

14 ALBEMARLE STREET LONDON W1





Summary

Rare Freehold Mixed-Use Investment Opportunity

- Attractive period building comprising a retail unit arranged over ground and lower ground floors and eight self-contained apartments over the 1st to 5th floors.
- Exceptionally located in the heart of the West End's luxury retail quarter with excellent transport connections, being only a short walk from Bond Street, Green Park and Piccadilly tube stations.
- Retail let to Gismondi Jewellery 1763 Ltd until 9th February 2024 inside the 1954 Landlord and Tenant Act, with a rent review on 10th February 2019. There is a tenant only break option on 10th February 2020.
- The current passing rent on the retail element is £155,000 per annum, which reflects a very low rate of £316 per sq ft ITZA. The most recent lettings on Albemarle Street reflect £600 per sq ft ITZA, a substantial reversion.
- The residential upper parts comprise eight flats, all let on ASTs producing a total gross income of £275,496 per annum.
- The property comprises 1,134 sq ft of retail and 5,223 sq ft of residential and there is significant potential to extend the existing accommodation subject to the usual consents.
- Total gross rent of £430,496 per annum.
- Offers are invited for the freehold interest.







Location

- Albemarle Street is located in the heart of Mayfair in the City of Westminster. The property is located north of Piccadilly and adjacent to the heritage and international brands on Bond Street.
- The Ritz Hotel, Fortnum & Mason and Burlington Arcade are all within 350m of the property whilst Albemarle Street has emerged as a location of choice as illustrated by the luxury retailers on the street including Amanda Wakeley, Alexander Wang, Paul Smith, Globe-Trotters, Tiffany & Co, Boodles and the Graff Global Headquarters.
- The property is in the immediate vicinity of world renowned restaurants, hotels, bars and shops as well as London's West End theatre scene, St James's upmarket art and antique dealerships and the open spaces of Green Park to the south and Hyde Park to the west.
- The area benefits from excellent transport connections with Green Park (Jubilee, Piccadilly and Victoria lines), Piccadilly Circus (Piccadilly and Bakerloo lines) and Oxford Circus (Central, Victoria and Bakerloo lines) underground stations all within walking distance. There are also numerous bus services which run along Piccadilly and Regent Street.

Location Plan



Goald Plan



Location





Description

Description

- The property comprises an attractive mid-terraced Georgian building with brick façade, large timber sash windows on the upper floors and glass fronted retail unit at ground floor.
- The 1,134 sq ft (NIA) retail unit is arranged over ground and lower ground floors, with the lower ground floor accessible via an internal staircase at the rear of the unit. The unit has a high quality fit out and is accessed directly from Albemarle Street.
- The eight apartments, which total 5,223 sq ft (NSA), are currently let on Assured Shorthold Tenancies. There is also an additional 136 sq ft of storage in Apartments 2 and 4 allowing for a more spacious living area.
- The apartments are in good condition but present the opportunity to modernise and upgrade the specification and in turn increase the rental return and capital values.
- The apartments offer good size studio and one bedroom accommodation, perfect for the central London rental market.
- There is potential to extend the existing accommodation by two storeys, aligning the roofline with No.13 Albemarle Street (subject to usual consents). Please [view the ongoing consultation regarding roof extensions](#).
- Provision has been made to incorporate a lift to enable appropriate access to any additional storeys added (subject to usual consents).





Gallery

Gallery





Gallery

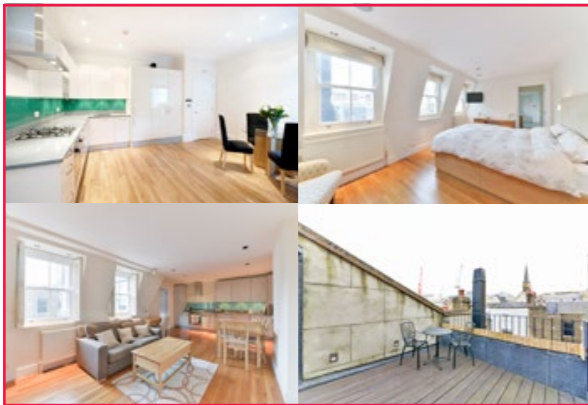
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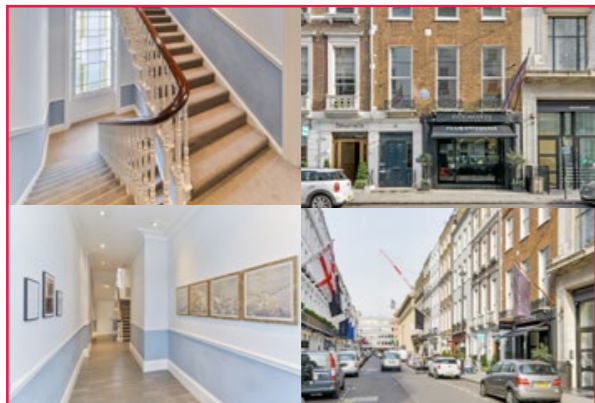
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Retail

	Use	Tenant	Area (NIA)	Rent per annum	Rent per sq ft ITZA	Lease Start	Lease Expiry (Break)	Rent Review	Comments
Ground and Lower Ground Floors	Retail	Gismondi Jewellery 1763 Ltd	Ground: 578 sq ft (444 sq ft ITZA) Lower Ground: 556 sq ft	£155,000	£316	10/02/2014	09/02/2024 (10/02/2020)	10/02/2019	Inside the 1954 Landlord and Tenant Act. A rent deposit of £77,500 is held
Total			1,134 sq ft	£155,000					

The tenant has set back the shop front as part of their fit out. The area stated above assumes that the shop front is positioned in accordance with the occupational lease. It is assumed these areas will be adopted for rent review purposes.

Residential

Flat	Floor	Bedrooms	Area (NSA)	Rent per annum	Rent per week	Tenancy	Lease Expiry
Flat 2	1	Studio/1 Bed	473*	£30,420	£585	AST	24/01/2017
Flat 3	1	1 Bed	795	£34,840	£670	AST	30/06/2016
Flat 4	2	Studio/1 Bed	480*	£29,900	£575	AST	26/05/2016
Flat 5	2	1 Bed	842	£39,416	£758	AST	27/03/2017
Flat 6	3	Studio/1 Bed	529	£29,120	£560	AST	01/08/2016
Flat 7	3	1 Bed	590	£40,040	£770	AST	06/03/2017
Flat 8	4/5	1 Bed (duplex)	831	£36,400	£700	AST	09/05/2016
Flat 9	4	1 Bed	683	£35,360	£680	AST	14/04/2017
Total (excluding additional storage)			5,223 sq ft	£275,496			

*Additional 68 sq ft of storage underneath the bedroom platform

*The property has been measured by BKR Floorplans in accordance with the 6th Edition of RICS Code of Measuring Practice. The measured survey is assignable.

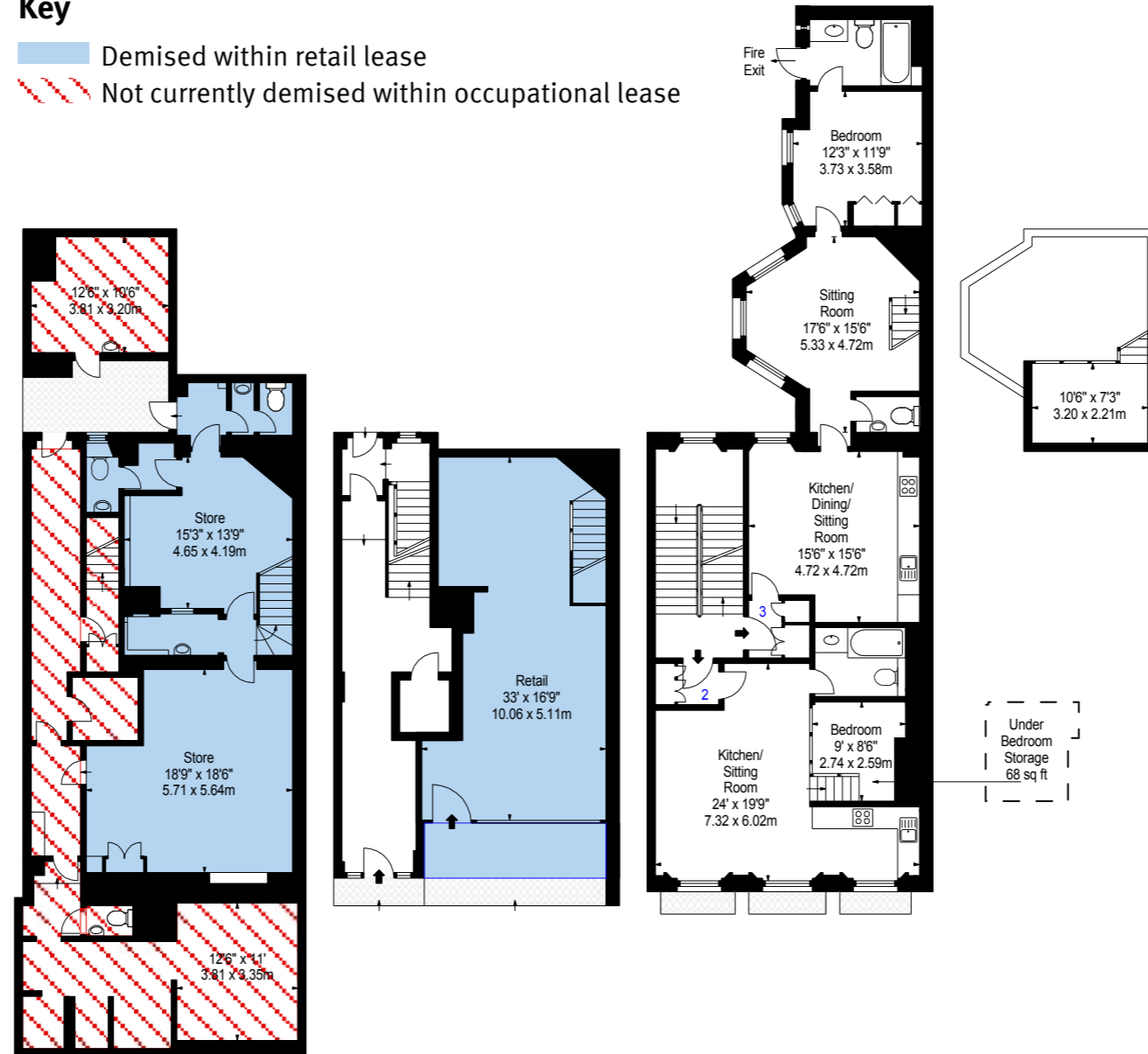


Floor Plans

Floor Plans

Key

- Demised within retail lease
- Not currently demised within occupational lease



Basement

Ground Floor

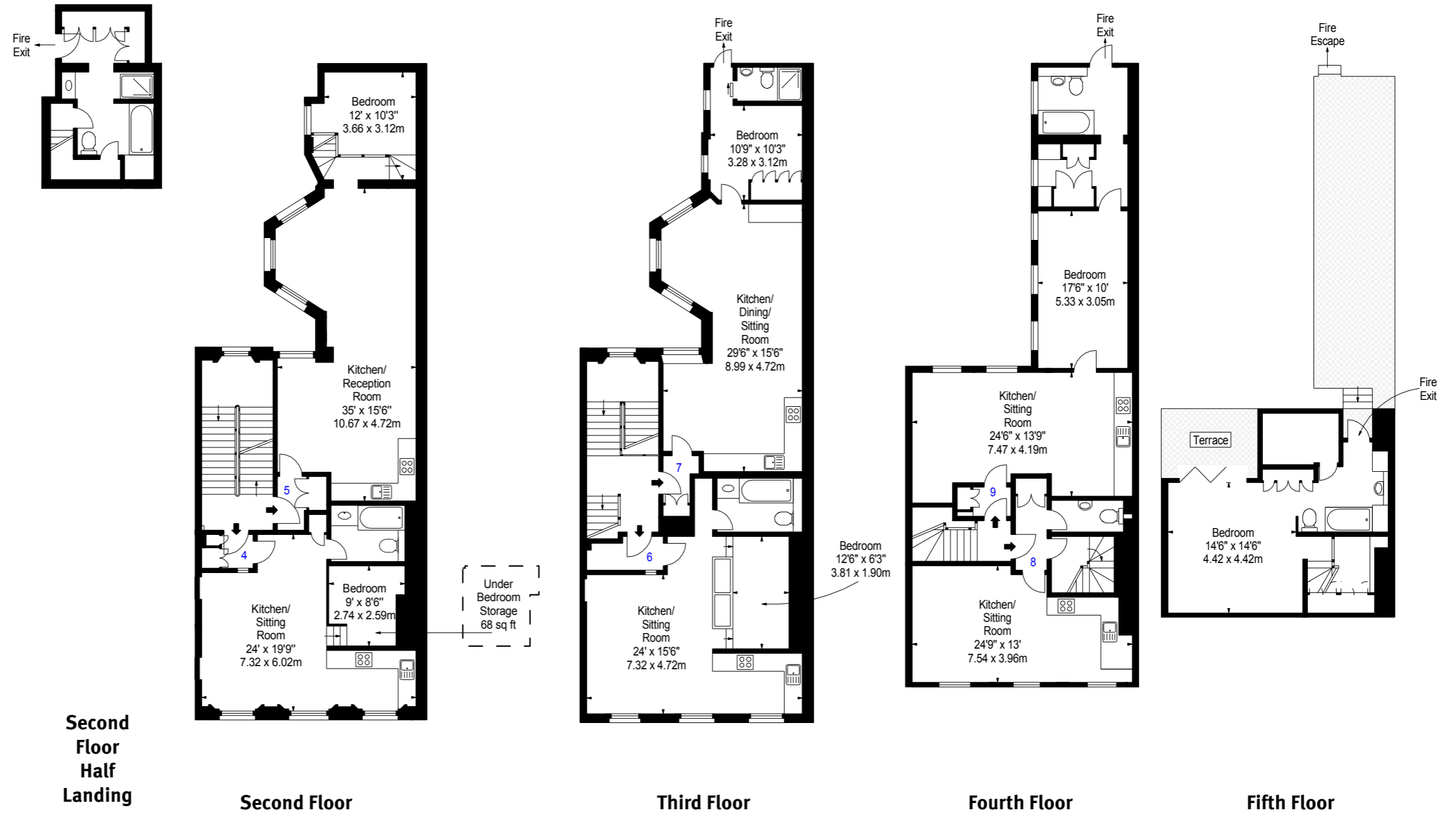
First Floor

Mezzanine



Floor Plans

Floor Plans





Retail Market

Retail Occupational Market

London's West End has cemented itself as the world's premier retail destination. Demand from international brands looking to establish flagship stores within the West End, combined with UK brands' continued presence, has led to a severe shortage of supply on key retailing streets and with it exponential rental growth.

The boom in the luxury retail sector combined with a severe lack of availability in prime retail locations, namely Bond Street and Regent Street, has led to an expansion in the West End's luxury retail quarter. Major international brands continue to compete for best-in-class space, driven by an understanding of the importance of establishing and maintaining a presence in this globally recognised shopping precinct.

Albemarle Street has emerged as a location of choice for luxury retailers, as evidenced by the arrival of Alexander Wang, Amanda Wakeley, Globe-Trotter and Paul Smith. This unprecedented demand has driven rental levels on the street to record highs, with Zone A rents having increased to £600 per sq ft.

Date Transacted	Address	Tenant	Zone A Rent psf	Transaction
Jun-15	40 Albemarle Street	Pret A Manger	£600	Lease Renewal
Dec-14	43-44 Albemarle Street	Alexander Wang	£600	Open Market Letting
Sep-14	52-53 Conduit Street	Christian Liaigre	£506	Open Market Letting
Sep-14	35-36 Dover Street	Victoria Beckham	£595	Open Market Letting
Aug-14	27 Albemarle Street	Mazzoleni Art	£600	Open Market Letting
Jun-14	49-50 Conduit Street	DSquared	£568	Open Market Letting
Oct-13	35 Albemarle Street	Globe-Trotters	£560	Open Market Letting





Retail Market

Retail Investment Market

Demand continues to outstrip supply for prime retail opportunities within London’s West End. Last year saw a marked increase in retail driven investment activity, most notably along Oxford Street and Bond Street.

Overseas investors continue to dominate prime, retail driven investment activity in the capital. Investors are motivated by capital protection as well as performance, with the strong capital and rental growth seen in recent years forecast to continue.

Investors remain focused on trophy assets located on the West End’s traditional retail streets, including Oxford Street, Regent Street and Bond Street. However, the expansion of the West End’s luxury quarter has led to equally strong demand on Albemarle Street, Conduit Street and Dover Street.

Date Transacted	Address	Tenure	Area	Tenant	Price	NIY	Capital Value £/psf
Dec-15	47 Conduit Street	Long Leasehold	4,323	Lalique	£14M	2.00%	£3,328
Dec-15	21 Hanover Square	Freehold	7,787	Multi-Let	£28.1M	2.00%	£3,608
Dec-15	7-8 Conduit Street	Long Leasehold	11,700	India Tea Company	£30M	2.40%	£2,600
Oct-15	9 Clifford Street	Freehold	13,231	Brown Rudnick	£38M	1.88%	£2,872
Sept-15	55 Conduit Street	Freehold	1,443	Vanessa G. (UK) Ltd	£5.1M	3.00%	£3,547
Jan-15	109-113 Mount Street	Virtual Freehold	4,502	Moynat Paris	£26M	2.00%	£5,775
Aug-14	26 Albemarle Street	Freehold	6,152	Sumosan Ltd	£17M	1.20%	£2,763
Nov-13	19-20 Dover Street	Long Leasehold	3,444	Alboro Bar and Restaurant	£7.25M	2.00%	£2,105





Mayfair Residential Market

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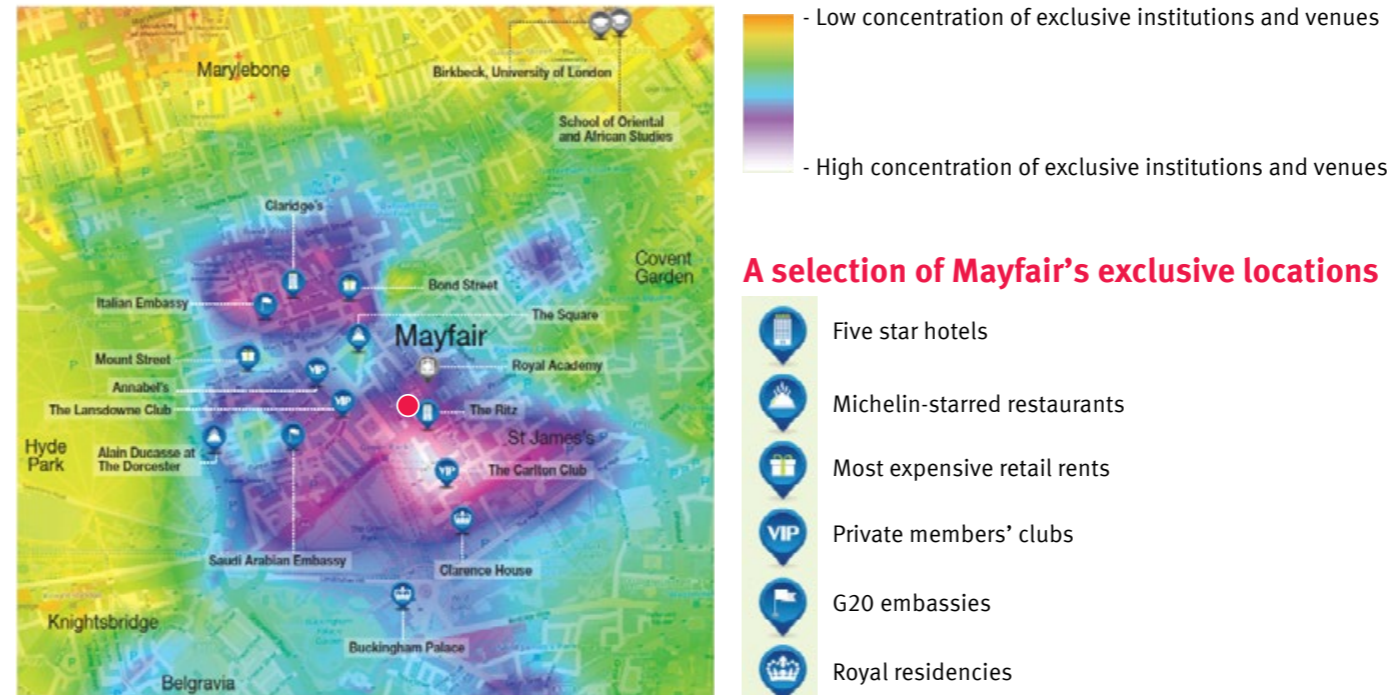
Price growth in Mayfair has outperformed most other prime central London districts over the last year. An increase of 3% in 2015 to December compares to 1% growth across the whole of prime central London.

Mayfair has been the strongest performing central market in the 40 years since the Knight Frank central London index was created in 1976. Despite this, we still believe that Mayfair has the greatest scope for future growth.

Led by the Grosvenor Estate and the Crown Estate, the substantial improvements in the public realm, particularly around Mount Street, have enhanced the appeal of the area. The arrival of Crossrail in 2018 will also be a significant positive for price growth in the area.

The residential developments under construction or in the planning pipeline are now starting to compete in terms of luxury, underlining the “super-prime” status of this postcode. These ambitious schemes are, in numerous cases, achieving in excess of £6,000 psf, illustrating potential for capital growth in the immediate vicinity.

A Map of Luxury London Density of exclusive institutions and venues



Mayfair Residential Sales

Address	Floor	Bedrooms	Date of Sale	Area (GIA) sq ft	Sale Price	£psf
1 The Maddox Collection, 8 Maddox Street	1st	0	Sep 15	463	£1,225,000	£2,646
Flat 4, 42 Upper Brook Street	1st	0	Feb 15	328	£750,000	£2,287
Flat A, 44 Clarges Mews	1st	1	Jul 15	610	£1,350,000	£2,213
Flat 3, 23 Down Street	Ground	1	Dec 15	673	£1,650,000	£2,452

High End Mayfair Residential Sales

Address	Floor	Bedrooms	Date of Sale	Area (GIA) sq ft	Sale Price	£psf
Flat 3, 26a Albemarle Street	3rd	3	Oct 15	3,520	£15,950,000	£4,531
Flat 4, 18 Grosvenor Square	4th	4	May 15	3,509	£16,750,000	£4,773
Flat 1, 21 Davies Street	2nd	2	Dec 15	1,369	£4,925,000	£3,598
Flat 4, 5 Grosvenor Square	4th	1	Nov 15	2,311	£9,000,000	£3,894
Flat B, 21 Davies Street	6th	3	Jun 15	3,115	£14,500,000	£4,655



Title

The property is held freehold. Title no. 306 798.

The ground and lower floor of the area hatched red has been disposed of by way of a long lease for a term of 150 years from 23rd March 1994, expiring 22nd March 2144 at a peppercorn rent.

The freehold building, including common parts, extends to approximately 8,017 sq ft (GIA). This excludes that area hatched in red on the title plan which has been sold off on the long lease.

VAT

The property is not elected for VAT.

EPC

The EPC assessments for the property are available on request.

Planning

The building is not listed but lies within the Mayfair Conservation Area.

Proposal

Offers are invited for the freehold interest.

Title Plan



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