



MOOR STREET TRIANGLE W1

**A PRIME, HOTEL-LED, LONG INCOME
SOHO INVESTMENT OPPORTUNITY**

5-11 OLD COMPTON STREET, 13-17 MOOR STREET AND
95-99 CHARING CROSS ROAD, LONDON W1D

INVESTMENT HIGHLIGHTS

Valuable, prime, **hotel-led freehold interest** and part virtual freehold in core West End

Comprises an 85-bed hotel, seven residential units, a prime restaurant unit and three retail units with a total area of **26,347sq ft (2,447.6sqm)** GIA

Situated in the **heart of Soho**, recognised as being one of London's most vibrant districts and highest growth locations

Unrivalled connectivity with the new Elizabeth Line station at Tottenham Court Road a 3-minute walk away and Leicester Square, Covent Garden and Charing Cross underground stations nearby

The hotel and seven residential units are let to Z Hotels, a leading micro-hotel brand, for a **further 17.6 years**, subject to 5 yearly index-linked rent reviews, the next being in April 2026

The prominent, **dual fronted restaurant** is arranged over ground and basement floors and is let to E&O Central (t/a La Bodega Negra) for a **further 13 years**

Three retail units comprise a bar operated by Bar Termini, a 'grab and go' food concept operated by Lebeneats and a further vacant retail unit

The asset has a **WAULTC of 15.3 years** and a total current income of **£1,837,078.66 per annum**

THE MOOR STREET TRIANGLE PROVIDES A VIRTUAL ISLAND BLOCK IN SOHO WITH UNRIVALLED CONNECTIVITY, JUST A 3-MINUTE WALK FROM THE NEW ELIZABETH LINE STATION AT TOTTENHAM COURT ROAD.



PROPOSAL

Offers are invited in excess of **£40,000,000** for the freehold and virtual freehold interests, subject to contract and exclusive of VAT. A purchase at this level reflects a Blended Net Initial Yield of **4.30%** and a Reversionary Yield of **5.23%** assuming purchaser's costs of **6.77%**.



LOCATION

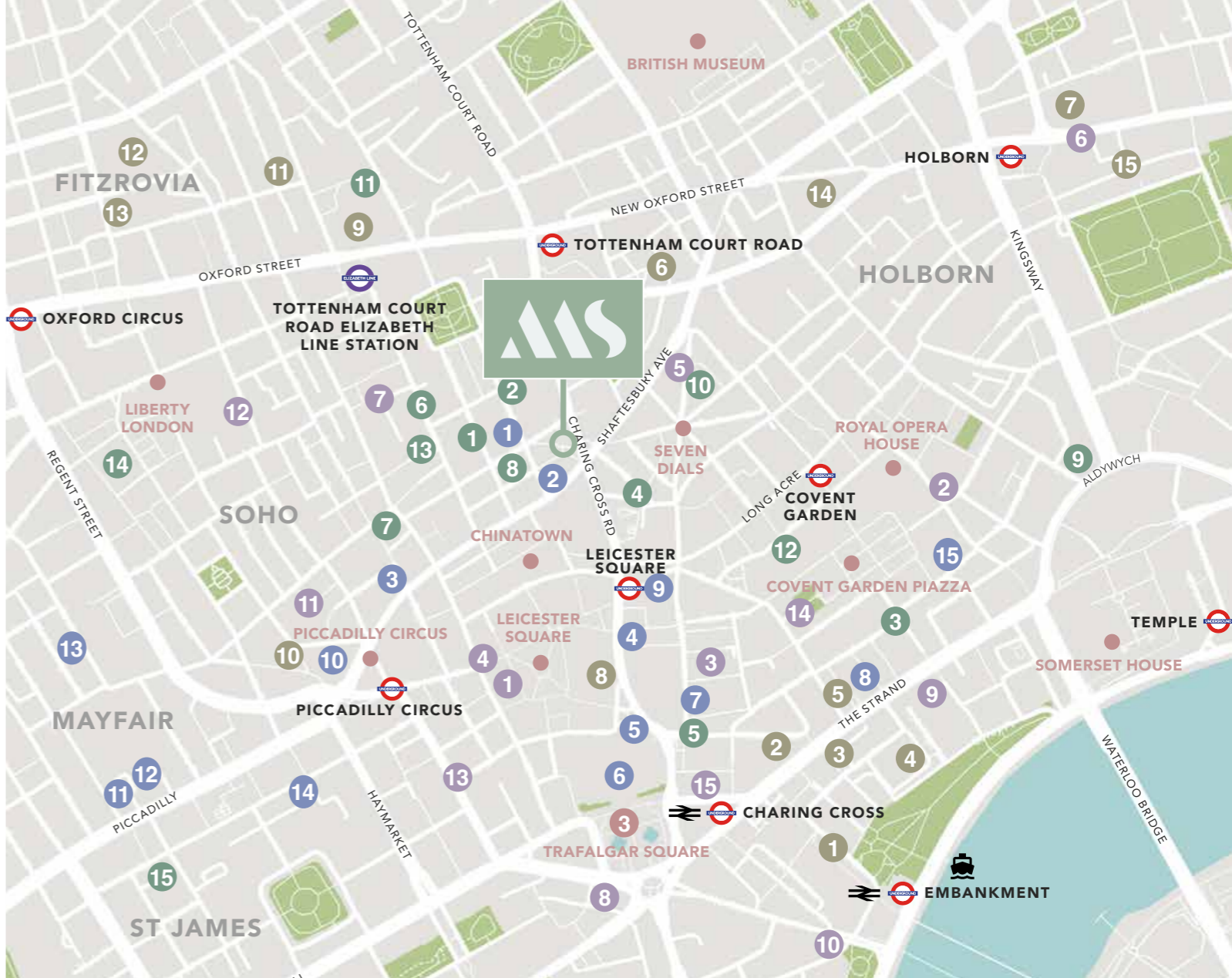
Generally regarded as the heart of London's famous West End, the property is located at the intersection of Soho and Covent Garden. Both sub-markets are internationally recognised as two of London's premier retail, entertainment and leisure destinations also serving an increasingly dynamic and growing business community mixed with a large and diverse residential population.

World famous landmarks include the Royal Opera House and Covent Garden piazza, which nestle amongst numerous theatres, galleries, and museums to create the cultural hub of Central London. Both sub-markets offer a variety of distinguished restaurants including The Ivy, Kettner's, Dean Street Townhouse and Paradise Soho. In addition, a number of London's most exclusive hotels are located within close proximity, including Ham Yard Hotel, The Resident Soho, W Hotel, The Soho Hotel and the St Martin's Lane Hotel.

Soho and Covent Garden are synonymous with retailing, housing international operators intermingled with high end boutiques including Apple, Paul Smith, Rapha, Tom Ford, Office and Peloton.

With the completion of the Elizabeth line at Tottenham Court Road, new office developments are attracting occupiers from all sectors to the immediate vicinity providing occupiers with a diverse mix of amenities, as well as linking other core West End sub-markets and the City. Office occupiers enticed to the location include Facebook, Google, NBC Universal, GSK, Diageo, Warner Brothers De Lane Lea, Skyscanner and Apollo.

A DYNAMIC & COSMOPOLITAN AREA IN THE HEART OF THE WEST END



RESTAURANTS

- 1 Ronnie Scott's
- 2 Kapara
- 3 Frog by Adam Handling
- 4 The Ivy
- 5 Bancome
- 6 Barrrafina
- 7 Paradise Soho
- 8 Kettner's
- 9 The Delauney
- 10 The Barbary
- 11 Circolo Popolare
- 12 Clos Maggiore
- 13 Dean Street Townhouse
- 14 Kingly Court
- 15 Quaglino's

HOTELS

- 1 The Londoner
- 2 NoMad London
- 3 St Martin's Lane Hotel
- 4 W Leicester Square
- 5 Firmdale Covent Garden
- 6 Rosewood London
- 7 The Soho Hotel
- 8 The Trafalgar St James
- 9 The Savoy
- 10 The Corinthia
- 11 Ham Yard Hotel
- 12 Z Hotel Tottenham Court Rd
- 13 Z Hotel Piccadilly
- 14 Z Hotel Covent Garden
- 15 Z Hotel Trafalgar

LEISURE

- 1 Prince Edward Theatre
- 2 Palace Theatre
- 3 Apollo & Gielgud Theatre
- 4 Wyndham's Theatre
- 5 National Portrait Gallery
- 6 National Gallery
- 7 London Coliseum
- 8 Adelphi Theatre
- 9 Noel Coward Theatre
- 10 Lyric Theatre
- 11 Burlington Arcade
- 12 Royal Academy of Arts
- 13 Saville Row
- 14 Jermyn Street
- 15 London Transport Museum

BUSINESS

- 1 PwC
- 2 Coutts
- 3 Bain & Company
- 4 Spotify
- 5 Pearson
- 6 Google, WPP & NBC
- 7 Yahoo
- 8 Capital FM
- 9 Facebook
- 10 Twitter U.K. HQ
- 11 Buro Happold
- 12 New Look Head Office
- 13 Heineken UK
- 14 McKinsey & Company
- 15 Lincoln Inn's Chambers



SITUATION

The properties form part of a triangular island block with frontages to Old Compton Street to the north, Moor Street to the south and Charing Cross Road, a main arterial route running between Oxford Street and Trafalgar Square, to

the east. Shaftesbury Avenue, just to the south, runs through the heart of Soho from Piccadilly Circus to its junction with New Oxford Street at its northern end.



CONNECTIVITY

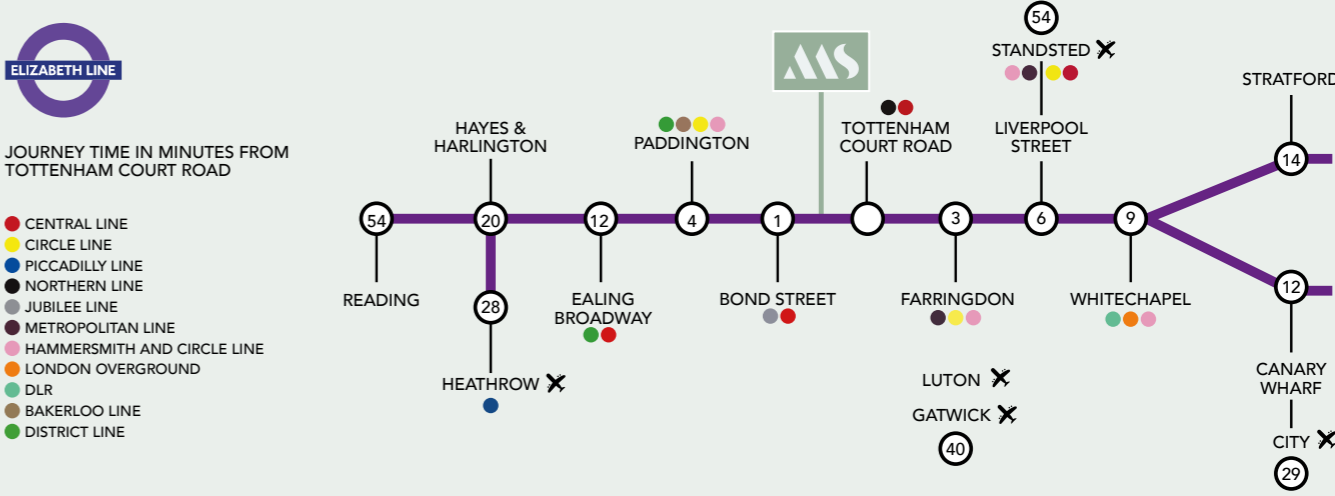
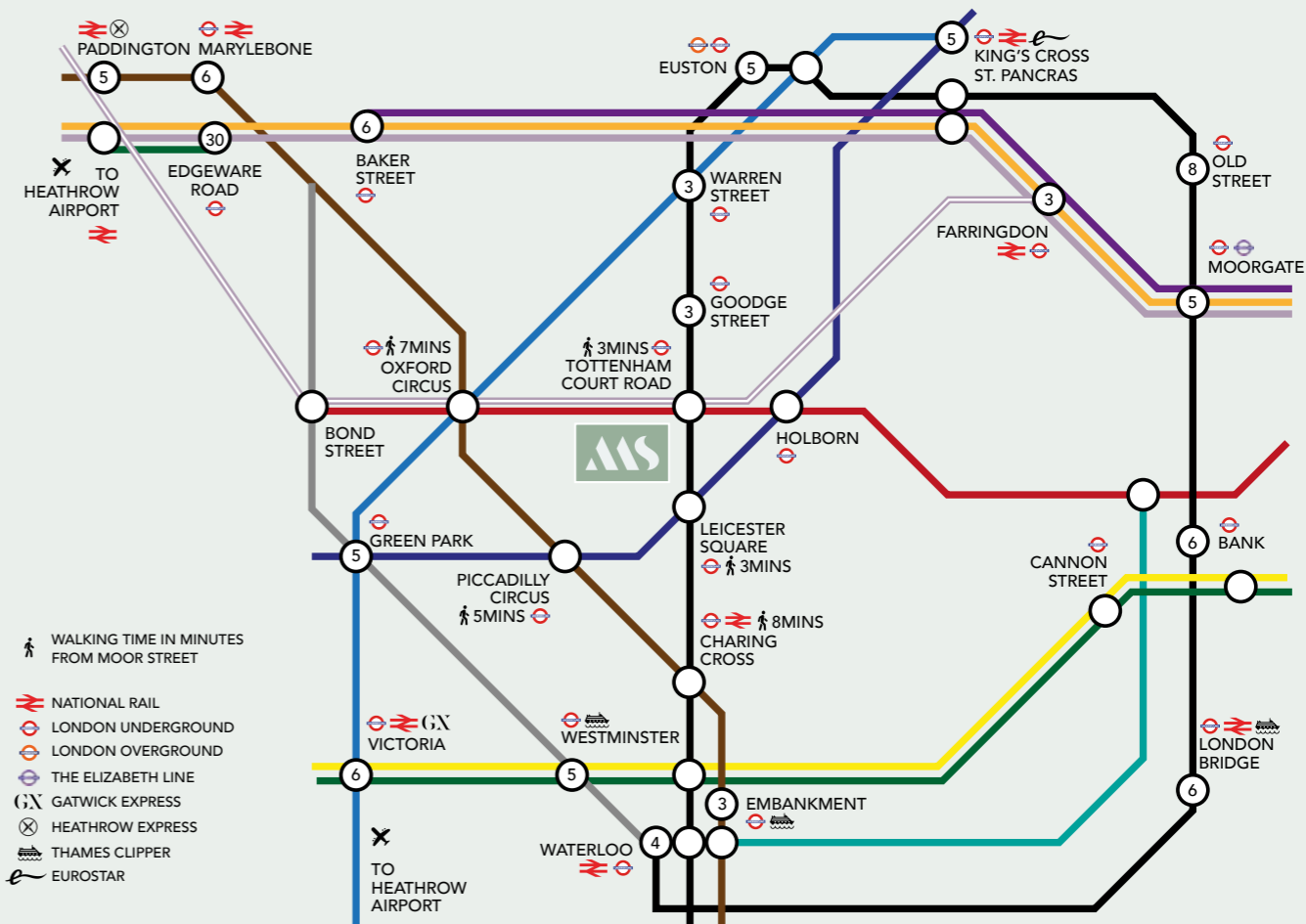
ONLY 300M TO TOTTENHAM COURT ROAD ELIZABETH LINE

Public transport services are unrivalled. The London underground can be accessed through a number of nearby stations including Tottenham Court Road (Elizabeth, Central and Northern Lines), Leicester Square (Piccadilly and Northern Lines), and Covent Garden (Piccadilly Line), which are all within 5 – 10 minute walk from the property.

The properties are also in close proximity to Charing Cross mainline railway station providing extensive suburban services to Southern, South Eastern and South Western networks.

WALKING TIMES

Tottenham Court Road Elizabeth Line	3 minutes
Leicester Square (inc underground):	3 minutes
Covent Garden piazza	8 minutes
Charing Cross/Trafalgar Square	8 minutes
Carnaby Street	9 minutes



THE MOOR STREET TRIANGLE

The Triangle is a mixed-use portfolio comprising nine properties, the majority of which were constructed in the mid 18th Century and mid 19th Century. The properties were redeveloped and reconfigured in 2010/2011 comprising the following:

- The demolition of 15-17 Moor Street and the construction of a replacement building over basement, ground and five upper floors.
- The refurbishment and alteration of 5 Old Compton Street including the construction of a mansard roof extension.
- The refurbishment and alteration of 7, 9 and 11 Old Compton Street and 95-97 Charing Cross Street including the construction of a mansard roof extension to the entire property
- The refurbishment of the listed property 13 Moor Street.
- The alteration and part re-construction of 14 Moor Street including construction of a mansard roof extension.
- The facades and structure of the other buildings forming the site, dating from the late 18th Century, were generally retained.

THE TRIANGLE NOW PROVIDES THE FOLLOWING:

- An 85-bedroom hotel with its entrance at 17 Moor Street and secondary access via the Z Café on Old Compton Street, with the hotel including the upper floors of the Moor Street properties and 7 and 9 Old Compton Street.
- Seven residential units located in the upper parts of 5 and 11 Old Compton Street and 13 Moor Street.
- A prime double fronted restaurant unit arranged over the basement and ground floors at 16 Moor Street.
- Four ground floor retail units located at 7, 9 and 11 Old Compton Street and 13 Moor Street.
- A fire escape exit at ground floor level off 95 Charing Cross Road.
- A sub-station in the basement of 17 Moor Street.

AREA SCHEDULE

FLOOR	FT² GIA	M² GIA
BASEMENT	5,051	469.24
GROUND FLOOR	4,577	425.20
FIRST FLOOR	4,353	404.39
SECOND FLOOR	3,919	364.08
THIRD FLOOR	4,199	390.09
FOURTH FLOOR	3,477	323.01
FIFTH FLOOR	771	71.63
Total	26,347	2,448

*GIA excludes all party walls and vents on each floor
Source: BKR

ACCOMMODATION SCHEDULE

UNIT	FT² GIA	M² GIA
Hotel	14,652	1,361
Residential	4,101	381
Restaurant	5,964	439
Retail Unit 1	242	22
Retail Unit 2	302	28
Retail Unit 3	384	36
Total	25,645	2,268
Hotel Café	444	41
Sub Station	193	18

*GIA excludes all party walls and vents on each floor
Source: BKR

BASEMENT



GROUND FLOOR



FIRST FLOOR



FOURTH FLOOR



KEY

- Z HOTEL
 - RESTAURANT
 - RETAIL UNITS
 - RESIDENTIAL
 - TERRACE
 - SHARED ACCESS FOR HOTEL, RESTAURANT & RESIDENTIAL
 - SHARED ACCESS FOR HOTEL AND RESTAURANT
- For indicative purposes only
Full floor plans are available on the data room

TENURE

All the properties are held freehold apart from the upper floors of 97-99 Charing Cross Road which are held on a 999 year lease from 14th September 1992 subject to a peppercorn rent. 95 Charing Cross Road is held freehold and subject to a 999 year lease from 14th September 1992.

VIRTUAL ISLAND BLOCK IN SOHO



Source: Promap
For Indicative Purposes Only. Area shaded blue shows approximate extent of the vault in the basement floor of the title.

TENANCIES

OVER 60% LET TO THE HIGHLY SUCCESSFUL BOUTIQUE HOTELIER Z HOTELS FOR A FURTHER 17.6 YEARS

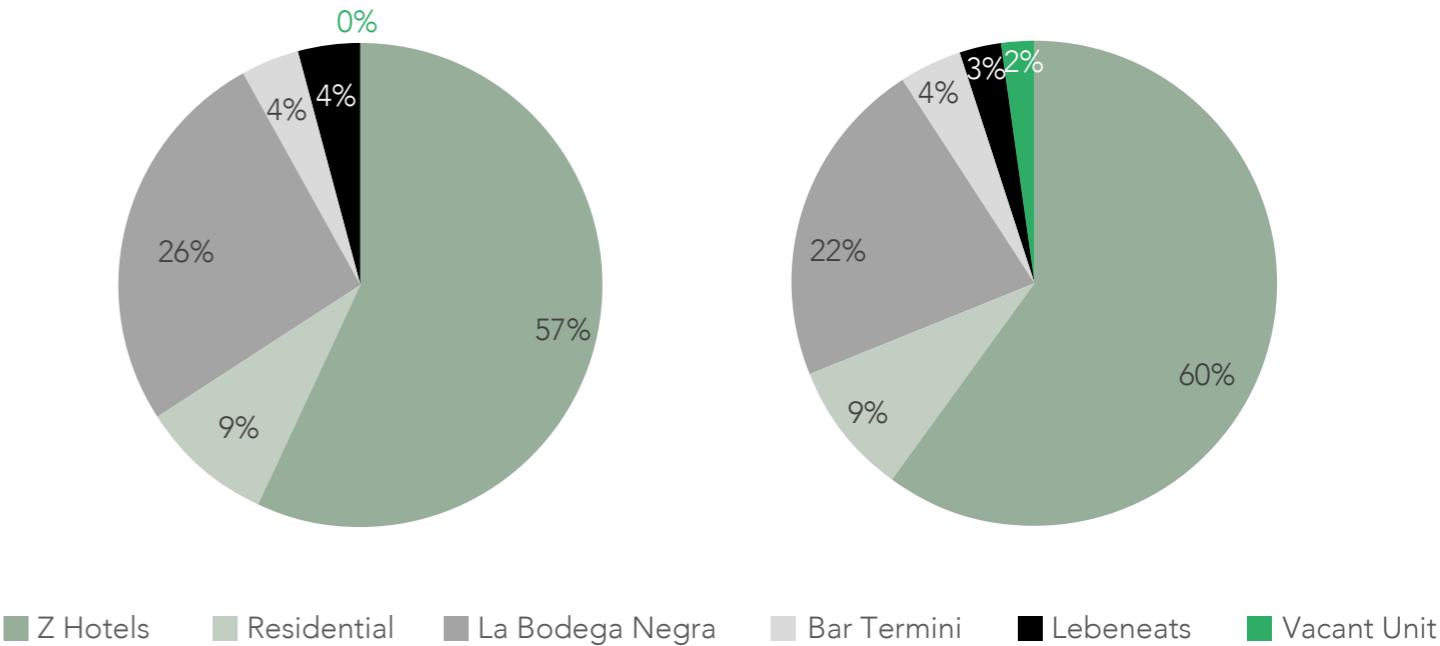
The Triangle is let to four tenants on five leases with a WAULTC of over 15 years and produces a total current income of £1,837,078.66 per annum.

57% of the income is secured against the hotel and 9% against the residential, both let to Z Hotels on two separate co-terminus leases for 17.6 years. The hotel is recognised as being one of their most successful operations.

The restaurant is let to E&O Central Limited trading as La Bodega Negra, a Mexican cafe and hacienda-style cellar restaurant for a further 13 years.

Bar Termini, a popular Italian espresso and cocktail bar, is let for a further 6 years and the grab and go Lebanese concept, Lebeneats, is let for a further 7.5 years.

CURRENT INCOME BREAKDOWN



TENANCY SCHEDULE

OCCUPIER	TENANT	ADDRESS*	USE	KEYS/UNITS	AREA SQ FT (GIA)**	LEASE TERM (YEARS)	LEASE START	LEASE BREAK	LEASE END DATE	WAULTC	WAULT	NEXT RENT REVIEW	RENT REVIEW	RENT PER ANNUM	RENT PER KEY	RENT PER SQ FT	% INCOME
Hotel	Z Hotels OCS Limited	17 Moor Street & 5 Old Compton Street	C1	85	14652	30	08/04/2011	-	07/04/2041	17.6	17.6	08/04/2026	5 yearly higher of OMRV or RPI (3-5%)	£1,048,301.66	£12,333	£71.55	57%
Residential	Z Old Compton Street Limited	14 Moor Street, 5 & 11 Old Compton Street	C3	7	4101	30	08/04/2011	-	07/04/2041	17.6	17.6	08/04/2026	5 yearly higher of OMRV or RPI (3-5%)	£161,277	£23,040	£39.33	9%
Restaurant	E&O Central Limited (t/a La Bodega Negra)	9 Old Compton Street, 15-16 Moor Street	E	-	5964	25	24/08/2011	-	23/08/2036	13.0	13.0	24/08/2026	5 yearly OMRV	£485,000	-	£81.32	26%
Retail (unit 3)	Bar Termini Limited	7 Old Compton Street	A1/A3/A4	-	384	15	29/08/2014	29/08/2024	28/08/2029	1.0	6.0	29/08/2024	5 yearly OMRV	£77,500	-	£201.82	4%
Retail (unit 2)	Lebeneats Franchising Ltd	13 Moor Street	E	-	302	15	09/03/2016	-	08/03/2031	7.5	7.5	09/05/2026	5 yearly OMRV	£65,000	-	£215.23	4%
Retail (unit 1)	Vacant	11 Old Compton Street	E	-	242	-	-	-	-	-	-	-	-	-	-	-	0%
Sub Station	-	17 Moor Street	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Staircase Access	-	95 Charing Cross Road	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL					25,645					15.3	15.5			£1,837,078.66		£71.63	100%

*Actual addresses may vary depending on source but those listed are the key entrance points to the various units.

** Please see area schedule on page 13 for further details.

COVENANTS



Z Hotels
(Z Hotels OCS Ltd & Z Old Compton Street Limited)
(66% of income & 17.6 years unexpired on lease)

Z Hotels opened their first hotel in 2011 and have since grown to become one of the UK's leading budget boutique hotel brands with 14 hotels and a total of 1,667 rooms across the UK. Of the portfolio, 11 hotels are in London and 3 in Bath, Glasgow and Liverpool, all within prime, central locations that are well positioned to attract both tourist and business guests.

Z Hotels provide modern, compact and well specified rooms that operate on a lean business model and generate highly profitable hotels. The hotel is let to Z Hotels OCS Limited providing 57% of total income, with the company offering a BB Equivalent Bond Rating (Income Analytics) a D&B rating of 3A3 with Net Assets of £9.08 million. The parent group Z Hotels Group Limited has a BB+ Equivalent Bond Rating (Income Analytics) a D&B rating of 4A2 and Net Assets of £30.05m

The residential element is let to Z Old Compton Street Limited providing 9% of total income and offering a B+ Equivalent Bond Rating (Income Analytics).

Further information can be found at www.thezhotels.com



La Bodega Negra
(E&O Central Limited)
(26% of income & 13 years unexpired on lease)

Will Ricker is the highly acclaimed restaurateur and founder of Ricker Restaurants group. Australian-born, Ricker arrived in London with a vision to popularise pan-Asian cuisine. His London restaurants include Cicada in Clerkenwell, Great Eastern Dining Room in Hoxton, e&o in Notting Hill ('one of the first places in London that made eating out sexy': Evening Standard), Eight Over Eight in Chelsea and XO in Belsize Park. His Mexican 'hidden dining' concept began with the opening of La Bodega Negra and Casa Negra in Shoreditch. Other concepts include La Bodega New York, Stoke House, a steak restaurant in Victoria, E&O Athens in the Athens Marriott and La Bodega Doha in the St Regis Hotel, Doha.

E&O Central Limited has an Equivalent Bond Rating of BB- (Income Analytics).

Further information can be found at www.rickerrestaurants.com



Lebaneats
(Lebaneats Franchising Limited)
(4% of income and 7.5 years unexpired on lease)

Lebaneats is a Lebanese 'grab and go' food concept providing a healthy, Middle-Eastern menu including mezze, wraps and curries. They have six units throughout the UK with three in London; Soho, Holborn and Mayfair.

Lebaneats Franchising Limited has an Equivalent Bond Rating of BB (Income Analytics).

Further information can be found at www.lebaneats.co.uk



Bar Termini
(Bar Termini Limited)
(4% of income & 6 years unexpired on lease)

Named after Rome's train station, Bar Termini brings a touch of 1950s Italy to the Streets of Soho. It is open all day serving a mix of traditional Italian coffees, aperitifs, and digestif, including their famous negroni, alongside a selection of small plates and salumi.

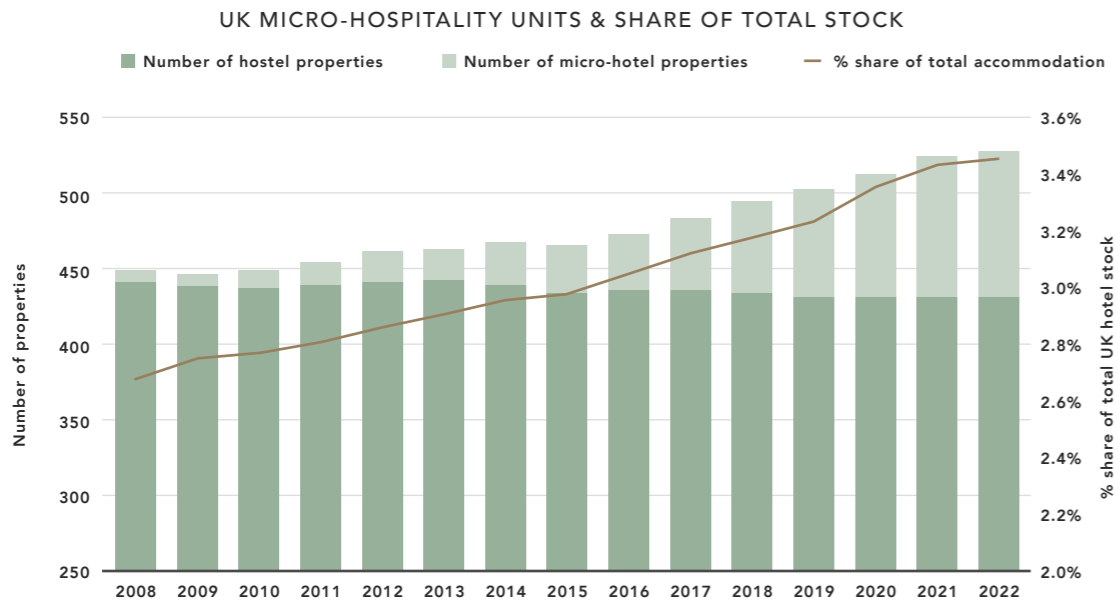
Bar Termini Limited has an Equivalent Bond Rating of B (Income Analytics).

Further information can be found at www.bar-termini-soho.com

MARKET COMMENTARY

MICRO-HOTEL MARKET

The micro-hotel market has shown substantial growth in recent years, with property count expanding on average by 16.4% per annum since 2012, however, the market still represents just 3.5% of total UK hotel properties, demonstrating significant potential for further development and investment in this space.



The micro hotel market has demonstrated itself to be one of the most resilient hospitality segments, underpinned by its super-lean business model, highly efficient buildings and relative profitability generated on a per square foot basis when compared with traditional hotels, coupled with more consumer appetite for cost-sensitive hotel options.

Inward investment in the segment has increased in recent years. One of the most notable portfolio transactions of 2022 was Tristan Capital Partners majority shareholding acquisition in the Point A portfolio for £420 million, comprising 1,520 'budget boutique' bedrooms in 10 hotels, with 80% of its value in London, demonstrating appetite for the most resilient market segments.

LONDON RETAIL & RESTAURANT MARKET

The Soho retail and restaurant markets have witnessed a strong resurgence as workers and tourists have returned post-Covid further assisted by Westminster Council's favourable support of al fresco dining. Soho's internationally recognised offering includes popular fashion brands such as Stüssy, Axel Arigato and Paul Smith, alongside world class restaurants including, Social Eating House, Dean Street Townhouse, Barrafinna, Yuatcha, Kapara and Bocco di Lupo.

Prime retail and restaurant space are a desired commodity in Soho, with strong demand driving high rents which have now reached in excess of £300 psf Zone A and £150 psf for restaurants on best space.



LONDON RESIDENTIAL MARKET

Rents have continued to rise across all prime London rental markets for the second quarter of 2023, with rental values up 1.4% in the three months to the end of June across London and whilst there have been some improvements to levels of rental supply in the capital over recent months, they still remain significantly below pre-pandemic levels.

Hotspots which are chronically undersupplied have shown significant rental growth, particularly in prime central London and areas of South West London, including Wandsworth, Clapham and Battersea, all of which recorded average quarterly growth of over +4.0% over three months to June. In prime central London, properties with lower weekly rents have outperformed the more discretionary markets above £4,000 per week.

Similar to rental properties, supply for new build stock is heavily constrained in prime central London and can achieve well in excess of £2,000 psf for new high quality product. For comparable existing residential flats in the Soho and Covent Garden market, these can expect to achieve £1,400 - £1,500 psf depending on the interior fit out, lift access and wider amenities.

PRIME RESIDENTIAL RENTAL FORECAST

	2023	2024	2025	2026	2027	5-YEAR COMPOUND GROWTH
PRIME LOCATION	5.0%	3.0%	2.0%	1.5%	1.5%	13.6%
PRIME COMMUTER ZONE	3.0%	2.0%	1.5%	1.0%	1.0%	8.8%

Source: Savills Research. | **Note:** These forecasts only apply to average rents in the second-hand market. New build rental values may not move at the same rate.

FURTHER INFORMATION

PLANNING

The Moor Street Triangle is located within the London Borough of Westminster and lies within the Soho Conservation Area. 13 Moor Street and 5 Old Compton Street are Grade II listed.

VAT

The properties are elected for VAT and it is proposed that the transaction will be treated as a Transfer of a Going Concern.

DATA ROOM

Access to the Data Room is available upon request. Information includes:

- Title
- Copy of occupational leases
- Measured survey
- Floor Plans
- EPCs

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EPC

Copies of the EPC Certificates are available in the data room.

AML

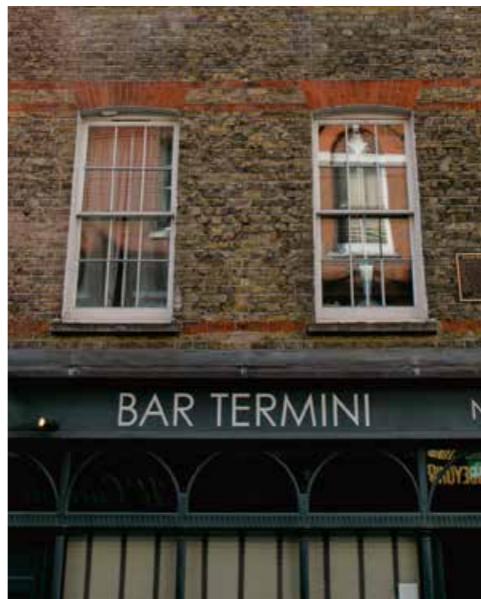
Satisfactory anti-money laundering and compliance information will be required.

SPV

The SPV could be made available by separate negotiation.

PROPOSAL

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