

**30-36
BRUSHFIELD STREET
LONDON E1 6AT**

KLM
REAL ESTATE



PRIME CITY OF LONDON RETAIL INVESTMENT

INVESTMENT SUMMARY

- Prime City of London location opposite Spitalfields Market.
- Multi-let investment occupied by a diverse mix of convenience, 'grab & go' food and fashion retailers.
- Strong covenants.
- Long leasehold with 237 years unexpired on headlease.
- Low global rents with growth potential.
- Net income £259,800 pa.
- 6.3 year WAULT to expiry.
- Attractive lot size.

We have been instructed to seek offers in the region of **£3,500,000**, subject to contract and exclusive of VAT. A purchase at this level would reflect an **initial yield of 7.00%**, after allowing for standard purchaser's costs of 6.8%.



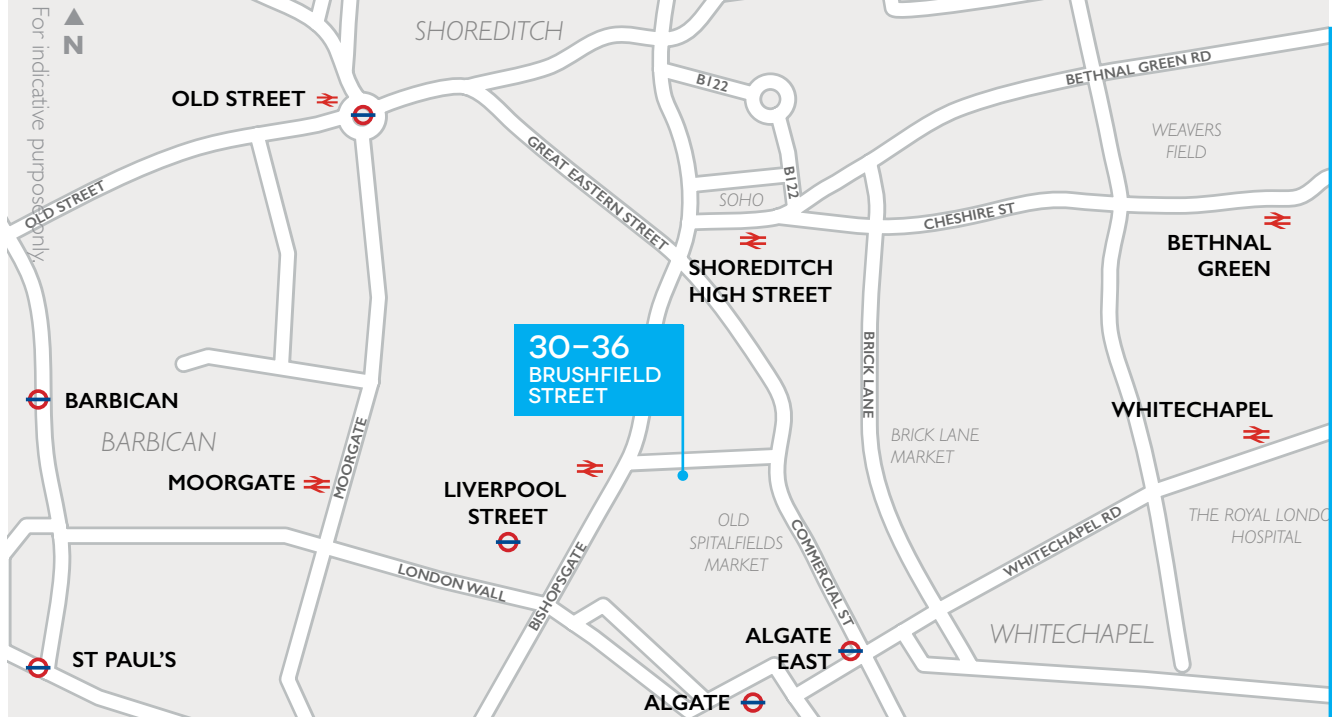
LOCATION

Spitalfields is a hugely busy part of the City of London just 500m from London Liverpool Street station – one of the main commuter hubs for the City. The area is centred on Spitalfields Market which has been transformed from its Victorian wholesale market origins to a public market with independent retailers and jewellers mixed in with modern largely independent F&B stalls and a strong leisure offer. The market and surrounding area is now one of London's major attractions.

Brushfield Street itself lies just east of Bishopsgate (150m north of Liverpool Station) and provides a mixture of High Street multiple retail (Marks & Spencer, Anthropologie, Cos, Hotel Chocolat and Uniqlo) and independent retail, 'grab & go' food and restaurants.

The location has a high footfall which is driven by the huge numbers of office occupiers in the locality. These include tech companies who like the location given the proximity to Shoreditch 'tech-hub' and more traditional companies such as RBS, Allianz Global, Allen & Overy and Ashurst. In addition, Spitalfields is a very popular residential area which has seen Brushfield Street / Spitalfields Market establish itself as a 7 day a week retail and leisure location. Other nearby destinations include Brick Lane and The Truman Brewery are a 2 minute walk away and Shoreditch High Street is a 5 minute walk away.





CONNECTIVITY

Liverpool Street is one of the busiest stations in the UK and has excellent communications with both National Rail and London Underground operating from the station.

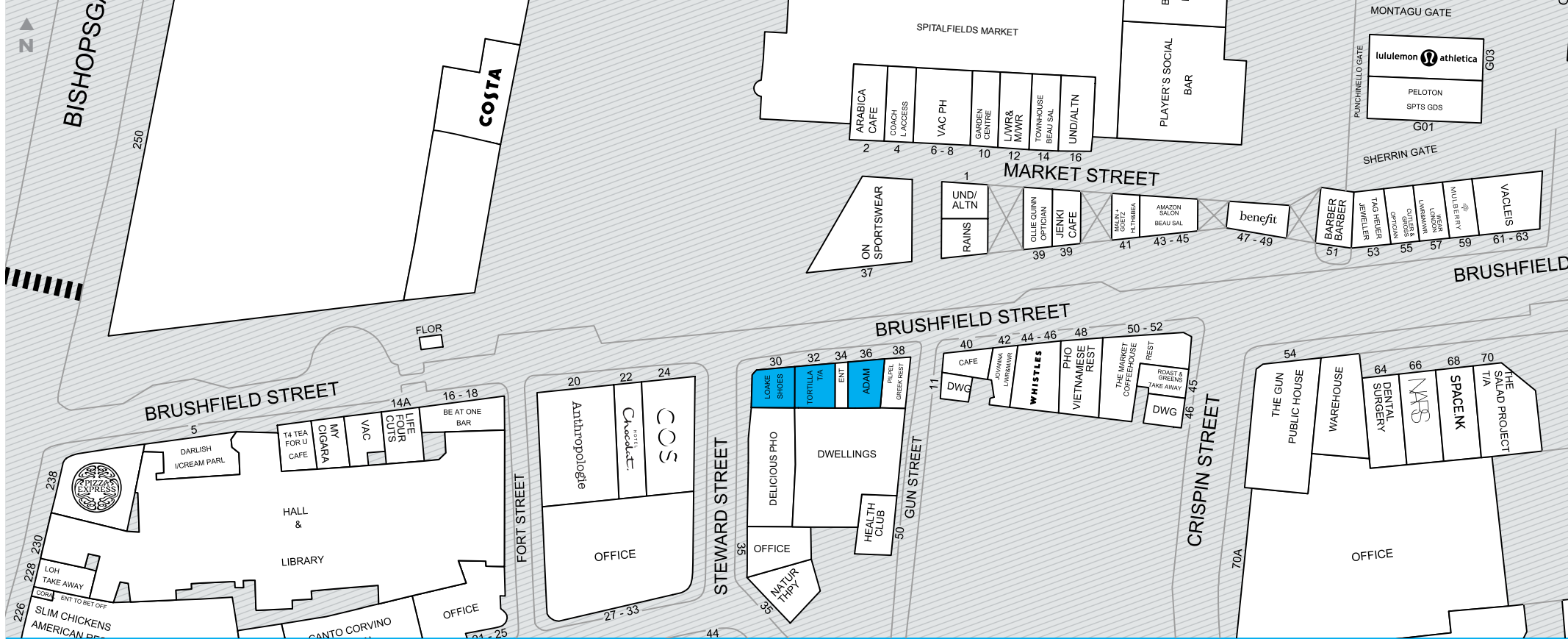
The National Rail station is a commuter hub for the East of England with **journey times from Liverpool Street**



Liverpool Street Underground station lies on the Central, Circle, Hammersmith & City, Metropolitan and Elizabeth Lines which provide access to the West End, London Bridge, London Waterloo, Paddington and London Heathrow.

The new Elizabeth Line provides fast and frequent services with **journey times from Liverpool Street**





DESCRIPTION & ACCOMMODATION

The property comprises the ground floor and basement of 30-36 Brushfield Street as set out in the following net internal areas:

30 Brushfield Street	sq ft	32 Brushfield Street	sq ft	36 Brushfield Street	sq ft
GF Sales	458	GF Sales	509	GF Sales	415
GF ITZA	444	GF ITZA	473	GF ITZA	389
Bas Anc	326	Bas Anc	359		
Total	784	Total	868	Total	415

The upper floors are residential and do not form part of the sale. We understand they are 'sold off' on a long leasehold basis.

TENURE

The property is held on a long leasehold basis on a 250 year lease from 2nd August 2011 at a current ground rent of £200 pa subject to increases of £50 every 25 years. There are therefore over 237 years unexpired.

TENANCIES

The property is let on 3 IRI leases at a total gross income of **£260,000 per annum** as detailed below:

30 Brushfield Street

Let to Loake Brothers Ltd on a lease expiring 4 July 2028 at a current rent of £95,000 pa. There are approximately 4 years unexpired.

32 Brushfield Street

Let to Mexican Grill Ltd on a lease expiring 5 April 2033 at a current base rent of £90,000 pa plus an 8% turnover top up above the base rent. There are approximately 9 years unexpired.

36 Brushfield Street

Let to Adam Grooming SM Ltd on a lease expiring 31 August 2030 at a current rent of £75,000 pa. There is a tenant's break option in September 2025. There are approximately 6 years unexpired (1.25 years to break).

The net rent after deduction of the headrent of **£259,800 per annum**.

The current WAULT is 4.9 years to break and 6.3 years to expiry.



COVENANT STATUS

We set our below summary financial information on the tenants as follows:

Loake Brothers Ltd

Established in 1880, Loake have been making formal men's shoes for almost 150 years. They have 20 stores in the UK and a further 7 in mainland Europe and Ireland.

Year Ending	31.12.2022	31.12.2021	31.12.2020
Turnover	£24,469,057	£16,537,801	£15,196,631
Pre-Tax Profit	£3,814,024	£1,013,958	£784,434
Net Worth	£27,470,095	£25,166,700	£24,745,999



Mexican Grill Ltd (t/a Tortilla)

Tortilla was founded in 2007 and is the UK's largest fast-casual Mexican restaurant brand in the UK with over 80 sites (including Chilango). The majority of Tortilla's restaurants are located in London and the South East.

Year Ending	03.01.2023	02.01.2022	03.01.2021
Turnover	£54,811,735	£47,857,672	£26,832,846
Pre-Tax Profit	£451,629	£4,843,658	(£768,050)
Net Worth	£5,209,883	£4,105,899	£1,005,561

Adam Grooming SM Ltd (t/a Adam Grooming)

Adam Grooming are a high end gentlemen's barbers with 14 shops in the City of London and the West End. They are shortly to open their first shop overseas in New York.

The parent company Adam Grooming Atelier Ltd has a Net Worth of £2.3M (y/e 12/2022).



RENTAL LEVELS

The latest rental evidence comes from the subject property as follows:

32 Brushfield Street

Let to Tortilla in April 2023 at £183.22 Zone A.

30 Brushfield Street

Loake - Regearred June 2023 at £206.39 Zone A.

We therefore think the ERV Zone A rate for the property is £200 Zone A, which equates to £268,050 per annum (£267,850 per annum net of headrent).

However, we are aware of numerous retail / 'grab & go' requirements for this locality and if you were able to get a unit back we believe global rent of in excess of £100,000 could be achieved. We are aware of requirements from the likes of Lovisa, New Era, Cinnaban and Ted's Grooming Room.

CITY OF LONDON

INVESTMENT MARKET

The City of London market has seen renewed interest post the reset of rental values due to Covid / lockdowns. For example, the subject property has seen a rental decline of c. 20% over the period pre-Covid to now. Now that City workers are close to being back in the office full time, investors are re-looking at investments in the City due to the bounce back rental growth prospects.

Recent deals include:

19-23 LUDGATE HILL, EC4

GF and basement only. 4 yr WAULT.
Quoting £3.6M / 6% initial

27 SPITAL SQUARE, E1

GF only. 10 yr lease.
Under offer at better than £2.216M / 7% initial

119-121 MIDDLESEX STREET, E1

9.5 yr WAULT to Franca Manca & pilates studio.
Sold March 2024 £3.12M / 5.05% initial

122-126 CHANCERY LANE, WC2

GF, basement and mezzanine floors. 11 yr WAULT.
Sold July 2023 £5.4M / 6% initial



VAT

The property is elected for VAT. It is, however, intended for the transaction to be concluded by way of a 'TOGC'.

EPCS

Energy Performance Certificates have been produced for the property, which can be provided on request.

AML / KYC

In order to comply with Anti-Money Laundering legislation the purchaser will be required to provide satisfactory identification documentation to the vendor and their agents.

PRICING

We have been instructed to seek offers in the region of **£3,500,000**, subject to contract and exclusive of VAT. A purchase at this level would reflect an **initial yield of 7.00%**, after allowing for standard purchaser's costs of 6.8%.



FURTHER INFORMATION

ROB DALES

E rdales@klm-re.com

M 07740 535395

ED GAMBARINI

E egambarini@klm-re.com

M 07825 689037

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