

8/9 UPPER STREET ISLINGTON, LONDON, N1 0NP



PRIME MIXED USE LONDON INVESTMENT

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INVESTMENT SUMMARY

- The London Borough of Islington is one of London's most established and affluent boroughs.
- Located within 2 miles of London's West End and 1.5 miles from the City of London.
- Most densely populated local authority area with per capita retail spending well in excess of national average.
- 7 major stations within a mile, providing unrivalled access across the London Underground, Overground, Elizabeth Line (Crossrail), HS2 Services, Eurostar and National Rail.
- Prime retail/office investment comprising c.4,087 sq ft, located in the central section of Upper Street, close to an entrance to the Angel Central Shopping Centre.
- Let to the strong covenant of Hutchison 3G UK Ltd until 12th March 2025, at a passing rent of £275,000 pa exclusive.
- Freehold.
- The vendor is seeking offers in excess of **£4,700,000 (Four Million Seven Hundred Thousand Pounds)** subject to contract and exclusive of VAT, which reflects an attractive net initial yield of 5.5% and a capital value of c.£1,150 per sq ft.



LOCATION

Islington is an exciting and affluent north London suburb located approximately 2 miles to the north of Central London, being renowned as a haven for shoppers, diners and theatre goers, as well as having a vibrant nightlife attracting visitors from all over London.

In 2020, The London Borough of Islington had an estimated population of 236,000 and a total population within a 6-mile radius of 2,430,000. Islington is the most densely populated local authority area in England and Wales with 14,570 people per square mile. This is more than double the London average and more than 30 times the national average. 68% of the catchment is described as being those of “urban prosperity” against the capitals average of 47%.

Islington’s population is also boosted by a significant student population with approximately 30,000 students attending City University and London Metropolitan University, both located within the borough. The Business Design Centre is a popular conference and exhibition facility in the UK and plays host to over 80 exhibitions and 250 conference every year, as well as being a permanent home to over 100 businesses who occupy the offices and showrooms. The design centre attracts in excess of half a million visitors every year.

There are 12 major stations within a 1.5-mile radius of the subject property, providing excellent access to the London Underground, Overground, Elizabeth Line (when opened), Eurostar and National Rail. The immediate area is served by Angel tube station in Zone 1, which is on the Bank branch of the Northern Line.

The main arterial roads into Central London are accessed via the A1 (Upper Street), North Circular and M1. In addition, there are numerous bus services into Central London and the surrounding areas.





SITUATION

The property occupies a 100% prime trading location of the western side of Upper Street, close to its junction with Liverpool Road. The property is located only 120 yards north of Angel Underground Station and benefits from high levels of pedestrian footfall generated by this transport hub. Furthermore, the property is located 20 yards from the entrance to the Angel Central Shopping Centre.

Retailers in the immediate vicinity include Amazon Fresh, Body Shop, Boots, Waitrose, Marks & Spencer and Uniqlo.



For Identification purposes only



I RETAILING IN ISLINGTON

Islington's retail offering is predominantly linear in nature, concentrated along Upper Street, the partly pedestrianised Islington High Street (also known as Camden Passage), Chapel Market to the west and the Angel Central Shopping Centre. The prime pitch is characterised by a high representation of national multiples including H&M, M&S, Waitrose, Sainsbury's and Boots. Further north along Upper Street towards Islington Green is a concentration of national multiple A3 operators including Wahaca, Five Guys, Nandos, Byron Burger and Desperados.

THE OFFICE MARKET IN ISLINGTON

The office stock in Islington is limited compared to other more mature office locations. Here the office stock is in close proximity to Angel tube station. The local market has traditionally benefitted from occupiers searching for a rental discount compared to Kings Cross and Shoreditch.

The main schemes comprise of Angel Square (126,200 sq ft), the Angel Building (268,300 sq ft) and 10/4 Pentonville Road (53,400 sq ft), predominantly occupied by Expedia and Ticketmaster respectively. Landlord Derwent London sold Angel Square to US developer Tishman Speyer for £86.5m in July this year.

Prime headline office rents in the area for the best Grade A space would lie in the region of £65 psf, with standard office accommodation space letting at rents in the region of £40 - £45 psf.



DESCRIPTION

The property comprises a retail unit at ground floor, benefitting from a fully glazed retail frontage, with staff toilets and ancillary accommodation to the rear. The first and second floors both comprise office accommodation, which is accessed via a self-contained entrance fronting Upper Street. Three are using this space as a digital Community Space to entertain and educate the local community about its products and services, this space can also be accessed via an internal lift located to the rear of the ground floor.

The property is in the Islington Conservation Area.



ACCOMMODATION

The property comprises the following approximate areas: -

Ground Floor Sales	1,931 sq ft	179.40 sq m
Ground Floor Ancillary	65 sq ft	6.04 sq m
Ground Floor ITZA	892 units	
First Floor Offices	1,083 sq ft	100.61 sq m
Second Floor Offices	1,008 sq ft	93.65 sq m
Total Area	4,087 sq ft	379.70 sq m

TENURE

Freehold.



TENANCY


The property is let to Hutchison 3G UK Ltd (Company Number: 03885486), trading as Three Store on a 5-year full repairing and insuring lease from 13th March 2020, expiring 12th March 2025 at a passing rent of £275,000 pa exclusive.

COVENANT

Hutchison 3G UK Ltd (Company No. 03885486)

Hutchison 3G UK Ltd is a British telecommunications and internet service provider that has been providing a high-quality service to its customers since the company was founded in March 2003. Three is the fourth largest mobile network operator in the United Kingdom, with 13.3 million subscribers as of July 2020.

Hutchison 3G UK Ltd has an Experian rating of 100/100 deeming the company 'Very Low Risk'.

	31 Dec 2019	31 Dec 2018	31 Dec 2017
Turnover	£ 2,327,032,000	£2,379,281,000	£2,357,044,000
Pre-tax Profit	£341,465,000	£72,665,000	£356,573,000
Total Net Worth	£3,455,560,000	£3,294,998,000	£3,390,087,000

VAT

We understand that the property is elected for VAT and therefore VAT will be payable on the purchase price. It is envisaged that the sale will be dealt with as a Transfer Of a Going Concern (TOGC).

EPC

The property has the following EPC ratings:

8/9 Upper Street - D97

A copy of the EPC certificate and report is available on request.



PROPOSAL

The vendor is seeking offers in excess of **£4,700,000 (Four Million Seven Hundred Thousand Pounds)** subject to contract and exclusive of VAT, which reflects an attractive net initial yield of 5.5% and a capital value of c.£1,150 per sq ft.

Recent comparable investment sale evidence includes the following: -

359 Upper Street, Islington (Amazon Fresh)

Freehold retail investment let on a new 10 year lease with a tenant break clause in the 5th year at a rent of £250,000 pa sold in August 2021 for £4.8m, which reflected a net initial yield of 4.89%. The property was arranged over ground floor and basement with a total floor area of c. 6,460 sq ft. The sale price reflected a capital value of £743 psf.

54/55 Chapel Market, Islington (JD Sports & Superdrug)

Freehold retail investment which comprises approximately 12,195 sq ft. The property is let to JD Sports and Superdrug Stores Plc, on rebased rents with lease expiries in December 2023 and June 2026 (TBO 21st June 2024). The agents were quoting a price of £3.15m which reflects a net initial yield of 5.73%, although we understand that it is under offer at around 4.8%. The property occupies a weaker location to the subject property.

20 Upper Street, Islington (Lloyds Bank)

Freehold retail investment let to Lloyds Bank Plc on lease to expire 6th April 2022 at a current passing rent of £96,500 pa (£265 Zone A) was sold in November 2019 for £1.675 million. The price reflected a net initial yield of 5.43% and a capital value of £1,128 psf.





IDENTITY CHECKS

In order to comply with anti-money laundering legislation, the successful purchaser will be required to provide certain identification checks. The required documents will be confirmed and requested from the successful purchaser at the relevant time.

FOR FURTHER INFORMATION, PLEASE CONTACT:

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