



RADICI

**30 ALMEIDA STREET • ISLINGTON
LONDON • N1 1AD**

"Freehold restaurant investment for sale, currently operated by
Orrery Restaurant Limited (part of D&D London)"



Licensed Leisure
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INVESTMENT SUMMARY

- + Freehold restaurant investment
- + Let to Orrery Restaurant Limited (part of D&D London)
- + Lease expiring 3 July 2026
- + Passing rent £155,200 per annum
- + Five yearly open market reviews with the next review in July 2021
- + Potential for future rental growth given the new lettings that will take place in the adjacent Islington Square development
- + Business unaffected by sale
- + Restaurant arranged over ground, lower ground and basement levels
- + Offers in excess of £3,645,000 (4.00% NIY) are invited for the benefit of our clients freehold interest



RADICI 30 ALMEIDA STREET, ISLINGTON, LONDON N1 1AD

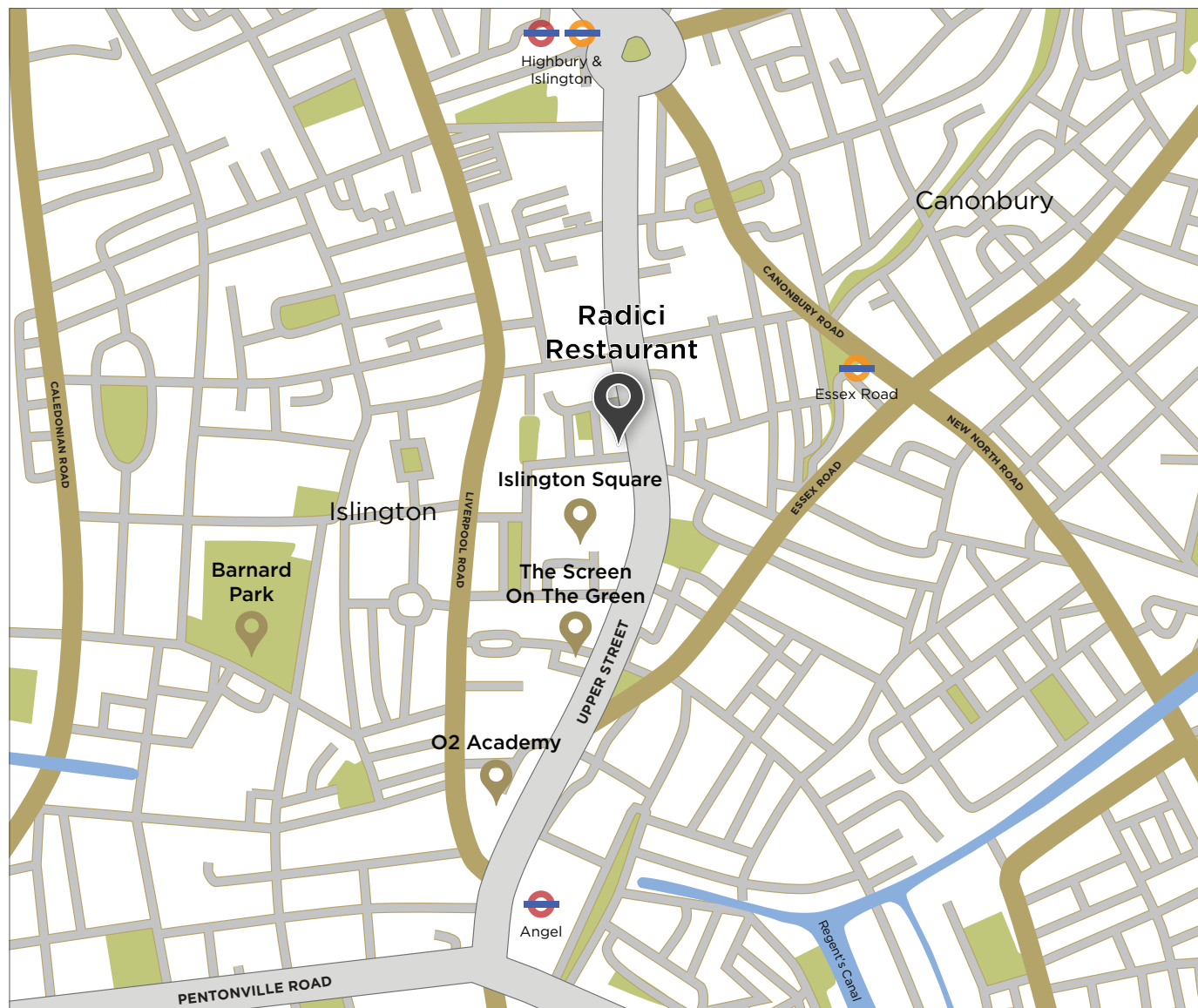
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LOCATION

Located in the heart of Islington in north London, in one of the capitals most affluent districts. The district is famous for its broad variety of attractions from the Chapel and Exmouth Markets to the Almeida and Kings Head Theatres and vibrant bars and nightlife from operators including the O2 Academy and Dirty Martini.

Radici occupies a prominent position fronting Almeida Street just off Upper Street in a mixed use residential and commercial area. The property is directly opposite the 325 seat Almeida Theatre and a short distance from occupiers including Paul, Be at One, Kings Head Theatre (Young's), Nando's, Jigsaw, Neal's Yard and The Screen on the Green cinema. Public transport communications are available from Highbury & Islington (Victoria Line and Overground) to the north and Angle (Northern Line) to the south.

Diagonally opposite Radici is the new Islington Square development of the former Royal Mail sorting centre by Sager Group (<http://www.islingtonsquare.com/>). The £400 million development will produce 170,000 sq ft of quality retail and leisure space, public realm and office space, 263 new homes and 108 serviced apartments.



DESCRIPTION

The property comprises a mid-terrace building dating from the mid-20th Century. The restaurant comprises the ground, lower ground and basement of a two storey property of brick elevations, beneath a slate tiled roof and single glazed fenestration. At first floor level the property has previously been converted to 9 residential apartments which have all been sold off on long leases.

ACCOMMODATION

GROUND FLOOR

The ground floor comprises an open plan customer trading area with modern bar servery to the right hand side, seating on a variety of loose tables chairs and fixed bench seating for 114 covers and a private dining room with a further 10 covers to the rear. The ancillary areas to the rear comprise ladies, gentlemen's and disabled toilets, managers office and a large trade kitchen.

LOWER GROUND

A staircase to the side of the bar servery provides access to a separate dining area at lower ground level with seating on loose tables and chairs for 12 customers.

BASEMENT

The basement comprises storage, plant room, staff changing rooms and a toilet.

EXTERNAL

Seating on wooden benches to the front elevation for 18 customers.

The property has the following approximate gross internal areas:

Level	Description	Sq M	Sq Ft
Ground	Trading/ Ancillary	424.3	4567
Lower Ground	Trading	21.1	227
Basement	Ancillary	28.1	302
External	Trading	15.2	164
Total		488.7	5260

EPC

An EPC is in the course of preparation.

PLANNING

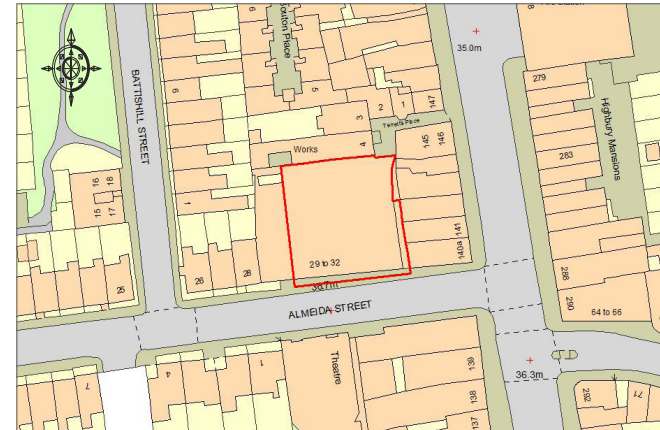
Our initial enquiries of the local authority have revealed that the property is not listed but does fall within the Upper North Street Conservation Area.

TENURE AND TENANCY

The property is held freehold.

The ground, lower ground and basement is let on a 25 year lease to Orrery Restaurant Limited (Company Number 03291418) expiring 3 July 2026 at a current rent of £155,200 per annum, subject to five yearly upwards only rent reviews, with the next review on 4 July 2021. This element is responsible for 50.3% of the service charge.

The residential accommodation at first floor has previously been sold off on a 126 year lease from 31 May 2000 at a peppercorn rent. The head lease is subject to nine subleases, each for a term of 125 years from 24 June 2000. This element is responsible for 49.7% of the service charge.



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THE MARKET

London continues to be recognised as one of the world's safe havens for property investors. Its status as a leading global financial centre and as one of the most visited cities by tourists continues to drive investor and occupier demand.

The most recent research released by the Office for National Statistics indicated that the number of international visits to London increased by 20% between 2010 and 2015 to 18.6 million with separate research by Oxford Economics predicting that the capital will welcome 35.6 million visitors by 2020. Visitor spend in London has also increased significantly with £15 billion spent on hotels, restaurants and attractions, an increase of 35% when compared with 2010.

Investor demand for London assets remains incredibly strong particularly for buildings which are let to strong covenants on long leases. Occupier demand for premises in prime London locations continues to push rental growth in the capital. The strength of demand has led to investment yields sharpening in recent years as can be seen from the schedule of comparable transactions below.

COMPARABLE INVESTMENT TRANSACTIONS

Property	Tenant	Price	Yield (NIY)	Date
Cote, W5	Cote Restaurants Limited	£2,950,000	4.00%	July 2017
Pizza Express, W1	Pizza Express (Restaurants) Limited	£4,700,000	3.50%	April 2017
Nando's, SW4	Nando's Chickenland Limited	£2,500,000	3.30%	January 2017
Pizza Express, SW7	Pizza Express (Restaurants) Limited	£5,200,000	3.66%	December 2016
Wagamama, SW19	Wagamama Limited	£2,950,000	3.34%	May 2016



THE OCCUPATIONAL MARKET

Islington has long been established as the centre of North London's eating and drinking out district with the main circuit extending the length of Upper Street from Angel in the south to Highbury Corner in the north. Its mix of established and emerging operators means the area appeals to the broadest customer base.

The reputation of Islington as a hub for eating and drink out will be further enhanced through the completion of the £400 million Islington Square development which is situated within close proximity to Radici and will provide 170,000 sq ft of additional retail and leisure space.

The strength of operator demand has seen rental growth in the Islington area in recent years. A schedule of comparable rental transactions is set out below. The current rent of £155,200 per annum reflects an ITGS rate of £40.95.

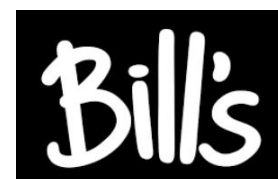
COMPARABLE RENTAL EVIDENCE

Property	Address	Date	Rent	Sq ft	ITGS Rate*	Configuration
Available	269-270 Upper Street, N1	Available	£135,000**	3,528	£56.30	Ground floor and basement
Bill's	9 White Lion Street, N1	November 2016	£110,000	2,743	£48.00	Ground floor only
Cote	4-6 Islington Green, N1	October 2016	£127,600	3,480	£59.00	Ground floor and basement
Bellanger	7-9 Islington Green, N1	April 2016	£291,000***	8,033	£51.21	Ground floor only
Wenlock & Essex	18-26 Essex Road, N1	April 2015	£218,000	7,147	£48.00	Ground floor and basement
Brewdog	29-31 Essex Road, N1	December 2014	£71,500	1,830	£46.00	Ground floor only

* assumes ground floor ancillary is valued at 50% and basement is valued at 25% of the rate applied to the ground floor

** quoting rent

*** stepped rent averaged over the five year review period



COVENANT

Orrery Restaurant Limited is part of D&D London which is a group of luxury restaurants, bars and hotels based predominantly in London but with venues in Paris, New York and Tokyo. The group was founded by Des Gunewardena and David Loewi in 2006 and currently operates 35 restaurants and bars as well as the South Place Hotel.

The company operates some of the capital's most prestigious restaurants including Quaglino's in St James', Le Pont de la Tour at Tower Bridge, Bluebird in Chelsea and Coq d'Argent in the City.

Earlier this year the tenant completed a comprehensive refurbishment of the premises which were renamed as Radici (formerly Almeida) which is a Southern Italian trattoria with Chef Patron Francesco Mazzei (Sartoria, W1) and Head Chef Antonio Mazzone in the kitchen.

Orrery Restaurant Limited currently operates the Radici and Orrery, 55 Marylebone High Street and has published the following financial information:

Year End	31/03/2016	31/03/2015
Turnover	£3,470,000	£3,393,000
EBITDAM*	£171,000	£162,000

*earnings before interest, taxation, depreciation, amortisation and management charges.



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VAT

It is envisaged that the property will be sold as a TOGC so the transaction should therefore be exempt from VAT.

TERMS

We are instructed to invite offers in excess of £3,645,000 (4.00% NIY) assuming purchasers costs of 6.51%.

The business will continue to trade unaffected from the premises during the marketing of the property and post completion of the sale.

VIEWING AND CONTACTS

All viewings must be made by prior appointment and under no circumstances should any direct approach be made to any of the occupational tenants staff.

For further information and all viewing requests please contact the sole selling agents Savills.

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November 2017

