

A Prominent London Retail Investment  
with Annual RPI Increases

321-321a  
FINCHLEY ROAD  
HAMPSTEAD  
LONDON NW3 6EP



**KOOPMANS**  
Property Asset Management

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# INVESTMENT SUMMARY

- A rare opportunity to purchase a well located, secure, London retail investment.
- A prominent A1 Retail and D1 Medical investment on Finchley Road with a total frontage of 38.1 m (125 ft).
- A total of 896.1 sq m (9,646 sq ft) arranged over ground and lower ground floors as a substantial retail showroom of 754 sq m (8,116 sq ft) and a dentist's practice of 142.1 sq m (1,530 sq ft).
- Finchley Road is the main arterial route into the West End from North London.
- Hampstead is one of London's most affluent inner suburbs, situated only 4 miles north of the West End.
- 85% of the income is from the substantial covenant of Roche Bobois, the high end French furniture retailer. Let until 2024 with annual RPI rent increases collared and capped at 1% and 4%.
- Total income of £238,350 per annum exclusive.
- Virtual Freehold.
- Offers sought in excess of £4,300,000 (four million, three hundred thousand pounds).
- An attractive net initial yield of 5.2%.

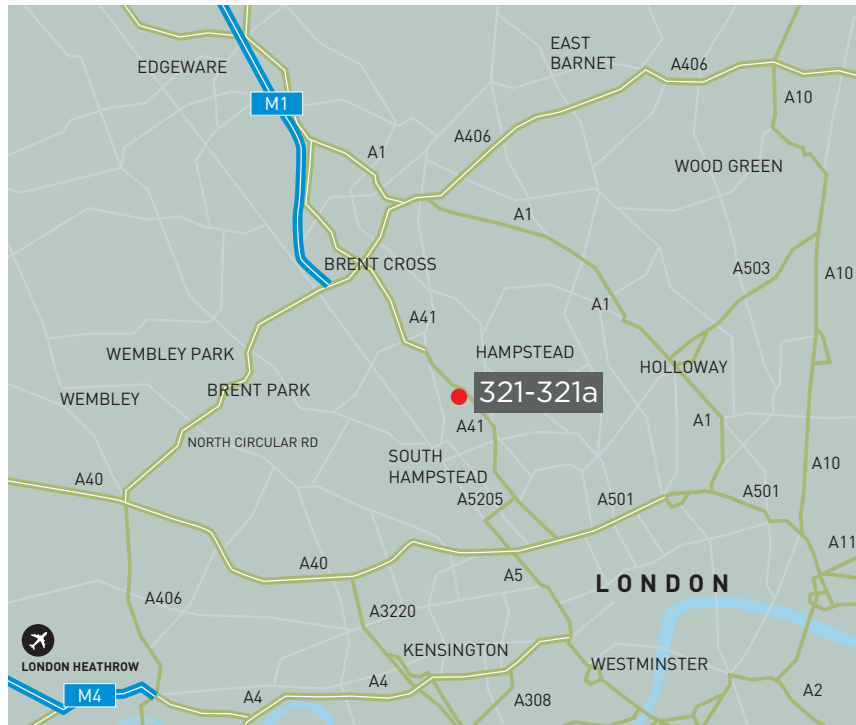


# LOCATION

The property is located in Hampstead, one of London's most affluent suburbs, located just 4 miles (6.4 km) north of the West End.

Finchley Road (A41) is one of the principal routes into the West End via St John's Wood and Baker Street. Junction 1 of the M1 is only 3.2 miles (5km) to the north. It is estimated that 40,000 vehicles per day pass along Finchley Road.

Finchley Road provides a wide selection of national and independent retailers, banks, restaurants and cafés. In particular it is a popular location for a number of high end furniture retailers, bathroom and kitchen designers. These include Natuzzi, BoConcept, Neatsmith, Modess and Poggenpohl. Nearby is the O2 Shopping Centre which is home to a number of leisure and retail occupiers including Virgin Active, Vue Cinema, Sainsbury's, Wagamama's and Yo Sushi.





- 1. The Camden Arts Centre
- 2. The JW3 Jewish Community Centre
- 3. Natuzzi
- 4. Finchley Road and Frognal station
- 5. O2 Centre
- 6. Holiday Inn Express
- 7. Allied Irish

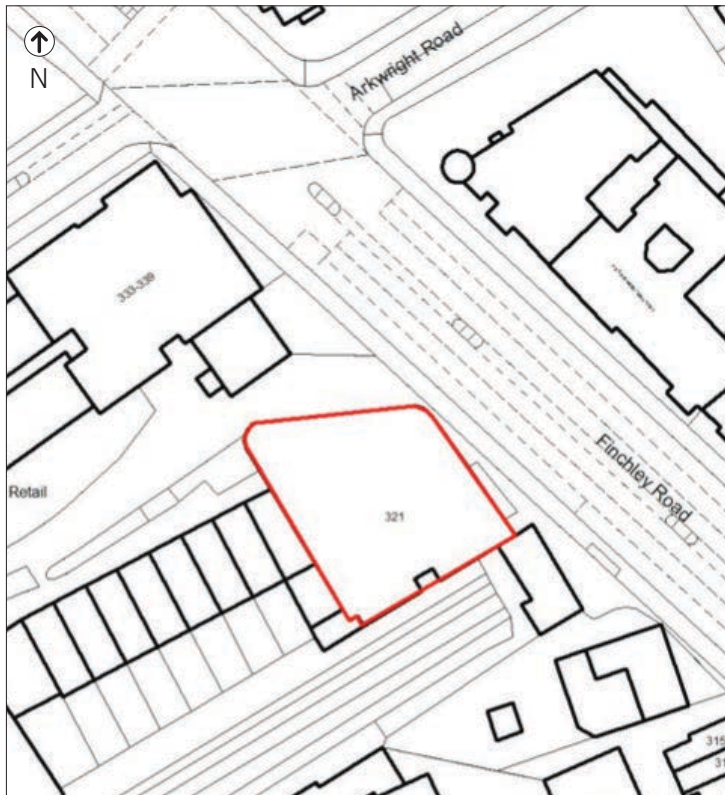
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FINCHLEY ROAD

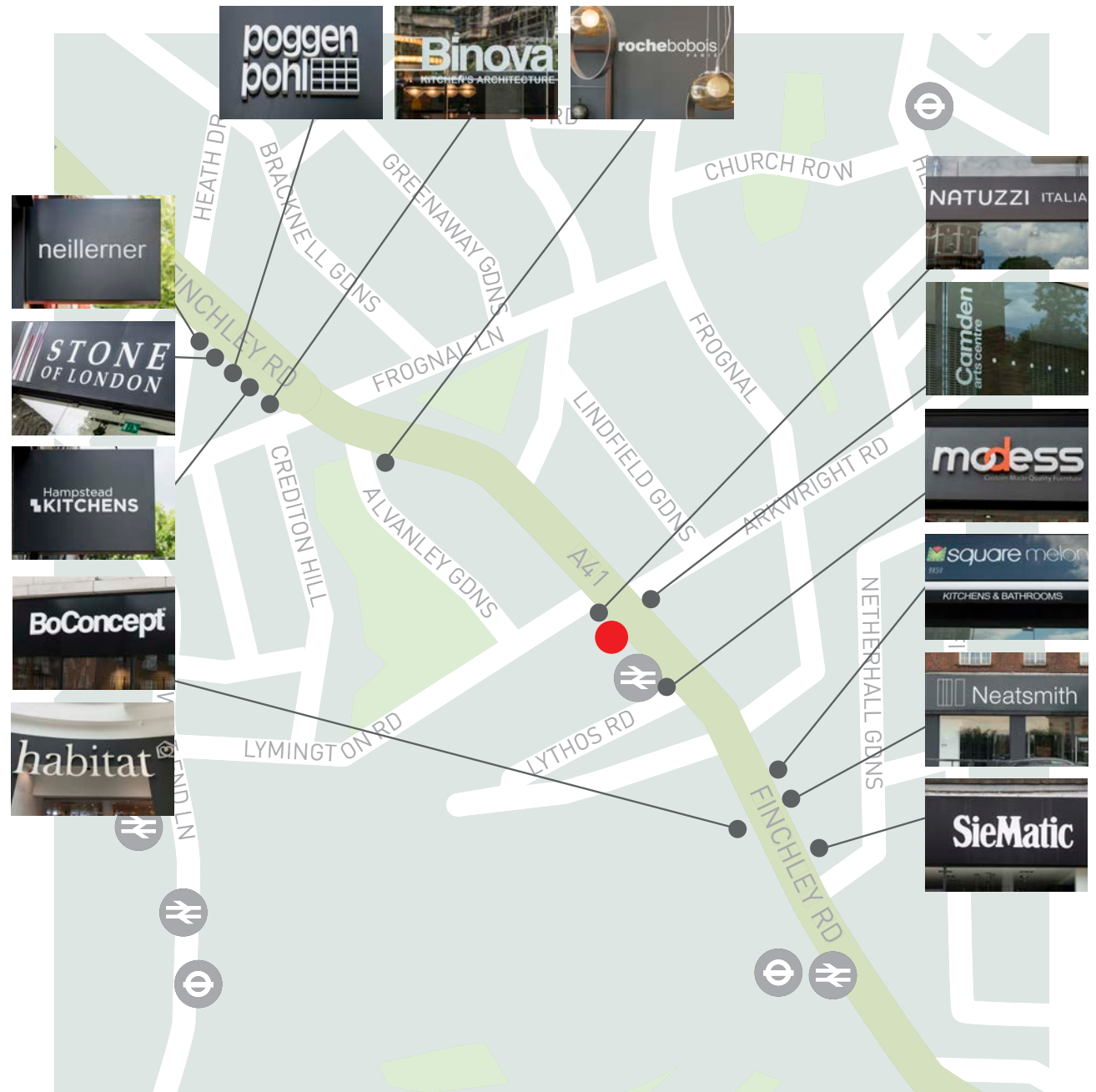
# SITUATION

The property is situated on the west side of Finchley Road, adjacent to the prime residential areas of Hampstead and West Hampstead. The area is extremely well connected with numerous bus and rail routes close by. Finchley Road and Frognaal Station, with 2.1 million passengers annually, is located immediately next door. The London Overground rail link has had a substantial upgrade over the last few years and services include direct links to Richmond in the south-west and Stratford in the east. Close by are West Hampstead Underground and Thameslink Stations.

Italian furniture retailer Natuzzi occupies a large showroom adjacent to the property. They and Roche Bobois are just two of the many high end furniture, kitchen and bathroom retailers situated on Finchley Road.



For identification purposes only.



# DESCRIPTION

The property comprises the ground floor and lower ground floor of a substantial mixed use development completed in 2006. The two ground floor units have a total frontage of 38.1m (125 ft) with full height glass shop fronts.

Both tenants were the first occupiers of the building having acquired their units as developer 'shells'. The Roche Bobois unit is a large open plan showroom that is attractively fitted out with a suspended ceiling, spot lighting and air conditioning. The lower ground floor is fitted out as offices with storage, staff areas, kitchen and toilets. The property is situated on a sloping site, with the rear lower ground floor offices having the benefit of natural light and access onto a small courtyard area.

Unit 2 is fitted out as a modern dental practice with three consulting rooms, reception and staff area. There is air conditioning, a suspended ceiling and recessed lighting.



# TENANCY SCHEDULE

The two Coxbury Limited leases have the benefit of Annual RPI increases.

Address	Tenant	Description	Area sq m/ Length m.	Area sq. ft./ Length ft.	Lease terms	Rent Review	Rent PAX	Comments
321 Finchley Road Ground & Lower Ground (Part)	Coxbury Limited t/a Roche Bobois	Frontage Ground Floor Lower Ground Floor	29.2m 474.0 194.6	(96 ft) (5,102) (2,095)	18 years From: 08/09/2006 To: 07/09/2024	Annual	£192,950	<ul style="list-style-type: none"> <li>Annual RPI reviews. Minimum of 1% and Maximum of 4%.</li> <li>An additional Open Market Review on 08/09/2021.</li> <li>Class A1 or A2.</li> <li>£67,721 rent deposit.</li> </ul>
321 Finchley Road Lower Ground (Part)	Coxbury Limited t/a Roche Bobois	Lower Ground Floor	85.3	(919)	18 years From: 08/09/2006 To: 07/09/2024	Annual	£11,900	<ul style="list-style-type: none"> <li>Annual RPI reviews. Minimum of 1% and Maximum of 4%.</li> <li>An additional Open Market review on 08/09/2021.</li> <li>Class A1 or A2.</li> </ul>
321a Finchley Road Ground	Leodent LLP t/a 321 Dental	Frontage Ground Floor	8.9m 142.1	(29 ft) (1,530)	15 years From: 02/06/2009 To: 01/06/2024	02/06/2019	£33,500	<ul style="list-style-type: none"> <li>5 yearly upward only reviews.</li> <li>Class D1.</li> <li>£15,075 rent deposit.</li> </ul>
			896.0 sq m	9,646 sq ft			£238,350	

Experians' RPI forecast for the next five years from 2019 to 2023 are shown in the table below:-

2019	2020	2021	2022	2023
2.8%	3.0%	3.3%	3.4%	3.4%

## TENURE

The property is held on a 999 year ground lease from 22nd February 2005 at a peppercorn rent.



# TENANT INFORMATION

## Coxbury Limited and Roche Bobois



Coxbury Limited trades as Roche Bobois in the UK. They have showrooms in London, Manchester and Walton on Thames, Surrey. In London the locations are in Chelsea, Knightsbridge (Harrods) and Wandsworth. They have two showrooms in Hampstead, the subject property and 421-425 Finchley Road where they show their contemporary furniture collection. Both showrooms trade well and independently of one another. The subject property is Roche Bobois's HQ in the UK.

Roche Bobois was established in 1950 and the group is a world leader of high end furniture design and distribution. The group has representation in 55 countries through 255 showrooms. They create their collections with renowned designers and fashion houses including Kenzo, Missoni, Jean Paul Gautier and Christian Lacroix Maison.

The two leases held by Coxbury Limited are guaranteed by Roche Bobois Groupe SA. In July 2018 Roche Bobois SA Listed on the Paris Stock Exchange with a Market Capitalisation of €200 million.

[www.roche-bobois.com](http://www.roche-bobois.com)

Coxbury Limited	Year Ended 31 Dec 2017	Year Ended 31 Dec 2016	Year Ended 31 Dec 2015
Turnover	£16,492,526	£16,670,195	£16,964,714
Pre-Tax Profit	£715,569	£982,627	£1,960,066
Shareholders Funds	£1,985,347	£1,462,001	£2,190,068

Company No. 2856356.

Roche Bobois Groupe SA	Year Ended 31 Dec 2016	Year Ended 31 Dec 2015	Year Ended 31 Dec 2014
Turnover	€7,619,477	€7,565,169	€7,159,808
Pre-Tax Profit	€332,277	€1,234,999	€275,348
Shareholders Funds	€33,614,044	€34,481,766	€34,346,767

French Company No. R CS B 327787438.

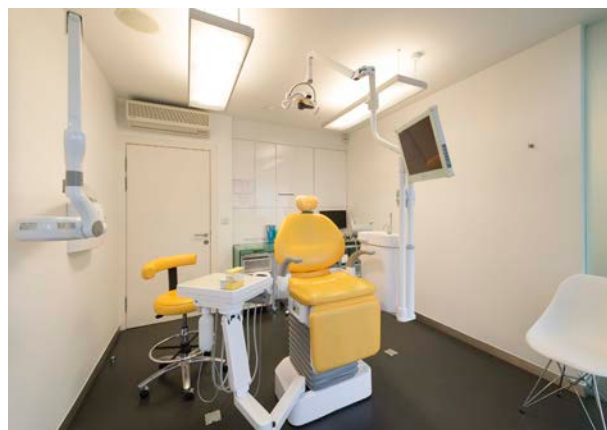
## Leodent LLP



Leodent LLP trades as 321 Dental and is a successful private dental practice. They have been in occupation for 9 years.

[www.321dental.co.uk](http://www.321dental.co.uk)

Leodent LLP's most recent accounts report Shareholder Funds of £1,758,000 for the year ended 31st March 2017. Creditsafe give Leodent LLP a Very Low Risk Rating of 94A. Company No. UK07122300.



## PLANNING

The property is not listed and is not situated in a conservation area.

The principal planning permission for the property was granted in April 2002. The consent was for the construction of 4 new buildings with a total of 109 residential units and commercial space for use within Classes A1, A2, A3 or B1. In 2008 consent was given for the change of use of unit 2 to D1 Dental Practice.

## EPC

321 Finchley Road - B46  
321a Finchley Road - C74

Copies of the Reports are available upon request.





## VAT

The property is elected for VAT and it is proposed that the transaction will be treated as a Transfer of a Going Concern (TOGC).

## DATA ROOM

A data room has been set up with relevant documentation. Access is available on request.

## PROPOSAL

We are instructed to seek **offers in excess of £4,300,000 (four million, three hundred thousand pounds)** subject to contract for our client's virtual freehold.

A purchase at this level will reflect an attractive **net initial yield of 5.2%** assuming purchasers costs of 6.8%. This will increase in September 2019 and continue to increase annually with RPI based minimum rental increases.

Based on Experian's RPI Forecasts, a purchase price of **£4,300,000** would reflect the following reversionary net yields.

Year	Rent	Reversionary Yield
2019	£244,086	5.31%
2020	£250,403	5.45%
2021	£257,561	5.61%
2022	£265,179	5.77%
2023	£273,056	5.95%

Further increases in rent may be possible at the Open Market Reviews in 2019 and 2021.

## FURTHER INFORMATION

Should you require any further information or wish to make an inspection, please do not hesitate to contact the joint selling agents.

### MISREPRESENTATION ACT 1967

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NOTE: The enclosed plans are based upon the Ordnance Survey Map with the sanction of the Controller of H M Stationery Office (Crown Copyright Reserved), Chas E Goad Limited, Geographia Limited and Geographers A-Z Map Co Limited, where applicable. These plans are published for the purposes of identification only and, although believed to be correct, their accuracy is not guaranteed and they do not form any part of any Contract. Details prepared September 2018.

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