

22 Soho Square

London W1

Freehold Trophy Investment Opportunity

Executive Summary

- Prime West End location prominently situated on Soho's best garden square.
- Striking mixed use building, with stunning views of Soho Square, **providing 12,944 sq ft (1,202 sq m)** of well-specified office accommodation arranged over lower ground, ground and five upper floors with two attractive refurbished residential apartments on the sixth and seventh floors.
- Multi-let on seven commercial leases and two assured shorthold tenancy agreements.
- Current topped-up **rent of £816,009.50 per annum** which equates to a low average rent on the office accommodation of £71.06 per sq ft.
- **Freehold.**
- The vendor is seeking offers in excess of **£17,000,000 (Seventeen Million Pounds)** subject to contract and exclusive of VAT, which reflects a **net initial yield of 4.5%**, after allowing for purchaser's costs of 6.75% and an attractive capital value of £1,313 per sq ft.
- Attractive opportunity for purchasers with occupational requirements.



Location

Soho is the most dynamic address in London, and Soho Square is the best location in Soho.

Soho is uniquely positioned between Mayfair and Covent Garden, just south of Fitzrovia, and is directly bordered by the world-renowned retailing destinations of Oxford Street and Regent Street.

The area has a justifiable reputation for its energy and vitality. It has a rich history, although continues to evolve and is now home to a wide range of businesses, a vast array of restaurants and eateries, boutique hotels and members clubs, and extensive and varied retailers.

Based on its rich cultural heritage and excellent property fundamentals, Soho has traditionally proved popular as a location of choice for the music, film and media

businesses, having attracted occupiers such as M&C Saatchi, Snapchat, Twitter, 20th Century Fox and Warner Music. In more recent times, these have been joined by financial and corporate occupiers.

Soho Square is situated in the east of Soho, close to the transformative developments occurring around the new Elizabeth Line station at Tottenham Court Road.

22 Soho Square is situated on the east side of the square, offering stunning views over one of London's most attractive garden squares.



The City

Seven
Dials

Tottenham
Court Road

22 Soho Square

Soho
Square

Oxford
Street

Charing
Cross

Leicester
Square

Piccadilly
Circus

Golden
Square

St James's
Square



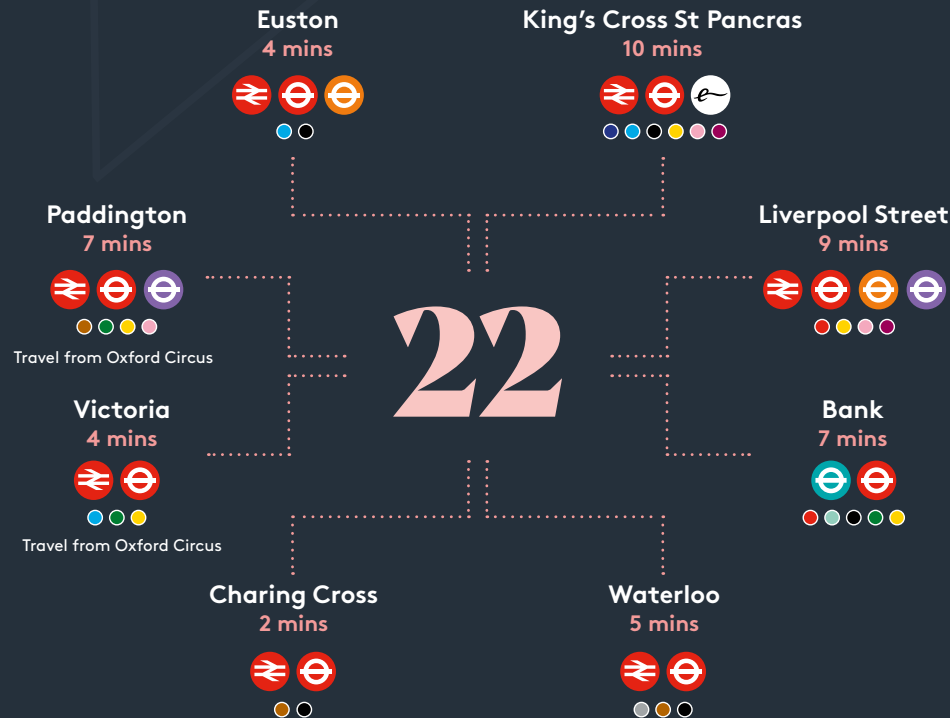
Connected

22 Soho Square benefits from unrivalled access to the public transport network. The property's connectivity has been further enhanced by the opening of the Elizabeth Line which opened earlier in 2022 at Tottenham Court Road.

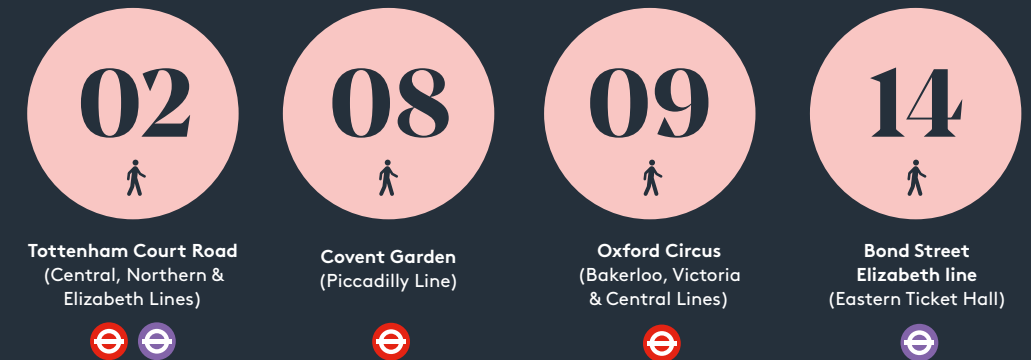
The Elizabeth Line is the largest infrastructure project in Europe. It provides a high frequency, high capacity railway spanning over 40 stations across the east-west axis of Greater London with an estimated 200 million passengers expected to use the service each year.



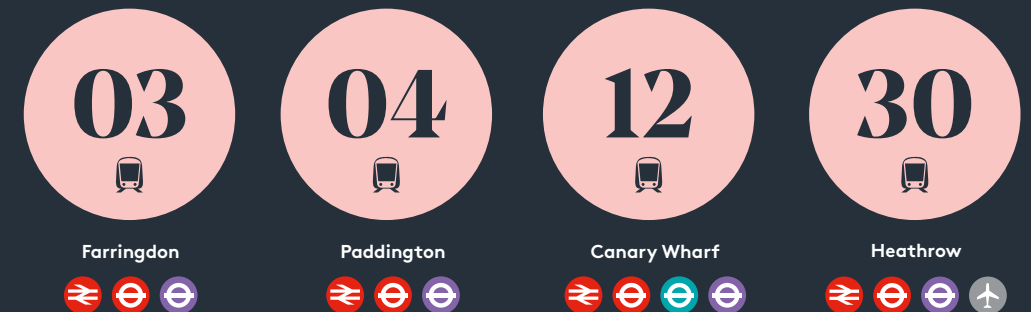
Travel times from Tottenham Court Road (in minutes)

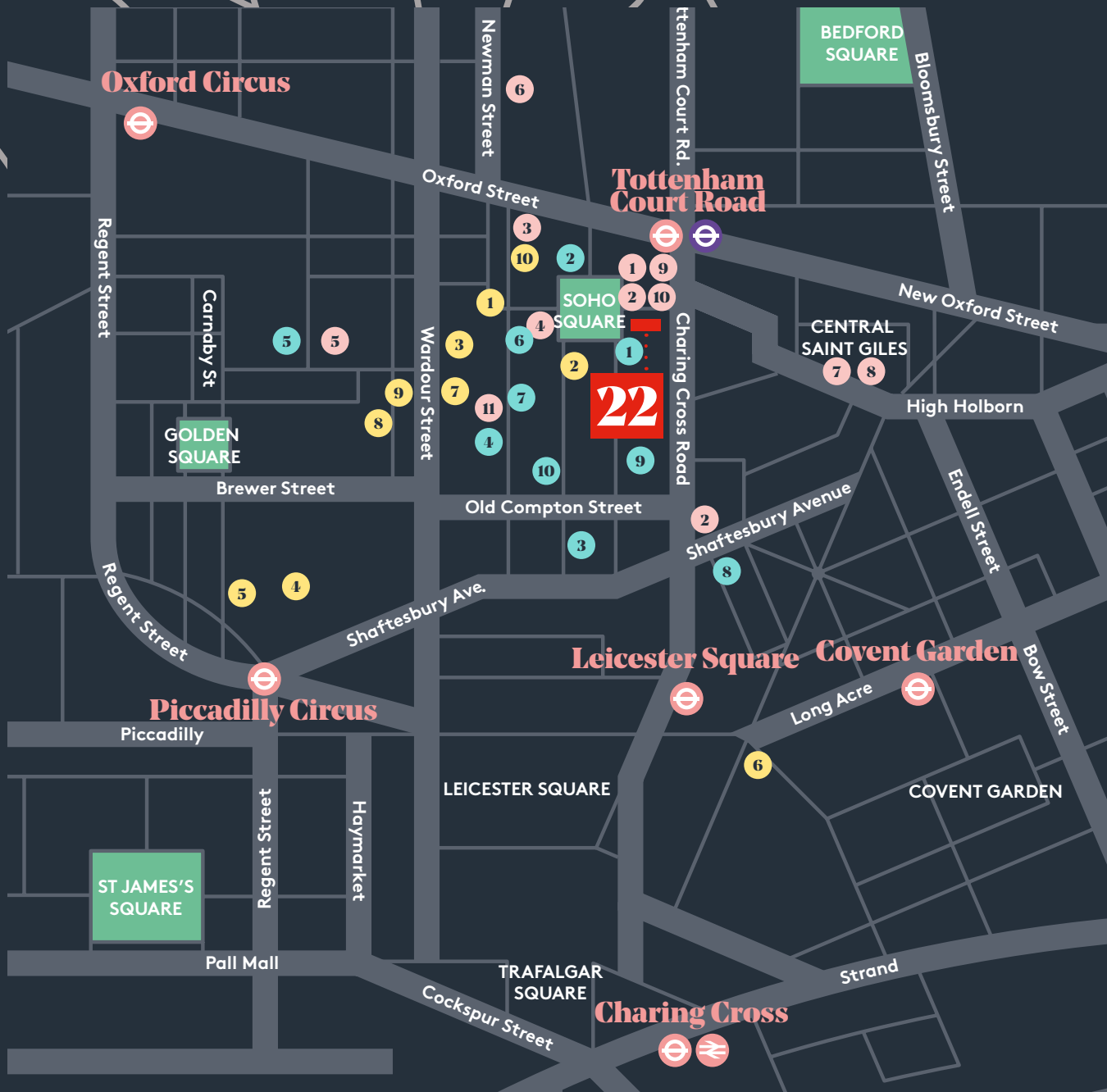


Walking times (in minutes)



Elizabeth line travel times from Tottenham Court Road (in minutes)





Local Occupiers

1. Palantir Technologies
2. WeWork
3. Money Supermarket
4. 20th Century Fox
5. EQT Partners
6. Facebook
7. Mindshare
8. Google
9. G-Research (Pre Let)
10. Apollo (Pre Let)
11. Warner Bros
12. Skyscanner

Restaurants, Bars & Members Clubs

1. House of St Barnabas
2. Six Storeys
3. Soho House
4. Dean Street Townhouse
5. Social Eating House
6. Barrafinna
7. Quo Vadis
8. The Ivy
9. Groucho Club
10. Ronnie Scott's

Hotels, Gyms & Retail

1. The Resident Soho (Previously The Nadler)
2. Hazlitts
3. The Soho Hotel
4. Ham Yard Hotel
5. Third Space
6. Gymbox
7. Soho Fitness Club
8. Supreme
9. Sounds of the Universe
10. Tesco

Nearby Developments

The immediate location has been the focus of significant development over recent years. This has led to the transformation of the east end of Oxford Street and its junction with Tottenham Court Road/Charing Cross Road and the surrounding areas in Soho.

A selection of schemes are set out below:



127-133 Charing Cross Road

Development owned by Lothbury. Planning for office, retail and leisure scheme comprising circa 56,000 sq ft of offices.



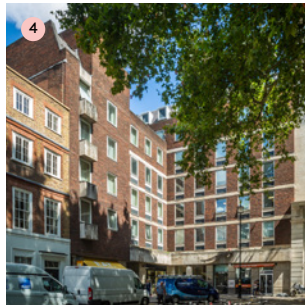
1 Newman Street, W1

Development by GPE to provide an office and retail scheme of circa 88,000 sq ft. Completed in 2021. Significant proportion of the offices pre let to Exane BNP Paribas.



31 Soho Square

Royal London are working on a mixed use scheme of circa 76,000 sq ft connecting Soho Square to Dean Street. Estimated completion Q4 2024. Development by Create Portland Estates.



**Soho Square Estate,
29-43 Oxford St & 16-19 Soho Sq**

BCP have been granted planning consent to develop 123,000 sq ft of offices, retail and leisure accommodation.



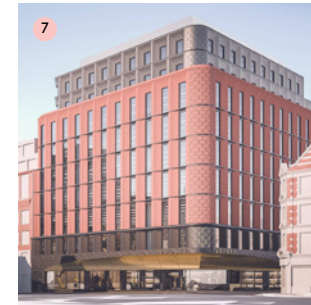
**Soho Place,
Oxford Street**

285,000 sq ft development by Derwent London completed in 2022. G Research & Appolo pre let 1 Soho Place and at 2&4 Soho Place, the theatre has been let to NIMAX and the office have been sold.



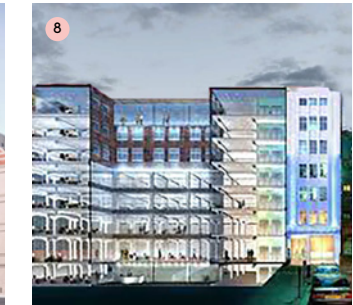
**Outernet, St Giles Circus,
Denmark Street**

Consolidated Developments are developing 206,000 sq ft of office, retail, residential and unique music venue accommodation, with practical completion due in 2022.



**Ilona Rose House,
111-119 Charing Cross Road**

325,000 sq ft of retail, restaurant, office and residential space completing in 2022 and being developed by Soho Estates. Tenants include Warner Bros and SkyScanner.



7 Soho Square

Hines are working up a refurbishment of 7 Soho Square, which currently has a block date of mid 2023.



History

Until the 17th Century Soho was a series of open fields. It was used as a hunting ground by local gentry who are reported to have used “So Ho” as a hunting cry and from which the area gained the name Soho Fields.

This is a long way from the dynamic area that it is today.

1693

The house was owned by Sir Robert Rich, Second Baronet and one of the Lords of Admiralty.

1760

William Thomas Beckford (English novelist and MP) was born at 22 Soho Square.

2000 – 2020

22 Soho Square significantly redeveloped and modernised behind its current façade to provide trophy headquarters building

1680

William Merchant leased the property to Thomas Wharton (Whig Politician) for 21 years in 1680 at a rent of £90 per annum.

1751 – 1770

Alderman Beckford, Lord Mayor of London, lived at the house.

1913 – 1955

Home to British Movietone

Description

22 Soho Square is an impressive “mini trophy headquarters” building of 12,944 sq ft (1,202 sq m) on the east side of Soho Square, with stunning views overlooking the gardens.

The property has a rich history, and was significantly redeveloped and modernised behind its current façade in 2000. The property has been further improved and upgraded over the last five years on a rolling basis.

The property benefits from a large and impressive reception area (capable of further improvement), providing access to modern office accommodation on the lower ground, ground and five upper floors, with two attractive residential apartments on the sixth and seventh floors.

The office floors have been refurbished on a rolling basis and provide modern, well-specified accommodation.

The second floor has been fitted out by the current owners to a CAT A+ finish.

Within the lower ground floor there is a large area currently used by tenants as a server room, this could be brought back into useable space or a dedicated cycle park.

The residential units have recently been refurbished and are attractively laid out, with the seventh floor having the benefit of a roof terrace with amazing views over Soho Square and the rest of Soho.



Specification

- Large, stylish, modern reception area with opportunity for enhancement
- VRV heating /cooling system
- 10-person lift serving all floors
- Excellent natural light
- WC facilities on all floors
- Shower facilities throughout the building
- Potential for dedicated cycle parking





Accommodation

Floor	Sq Ft	Sq M
Seventh*	626	58.2
Seventh Terrace	109	10.1
Sixth*	830	77.1
Fifth	786	73.0
Fourth	1,482	137.7
Third	1,773	164.7
Second	1,823	169.4
First	1,802	167.4
Ground Office	1,460	135.6
Ground Reception	544	50.5
Lower Ground Office	1,406	130.6
Lower Ground Comms Room	412	38.3
Total	**12,944	**1,202.5

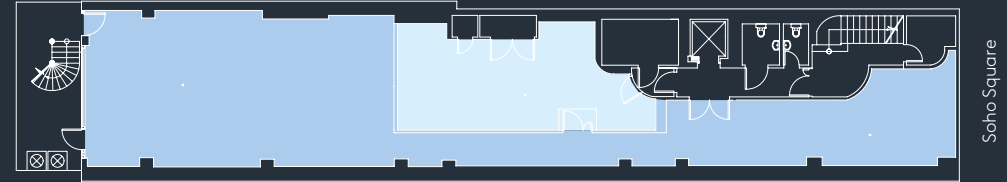
*Office areas measured as NIA, sixth and seventh floor residential measured as NSA.

** Not including Seventh floor terrace.

● Office ● Residential ● Reception/Comms Room ● Terrace

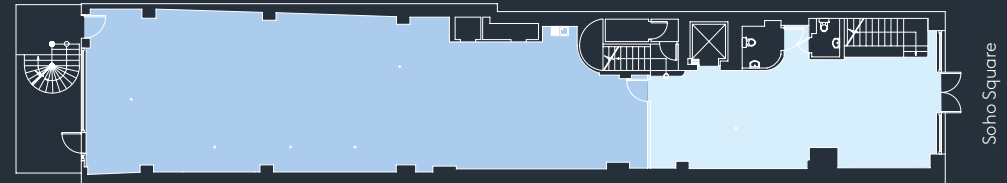
⌚ Plan not to scale, for indicative purposes only.

Lower Ground Floor -1,818 Sq Ft (168.9 Sq M)



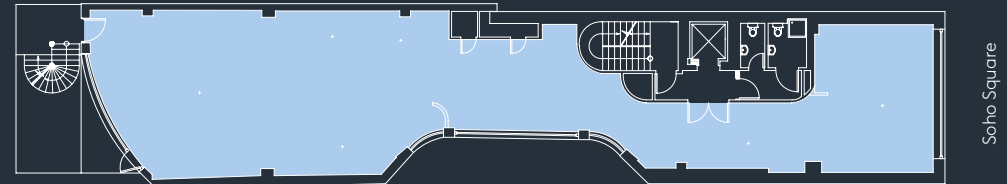
Soho Square

Ground Floor -2,004 Sq Ft (186.1 Sq M)



Soho Square

First Floor -1,802 Sq Ft (167.4 Sq M)



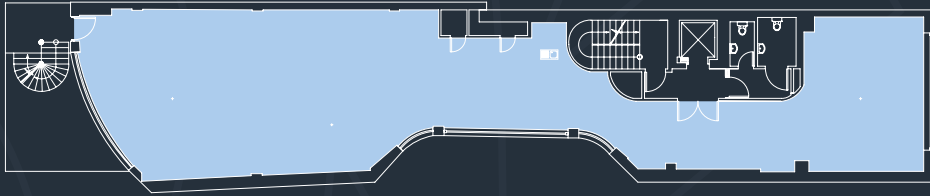
Soho Square



1st floor

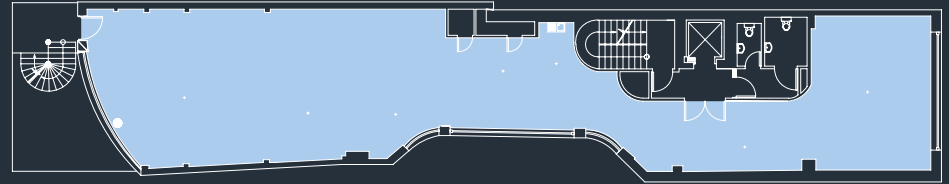
22 Soho Square.

Second Floor -1,823 Sq Ft (169.4 Sq M)



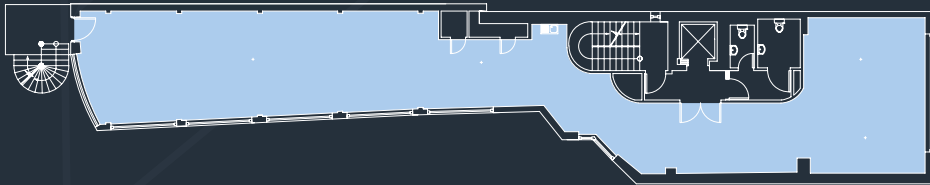
Soho Square

Third Floor -1,773 Sq Ft (164.7 Sq M)



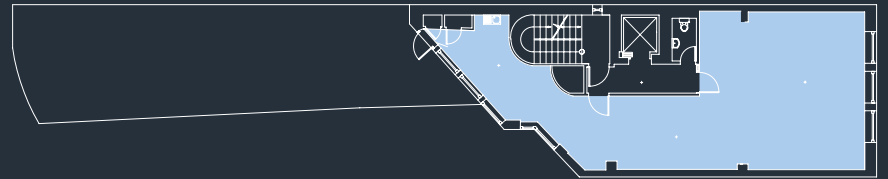
Soho Square

Fourth Floor -1,482 Sq Ft (137.7 Sq M)



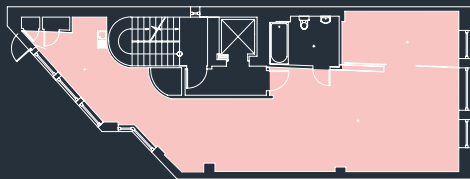
Soho Square

Fifth Floor -786 Sq Ft (73.0 Sq M)



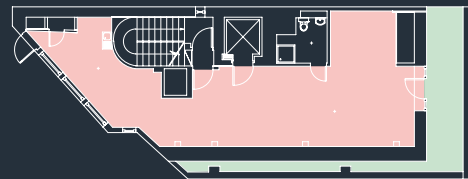
Soho Square

Sixth Floor -830 Sq Ft (77.1 Sq M)



Soho Square

Seventh Floor -735 Sq Ft (68.3 Sq M)



Soho Square

- Office
- Residential
- Reception
- Terrace

Plan not to scale,
for indicative purposes only.

Soho Office Market

The Soho office market is perhaps the most dynamic in London at the current time. Soho was traditionally the 'area of choice' for media, film and production companies, although we are now seeing a number of financial, private equity, investment management and venture capital companies preferring to take space in this vibrant location rather than the less adventurous Mayfair and St James's which traditionally would have been their chosen locations. This has led to rental growth and with a limited supply of good quality accommodation rents are likely to continue to increase further.

Soho is one of the most sought after areas in London from an investment stand point, attracting a wide range of purchasers, including Private Investors and Owner Occupiers from the UK and overseas, as well as institutional investors.



Asset Management Initiatives

The property is currently let off a low passing rent of £71.06 per sq ft on the office accommodation. The rental level and the lettability could be significantly enhanced through various asset management initiatives, including:

Reception Enhancement

The reception is large and would benefit from a design solution suited to the Soho office market. This could include creating a contemporary feel and introducing additional features such as break out areas that appeal to the modern occupier.



Indicative CGI of enhanced reception

Cat A Plus Fit Out to Floors as they Become Vacant

This will have the two fold benefit of improving rents and reducing letting voids and incentives.



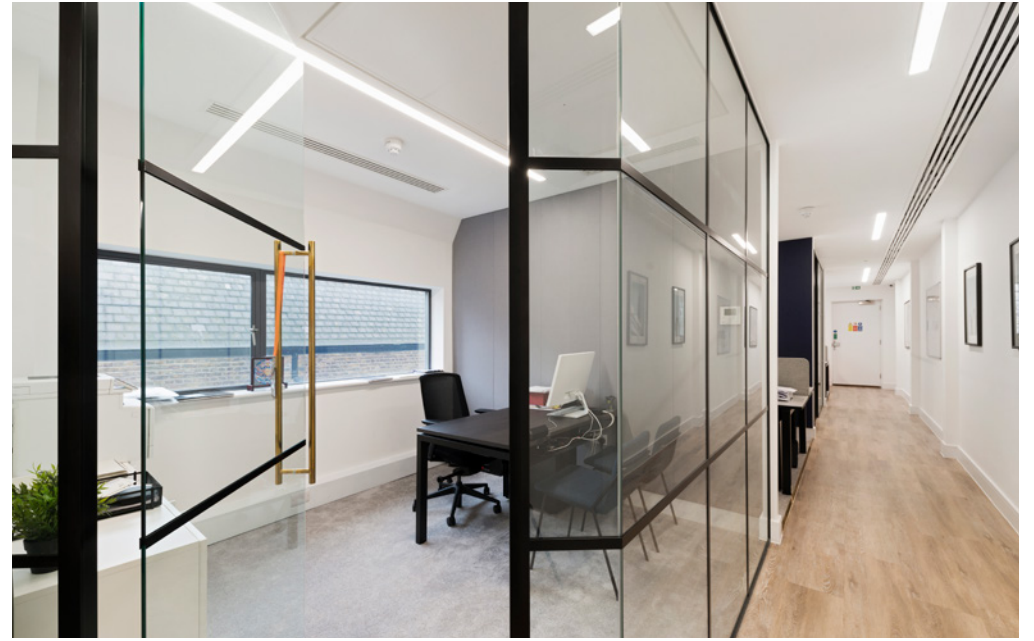
Indicative CAT A+ fit out plans for 1st floor
All CGIs and plans as designed by Orchard Group
22 Soho Square.

End of Journey Facilities

The property currently benefits from shower facilities throughout the building. The end of journey experience could be significantly enhanced by the addition of secure cycle parking in the under used lower ground storage area.



Indicative cycle parking plan at lower ground floor



Tenancy Schedule

Tenant Name	Use	Description	Sq Ft	Sq M	Lease Start	Lease Expiry	Tenant Break	Current Rent Per Annum	Comments
An Individual	Residential	7th Floor 7th Floor Terrace	626 109	58.2 10.1	19/04/2022	19/04/2024	19/04/2023	£33,800.00	Assured Shorthold Tenancy. Gross rent inclusive of service charge and insurance. Deposit of £3,250. Rolling tenant's break following 2 months' notice to expire from 19/04/2023.
An Individual	Residential	6th Floor	830	77.1	03/05/2022	02/05/2023		£33,800.00	Assured Shorthold Tenancy. Gross rent inclusive of service charge and insurance. Deposit of £3,250.
Misfits Entertainment Ltd	Office	5th Floor	786	73.0	05/08/2022	04/08/2027	05/08/2024	£56,985.00 (£72.50 per sq ft)	Outside Landlord and Tenant Act. Service charge cap of £15psf revised in line with RPI. Schedule of condition. Initial rent free to be made up by vendors. 14 months half rent if the tenant does not exercise its break right in 2024. Rent deposit £32,291.50 (with £9,497.50 of that being provided by the Vendor).
Consulco Real Estate Limited	Office	4th Floor	1,482	137.7	18/09/2018	17/09/2023		£117,819.00 (£79.50 per sq ft)	Outside Landlord and Tenant Act.
IBIS Capital Limited	Office	3rd Floor	1,773	164.7	06/12/2011	05/12/2026		£141,840.00 (£79.91 per sq ft)	Outside Landlord and Tenant Act. Service charge cap currently at £11.15 psf increasing with RPI.
London Wealth Management Ltd	Office	2nd Floor	1,823	169.4	07/06/2022	06/06/2027	07/06/2025	£137,636.50 (£75.50 per sq ft)	CAT A + Outside Landlord and Tenant Act. 4 months rent free if the tenant does not exercise break. Rent commencement 15 November 2022. Schedule of condition. Service charge cap currently at £16.24 psf increasing with RPI.
Vacant (vendor guarantee)	Office	1st Floor	1,802	167.4	12 months from completion			£143,259.00 (£79.50 per sq ft)	There is currently a lease in place held by Aldo UK Limited (in administration) for a term expiring 21/10/2024, at a current passing rent of £143,259 per annum. Vendor prepared to top up rent for 12 months from completion allowing purchaser to decide their own course of action in terms of this lease.
Influence Associates Limited	Office	Ground Floor	1,460	135.6	25/12/2021	24/12/2026	25/12/2024	£87,600.00 (£60.00 per sq ft)	Outside Landlord and Tenant Act
	Reception	Ground Floor	544	50.5					
FIN (London) Limited	Office	Lower Ground Floor	1,406	130.6	08/12/2019	07/12/2024		£63,270.00 (£45.00 per sq ft)	Inside Landlord and Tenant Act. Schedule of condition.
	Office Storage	Lower Ground Floor	412	38.3					Currently houses various Tenant servers. Future opportunity to better utilise this space for cycle storage.
Total			*12,944	**1,202.5				£816,009.50	

* Including reception and lower ground floor comms room, but does not include 7th floor terrace.



VAT

The property is registered for VAT. It is anticipated that the purchase will be dealt with by way of a Transfer of a Going Concern (TOGC).

EPC

Available in the data room.

Data Room

Data room access can be granted upon request.

Investment Rationale

- Freehold building on one of the best squares in London
- Attractive lot size
- Multi let and diverse income
- Opportunity to enhance income through asset management
- Potential for partial owner-occupation
- Area undergoing significant transformation

Proposal

The vendor is seeking offers in excess of **£17,000,000 (Seventeen Million Pounds)** subject to contract and exclusive of VAT, which reflects a **net initial yield of 4.5%**, after allowing for purchaser's costs of 6.75% and an attractive capital value of £1,313 per sq ft.

Further Information

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Tenure

Freehold.

Planning

The property is not listed, however, is located in the Soho Conservation Area.

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