

5, 6 & 7 D'Arblay Street

London, W1F 8DL

A rare opportunity to acquire
2 adjoining Soho freehold buildings





Executive Summary

Prime freehold Soho office investments

Situated in the centre of Soho on D'Arblay Street with excellent access to the transport network and only 250 metres from crossrail (Tottenham Court Road Dean Street entrance)

Two adjoining period office buildings arranged over lower ground, ground and four upper floors together totalling 6,984 sq ft NIA

Both buildings are held freehold

Fully let to two long standing tenants at a rent of £404,000 per annum exclusive reflecting a low overall rent of £57.85 psf

PROPOSAL

We are seeking offers in excess of **£9,000,000**, subject to contract & exclusive of VAT, which reflects a **net initial yield of 4.21%**, based upon purchaser's costs of 6.68%, and a **low capital value of £1,288 psf**.



D'Arblay Street and Soho

LOCATION

Soho has a long standing reputation as one of Central London's most vibrant districts, and has since the 1960s been London's centre for fashion, night life, jazz and the film industry. Soho is bordered by Oxford Street, Regent Street, Charing Cross Road and Shaftesbury Avenue giving excellent access to the neighbouring sub markets of Fitzrovia, Mayfair, Covent Garden as well as superb connectivity to the Transport for London Network.

Although Soho has been subject to significant redevelopment in recent decades it has retained its appeal to London's most exciting retail, leisure and entertainment occupiers. Today Soho is often the go to location for new high end restaurants, artisan cafes, avant-garde theatres and boutique hotels.

Soho has exceptional connectivity to the Transport for London Network with access to the Central Line (Oxford Circus and Tottenham Court Road), Piccadilly Line (Oxford Circus, Piccadilly Circus) Northern Line (Tottenham Court Road) and soon the Elizabeth Line (Tottenham Court Road).

Its central Location and access to London's finest amenities has helped enhance Soho's position in the office market with many occupiers considering it their prime target for location, particularly those in the advertising, tech, media and film sectors.



CONNECTIVITY - WALKING DISTANCES

⊖	TOTTENHAM COURT RD 6 MINS
⊖	OXFORD CIRCUS 7 MINS
⊖	PICCADILLY CIRCUS 8 MINS
⊖	LEICESTER SQUARE 11 MINS
⊖	COVENT GARDEN 14 MINS
⊖	CHARING CROSS 16 MINS
⊖	GREEN PARK 16 MINS

D'Arblay Street Situation

SITUATION

D'Arblay Street is located towards the north of Soho approximately 150 metres south of Oxford Street. It runs east to west between the Poland Street, Berwick Street and Wardour Street.

It is less than a seven minutes' walk to four tube stations - Oxford Circus (Central, Bakerloo & Victoria), Tottenham Court Road (Elizabeth, Northern & Central), Piccadilly Circus (Bakerloo & Piccadilly) and Leicester Square (Northern & Piccadilly).

OFFICE OCCUPIERS

- 1. Apple
- 2. Twitter
- 3. Sony Pictures
- 4. M&C Saatchi
- 5. 20th Century Fox
- 6. Diageo
- 7. Och-Ziff
- 8. Clear Channel

RETAILERS

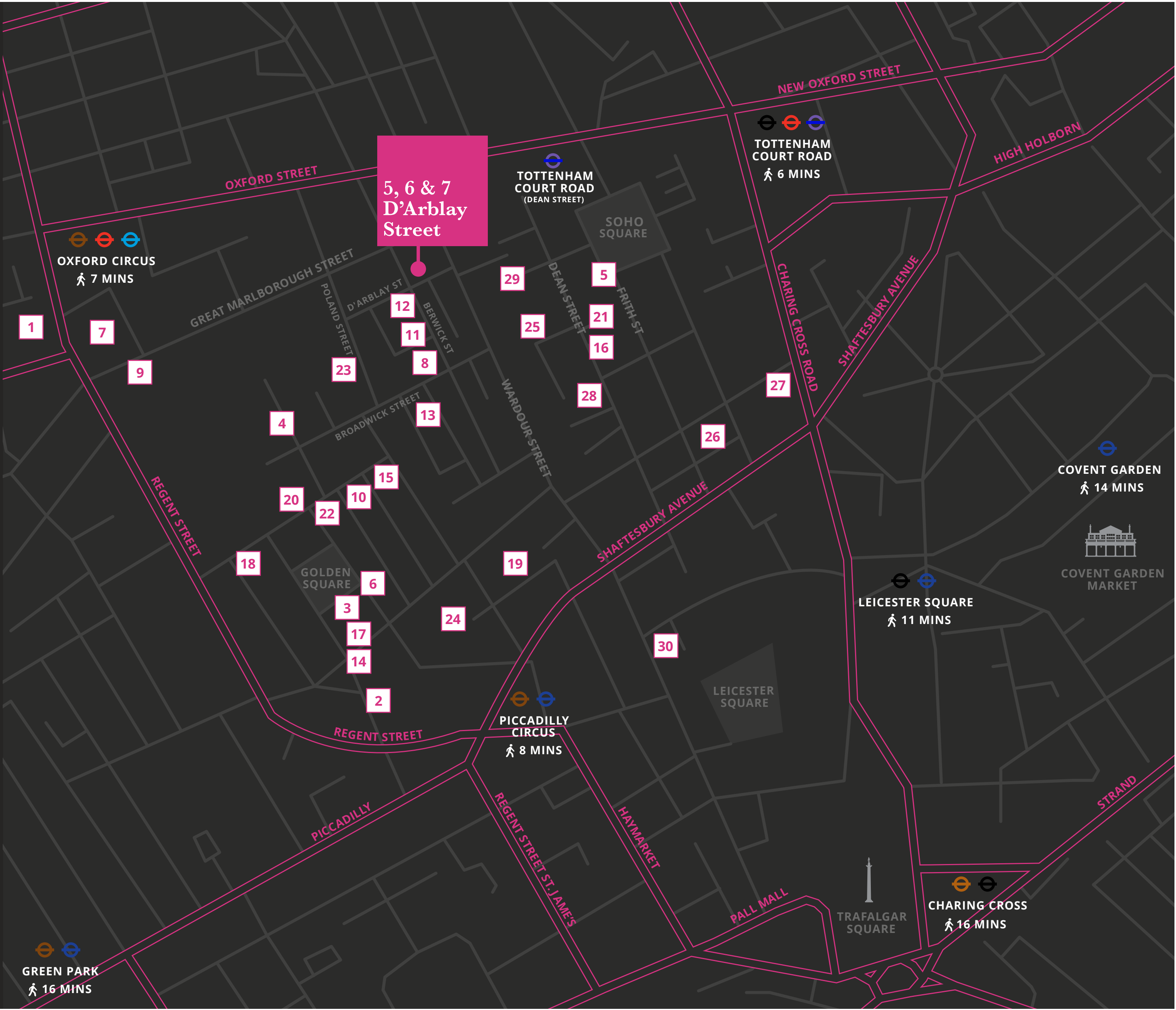
- 9. Liberty London
- 10. Paul Smith
- 11. Oliver Spencer
- 12. Nudie Jeans
- 13. Axel Arigato
- 14. Rapha
- 15. Rag & Bone

RESTAURANTS

- 16. Quo Vadis
- 17. Hix Soho
- 18. NOPI
- 19. Bocca Di Lupo
- 20. Polpo
- 21. Barrafinna
- 22. Bob Bob Ricard
- 23. Social Eating House

HOTELS

- 24. Ham Yard Hotel
- 25. Soho Hotel
- 26. Kettners Townhouse
- 27. Z Soho
- 28. Dean Street Townhouse
- 29. The Nadler
- 30. W Hotel



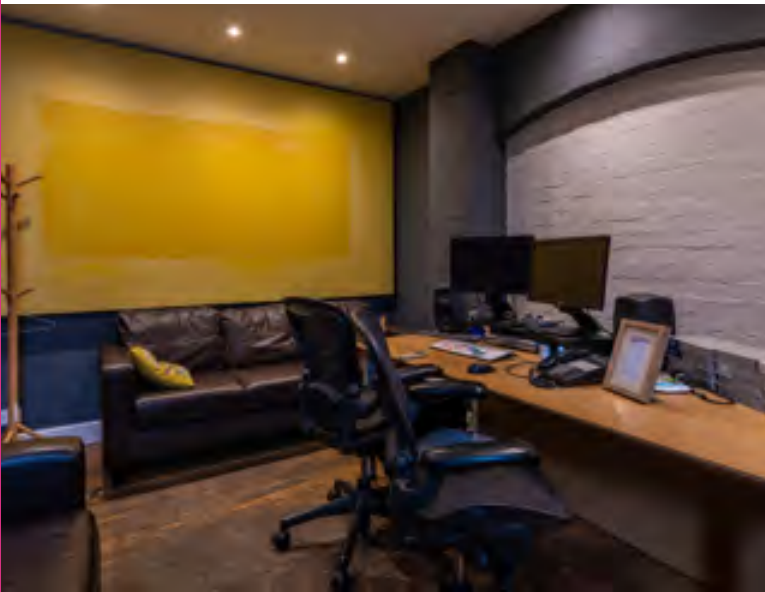


5, 6 & 7 D'Arblay Street

Two Distinct Buildings

5 D'Arblay Street is a mid-terrace Georgian office with a brick built façade and single glaze crittall windows on the front elevation. It provides c.2,154 sq ft over Lower Ground, Ground and four upper floors.

6 and 7 D'Arblay Street is a mid-terrace c.1930s office constructed with solid brickwork behind a stucco façade on the front elevation. The building has been configured to provide utmost flexibility to let to multiple occupiers. There are two entrances allowing for the ground and lower ground floor to be separately accessed to the upper parts and each of the upper floors can be separately leased . In total the building provides c.4,830 sq ft of accommodation over lower ground, ground and four upper floors.



5 D'Arblay Street Accommodation

The buildings have both been measured in accordance with the Code of Measuring Practice 6th Edition and provide for the following net internal areas:

5 D'ARBLAY STREET	SQ FT	SQ M
Fourth	319	29.6
Third	281	26.1
Second	312	29.0
First	357	33.2
Ground	566	52.6
Lower Ground	319	29.6
TOTAL	2,154	200.1



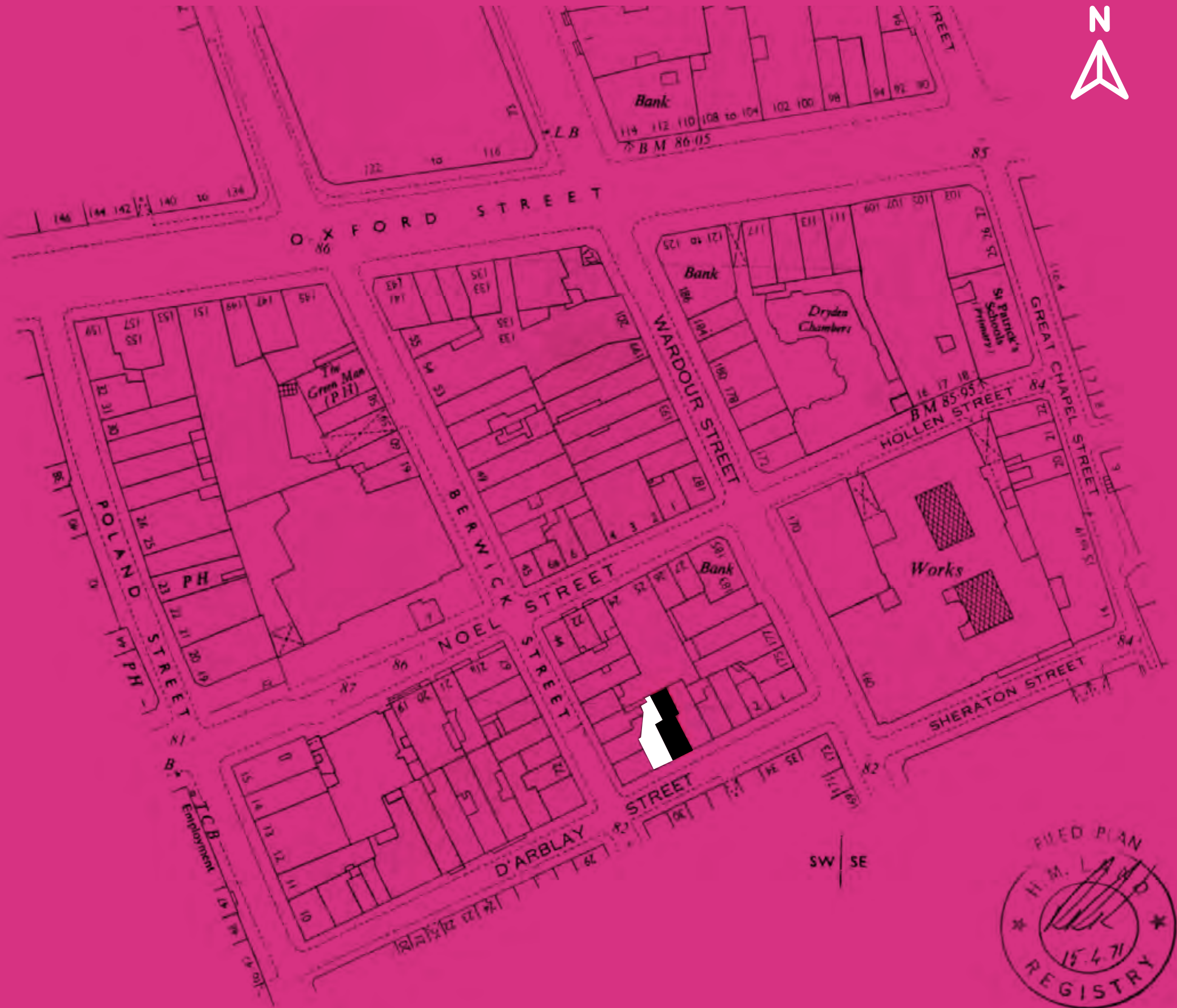
5 D'ARBLAY STREET

6 & 7 D’Arblay Street Accommodation

The buildings have both been measured in accordance with the Code of Measuring Practice 6th Edition and provide for the following net internal areas:

6 & 7 D'ARBLAY STREET	SQ FT	SQ M
Fourth	644	59.8
Third	672	62.4
Second	666	61.9
First	842	78.2
Ground	1,141	106.0
Lower Ground	865	80.4
TOTAL	4,830	448.7

Both building provide an overall net internal area of 6,984 sq ft.



6 & 7 D'ARBLAY STREET (WESTERN)

6 & 7 D'ARBLAY STREET (EASTERN)

Fully Let to Two Tenants

TENURE

The two properties are held Freehold.

TENANCY

The property is fully let to two tenants producing a total rental income of £404,000 per annum exclusive which equates to a low overall rent of £57.85 psf.

5 D'ARBLAY STREET

Let in its entirety to Steam Motion and Sound UK Ltd by way of a ten year lease to expire on 18 November 2027 at a passing rent of £145,500 pax which equates to £67.54 psf overall. There is a tenant's break clause and upwards only rent review on 19 November 2022 with the break being subject to 6 months' prior written notice. Following Covid a deed of variation was agreed to reduce the rent to £72,750 pax until the rent review but also the inclusion of a break penalty of £72,750 plus VAT should the tenant exercise the break. For the purposes of this disposal the vendor will top up to the headline level to the expiry of the variation agreement. The lease is contracted out of Sections 24-28 of the L&T Act 1954.

6 & 7 D'ARBLAY STREET

Let in their entirety to Platform Post Production Limited by way of a 15 year lease (without break) to expire on 11/05/2029 providing c.7.9 years to expiry at a passing rent of £258,500 pax which equates to £53.52 psf overall. There is an upwards only rent review due on 12 May 2024 to the open market rental value. The lease is inside the 1954 Act.



D'Arblay Street Tenants

STEAM MOTION & SOUND LIMITED (CRN: 04215069)

Steam Motion and Sound is a producer of broadcast, digital, film and social content who specialise in working for world leading music companies and theatre producers. Their clients include National Theatre, Warner Bros and Disney Theatre Group. 5 D'Arblay Street is their UK head office, they have two further offices in New York and Australia. The company had Net Assets of £1,660,047 in the most recent set of accounts (Year End December 2019).



PLATFORM POST PRODUCTION LIMITED (CRN: 04215069)

Platform Post is a Bafta and Emmy award winning post production house. Their work includes the UK Apprentice and BBC comedies Josh and This Country. 6-7 D'Arblay Street is their only office. The company had Net Assets of £534,034 in the most recent set of accounts (Year End September 2019).



STEAM

PLATFORM POST

Soho Investment Market

Soho has continued to be a popular location for property investors, even through Covid-19, due to its excellent connectivity and popularity with occupational tenants with the potential for growth still prominent within the decision making process. This is evidenced by the schedule of transactions listed below:

DATE	ADDRESS	TENURE	PRICE	NIY	CAPITAL VALUE (PSF)	BUYER
Sep 2021	55 – 56A Poland Street, W1	FH	Quoting £14,995,000	4.00%	Quoting £1,602	Under Offer
Sep 2021	1-5 Poland Street, W1	FH	£42,500,000	4.19%	£1,573	Aquarelle
Jun 2021	45 Great Marlborough Street, W1	FH	£30,500,000	2.50%	£1,650	Royal London
Nov 2020	36-38 Soho Square, W1	FH	£22,100,000	4.03%	£1,498	Acai Group
Sep 2020	44 Whitfield Street, W1	FH	£19,500,000	4.50%	£1,621	Private European Investor
Jul 2020	2-4 Soho Place, London, W1D 2DA	LHH	£40,500,000	-	£2,201	Sir Lloyd Dorfman
Apr 2020	Maple & Midford, 4-8 Maple Street, W1	FH	£32,250,000	4.27%	£1,580	Zima Capital



Office Leasing Market

Soho has always had a strong appeal to some of the most exciting names in business, film, television and music and demand has remained strong throughout COVID with prime rents now exceeding £100.00 psf. Significant investment into the location and upgraded connectivity has further strengthened Soho’s appeal leading to supply constraints and a low vacancy rate of 3.1% against a wider Central London rate of 5.7%. Demand for office suites of 1,000-3,000 sq ft remains particularly strong as evidenced by recent market activity.

DATE	ADDRESS	SIZE (SQ FT)	RENT (PSF)	COMMENT
Q3-21	12-13 Kingly St W1	1,421	£79.50	Cat A. 5 years.
Q3-21	49 Carnaby St W1	1,757	£75.00	Cat A+ Space. 5 Years, TB year 3.
Q3-21	50 Marshall St W1	1,787	£77.50	Cat A+. 5 years.
Q3-21	50 Marshall St W1	1,862	£76.00	Cat A. 5 years. TB year 3.
Q2-21	20 Noel St W1	1,195	£76.00	Cat A+ space. 5 years, TB year 2.
Q2-21	35 Great Marlborough St W1	1,026	£71.50	Cat A+ space. 5 years, TB year 2.
Q1-21	25 Kingly St W1	3,771	£85.00	Cat A. 5 years, TB year 3.
Q1-21	50 Marshall St W1	1,464	£87.50	Cat A+ space. 5 years, TB year 3.
Q4-20	27-29 Beak St W1	1,488	£75.00	Cat A. 5 years, TB year 3.



Further Information

EPC

5 D'Arblay Street has an EPC rating of E
6 D'Arblay Street has an EPC rating of E
7 D'Arblay Street has an EPC rating of D

VAT

Both properties have been elected for VAT and it is therefore intended that any transaction will be structured as a TOGC.

ANTI-MONEY LAUNDERING

In order to comply with anti-money laundering legislation, the preferred purchaser will be required to provide acceptable identification documents.

PRICING

We are seeking offers in excess of **£9,000,000, subject to contract & exclusive of VAT, which reflects a net initial yield of 4.21%, based upon purchaser's costs of 6.68%, and a low capital value of £1,288 psf.**



OLIVER SPERO

Mobile: 07887 532572
Email: oliver.spero@cyrilleonard.co.uk



MARK HARRISON

Mobile: 07798 605325
Email: mark.harrison@cyrilleonard.co.uk



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