

228 BISHOPSGATE EC2

Attractive refurbishment and repositioning opportunity for investors
and owner occupiers located in the heart of Spitalfields.

EXECUTIVE SUMMARY

Mixed-use building comprising a self-contained retail unit across the ground and basement floors and three floors of offices above.

A thriving commercial area where the City Core blends with the vibrancy of Spitalfields and Shoreditch.

Located in a **high footfall position on Bishopsgate** close to Liverpool Street, Brushfield Street, Spitalfields Market and opposite Eataly and The Broadgate Estate.

Total area of **1,542 sq ft (143.2 sq m) NIA**, and **2,355 sq ft (218.8 sq m) GIA**, arranged over basement, ground, first, second, and third floors.

Retail unit let to an independent Japanese/Scandinavian fusion restaurant, LOH Japandi Kitchen for term expiring February 2037 subject to tenant breaks in 2027 and 2032.

Self contained upper office floors to be offered with vacant possession.

Rents reserved of £55,000 per annum exclusive stepping to £57,000 per annum in February 2025 and open market review in February 2027.

The building offers **strong asset management and income enhancement potential** with the upper floors **presenting an outstanding investor or occupier opportunity** for refurbishment in commercial use; or conversion to residential or serviced apartment uses, subject to consents.

To be sold on a new 150 year lease at a peppercorn ground rent.

Non VAT elected.

Offers sought in excess of £1,200,000 reflecting a Net Initial Yield of 6.75% NIY on the retail income (assuming standard purchaser's costs of 5.39%) and a low capital value of £421 per sq ft based on the NIA and £303 sq ft based on the GIA on the vacant upper floors.



LOCATION



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The building is located on Bishopsgate (A10) which is one of the main traffic thoroughfares running north/south through the City of London.



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- 1 Ottolenghi
- 2 Broadgate Circle
- 3 Eataly
- 4 Old Spitalfield Market



This is a thriving office and retail location with the premises benefiting from a high pedestrian footfall owing to its central City location and proximity to Liverpool Street station.

It not only benefits from busy week day trade, but also a strong evening and week end footfall as this section of Bishopsgate forms part of the destination tourist route from Liverpool Street station along Bishopsgate into Brushfield Street and through to Spitalfields Market, Brick Lane, BoxPark, and the wider Shoreditch area.

Nearby office schemes including Bishopsgate Tower, Liberty Place, Principal Place, Exchange House, The Broadgate Estate, and Devonshire Square accommodate some of the City's largest and best-known occupiers in the finance and professional services sectors. These sit alongside a huge variety of start-up and creative businesses located across the Spitalfields and Shoreditch area. Local retail and F&B occupiers along this stretch of Bishopsgate include *Eataly*, *Black Sheep Coffee*, *Five Guys*, *Pret*, *Tesco Metro*, *Dirty Martinis* and *Pizza Express*.



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CONNECTIVITY

The building has excellent public transport connectivity being within a 2-minute walk of Liverpool Street station (Elizabeth Line, Circle, Central, Hammersmith & City, and Metropolitan lines and National Rail services).

Connections at Shoreditch High Street (Overground) and Aldgate East (District and Hammersmith & City) are also both within a c.10-minute walk.

- 1 Liverpool Street Elizabeth Line Entrance
- 2 Liverpool Street Station

Walk Times



Walk times in minutes from the building entrance.

The Elizabeth Line



Journey times in minutes from Liverpool Street Station.

Airports



THE BUILDING

228 Bishopsgate is an inter-terraced mixed-use building comprising retail premises over the ground and basement floors; and offices arranged over the first, second and third floors accessed via a self contained street entrance.

- 1 Ground Floor – LOH Japandi Kitchen
- 2 3rd Floor
- 3 1st Floor
- 4 Ground Floor – LOH Japandi Kitchen



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The retail element of the building has an active frontage to Bishopsgate, and is occupied by LOH Japandi Kitchen, an independent Japanese/Scandinavian fusion cuisine operator specialising in sushi and rice bowls.

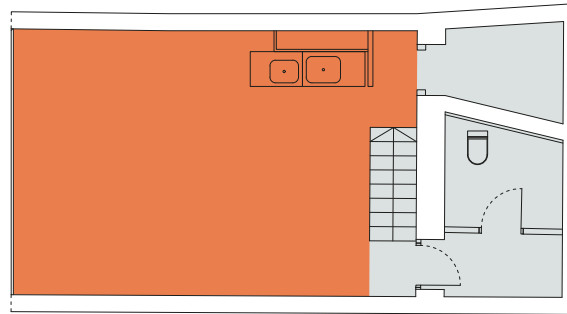
The premises were subject to a comprehensive fit out by the tenant upon commencement of the lease in 2022 with storage and food prep areas in the basement and retail servery & customer seating on the ground floor.

The upper floors are vacant and currently present simply appointed office space with dedicated toilets and kitchenette accessed from the stair core.

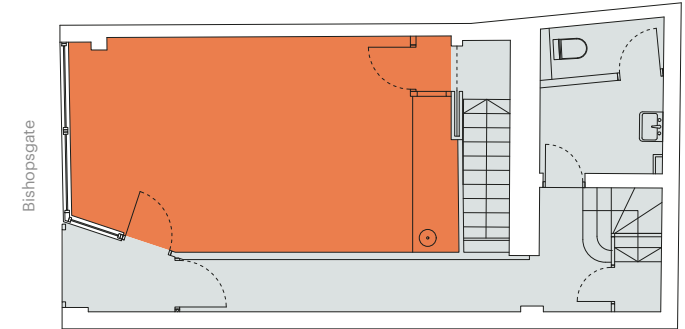
ACCOMMODATION

| Floor | Sq Ft (NIA) | Sq M (NIA) | Sq Ft (GIA) | Sq M (GIA) |
|--------------|--------------|--------------|--------------|--------------|
| 3rd | 335 | 31.1 | 410 | 38.1 |
| 2nd | 297 | 27.6 | 446 | 41.4 |
| 1st | 318 | 29.5 | 462 | 42.9 |
| Ground | 270 | 25.1 | 549 | 51.0 |
| Basement | 323 | 30.0 | 489 | 45.4 |
| Total | 1,543 | 143.3 | 2,355 | 218.8 |

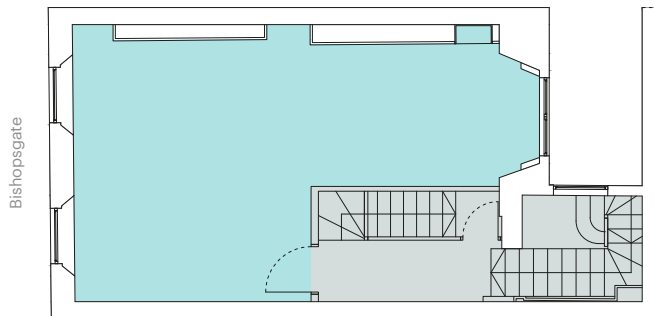
Basement



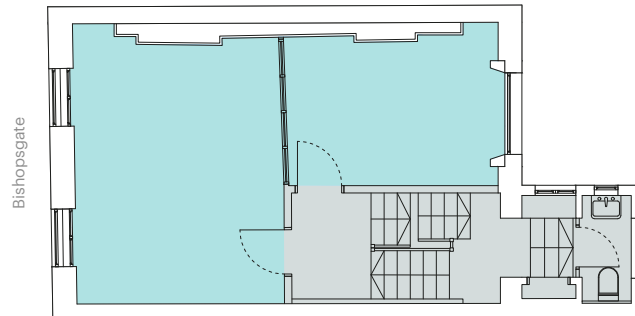
Ground Floor



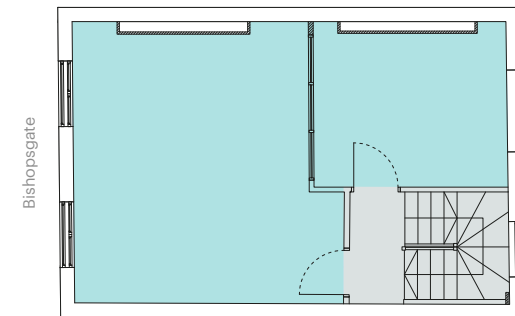
1st Floor



2nd Floor



3rd Floor



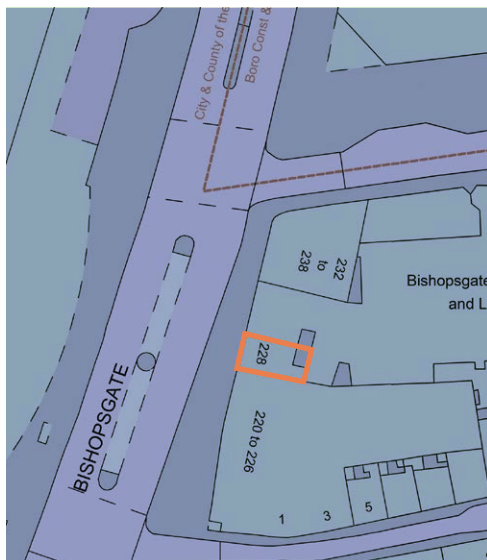
- Restaurant
- Office
- Core

Floor plans for indicative purposes only. Not to scale.

TENURE & TENANCY

Tenure

The building is to be sold on new 150 year long leasehold interest at a peppercorn ground rent.



JAPANDI KITCHEN
LOTS OF HAPPINESS

Tenancy

The retail element is subject to a lease to J&S Kitchen Limited (Company number 13522977) for a term of 15 years from 03.02.2022 at a passing rent of £55,000 per annum subject to a fixed uplift to £57,000 per annum from 03.02.25 and an upward only rent review as at 03.02.27. The lease is subject to a tenant only break option on 03.02.2027 and a mutual break option on 03.02.2032. The lease is contracted outside the security of tenure and compensation provisions of the Landlord & Tenant Act 1954. A rent deposit of £26,750 is held by the landlord. For further information on the tenant's business please see www.lohjapandikitchen.com

The upper floors will be sold with vacant possession.



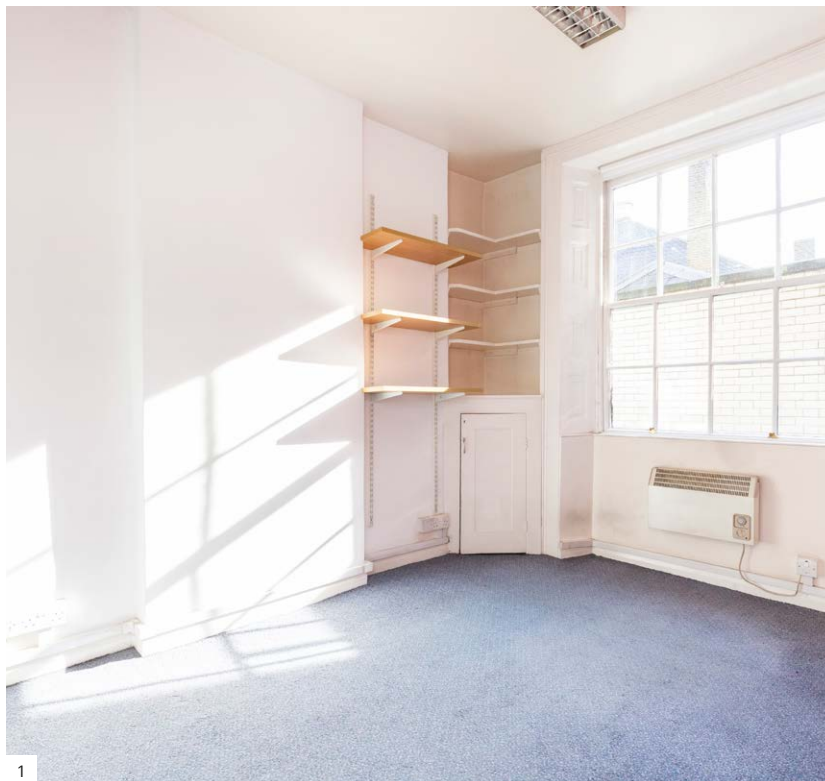
Tenancy Schedule

| Floor | Tenant | Term | Term Start | Term Expiry | Break | Rent Review | Passing Rent | MRV |
|-------------------|-----------------|--------------------------|------------|-------------|--|----------------------|--|----------------|
| Third | Vacant | - | - | - | - | - | - | £12,005 |
| Second | Vacant | - | - | - | - | - | - | £10,395 |
| First | Vacant | - | - | - | - | - | - | £11,095 |
| Ground & Basement | J&S Kitchen Ltd | 15-year Outside 1954 Act | 03.02.22 | 02.02.37 | 03.02.27 (tenant) 03.02.32 (mutual) | 03.02.27 03.02.32 | £57,000 Subject to vendor top up until 03.02.25 | £57,000 |
| Total | | | | | | | £57,000 | £90,495 |

RE-POSITIONING OPPORTUNITY

The under-utilised nature of the upper floors and the fantastic location of the building presents strong value-add asset management opportunities and income enhancement potential including (subject to consents):

- 1 3rd Floor
- 2 1st Floor



- Comprehensive refurbishment of the upper floor offices to deliver high quality, fully fitted office space either for owner occupation or to improve rental returns from the building
- Individual re-letting of the offices on a floor by floor basis offers scope for significantly enhanced rental returns, particularly if packaged as fully managed office space
- Refurbishment and re-purposing the space for medical users & alternative health practitioners – again either for owner occupation or improved rental returns
- Conversion of the upper floors into residential or serviced apartment uses

FURTHER INFORMATION

Planning

The building falls within the City of London Corporation. It lies within the Bishopsgate Conservation Area but it is not Listed. The property benefits from Class E use in its entirety with long standing office use on the upper floors, and retail use on the ground and basement floors. The retail unit has a Certificate of Lawful Development for Class E(b) restaurant use granted in 2021 and at which time permission was also granted for shop front alterations.

While there is no recent planning history for the upper floors, there are a number of planning precedents on similar, small office buildings close by within the City of London planning authority which have secured change of use to residential. As such, the upper floors may offer scope for conversion to alternatives uses, subject to planning, including residential / Class C3 or serviced apartment / Class C1 uses.

VAT

The building is not elected for VAT.

EPC

Retail unit: Band C

1st & 2nd floors: Band D

3rd floor: Band E

Anti-Money Laundering

In accordance with the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 the Purchaser will be required to comply with our Anti Money Laundering policy.

Further details on request.

Contacts

For further information or to arrange an inspection of the property please contact the vendors sole agent:

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Proposal

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Disclaimer at base: Strettons for themselves and for the vendors of this property give notice that: a) the particulars are set out as general outline only for the guidance of intending purchasers and do not constitute, nor constitute part of, an offer or contract; b) all descriptions, dimensions, references to condition and necessary permissions for use, lease details and occupation and other details are given in good faith and are believed to be correct, but any intending purchaser should not rely on them as statements or representations of fact but should satisfy themselves by inspection or otherwise as to the correctness of each of them; c) no person in the employment of Strettons has any authority to make or give any representation or warranty whatsoever in relation to this property. Subject to Contract. April 2024.

