

129-137 KENSINGTON 'HIGH ST.

LONDON • W8 6SU



PROMINENT CENTRAL LONDON, MIXED USE, FREEHOLD INVESTMENT OPPORTUNITY

green&partners

INVESTMENT SUMMARY

- A prime, mixed-use, Central London investment opportunity within the affluent and popular Royal Borough of Kensington & Chelsea.
- A prominent and imposing period corner property, with extensive retail frontages onto Kensington High Street and a return frontage onto Wrights Lane.
- Adjacent to High Street Kensington Underground Station, Kensington Arcade and Ashby Capital's newly developed Wrights Arcade and Kensington Buildings which has an estimated footfall in excess of 17 million people.
- The property comprises 5 retail units, a long-established dental practice and 20 residential flats let on a mixture of ASTs and regulated tenancies.
- Total accommodation of circa 24,334 sqft (2,261 sqm) arranged over ground, basement and four upper floors.
- Freehold.
- The retail units are secured to established global occupiers, Vodafone, Philip Morris, Rituals, Laderach and Paris Baguette.
- Producing a gross income of £1,348,337 pax (of which 65% is derived from the retail, 3% from the dental practice and 32% from the residential).
- A commercial Weighted Average Unexpired Lease Term of 7.0 years to lease expiry and 4.7 years to tenant break option.
- Asset management opportunities and inherent reversions within the residential element.

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PROPOSAL

We are instructed to invite offers in excess of **£26,650,000 (Twenty Six Million, Six Hundred and Fifty Thousand Pounds)**, Subject to Contract and Exclusive of VAT. This reflects a **Net Initial Yield of 5.5%** on the commercial tenancies and a **Capital Value of £826 per sq. ft.** on the residential element.

'ROYAL BOROUGH OF KENSINGTON & CHELSEA

The Royal Borough of Kensington & Chelsea is one of London's most exclusive and affluent residential and commercial districts.

It is situated some 2 miles (3.2km) west of Mayfair and 1 mile (1.6km) west of Knightsbridge. The locality is home to some of London's wealthiest professionals and families as well as a variety of aspirational retail and leisure occupiers and renowned tourist attractions.

The Royal Borough is one of the most compact and densely populated boroughs in London, with circa 140,000 people residing over its 4.7 square miles, and with the River Thames bordering to the south and Hyde Park to the east.



LONDON'S CULTURAL QUARTER

Kensington is known as London's cultural quarter housing various world class tourist attractions and public open spaces including the Royal College of Art, the Victoria & Albert Museum, the Natural History Museum, the Science Museum, the Design Museum, the Royal Albert Hall, the Serpentine Gallery, Kensington Palace, Hyde Park and Holland Park.

These, coupled with prestigious and world famous events such as The Chelsea Flower Show, which attracts 168,000 visitors each year, and the Notting Hill Carnival, attracting over 1m revellers, creates a local economy driven by visitors, with over £3.1 billion coming into the Borough from non-resident spending (Acorn).

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'KENSINGTON
'HIGHEST.**



Kensington
Palace

Kensington
Town Hall

Hyde
Park

Barkers
Building

High Street
Kensington

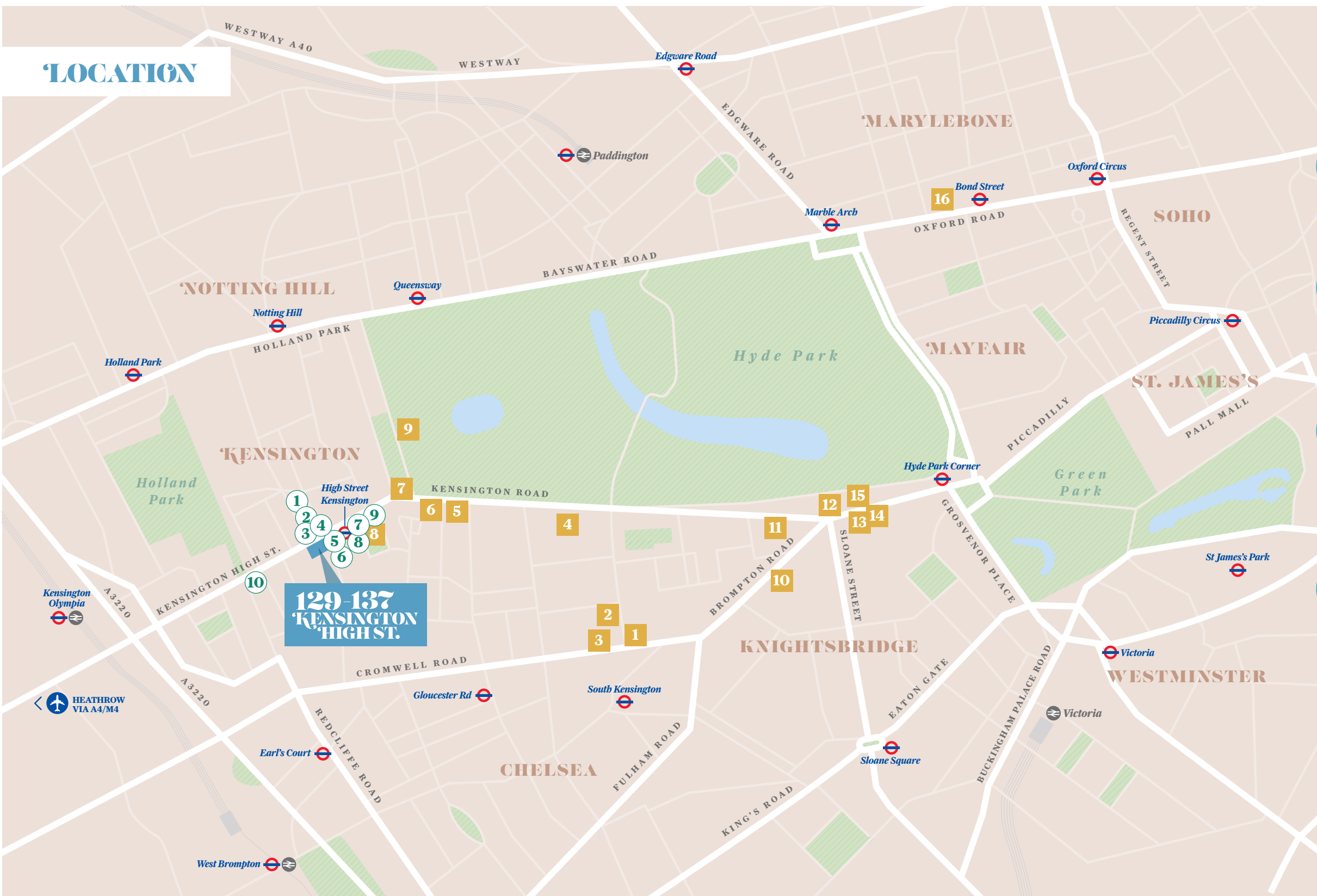
Royal
Albert Hall

Natural History
Museum

River
Thames

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LOCATION



COMMUNICATIONS



ROAD

Kensington High Street (A315) links with both Knightsbridge and Piccadilly providing direct access to Mayfair and Central London to the east, as well as Hammersmith via the A4 and the M4 and M25 motorways to the west.



BUS

Numerous bus routes serve Kensington High Street linking it to Hammersmith, Knightsbridge, Notting Hill, White City, Shepherds Bush, as well as providing access to the affluent south west London suburbs of Putney, Fulham, Wimbledon and Chiswick.



RAIL

High Street Kensington Underground Station (District and Circle) is located adjacent to the subject property and benefits from circa 15 million entries per annum.

Victoria (7 minutes), Paddington (7 minutes) and King Cross (21 minutes) Railway Stations are nearby and provide access to the wider National Railway network.



AIR

London Heathrow airport is situated approximately 16 miles (25.6km) to the west via the A4/M4.



KENSINGTON OCCUPIERS

- | | |
|------------------------------|---------------------|
| ① Kensington Town Hall | ⑥ Kensington Arcade |
| ② Kensington Central Library | ⑦ M&S |
| ③ Zara Home | ⑧ Roof Gardens |
| ④ Massimo Dutti | ⑨ Whole Foods |
| ⑤ Boots | ⑩ Waitrose |

ATTRACTIONS

- | | | |
|--------------------------|---------------------------|---------------------|
| ① V&A Museum | ⑦ The Royal Garden Hotel | ⑬ Harvey Nichols |
| ② The Science Museum | ⑧ Kensington Roof Gardens | ⑭ The Berkley Hotel |
| ③ Natural History Museum | ⑨ Kensington Palace | ⑮ Mandarin Oriental |
| ④ Royal Albert Hall | ⑩ Harrods | ⑯ Selfridges |
| ⑤ Baglioni Hotel | ⑪ Bulgari Hotel | |
| ⑥ One Kensington Gardens | ⑫ One Hyde Park | |

DEMOGRAPHICS

Royal Borough of Kensington
& Chelsea has a population of

140,000

(ONS mid-2021)

25,800
VISITORS

daily during 2022

£3.1 BN

visitor economy with shopping
accounting for 48%
(Acorn)

23,000

An estimated
office workers within 0.5 miles
of Kensington High Street

CIRCA 72%

of the working population in
senior management, professional
or technical roles
(2021 Census)

RICHEST

One of the
local authority areas in the UK
with residents earning circa three
times the national average

Royal Borough of Kensington
& Chelsea has a

SUBSTANTIAL
private rented residential sector

LONDON'S

most densely populated and
most developed Borough

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RETAILING IN KENSINGTON

Kensington High Street is one of London's leading premier shopping destinations with circa 710,000 sqft of prime accommodation in a compact and attractive retail environment which serves both the affluent local and sizeable visitor population.

The street successfully functions as a traditional high street with a strong convenience and mass market offer including substantial stores for Boots, Wholefoods, Waitrose, and Currys but also accommodates a variety of larger flagship stores and popular higher-end retailers.

Zara, Uniqlo, H&M, Urban Outfitters, TK Maxx, and Marks and Spencer have substantial outlets, alongside specialist fashion brands, most notably Hobbs, Massimo Dutti, Cos, Japan House and Sweaty Betty.

Being a popular office and tourist destination, Kensington High Street offers an array of coffee and grab and go food options including Itsu, Wasabi, Gails, Pret, Daku, Caffè Nero, Joe and The Juice, Urban Green, McDonalds, Knoops and Wasabi.

The pitch also benefits from a vibrant restaurant scene including The Ivy, Jacuzzi and Zuaya, Megans and Flat Iron.

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PROMINENT SITUATION

Occupying a highly prominent 100% prime corner site on the popular southern side of Kensington High Street, at its junction with Wright's Lane and adjacent to the new Boots store and Kensington Arcade, which forms the entrance to High Street Kensington Underground station.

Kensington Arcade and the recently developed Wrights Arcade (with the new, prestige, 95,000 sq ft. Kensington Building above) are located directly opposite the subject property on Wrights Lane, as well as a secondary entrance to High Street Kensington Underground Station.

The station and arcades benefit from annual footfall of over 15 million passengers per annum. Footfall is supplemented by a number of notable office occupiers such as Warner Music Group, located within close proximity on Wrights Lane.



DESCRIPTION

129-137 Kensington High Street & 2 Wright's Lane is a highly attractive and prominent corner block, comprising five prime retail units, a long established first floor dentist suite and 20 flats let on a mixture of ASTs and regulated tenancies.

The retail units benefit from a frontage of circa 90ft (27m) onto Kensington High Street and occupy a 100% prime pitch, also benefiting from a prominent return frontage onto Wright's Lane. Two of the five units trade over both ground and basement levels; the remaining three trade from ground floor level only. All are well configured and fitted out to individual tenant specifications.

The residential element and dentist suite are arranged over first to fourth floors and are accessed from designated, self contained access' on Wright's Lane and Wright's Lane Passage to the rear of the property. The residential accommodation includes a combination of studios, one and two bed self-contained flats which are let on a mix of assured shorthold tenancies and regulated tenancies. The flats which are let on assured shorthold tenancies have generally been well maintained and are in good lettable condition.

The Landlord undertook a comprehensive refurbishment of the external facade in 2022 investing more than £800,000. Further details are available on request.



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The property provides an approximate total floor area of 24,334 sqft (2,261 sqm) as set out on the following tables:

TENURE

The property is held on two Freehold titles (NGL252999 and BGL157358).

COMMERCIAL TENANCY SCHEDULE

ADDRESS	TENANT	AREAS	SQ FT	SQ M	LEASE START	LEASE EXPIRY	RENT REVIEW DATE	BREAK DATES	RENT PA	COMMENTS
129 & Basement 129/131 KENSINGTON HIGH STREET	Paris Baguette UK Co Limited (13706850) T/A Paris Baguette	Ground Floor Sales	854	79.3	06/12/2021	05/12/2036	06/12/2026 & 06/12/2031	n/a	£175,000*	Rent stipulated in the lease is £218,750pax but there is a turnover side deed whereby the tenant pays a base rent of £175,000pa. (80% of OMRV) plus a turnover top-up of 8% of turnover in excess of £1,000,000 pa. Rent deposit held equivalent to 15 months base rent (£218,750 + VAT). Guarantor - Paris Croissant Co Ltd. Rent commencement date was 01/09/2022. Lease outside L&T Act. The turnover rent top-ups have been the following since opening: Year end 05/12/2023 - £21,038.93 Year end 05/12/2024 - £43,395.93
		Ground Floor ITZA	701							
		Basement Sales	2,146	199.3						
		Total	3,000	278.6						
131 & Basement 133 KENSINGTON HIGH STREET	Rituals Cosmetics UK Limited (06439107) T/A Rituals	Ground Floor Sales	779	86.8	20/04/2024	19/04/2029	n/a	20/10/2026 (MBO)	£150,000	Mutual Break Option subject to 6 months prior written notice. S/C cap of £4,000 plus VAT increased annually by RPI. Lease outside L&T Act. The tenant has been in occupation since 2016.
		Ground Floor ITZA	625							
		Basement Sales	934	72.4						
		Total	1,713	159.2						
133 KENSINGTON HIGH STREET	Philip Morris Limited (03619145) T/A IQOS	Ground Floor Sales	796	73.9	30/04/2023	29/04/2028	n/a	30/04/2026	£175,000	Lease outside L&T Act. The tenant's original lease was for a term from and including 24 January 2020 to and including 29 April 2023.
		Ground Floor ITZA	622							
		Total	796	73.9						
135 KENSINGTON HIGH STREET	Läderach (UK) Ltd (12108999) T/A Läderach	Ground Floor Sales	884	82.1	07/06/2024	06/06/2034	07/06/2029	06/06/2029	£185,000	Rent deposit of £92,500 +VAT held for duration of term only released on a permitted assignment or when the company can demonstrate net profits of 3x passing rent for 3 consecutive years, subject to deposit being held for a minimum of 5 years. Tenant break option subject to 6 month prior written notice. Lease outside the L&T Act.
		Ground Floor ITZA	681							
		Basement Anc.	1,215	112.9						
		Total	2,099	195.0						
137 KENSINGTON HIGH STREET	Vodafone Limited (01471587) T/A Vodafone	Ground Floor Sales	811	75.3	13/01/2020	12/01/2030	13/01/2025		£185,000	Tenant break option in January 2025 not exercised. Lease outside L&T Act.
		Ground Floor ITZA	644							
		Basement Anc.	1,164	108.1						
		Total	1,975	183.4						
129/131 Part 1st floor KENSINGTON HIGH STREET	Dr Mahrokh Zhand (Dental Surgery)	First Floor	1,213	112.7	13/06/2022	12/06/2037	13/06/2027 & 13/06/2032	13/06/2027 & 13/06/2032 (MBO)	£41,500	Fixed mutual break options on 13 June 2027 and 13 June 2032, both subject to not less than 6 months prior written notice.
		Total	1,213	112.7						
SUB TOTAL			10,796	1,003					£911,500	

RESIDENTIAL TENANCY SCHEDULE

ADDRESS	UNIT	TYPE	SQ FT	SQ M	BEDS	LEASE START	LEASE EXPIRY	RENT REVIEW DATE	BREAK	RENT PA	RENT (PCM)	COMMENTS
2 WRIGHTS LANE, W8 6TA	Flat C (Floor 2)	AST	640	59.5	2 bed	26/08/2023	25/08/2025		Rolling MBO from 26/08/2024 with 2mths notice	£25,776	£2,148	
	Flat D (Floor 2)	AST	917	85.2	1 bed	29/10/2023	28/10/2025		Rolling MBO from 29/10/2024 with 2 mths notice	£26,880	£2,240	
	Flat E (Floor 2)	AST	764	71.0	1 bed	16/10/2024	15/10/2025			£29,376	£2,448	
	Flat F (Floor 3)	AST	634	58.9	2 bed	20/10/2024	19/10/2025			£26,820	£2,235	
	Flat G (Floor 3)	AST	927	86.1	2 bed	01/09/2024	31/08/2025		Rolling MBO from 01/03/2025 with 2mths notice	£31,800	£2,650	
	Flat H (Floor 3)	Regulated	739	68.7	1 bed	01/11/2005				£16,146	£1,346	Rent increase (exclusive of rates) from 24/04/2023. Previous rent £15,080pa.
	Flat K (Floor 4)	AST	756	70.2	1 bed	10/02/2023	09/02/2026		Rolling MBO from 10/02/2024 with 2mths notice	£28,140	£2,345	
	Flat L (Floor 4)	Regulated	765	71.1	1 bed	21/01/1982				£12,300	£1,025	Rent increase (exclusive of rates) from 14/04/2023. Previous rent £9,426pa.
	Flat M (Floor 4)	AST	752	69.9	1 bed	08/08/2024	07/08/2026	08/08/2025 Linked to RPI (3%-8%)	Rolling MBO from 08/08/2025 with 2mths notice	£26,820	£2,235	
133a KENSINGTON HIGH STREET, W8 6SU	Flat 1 (Floor 1)	AST	1,097	101.9	2 bed	15/10/2024	14/10/2025			£36,600	£3,050	
135a KENSINGTON HIGH STREET	Flat 1 (Floor 1)	AST	298	27.7	Studio	05/07/2024	04/07/2027	05/07/2025 & 05/07/2026 Linked to RPI (3%-8%)	MBO every 12 months on 2mths notice	£16,800	£1,400	
	Flat 2 (Floor 1)	AST	390	36.2	Studio	01/05/2024	30/04/2025			£15,600	£1,300	
	Flat 3 (Floor 2)	Regulated	698	64.8	2 bed	01/12/1983				£16,224	£1,352	Rent increase (exclusive of rates) from 06/11/2023 (tribunal). Previous rent £13,950pa.
	Flat 4 (Floor 3)	AST	694	64.5	1 bed	25/10/2022	24/04/2025		Rolling MBO from 25/10/2023 with 2mths notice	£27,192	£2,266	18m month renewal agreed but not documented at £28,620pa (£2,385pcm). Annual rent reviews linked to RPI (3%-8%).
	Flat 5 (Floor 4)	AST	694	64.5	2 bed	27/01/2025	26/01/2027	27/01/2026 Linked to RPI (3%-8%)	Mutual break is on 27/01/26 & 27/07/26 on 2mths notice	£28,599	£2,383	
137a KENSINGTON HIGH STREET	Flat 1 (Floor 1)	Regulated	298	27.7	Studio	16/02/1987				£8,766	£730	Rent increase (exclusive of rates) from 25/03/2023. Previous rent £8,112pa.
	Flat 2 (Floor 1)	Regulated	390	36.2	1 bed	13/01/1987				£12,220	£1,018	Rent increase (exclusive of rates) from 28/03/2023. Previous rent £9,906pa.
	Flat 3 (Floor 2)	AST	689	64.0	2 bed	21/06/2023	20/06/2025		Rolling MBO from 21/06/2024 with 2mths notice	£26,340	£2,195	
	Flat 4 (Floor 3)	Regulated	698	64.8	1 bed	13/01/1987				£12,479	£1,040	Rent increase (exclusive of rates) from 25/05/2023. Previous rent £11,700pa.
	Flat 5 (Floor 4)	Regulated	698	64.8	1 bed	13/01/1987				£11,960	£997	Rent increase (exclusive of rates) from 25/04/2023. Previous rent £10,866.96pa.
TOTAL RESIDENTIAL AREA			13,538	1,257.7						£436,837		

COMBINED COMMERCIAL & RESIDENTIAL

Gross Commercial Income	£911,500
Gross Residential Income	£436,837
Total Gross Income	£1,348,337
Landlord Insurance and Service Charge Shortfalls	£88,806.08
Net Income*	£1,259,531
Commercial WAULT (Exp)	7.0 yrs
Commercial WAULT (Break)	4.7 yrs
Total Combined Area (Sq.Ft.)	24,334

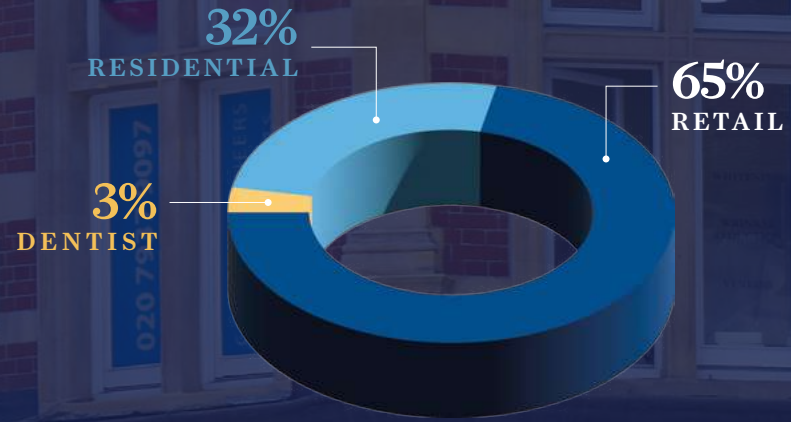
7 regulated tenancies
& 13 assured shorthold
tenancies (ASTs)

* Sum quoted does not include Paris Baguette turnover rent top-up. Top-up for 2024 was £43,395.93.

CURRENT INCOME & INCOME ANALYSIS

The property currently produces a total gross income of £1,348,337 pax.

INCOME PROFILE



95% of commercial income is secured to national multiple covenants.

Paris Baguette turnover has trended positively since their opening.

The turnover top-up has increased year on year as follows:

- Year end 05/12/2023 - £21,038.93
- Year end 05/12/2023 - £43,395.93





This income is not included in our calculations.

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BRAND	COMPANY	FINANCIAL YEAR ENDING	TURNOVER	PROFIT (LOSS) BEFORE TAX	SHAREHOLDER FUNDS	DELPHI BAND	COMMENT
	Paris Baguette UK Co Limited (13706850)	31/12/2023		(£3,214,746)	£1,985,254	n/a	Paris Baguette is a South Korean multinational chain of bakery- cafes, founded in 1988, owned by SPC Group and headquartered in Seoul. As of 2024, Paris Baguette had over 4,000 stores globally; over 3,600 in South Korea, with the remainder in USA, Canada, China, Vietnam, Singapore and France.
	Paris Croissant Co. Limited (129-81-07244) Guarantor	31/12/2023	\$1,538,916,000	\$704,023,000	\$7,067,000	Very Low Risk	Within the UK, Paris Baguette has sites in Battersea Power Station and on Kensington High Street. They are aiming to open 450 units across Europe by 2036, with 200 targeted at the UK. Turnover figures are positive at the subject property, documented within the tenancy schedule. A turnover statement is available on request.
	Rituals Cosmetics UK Limited (06439107)	31/12/2023	£82,178,211	£2,102,368	£5,050,494	Very Low Risk	Rituals currently has 63 stores across the UK with plans to open more in 2025. Turnover grew by 41% in 2023 producing a gross profit margin of circa 57%. This has been driven by internet sales and the opening of 14 new stores in the accounting period.
	Philip Morris Limited (03619145)	31/12/2023	£946,493,000	£12,572,000	£32,766,000	Very Low Risk	Philip Morris International is an American multinational tobacco company, with products sold in over 180 countries. IQOS is a line of heated tobacco and electronic cigarette products, first introduced by the group in November 2014. The December 2023 accounts report a 5% increase in company turnover and 26% increase in profit before taxation.
	Läderach (UK) Ltd (12108999)	31/07/2024	n/a	n/a	(£684,234)	n/a	The company's parent is Läderach (Schweiz) AG. Läderach is a Swiss chocolate and confectionary manufacturer based in Ennenda (Glarus). It was founded in 1962. The company worldwide employs over 1800+ employees and operates in 18 countries from 160+ stores. They are new to the UK and have one other store in Regent Street.
	Vodafone Limited (01471587)	31/03/2024	£5,816,000,000	£8,300,000	£6,238,200,000	Very Low Risk	Vodafone Limited is a British telecommunications provider and is part of Vodafone Group Plc, the second largest mobile phone company in the world. Their market share in the UK is circa 20% and they trade from over 400 stores in the UK.

KENSINGTON RESIDENTIAL MARKET

The Royal Borough of Kensington and Chelsea is one of London's most prestigious and sought-after residential areas, attracting a diverse mix of residents, from affluent individuals and families to young professionals and students.



ADDITIONAL INFORMATION

SERVICE CHARGE

The service charge budget for the year ending 31/12/2025 is £101,204.62. Of this amount £79,775.39 is attributed to the residential element and is effectively a Landlord cost. The Landlord also insures the residential element at a cost of £9,030.68 for the year ending 30/04/2025.

VAT

The property has been elected for VAT and it is proposed that any freehold disposal will be by way of a Transfer of a Going Concern (TOGC).

EPC

Full suite of EPC's are available upon request.

AML CHECKS

In order to comply with anti-money laundering legislation a successful purchaser will be required to provide certain identification documentation. These documents will be confirmed to and requested from the successful purchaser by the vendor and their professional advisors at the relevant time but before an exchange of contracts.

SURVEYS

An assignable building and measured survey is available on request.



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MISREPRESENTATION ACT 1967. The agents for themselves and for the vendors or lessors of the property whose agents they are give notice that: (i) these particulars are given without responsibility of The agents or the vendors or lessors as a general outline only for the guidance of prospective purchasers or tenants, and do not constitute the whole or any part of an offer or contract; (ii) The agents cannot guarantee the accuracy of any descriptions, dimensions, references to condition, necessary permissions for use and occupation and other details contained herein and any prospective purchaser or tenant should not rely on them as statements or representations of fact but must satisfy themselves by inspection or otherwise as to the accuracy of each of them; (iii) no employee of The agents (and their joint agents where applicable) has any authority to make or give any representation or warranty or enter into any contract whatsoever in relation to the property; (iv) VAT may be payable on purchase price and/or rent, all figures are quoted exclusive of VAT, intending purchasers or lessees must satisfy themselves as to the applicable VAT position, if necessary by taking appropriate professional advice; (v) except in respect of death or personal injury caused by the negligence of The agents, its employees or servants, The agents will not be liable, whether in negligence or otherwise howsoever, for any loss arising from the use of these particulars save to the extent that any statement made in these particulars has been made fraudulently. March 2025. Designed and produced by Creativeworld. T: 01282 858200.

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