43 & 39A ELYSTAN STREET
LONDON • SW3 3NT

Freehold Michelin starred restaurant investment currently operated by Phillip Howard with separate residential apartment for sale

Licensed Leisure
www.savills.co.uk/licensedleisure
INVESTMENT SUMMARY

- Prime Chelsea location
- Close to the Natural History Museum and Fulham Road
- Freehold of the entire property available including residential upper floors
- Ground and basement let to Michelin starred chef Philip Howard
- Current rent £275,000 per annum
- Ground and basement held on two separate leases both expiring October 2027
- First, second and third floor apartment is available subject to a new lease at a rent of £97,500 per annum
- Next rent review in October 2017 for both restaurant leases
- Entire building GIA - 490.8 sq m (5,281 sq ft)
- We are seeking offers in excess of £8,500,000 for the entire property
- Business unaffected by sale
Located in the heart of Chelsea close to both Fulham Road and Sloane Avenue, in one of London’s most affluent districts.

Elystan Street occupies a prominent corner position in one of London’s most exclusive residential areas. Nearby occupiers include the Natural History Museum, the Admiral Codrington public house and Bidendum Oyster Bar. Public transport communications are available from South Kensington (Circle, District and Piccadilly Lines) and Sloane Square (Circle and District Lines).
DESCRIPTION
The property occupies an attractive corner building with accommodation arranged over ground, basement and three upper floors.

ACCOMMODATION

GROUND FLOOR
The ground floor trading area is styled as a modern restaurant with separate private dining room, customer toilets, disabled toilet and side bar with glass wash.

BASEMENT
Trade kitchen, storage rooms, staff toilets/changing room and managers’ office.

FIRST, SECOND & THIRD FLOORS (FLAT 1, 43 ELYSTAN STREET)
Residential apartment arranged over first, second and third floor levels.

The apartment comprises an open plan kitchen/dining room at first floor, a master bedroom with ensuite and separate toilet at second floor and two double bedrooms and a separate bathroom at third floor.
INTERNAL CONFIGURATION

APPROXIMATE FLOOR AREAS

The property has the following approximate gross internal floor areas.

<table>
<thead>
<tr>
<th>Level</th>
<th>Area</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ground</td>
<td>177.5 sq m</td>
<td>(1,910 sq ft)</td>
</tr>
<tr>
<td>Basement</td>
<td>123.2 sq m</td>
<td>(1,326 sq ft)</td>
</tr>
<tr>
<td>First</td>
<td>65.7 sq m</td>
<td>(707 sq ft)</td>
</tr>
<tr>
<td>Second</td>
<td>64.6 sq m</td>
<td>(695 sq ft)</td>
</tr>
<tr>
<td>Third</td>
<td>59.8 sq m</td>
<td>(643 sq ft)</td>
</tr>
<tr>
<td>Total</td>
<td>490.8 sq m</td>
<td>(5,281 sq ft)</td>
</tr>
</tbody>
</table>
PLANNING

Our initial enquiries of the local authority have revealed that the property is not listed and is not located within a conservation area.

EPC

C-73

TENURE AND TENANCY

The property is held freehold.

The ground and basement is let on two separate leases both expiring 29 October 2027 at a current combined rent of £177,500 per annum.

The ground and basement of 43 Elystan Street is let on a 25 year lease to Elystan Street Limited (Company Number 10133981) expiring 29 October 2027 at a current rent of £158,325 per annum subject to five yearly upwards only rent reviews, with the next review on 30 October 2017.

The ground and basement of 39A Elystan Street is let on a 10 year and 2 month lease to Elystan Street Limited (Company Number 10133981) expiring 29 October 2027 at a current rent of £19,175 per annum subject to five yearly upwards only rent reviews, with the next review on 30 October 2017.

The three bedroom apartment at first, second and third floor levels will be subject to a new lease on a term to be agreed at a rent of £97,500 per annum.
London continues to be recognised as one of the world’s safe havens for property investors. Its status as a leading global financial centre and as one of the most visited cities by tourists continues to drive investor and occupier demand.

The most recent research released by the Office for National Statistics indicated that the number of international visits to London increased by 20% between 2010 and 2015 to 18.6 million with separate research by Oxford Economics predicting that the capital will welcome 35.6 million visitors by 2020. Visitor spend in London has also increased significantly with £15 billion spent on hotels, restaurants and attractions, an increase of 35% when compared with 2010.

Investor demand for London assets remains incredibly strong particularly for buildings which are let to strong covenants on long leases. Occupier demand for premises in prime London locations continues to push rental growth in the capital. The strength of demand has led to investment yields sharpening in recent years as can be seen from the schedule of comparable transactions below.

### COMPARABLE INVESTMENT TRANSACTIONS

<table>
<thead>
<tr>
<th>Property</th>
<th>Tenant</th>
<th>Price</th>
<th>Yield (NIY)</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bills &amp; Paul, WC2</td>
<td>Bills Restaurant Limited/ Paul U.K Limited</td>
<td>£7.50M</td>
<td>3.80%</td>
<td>February 2018</td>
</tr>
<tr>
<td>Franco Manca, TW9</td>
<td>Franco Manca 2 UK Limited</td>
<td>£3.25M</td>
<td>4.05%</td>
<td>February 2018</td>
</tr>
<tr>
<td>Cote, W5</td>
<td>Cote Restaurants Limited</td>
<td>£2.95M</td>
<td>4.00%</td>
<td>July 2017</td>
</tr>
<tr>
<td>Pizza Express, W1</td>
<td>Pizza Express (Restaurants) Limited</td>
<td>£4.70M</td>
<td>3.50%</td>
<td>April 2017</td>
</tr>
<tr>
<td>Nando’s, SW4</td>
<td>Nando’s Chickenland Limited</td>
<td>£2.50M</td>
<td>3.30%</td>
<td>January 2017</td>
</tr>
</tbody>
</table>
COVENANT

Elystan Street is a stylish Michelin Star restaurant in Chelsea serving modern European food. The restaurant is owned by Michelin starred chef Philip Howard who owned and operated the two Michelin starred restaurant the Square in Mayfair before selling this in 2016 to open Elystan Street in SW3.

TERMS

We are instructed to invite offers in excess of £8,500,000. A sale price at this level would reflect a net initial yield of 3.79% assuming purchasers costs of 6.56% on the commercial element and £2,005 per square foot on the residential element.

VIEWING AND CONTACTS

All viewings must be made by prior appointment and under no circumstances should any direct approach be made to any of the occupational tenants staff.

For further information and all viewing requests please contact the sole selling agents Savills.

Paul Breen
+44 (0) 207 877 4555
pbreen@savills.com

Stuart Stares
+44 (0) 207 299 3088
sstares@savills.com

Published for the purposes of identification only and although believed to be correct its accuracy is not guaranteed. Reproduced from the Ordnance Survey Map with the permission of the Controller of H.M. Stationery Office © Crown copyright licence number 100024244 Savills (L&P) Limited.

Savills, their clients and any joint agents give notice that:

1. They are not authorised to make or give any representations or warrants in relation to the property either here or elsewhere, either on their own behalf or on behalf of their client or otherwise. They assume no responsibility for any statement that may be made in these particulars. These particulars do not form part of any offer or contract and must not be relied upon as statements or representations of fact.

2. Any areas, measurements or distances are approximate. The text, photographs and plans are for guidance only and are not necessarily comprehensive. It should not be assumed that the property has all necessary planning, building regulation or other consents and Savills have not tested any services, equipment or facilities. Purchasers must satisfy themselves by inspection or otherwise.

March 2018