

RARE CHELSEA RETAIL & RESIDENTIAL FREEHOLD INVESTMENT

209
Queen's
Elm Parade
FULHAM ROAD
LONDON • SW3 6EJ



LEWIS ELLIS



2-9
Queen's
Elm Parade
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WE ARE INSTRUCTED TO SEEK
OFFERS IN EXCESS OF

£4,585,000

(Four Million Five Hundred and
Eighty Five Thousand Pounds
Only) for our client's freehold
interest, subject to contract and
exclusive of VAT.

COMMERCIAL NET INITIAL YIELD

6.25%

RESIDENTIAL CAPITAL VALUE

£1,100 per sq ft

BLENDED NET INITIAL YIELD

5.12%

Assuming purchaser's costs of 6.57%.

INVESTMENT SUMMARY

Rare unbroken freehold investment, held in the same family ownership for over 100 years.

Located in one of London's most affluent and exclusive neighbourhoods.

Fulham Road is one of London's premier interior design destinations.

Excellent connectivity being less than 800m to both South Kensington and Gloucester Road underground stations.

Prominent south east corner position fronting Fulham Road.

Attractive mixed use period building, totalling circa 6,000 sq ft.

Multi-let to Julian Chichester Designs Ltd, De Gournay Ltd and four residential tenants.

Various asset management initiatives to capture reversionary potential.

Current combined passing rent of £250,366 per annum.

Freehold.

LOCATION

The Royal Borough of Kensington and Chelsea is one of London's most sought after and affluent areas, which includes the exclusive retailing locations of Kings Road, Sloane Street, Brompton Road and Fulham Road and benefits from the high-end catchments of Knightsbridge, Kensington and Chelsea.

The area attracts both domestic and international tourists thanks to venues and attractions such as The Royal Albert Hall, V&A Museum, Natural History Museum, Science Museum and Harrods. Hyde Park and Kensington Gardens also form a substantial green space and focal point in the centre of the Borough.



CONNECTIVITY

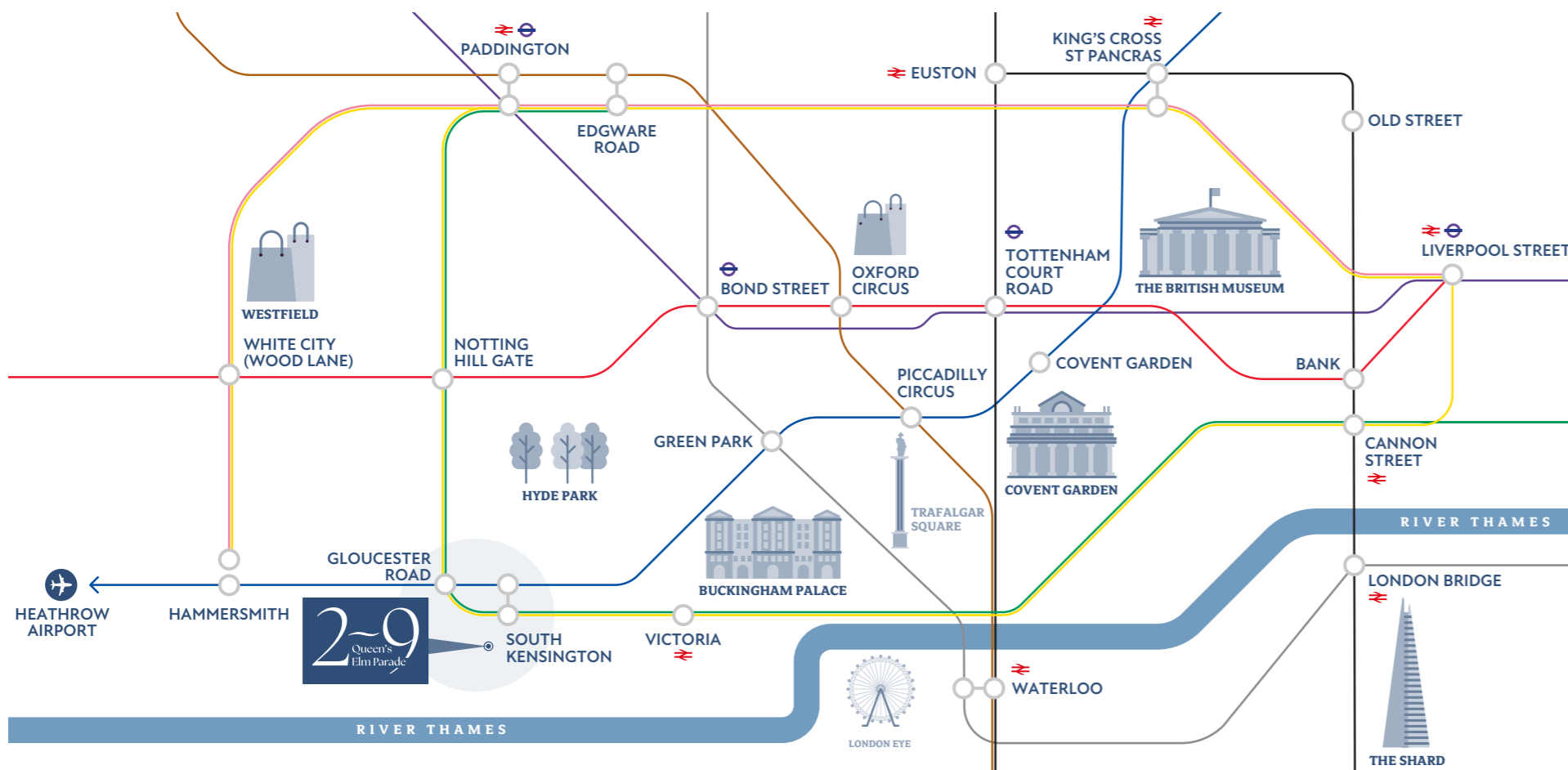
The area benefits from excellent public transport connections.

The property is located within 10 minutes' walk of both South Kensington and Gloucester Road underground stations which connect with Piccadilly, Circle and District lines.

Travel times from South Kensington:

Victoria	4 mins
Piccadilly Circus	6 mins
Hammersmith	9 mins
Paddington	12 mins
Kings Cross St Pancras	18 mins
Cannon Street	21 mins
Liverpool Street	24 mins
Heathrow Airport	40 mins

The Fulham Road (A308) connects to the A4 providing direct access to the West End and Central London and the M4 motorway to the west.



SITUATION

The immediate vicinity on Fulham Road (A308) offers a significant retail presence, with a predominance of up-market furniture, fabric and interior design shops serving the affluent surrounding residential areas.

Nearby retailers include C.P. Hart Bathrooms, Colefax and Fowler, Farrow & Ball, Green & Stone, Castrads and Mandarin Stone.

Queen's Elm Parade is located at the intersection of Fulham Road and Old Church Street and has prominent frontage onto both.

The property is adjacent to the Western Synagogue Cemetery and a small retail unit, 239A Fulham Road, occupied by an antiquarian bookseller.

Located to the east of the property are the Royal Brompton and Royal Marsden hospitals and the Institute of Cancer Research.





2-4 QUEEN'S ELM PARADE



5-9 QUEEN'S ELM PARADE

DESCRIPTION & ACCOMMODATION

The property comprises a mixed-use freehold building of brick construction with mansard roof. The windows are generally of a timber single glazed sash construction.

2-4 QUEEN'S ELM PARADE

A retail unit on lower ground and ground floors with four residential flats above arranged over first to third floors.

5-9 QUEEN'S ELM PARADE

A self-contained retail unit on lower ground, ground and first floors. The first floor of 5-9 Queens Elm Parade is an extension carried out by De Gournay in 2013 as a tenant improvement. The extension is not to be rentalised until 2042 when the benefit of this element reverts to the freeholder.

ACCOMMODATION SCHEDULE

Retail	Description	Sq M	Sq Ft
2-4 Queen's Elm Parade	Ground floor sales	65.00	690
	ITZA	59.18	637
	Lower ground ancillary	70.06	754
5-9 Queen's Elm Parade	Ground floor sales	73.63	793
	ITZA	73.63	793
	First floor offices, showroom	75.10	808
	Lower ground ancillary	68.07	733
Total Retail		351.86	3,778

Residential	Description	Sq M	Sq Ft
Flat 1	First floor 2 bedroom flat	56.79	611
Flat 2	Second floor 1 bedroom flat	50.34	542
Flat 3	Third floor 2 bedroom flat	59.92	645
Flat 4	First and second floor 1 bedroom duplex	40.7	438
Total Residential		207.75	2,236
Total Floor Area		559.61	6,014

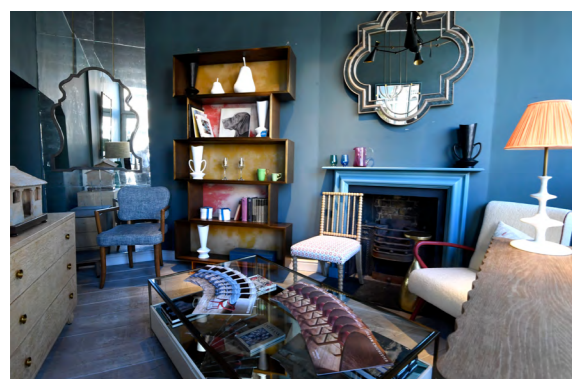
The property is not listed however it lies within the Chelsea Park Conservation Area.



INDICATIVE RESIDENTIAL FLAT

TENANCY INFORMATION

Unit	Use	Floor	Tenant	Area (sq ft)	Lease Start	Next Rent Review	Lease Expiry	Rent (per annum)	Rent (psf/pcm)	Comments
2-4	Retail	Basement and Ground	Julian Chichester Designs Ltd	1,444	21/12/2012		20/12/2022	£70,000	£48	Currently holding over and will vacate by the end of 2023.
5-9	Retail	Basement, Ground and First	De Gournay Ltd	2,334	01/02/2019	01/02/2024	31/01/2029	£91,650	£60	Rent per sq ft does not include value on first floor space, as this is not rentalised until 2042.
Total Retail				3,778				£161,650		
Flat 1 (2 bed)	Residential	First	Statutory Tenant	611	18/07/1975		N/A	£10,200	£850	Annual reviews to a fair rent.
Flat 2 (1 bed)	Residential	Second	Assured Shorthold Tenancy	542	11/09/2023		10/09/2024	£26,520	£2,210	
Flat 3 (2 bed)	Residential	Third	Assured Shorthold Tenancy	645	31/11/2022		30/11/2023	£28,596	£2,383	Unit currently being marketed at £32,500 pa / £2,700 pcm.
Flat 4 (1 bed)	Residential	First and Second	Assured Shorthold Tenancy	438	22/09/2023		21/09/2025	£23,400	£1,950	12 month mutual break clause.
Total Residential				2,236				£88,716		
Total				6,014				£250,366		



COVENANT INFORMATION

de Gournay

De Gournay Limited (37% of the income) is a British luxury interiors company specialising in creating hand painted wallpaper, fabrics, porcelain and hand carved furniture. The company, founded in 1986, is now a global brand and has expanded into 39 countries with showrooms in London, Paris, New York and Shanghai.

De Gournay has a D&B rating of 2A3.

JULIAN CHICHESTER

Julian Chichester Designs Ltd (28% of the income) is a contemporary British designer of home furnishings. The company, founded in 1989, has expanded its manufacturing operation through its continuing success in developing a range of 'must-have' classic and contemporary design. The designer has showrooms in New York, Atlanta, North Carolina and London.

All other income is derived from the four residential tenants.



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PROPOSAL

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ASSET MANAGEMENT INITIATIVES

- Relet the Julian Chichester unit and realise reversionary potential.
- Drive rents of residential units through lease renewals/new lettings.
- Enter into negotiations with De Gournay with regards to their lease renewal and first floor extension.
- Future value to be unlocked at 5-9 Queen's Elm Parade on lease expiry.

TENURE

Freehold.



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AML

When submitting a bid for the freehold interest in the property, potential purchasers will need to provide appropriate documentation capable of satisfying the requirements of the Anti-Money Laundering Regulations.

EPCs

EPCs available on request.

VAT

The property is not elected for VAT.

FURTHER INFORMATION

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