60 countries and is one of the largest fashion groups in Germany.

group.gerryweber.com

IGNITION

Ignition Creative London

Company number 07802310

Ignition is a creative company that pioneers new forms of storytelling with technology. Founded in 2003, they have offices in London and LA and employ c.250 people.

ignitioncreative.com/london



Sassy Films Limited

Company number 05679362

Sassy are a global content creation, communications and distribution agency who work with brands, broadcasters and entertainment studios to produce and distribute all forms of digital and social media across increasingly varied media.

sassyfilms.com



That There Studio Limited

Company number 09288799

Newman Studios is a media studio that offer services from management to casting. The directors of Newman Studios have over 20 years of experience within the industry having previous established a successful casting studio in Soho before moving to Newman Street.

newmanstudios.co.uk



Planning

The building is not listed and lies within the Charlotte Street West Conservation Area.

A planning application was submitted to Westminster under reference 19/02326/FULL for erection of roof extension (including mezzanine) to provide additional office (Class B1) floorspace, alterations to rear facade, external alterations and associated works.

Value Added Tax

The property has been elected for VAT purposes.

Proposal

Offers are sought in the region of £28.0 million (Twenty Eight Million Pounds) reflecting a Net Initial Yield of 4.0% (assuming 2.4% costs for purchasing the share capital of the UK owning entity) and a capital value of £1,394 psf.