

PRIME FREEHOLD OFFICE AND RETAIL INVESTMENT IN CENTRAL SOHO

55-56

POLAND STREET
SOHO, LONDON W1F 7NN



Cyril
Leonard

EXECUTIVE SUMMARY

- Rare opportunity to purchase a prime former warehouse building in Soho.
- The property is arranged over lower ground, ground and five upper floors, totalling 9,358 sq ft (NIA) and 12,343 sq ft (GIA).
- The property comprises offices from Lower Ground to the Fifth floor with one retail unit at ground floor.
- Freehold.
- Multi let to six tenants at a total passing rent of £665,280 p.a.x (including vendor's rental top up on 2nd floor) equating to a low £71.09 per sq ft overall.
- Excellent potential for rental growth with prime Soho and Fitzrovia rents now in excess of £100 per sq ft.
- Planning consent granted in May 2019 to extend at the rear on ground level and at the fifth floor creating 1,508 sq ft (140 sq m) of extra B1 office accommodation.

PROPOSAL

We are instructed to invite offers in excess of **£12,500,000**, subject to contract and exclusive of VAT. This reflects a **Net Initial Yield of 5%** after purchaser's costs of 6.72% and a **capital value of £1,336 per sq ft on the NIA** and **£1,013 per sq ft on the GIA**.



LOCATION & SITUATION

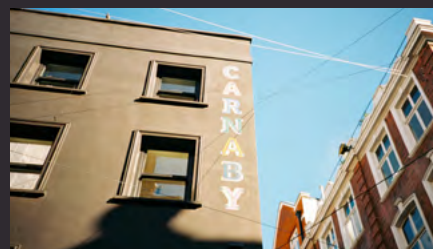
The property lies in the heart of Soho, on the Western Side of Poland Street which runs North to South, between Oxford Street and Broadwick Street respectively.

Four of the major West End stations lie within 0.5 miles giving the property unrivalled connectivity to Central London through Central, Bakerloo, Victoria, Northern and Piccadilly lines, as well as the new Elizabeth Line only a 7 minute walk away via the Dean Street entrance of the newly improved and expanded Tottenham Court Road station, dramatically improving connectivity and reducing travel times to Farringdon, Canary Wharf and Heathrow Airport.

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.

Today Soho is often the go to location for new high end restaurants, artisan cafés, avant-garde theatres and boutique hotels.

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.



IN GOOD COMPANY

OFFICE OCCUPIERS:

1. Meta
2. 20th Century Fox
3. Twitter
4. Sony Pictures
5. Diageo
6. Muse Developments
7. Google
8. M & C Saatchi
9. Sculptor Capital Management
10. Telefonica
11. Boohoo
12. Nike
13. King

HOTELS:

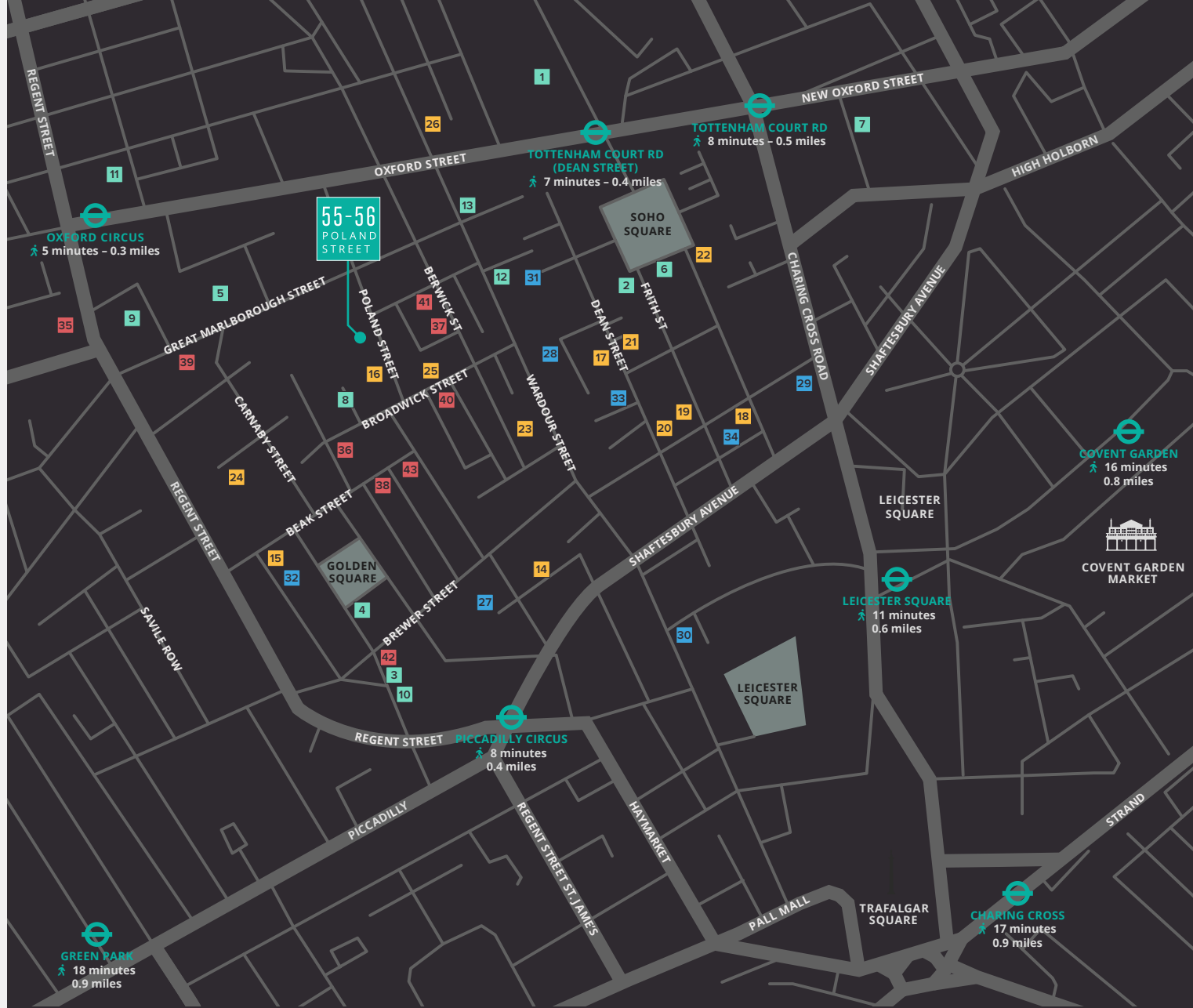
27. Ham Yard Hotel
28. Soho Hotel
29. Z Hotel
30. W London
31. The Resident
32. Sanctum
33. Dean Street Townhouse
34. Kettner's Townhouse

BARS & RESTAURANTS:

14. Bocca di Lupo
15. NOPI
16. Social Eating House
17. Soho House Dean Street
18. Soho House Greek Street
19. Ronnie Scotts
20. The Groucho Club
21. Barrafin
22. Milroy's of Soho
23. Berwick Street Market
24. Kingly Court
25. The Ivy
26. Berners Tavern

RETAIL:

35. Apple
36. END
37. Oliver Spencer
38. Paul Smith
39. Liberty London
40. Axel Arigato
41. Nudie Jeans
42. Rapha London
43. Rag & Bone



Floor	Use	Sq M (GIA)	Sq Ft (GIA)	Sq M (NIA)	Sq Ft (NIA)	Floor to ceiling height (M)
Basement	Office	240.5	2,589	195.8	2,108	3.26
Ground	Retail	178.4	1,921	126	1,357	3.52
First	Office	160.0	1,722	124.4	1,338	3.18
Second	Office	159.6	1,718	122.8	1,322	2.96
Third	Office	161.4	1,737	119.5	1,287	2.77
Fourth	Office	156.6	1,685	95.6	1,029	2.85
Fifth	Office	90.2	971	85.2	917	3.01
Total		1,146.7	12,343	869.3	9,358	

FIFTH FLOOR

TENURE & TENANCY

The Property is held Freehold.

The buildings are not listed and fall within the Soho Conservation Area.

The property is multi-let to six tenants as follows:



Address	Floor	Tenant	Description	Area (Sq ft)	Rent (£p.a.) exc VAT	Rent £psf	Lease Start	Lease Expiry	Comments
55 & 56 Poland Street W1	Ground & Lower Ground Floors	Molinare TV and Film Limited	Offices	Total 2,946 Ground: 838 Lwr Gnd: 2,108	£120,550	£41	19/07/2022	18/07/2025	Outside the Act – tenant only break option at expiry of the 2nd year on 6 months' notice. £30,170.50 rent deposit. SC cap £4.50psf + RPI. Initial 3 month rent free period by way of first 6 months at half rent. Additional 3 month rent free period at the commencement of the 3rd year if the break option is not exercised.
56A Poland Street W1	Ground Floor	Smilepod	Retail A1/A2 & D1 Cosmetic Dentistry	519	£51,000	£98	01/04/2022	31/03/2024	Outside the Act – mutual break after 01/04/2023 on 3 months' notice.
	First Floor	PlayStack	Offices	1,338	£66,000	£49	01/04/2022	31/03/2024	Mutual break after 12 months on 3 months' notice Outside the Act. s/c cap at £9k
	Second Floor	Vacant	Offices	1,322	£85,930	£65	-	-	12 month rental top up (£65 psf exclusive) £85,930 pa exclusive.
	Third Floor	SOAC	Offices	1,287	£190,800	£148	01/04/2022	31/03/2024	Occupied on a short term fully inclusive licence Outside the Act. Any time after 04/01/2023 mutual 3 month notice.
	Fourth Floor	Trainer Shepherd Phillips Melin Haines LLP	Offices	1,029	£55,000	£53	31/07/2020	31/12/2022	Either party has a rolling break option on 3 months' notice effective 31/03/2022. Outside the Act. S/C capped at £6k plus RPI.
	Fifth Floor	Soller Group	Offices	917	£96,000	£105	01/04/2022	31/03/2024	Outside the Act. Service charge £6k pa.
Total				9,358	£665,280 pa inc proposed rental top ups	12,343 sq ft GIA			

SOHO OCCUPATIONAL 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 the last few years 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 against wider Central London.

Demand for office suites of 1,000-3,000 sq ft remains particularly strong as evidenced by recent market activity below:

Date	Address	Size (Sq Ft)	Rent (psf)	Comment
Jul-22	51 - 53 Great Marlborough Street	4,675	£75.00	CAT A. 5 years.
Jul-22	4 Golden Square	1,325	£87.50	CAT A+. 5 years.
Jun-22	22 Soho Square	1,823	£75.50	CAT A. 5 years. TOB 2025
Apr-22	71 Broadwick	1,755	£79.50	CAT A. 5 years.
Feb-22	25 Kingly Street	3,771	£88.50	CAT A+.
Sep-21	50 Marshall Street	1,881	£87.50	CAT A.
Sep-21	12-13 Kingly Street	1,421	£79.50	CAT A. 5 years.
Sep-21	49 Carnaby Street	1,757	£75.00	CAT A+. 5 years. TOB year 3.
Aug-21	50 Marshall Street	1,787	£77.50	CAT A+. 5 years.



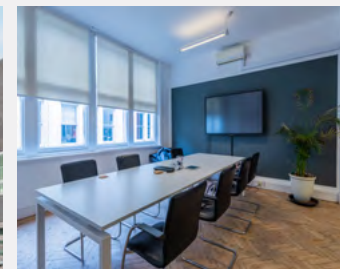
In 2022 Soho has had vacancy rates of c.5.0%, significantly lower than that seen in City of London of c.9.00%.



SOHO INVESTMENT MARKET

Soho has continued to be an extremely popular location for property investors, due to its excellent connectivity, rich culture and popularity with occupational tenants with the potential for growth still prominent within the investment decision making process. This is evidenced by the schedule of transactions listed below:

Date	Address	Tenure	Area (Sq Ft)	Price	NIY	Price PSF	Buyer
May-22	12 Soho Square	FH	16,831	£23,300,000	-	£1,381.38	ARAX Properties Ltd
Apr-22	5 D'Arblay Street	FH	2,154	£3,200,000	4.50%	£1,485.00	Private UK
Feb-22	6-7 D'Arblay Street	FH	4,830	£5,900,000	4.38%	£1,221.00	London Buildings Camden Ltd
Dec-21	72 Old Compton Street	FH	2,285	£4,410,000	4.01%	£1,926.00	Private UK
Dec-21	10 Irving Street	FH	3,955	£6,940,000	3.40%	£1,755.00	Private Overseas
Sep-21	1-5 Poland Street	FH	21,780	£42,550,000	4.18%	£1,574.99	Aquarelle
Jun-21	64 66 New Oxford Street	FH	27,007	£34,900,000	3.98%	£1,375.80	New Ireland Assurance Property Fund
Jun-21	50 Frith Street	FH	3,485	£5,235,000	4.04%	£1,398.24	ACAI Group Ltd
Jun-21	45 Great Marlborough Street	FH	18,485	£30,500,000	2.50%	£1,650.00	Royal London
Mar-21	20 Golden Sq & 5-8 Lower John St	FH	24,701	£47,500,000	3.72%	£1,923.00	Weybourne Partners



CONSENTED DEVELOPMENT

In May 2019 planning consent was granted for the erection of single storey infill extension at rear ground floor level and erection of extension at rear fifth floor level within existing terrace to provide additional office accommodation (Class B1); relocation of terrace at rear fifth floor level; alterations to rear stair/lift enclosure over first to fifth floor levels.

More information can be found on the Westminster Planning Portal under Ref. No: 19/01604/FULL.



POLAND STREET ELEVATION PROPOSED



REAR ELEVATION PROPOSED

FURTHER INFORMATION

VAT

The property has been elected for VAT and it is therefore intended that any transaction will be structured as a TOGC.

EPC

EPCs are available on the dedicated dataroom – details available on request.

ANTI-MONEY LAUNDERING

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

PROPOSAL

We are instructed to invite offers in excess of **£12,500,000**, subject to contract and exclusive of VAT. This reflects a **Net Initial Yield of 5%** after purchaser's costs of 6.72% and a **capital value of £1,336 per sq ft on the NIA and £1,013 per sq ft on the GIA.**



Misrepresentation Act. SUBJECT TO CONTRACT AND EXCLUSIVE OF VAT Cyril Leonard give notice that (i) these particulars do not constitute, nor constitute any part of, an offer or a contract; (ii) all statements contained in these particulars as to these properties are made without responsibility on the part of Cyril Leonard (iii) none of the statements contained in these particulars as to these properties are to be relied on as statements or representations of fact; (iv) any intending purchasers or lessees must satisfy themselves by inspection or otherwise, as to the correctness of each of the statements contained in these particulars; (v) the vendors or lessors do not make or give, and neither Cyril Leonard nor any person in their employment has authority to make or give, any representation or warranty whatever in relation to this property. Unless otherwise stated, all prices and rents are quoted exclusive of Value Added Tax (VAT). Any intending purchasers or lessees must satisfy themselves independently as to the incidence of VAT in respect of any transaction. SEPTEMBER 2022

Design and production by Kubiak Creative www.kubiakcreative.com 225322 09/22



MARK HARRISON
07798 605 325
mark.harrison@cyrilleleonard.co.uk



OLLY SPERO
07887 532 572
oliver.spero@cyrilleleonard.co.uk



PATRICK BEECH
07748 596 126
patrick.beech@cyrilleleonard.co.uk

