

ONE
ELEVEN
STRAND

111 STRAND, COVENT GARDEN, LONDON WC2

PRIME WEST END
INVESTMENT
FOR SALE

ONE
ELEVEN
STRAND

INVESTMENT SUMMARY

- Headquarters Grade A office and ground / lower ground retail investment in the heart of London's West End
- Directly south of Covent Garden Piazza and moments from The Savoy Hotel
- Covent Garden / Strand a beacon for numerous global occupiers, against a backdrop of highly constrained office supply
- Excellent connectivity - Charing Cross and Waterloo mainline / underground stations, plus Covent Garden, Leicester Square, Embankment and Tottenham Court Road underground stations all close by
- Imposing asset newly constructed in 2002
- **Now the subject of a comprehensive Landlord-funded Grade A refurbishment**
- Optimally configured floors of circa 5,000 sq ft with 3 elevations affording excellent natural light and impressive views
- Held leasehold from the Duchy of Lancaster for a further 130 years at a peppercorn rent
- Total floor area of 37,781 sq ft comprising 30,549 sq ft of offices over first to six floors, plus 3 retail units
- Offices let in their entirety to **CVC Advisers Limited expiring January 2030 - 9 plus years without break**
- Offices 86% of total income
- Established in 1981, CVC a world leader in private equity and credit - \$79.6 billion of assets under management, \$135.8 billion of funds committed and a global network of 23 offices
- CVC - D&B Rating of 4A1
- CVC - a Covent Garden occupier since the 1990's, and of 111 Strand by way of pre-let in 2002
- Office income of £2,295,944 per annum (£75.16 per sq ft)
- 3 retail tenants (2 holding over)
- Total income of **£2,683,444 per annum**
- Asset is owned by a Luxembourg special purpose vehicle
- Offers are invited **in excess of £62,000,000** subject to contract and exclusive of VAT reflecting a **net initial yield of 4.23%*** assuming purchaser's costs at 1.8%
- Attractive cash-on-cash return in excess of 6.25% based on current indicative debt terms, further details can be provided on request

* Based on the completion of Specsavers renewal





CANARY WHARF

THE SHARD

THE CITY

20 FENCHURCH STREET

ST. PAUL'S CATHEDRAL

TOWER BRIDGE

ROYAL COURTS OF JUSTICE

OXO TOWER

LINCOLN'S INN FIELDS

LONDON SCHOOL OF ECONOMICS

TEMPLE

ONE ELEVEN STRAND

SOMERSET HOUSE

THE NATIONAL THEATRE

KINGSWAY

WATERLOO BRIDGE

ALDWYCH

WATERLOO

ROYAL OPERA HOUSE

LONDON TRANSPORT MUSEUM

RIVER THAMES

THE SAVOY HOTEL

COVENT GARDEN PIAZZA

THE ADELPHI

COVENT GARDEN

VICTORIA EMBANKMENT GARDENS

EMBANKMENT

STRAND

COUTTS

CHARING CROSS



REGENT'S PARK

BUCKINGHAM PALACE

GREEN PARK

ST. JAMES'S PARK

PICCADILLY CIRCUS

NATIONAL GALLERY

LEICESTER SQUARE

ORION HOUSE

TRAFALGAR SQUARE

CHARING CROSS

COVENT GARDEN

EMBANKMENT

COVENT GARDEN PIAZZA

CHARING CROSS BRIDGE

VICTORIA EMBANKMENT GARDENS

LONDON TRANSPORT MUSEUM

THAMES CLIPPER

THE SAVOY HOTEL

ONE
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RIVER THAMES

INVESTMENT RATIONALE

- Core Covent Garden location
- Outstanding transport connectivity located under 0.5 miles from six Underground Stations and two National Rail Stations
- Headquarters building, being refurbished to a Grade A standard at £140 psf
- Excellent natural light and outstanding views of the Thames
- Secure income stream - 86% of income generated from CVC Advisers, a 4A1 D&B rated private equity firm for a further 9 plus years
- CVC an occupier of the building since 2002
- Limited committed future development stock in the sub market forecast
- Floor by floor office rent reviews falling in 2025, a year with no significant development forecast, creating strong conditions for rental growth



LOCATION

- London is one of the world's most visited cities with 30 million visitors annually and has the highest population in Europe of 8.8m, set to rise to 10.8m by 2050.
- Greater London is the largest economy in Europe contributing £1trn (33%) to the UK economy every year.
- Over 55% of the world's 500 largest companies have European HQ's in London - the highest in Europe.
- London is an innovative city consistently attracting more FDI in the Tech sector than any other European city.
- Highly skilled workforce - London has the highest proportion of tertiary educated workers in the world (59% of total)
- Its office stock of 250m sq ft is the highest globally.

Strand / Covent Garden is one of London's most dynamic and exciting locations as a result of:-



London's epicentre - sharing borders with Soho, St James's, Bloomsbury, Holborn and The River Thames



Covent Garden Piazza - one of the most dynamic retail and leisure experiences in central London with over 40 million visitors per year. Retailers here include: Apple, Mulberry, Godiva, Tom Ford, Chanel, Bobbi Brown, Dior, Clinique, Penhaligons and Oakley, while renowned restaurants include Ivy Market Grill, Dirty Martini, Aubaine Deli, Shake Shak and MEATMarket



Critical mass - Strand/Covent Garden office stock totals 11m sq ft making it the largest sub market in the West End



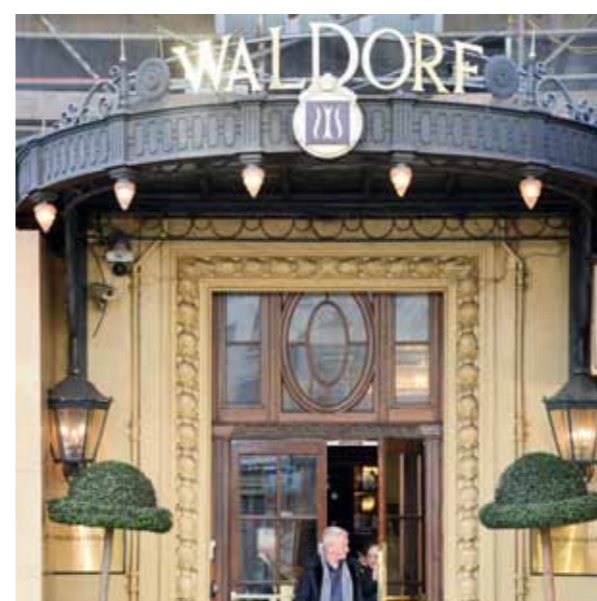
World renowned cultural cluster - The Royal Opera House, Theatre Royal Drury Lane, plus the Lyceum, Novello, Aldwych, Vaudeville, Adelphi and Duchess Theatres along with Somerset House and The National Portrait Gallery all located there. Additionally the highly respected London School of Economics is located on Kingsway



Over 50 hotels - home to world famous Savoy Hotel, plus St Martin's Lane and 1 Aldwych



Numerous world renowned office occupiers - Coutts & Co, PWC, Spotify, Wells Fargo, Conde Nast, DreamWorks, Mckinsey and Primerica, demonstrating demand across a broad spectrum.



Excellent connectivity

Charing Cross - mainline & underground stations	5 mins	🚶
Waterloo - mainline & underground stations	12 mins	🚶
Covent Garden tube - Piccadilly line	6 mins	🚶
Temple tube - District & Circle lines	6 mins	🚶
Embankment tube - Bakerloo, Northern, District & Circle lines	7 mins	🚶
Leicester Square tube - Piccadilly & Northern lines	9 mins	🚶
Tottenham Court Road tube - Crossrail/Elizabeth Line, Northern & Central lines	15 mins	🚶



Victoria Embankment Gardens



Covent Garden Piazza

LOCAL OCCUPIERS



LOCAL OCCUPIERS

- 1 Bain & Company
- 2 Coutts
- 3 Dreamworks
- 4 The Economist
- 5 Handelsbanken
- 6 National Grid
- 7 PWC
- 8 Spotify
- 9 Tate & Lyle PLC
- 10 Wells Fargo

WINE & DINE

- 1 Savoy Kaspar's Seafood Bar & Grill
- 2 Savoy American Bar
- 3 Gordon's Wine Bar
- 4 Polpo Covent Garden
- 5 Rules Restaurant
- 6 Clos Maggiore
- 7 Radio Rooftop Bar
- 8 The Delaunay Restaurant
- 9 Ship and Shovel
- 10 Ivy
- 11 Cucina Asellina
- 12 Hawksmoor Seven Dials
- 13 Dishoom
- 14 Petersham Nurseries
- 15 Flat Iron
- 16 Balthazar
- 17 The Ivy Market Grill
- 18 Mr Fogg's Tavern

CULTURE

- 1 Adelphi Theatre
- 2 Savoy Theatre
- 3 London Coliseum
- 4 Noël Coward Theatre
- 5 Garrick Theatre
- 6 Lyceum Theatre
- 7 The Duchess Theatre
- 8 Fortune Theatre
- 9 Theatre Royal, Drury Lane
- 10 National Theatre
- 11 Royal Festival Hall
- 12 Cambridge Theatre
- 13 Proud Galleries
- 14 National Portrait Gallery
- 15 Southbank Centre

HOTELS & LEISURE

- 1 The Savoy
- 2 The South Bank
- 3 Covent Garden Market
- 4 Somerset House
- 5 ME London
- 6 Covent Garden Hotel
- 7 The Waldorf
- 8 The Henrietta

SIGNIFICANT RECENT LOCAL DEVELOPMENTS



1 NEW OXFORD STREET
95,000 SQ FT MIXED USE
DEVELOPMENT
FULLY LET



THE POST BUILDING
320,000 SQ FT MIXED USE
DEVELOPMENT
OXFORD PROPERTIES /
BROCKTON
FULLY LET



125 SHAFTESBURY AVENUE
190,000 SQ FT MIXED USE
DEVELOPMENT
ALMACANTAR
FULLY LET

**ONE
ELEVEN
STRAND**



THE ADELPHI BUILDING
155,000 SQ FT
GRADE II LISTED OFFICE
BLACKSTONE
FULLY LET



**80 STRAND
(FORMERLY SHELL MEX HOUSE)**
151,000 SQ FT OFFICES
OVER 4 FLOORS
DELIVERY Q3 2021
WESTBROOK



**SAVOYSTRAND
105-109 STRAND**
35,000 SQ FT OFFICES
PLUS RETAIL
2ND & 3RD FLOORS U/O
DELIVERY Q4 2020
DUCHY OF LANCASTER



SOUTHBANK PLACE
1.5M SQ FT MIXED USE
DEVELOPMENT
CANARY WHARF / QATARI DIAR
FULLY LET

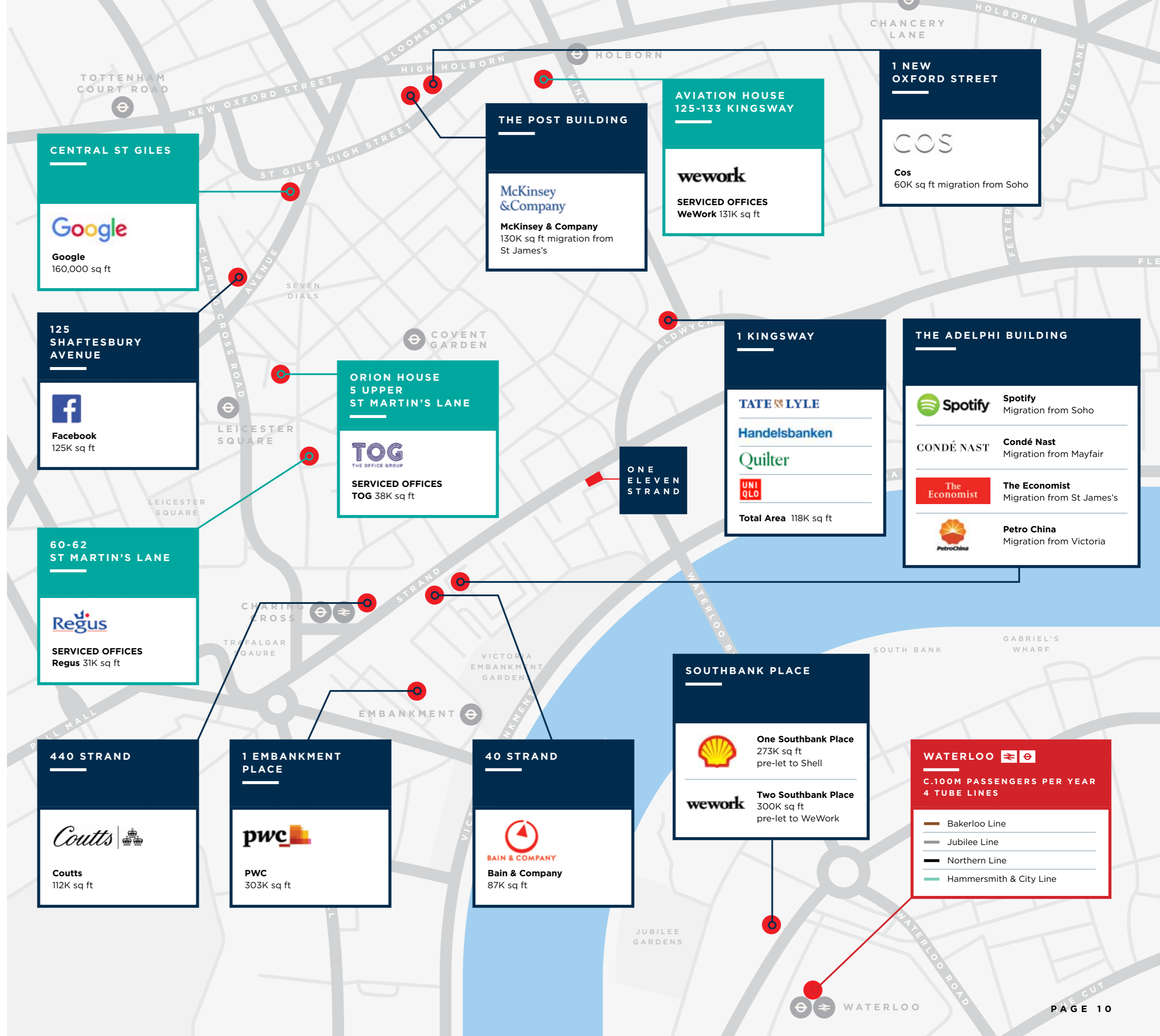
DYNAMIC SUB-MARKET

The Strand / Covent Garden "grid" from New Oxford Street in the north to the river Thames in the south, continues to be characterised by a shortage of Grade A stock. There is little sign of this changing in the short to medium term. This shortage is driven by:

- A restrictive planning regime
- Past conversion of offices to residential (with Centre Point and Parker Tower totalling 250,000 sq ft alone)
- Significant migration of tenants from other sub-markets to Strand / Covent Garden – as illustrated on the map
- Diverse occupier base across varied sectors

Key facts as follows:

- Office stock 10.7 m sq ft
- Vacancy rate circa 12% below 10 year average
- Total committed development to 2024 of 390,000 sq ft
- 10 year annual take up 360,000 sq ft
- Active demand therefore outweighs supply by 4:1
- Prime rents in WC1 / WC2 have exceeded £80.00 psf as demonstrated by The Post Building achieving rents up to £92.00 psf



DESCRIPTION

The offices were newly constructed in 2002 and comprise:

- Imposing façade with a frontage of 100 ft to Strand, plus 2 further elevations
- Grade A headquarters offices, plus 3 retail units
- Generous reception with rear aspect
- Totalling 37,781 sq ft over lower ground, ground and 6 upper floors
- Dramatic views of the River Thames and across London from the upper floors
- Perfectly configured floors with excellent natural light from 3 elevations
- Bike racks and showers



Internal existing images prior to landlord's refurbishment works

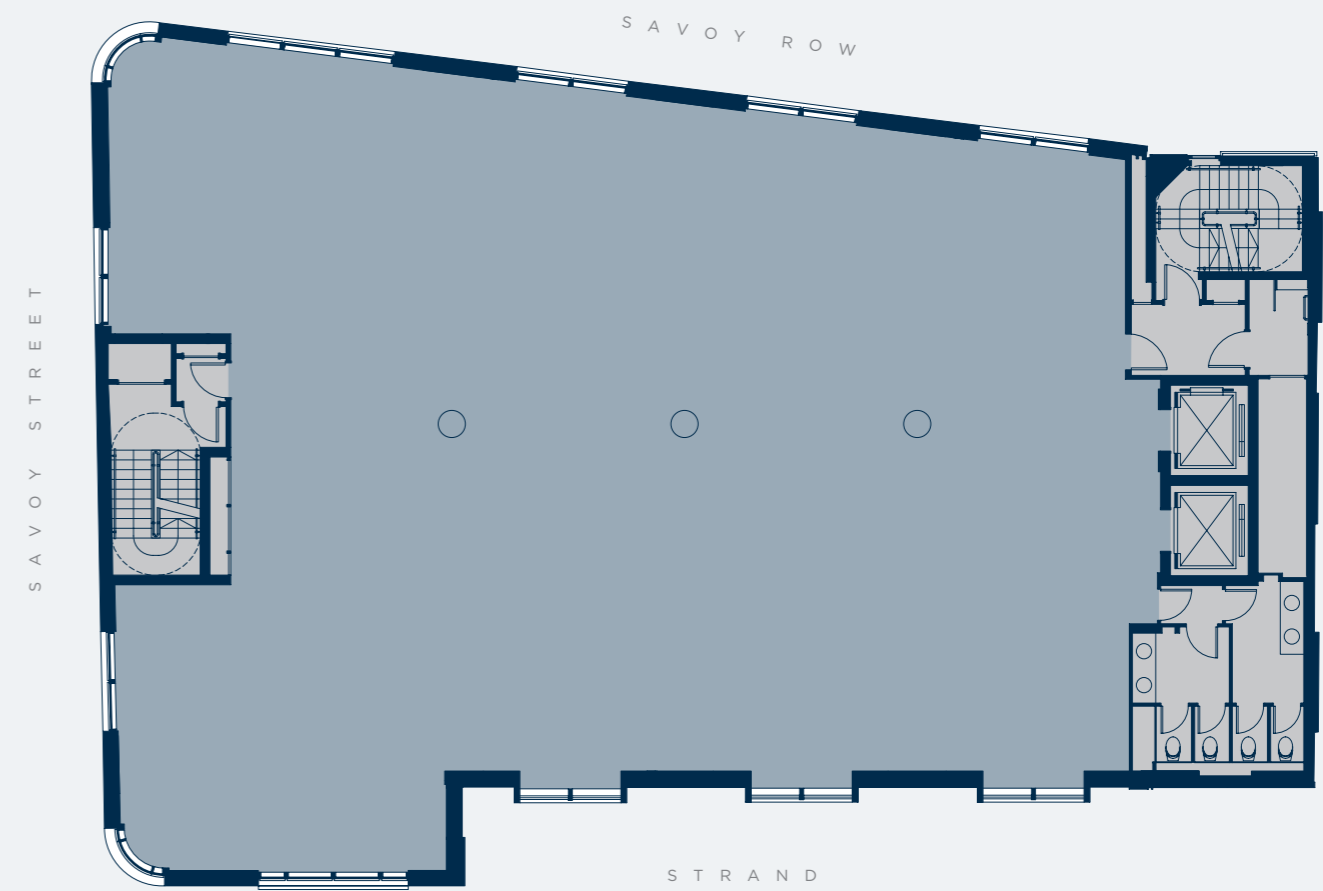
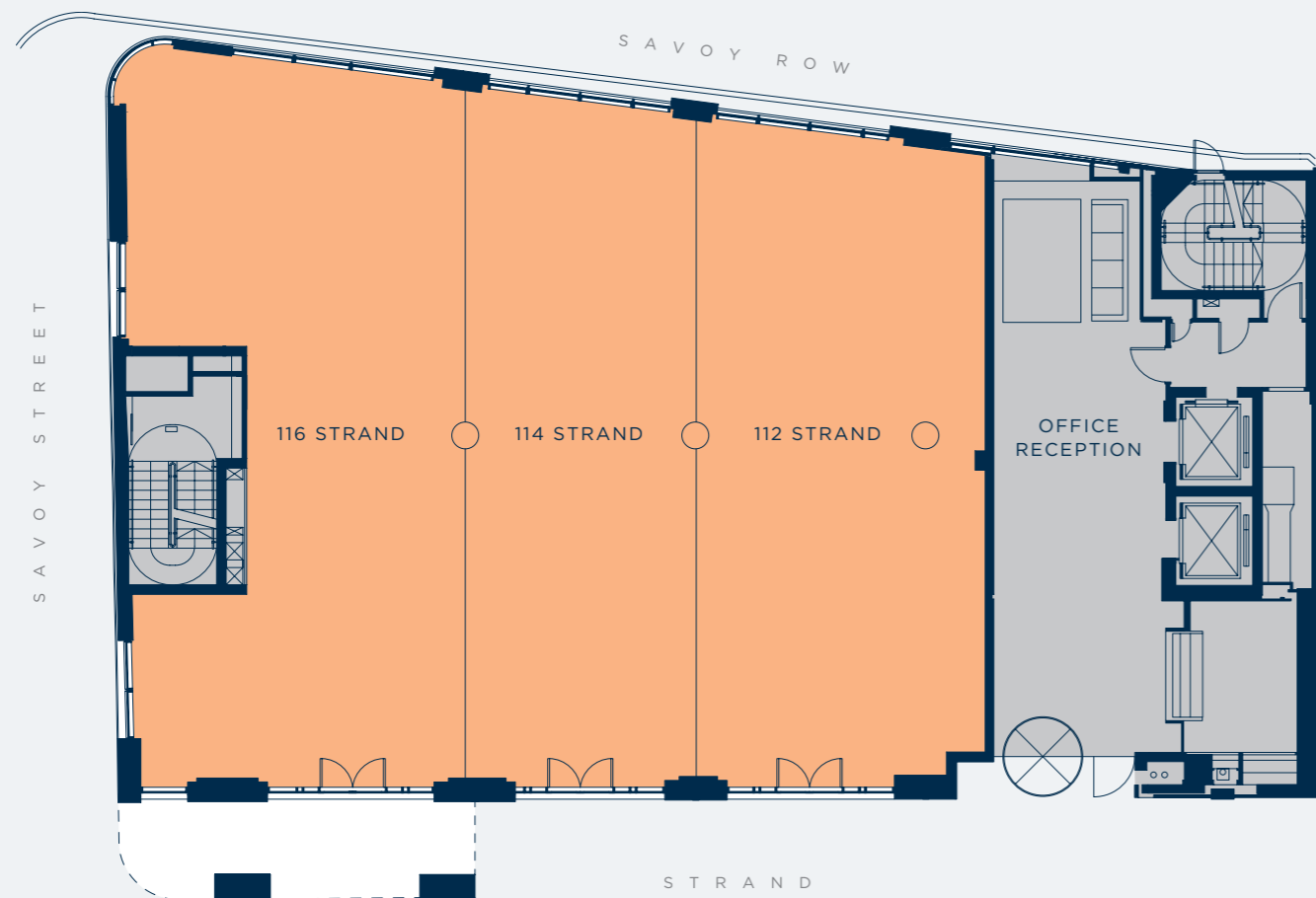


FLOOR PLANS

ONE
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STRAND

GROUND

TYPICAL UPPER



Key:



Plans not to scale. For identification purposes only. Please see the plans to the leases available in the data room.

IMMINENT GRADE A OFFICE REFURBISHMENT FULLY FUNDED BY THE LANDLORD

The offices are to undergo an exacting, Grade A refurbishment by CVC with a Landlord contribution to the Cat A specification that has already been funded as follows:

- Landlord's Cat A contribution of £5,160,000, including £860,000 in respect of VAT
- c.£140 per sq ft exl VAT
- Monies held in Escrow account
- Programme of fixed payments, subject to completion of works

SPECIFICATION

The comprehensive Cat A specification will include:



New M&E installations, including AHU, FCUs (part), distribution boards, electric panel heaters (staircases)



New BMS including new head end units by Trend



New perforated metal suspended ceilings, with plasterboard margins



Decoration of walls, margins, ceilings and framing to glazed curtain walling, new skirtings



New LED lighting throughout, emergency lighting and controls



“Back to shell” remodelling of WC accommodation, new doors, cubicle doors, vanity units, taps, stone tops and high-end ceramic / porcelain tiling



New metal raised access floor system



“Back to shell” reception, with feature lighting, new floor coverings, overhaul of existing doors, ceilings and wall linings



Comprehensive refurbishment / modernisation of lifts, access control integration



Showers, cycle racks and lockers at lower ground floor level



New access control system

The full Cat A specification, which is annexed to the Agreement for Lease with CVC, is the basis for rent review purposes.



ACCOMMODATION

The property has been measured by Lane & Frankham in accordance with both the RICS Code of Measuring Practice (6th edition), providing net internal areas (NIA), gross internal areas (GIA) and the RICS Property Measurement (1st edition), providing IPMS: office building measurements.

The full measured survey is available in the data room and is assignable to the purchaser.

FLOOR	USE	AREA / SQ M	AREA / SQ FT
Sixth	Office	420.1	4,522
Fifth	Office	466.0	5,016
Fourth	Office	469.5	5,054
Third	Office	469.4	5,053
Second	Office	469.9	5,058
First	Office	464.2	4,997
Ground	Reception	78.9	849
SUBTOTAL OFFICE		2,838.0	30,549
112 Ground	Retail	118.6	1,277
Lower Ground		202.4	2,179
114 Ground	Retail	100.1	1,078
116 Ground	Retail	131.2	1,412
Lower Ground		119.5	1,286
SUBTOTAL RETAIL		671.8	7,232
TOTAL		3,509.8	37,781

TENURE & TENANCY

The property (land and buildings thereon) is held long leasehold from the Duchy of Lancaster for a term of 150 years from 14th June 2000 at a peppercorn ground rent.



Not to scale. For identification purposes only. This plan is based upon the Ordnance Survey Map with the sanction of the controller of H.M. Stationery Office. Crown Copyright reserved.

TENANCY SCHEDULE

TENANT	DEMISE	AREA (SQ FT)	FROM	EXPIRY	RENT REVIEW	RENT PA	%	RENT PSF	COMMENTS
CVC Advisers Limited	6th	4,522	01/01/2020	31/12/2029	01/01/2025	£357,238 *		£79.00	Inside L&T Act 1954
CVC Advisers Limited	5th	5,016	01/01/2020	31/12/2029	01/01/2025	£386,232 *		£77.00	Inside L&T Act 1954
CVC Advisers Limited	4th	5,054	01/01/2020	31/12/2029	01/01/2025	£389,158 *		£77.00	Inside L&T Act 1954
CVC Advisers Limited	3rd	5,053	01/01/2020	31/12/2029	01/01/2025	£389,081 *		£77.00	Inside L&T Act 1954
CVC Advisers Limited	2nd	5,058	01/01/2020	31/12/2029	01/01/2025	£389,466 *		£77.00	Inside L&T Act 1954
CVC Advisers Limited	1st	4,997	01/01/2020	31/12/2029	01/01/2025	£384,769 *		£77.00	Inside L&T Act 1954
CVC Advisers Limited	Reception / lower ground ancillary	849	01/01/2020	31/12/2029		Peppercorn			Outside L&T Act 1954. Landlord or tenant may terminate if tenant assigns one or more of the office leases.
TOTAL						£2,295,944	86%		
Albion Computers Plc (112 Strand)	Grd LG Grd ITZA	1,277 2,179 787	14/08/2006	13/08/2016		£126,500		£142 ITZA	Inside L&T Act 1954 Holding over.
Specsavers Optical Superstores Limited (114 Strand)	Grd Grd ITZA	1,078 644	01/10/2010	13/09/2020		£115,000		£179 ITZA	Inside L&T Act 1954 New lease of 5 years to be entered into at £100,000 pa, in solicitors hands.
The Color Company™ Limited (116 Strand)	Grd LG Grd ITZA	1,412 1,286 834	30/04/2009	29/04/2019		£146,000		£163 ITZA	Inside L&T Act 1954 Holding over.
London Power Networks	Part LG		30/01/2002	29/01/2101		-		-	Rent 5 pence p.a. Landlord can terminate if it intends to develop the premises and provides alternative accommodation to the tenant.
TOTAL						£387,500	14%		
GRAND TOTAL		37,781				£2,683,444			

*Rent commencement date 01/09/2021, rent-free period to be topped up

TENANT INFORMATION

CVC - committed to the Covent Garden area for over 25 years



CVC ADVISERS LIMITED

86% OF INCOME

Established in 1981, CVC is a world leader in private equity and credit.

CVC has a total of \$79.6 billion of assets under management - on behalf of over 300 investors - and \$135.8 billion of funds committed.

CVC's private equity platform manages over \$54.1 billion of assets and comprises four strategies: Europe / Americas; Asia; Strategic Opportunities; and Growth Partners, each of which benefit from CVC's global platform.

CVC's credit platform manages \$25.5 billion of AUM across three strategies: performing loans; private debt; and credit opportunities & special situations.

It has a global network of 23 offices - 15 across Europe and the Americas and 8 in the Asia Pacific region - employing over 400 people.

Notable investments include Breitling, RAC, Formula One Group and Premiership Rugby

*figures from website

For Year ending 31st December 2019 CVC Advisers Limited reported the following:

- Turnover £78.96m
- Pre-tax profit £5.13m
- Shareholders Funds £23.98m
- CVC Advisers Limited have a D&B Rating of 4A1



ALBION COMPUTERS PLC

5% OF INCOME

Albion iStore is an Apple Premium Reseller, an Apple Authorised Service Provider and an Apple Solution Expert for Education.

It offers information technology and communication solutions. The Company provides speakers, cases, headphones, software, laptops, desktops, phones, music players, and accessories. Albion Computers serves customers in the United Kingdom.

It currently operates out of 10 stores across the UK, including 112 Strand which is also the UK Retail Head Office, Education & Corporate Sales

For year ending 31st December 2018 the company reported the following:

- Turnover £26.55m
- Pre-tax profit £250,000
- Shareholders funds £1.74m



SPECSAVERS OPTICAL SUPERSTORES LIMITED

4% OF INCOME

Specsavers is a family-run business established over 30 years ago, which works together with store partners to provide the best value optometry, audiology and other healthcare service for their customers.

Located in the UK, Ireland, Netherlands, Norway, Sweden, Denmark, Finland, Spain, Australia and New Zealand, it employs over 32,500 people who work across 1,978 stores, as well as in support offices and throughout the supply chain.

For year ending 28th February 2019, the company reported the following:

- Turnover £667m
- Pre-tax profit £14.1m
- Shareholders Funds £69.1m



THE COLOR COMPANY LIMITED

5% OF INCOME

Established in 1996, The Color Company Limited is a print and design company based in Central London, offering a range of services including print, 3D print, web design and reprographics.

The Color Company Limited has a Dun & Bradstreet rating of 2A2.

For year ending 31st December 2018, the Color Company Limited reported the following:

- Turnover £9.49m
- Pre-tax profit £840,793
- Shareholders Funds £2.48m

INVESTMENT ACTIVITY

The West End investment market is the longstanding market of choice for global capital driven by the following:

- Central London is a magnet for international and domestic investment capital
- The market has advantages of critical mass, maturity, transparency, liquidity, time zone and language
- It attracts both UK funds and overseas investors - West End in particular for those seeking long term wealth-preservation
- Repositioning of Sterling against the US Dollar and the Euro making the market even more compelling
- Attractive income returns when compared to other asset classes
- Uniquely robust West End property fundamentals – occupational demand / supply reflected in a vacancy rate of of c.3% - restrictive planning regime

- Anticipated constrained supply pipeline
- Tight supply of suitable investment opportunities

Since Covid-19, the central London / West End market has demonstrated the following:

- A lack of good quality stock
- Pricing remains in line with pre-Covid-19 levels
- Property fundamentals remain sound
- A flight to quality – investor appetite for quality assets from both a building perspective and income streams

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DATE	ADDRESS	PURCHASE PRICE	NIY	CAPITAL VALUE EPSF	PURCHASER
Aug-20	44 Whitfield Street W1	£19.5m	4.51%	£1,621	Private European Investor
Jul-20	103 Mount Street, W1	£78m	4.06%	£2,413	STARS REI
Jul-20	2-4 Soho Place W1	£40.5m		£2,250	Sir Lloyd Doffman
Jul-20	1 New Oxford Street WC1	£173m	4.19%	£1,583	Sun Ventures
Jun-20	55 Ludgate Hill, EC4	£139m	4.5%	£1,300	Union Investment RE
May-20	20 Farringdon Street, EC4	£131m	4.4%	£1,495	Hong Kong consortium
Apr-20	90 Bartholomew Close, EC1	£48.5m	3.9%	£1,750	La Francaise
Apr-20	4-8 Maple Street, W1	£32.4m	4.25%	£1,587	Private Spanish Investor
Pre COVID 19					
Feb-20	108-110 Jermyn Street, SW1	£55m	4.0%	£1,372	Mactaggart Family & Part
Feb-20	7-10 Waterloo Place, SW1	£71m	4.1%	£2,007	Cara Real Estate GmbH
Dec-19	40 Chancery Lane, WC2	£121.3m	4.25%	£1,170	DEKA Immobilien
Dec-19	5 Upper St Martins Lane, WC2	£130m	4.72%	£1,403	K&K Property Holdings
Dec-19	36-39 Maiden Lane, WC2	£17.8m	3.34%	£1,339	Capital & Counties Plc
Dec-19	5-6 Henrietta Street, WC2	£34m	3.3%	£2,379	Capital & Counties Plc
Dec-19	118-124 Charing Cross Road, WC2	£40.5m	2.99%	£1,035	MCL Financial Group
Nov-19	65 Chandos Place, WC2	£30.2m	4.84%	£1,282	Ayres and MCL Financial Group
Nov-19	5/6 Argyll Street, W1	£28m	3.95%	£1,556	UK private investor

ADDITIONAL INFORMATION

E P C

Available in the data room.

V A T

The property is registered for VAT and it is proposed that if the sale proceeds by way of asset sale, the sale will be by way of a Transfer of a Going Concern.

P L A N N I N G

The property is not listed, and is situated in the Strand Conservation Area.

D E B T

With CVC's covenant strength and long income stream the investment is highly suitable for debt. Based on current indicative debt terms, sourced by JLL Debt Advisory, the property is capable of producing cash on cash returns in excess of 6.25%.

Further details are available on request.

PROPOSAL

We are instructed to seek **offers in excess of £62,000,000** subject to contract and exclusive of VAT reflecting a **net initial yield of 4.23%*** assuming purchaser's costs at 1.8%.

Based on current indicative debt terms, the property is capable of producing cash on cash returns in excess of 6.25%.

CORPORATE ACQUISITION

The property is held in a Luxembourg S.A.R.L. Special Purpose Vehicle, which can be acquired.

* Based on the completion of Specsavers renewal

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