

206–224A Tower Bridge Rd
London SE1



TOWER BRIDGE QUARTER

Office & Retail Estate
Freehold Portfolio Investment Opportunity

A UNIQUE INVESTMENT OPPORTUNITY CLOSE TO A UNIQUE LANDMARK



INVESTMENT SUMMARY

An attractive terrace of nine period buildings immediately to the south of London's iconic Tower Bridge.

Located in the heart of Southwark, one of London's most desirable places to live, work and socialise.

The buildings are surrounded by some of London's most iconic heritage assets including; Tower Bridge, The Tower of London, St Saviour's Dock and Edward III's Rotherhithe.

Constructed in the early 1900s the terrace comprises a total of 39,321 sq ft of offices, retail, restaurants, cafés and bars, accessed from both Tower Bridge Rd and Horsleydown Lane.

Total income from the properties is **£899,875 pa**, equating to an attractive low overall figure of **£23 psf**.

Overall **WAULT** for the estate is **9.7 years to expiries and 2.4 years to breaks** underpinned by longer term income from the restaurant and pub units and a mix of shorter term leases for the shops and offices.

The estate offers a number of excellent asset management opportunities with some longer term potential for change of use and redevelopment, subject to the necessary consents.

Offers are invited in excess of **£17.00m** which equates to a Net Initial Yield of 4.92% and a **highly attractive Reversionary Yield of 6.97%** at a low capital value of **£432 psf**.



Borough Market

The Shard

London Bridge


Hay's Galleria

More London

City Hall

TOWER BRIDGE QUARTER

Tower Bridge

Tower of London

Butler's Wharf

St Katharine Docks



UNRIVALLED CULTURAL SETTING

Tower Bridge, More London & GLA Building



Bridge Theatre



Tower of London



Tower Bridge

Built between 1886 and 1894 the world recognised bridge attracts over 44,000 crossings per day.



Tower of London

A World Heritage Site attracting over 2 million visitors per year.



More London

A highly successful 13-acre commercial development that also hosts numerous public events annually.



Borough Market



Bermondsey Street



The GLA Building

Seat of the London government and home to The Mayor of London.



Borough Market

London's oldest artisan food market and one of the most diverse locations for fresh food, cafés, bars and restaurants anywhere in London.



Bermondsey Street

One of London's oldest streets, going back over 1,000 years and now a vibrant mix of homes, bars, restaurants and shops.

THE LOCATION

The Tower Bridge Quarter has a prominent position on Tower Bridge Road, immediately to the east of City Hall and The More London Estate which is home to major local occupiers, including; PWC, Ernst & Young, Norton Rose Fulbright, HG Capital, Montagu Private Equity and News International.



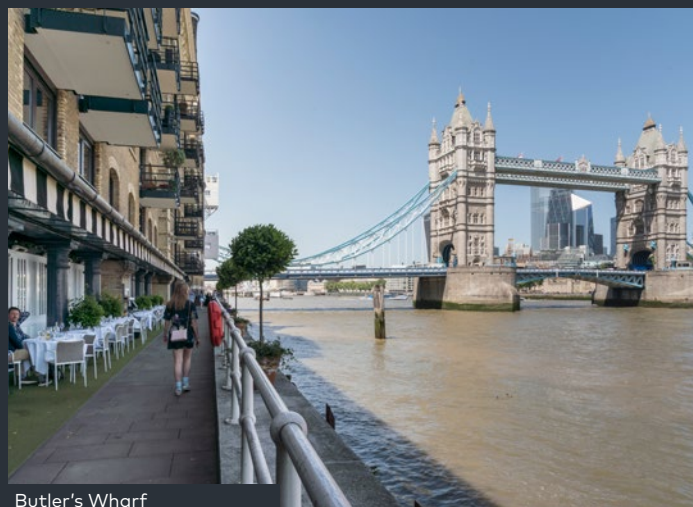
Butler's Wharf Warehouses



Le Pont de la Tour



Shad Thames



Butler's Wharf

Immediately to the north of The TBQ is Shad Thames which was the largest warehouse complex in the UK in Victorian times. After a long period in decline, in the early 1980's, it was transformed into over one million square feet retail, cultural, work and living space. The project took 20 years to complete and involved the restoration of six Victorian warehouses which are now high-quality waterside restaurants, apartments, offices and cultural spaces and recognised as one of the UK's most successful regeneration projects.

THE SOUTH BANK



More London



The Ivy Tower Bridge



Tate Modern



Camino South Bank



Borough Market & The Shard



The Globe

London's South Bank has been one of the city's most significant areas of regeneration in the last 10 years.

It now provides an enviable mix of world-class cultural attractions such as Tate Modern and the Globe Theatre, alongside successful commercial and residential developments including The Shard, itself a global tourist attraction, More London and Potters' Fields.

LOCAL OCCUPIERS

BUSINESSES

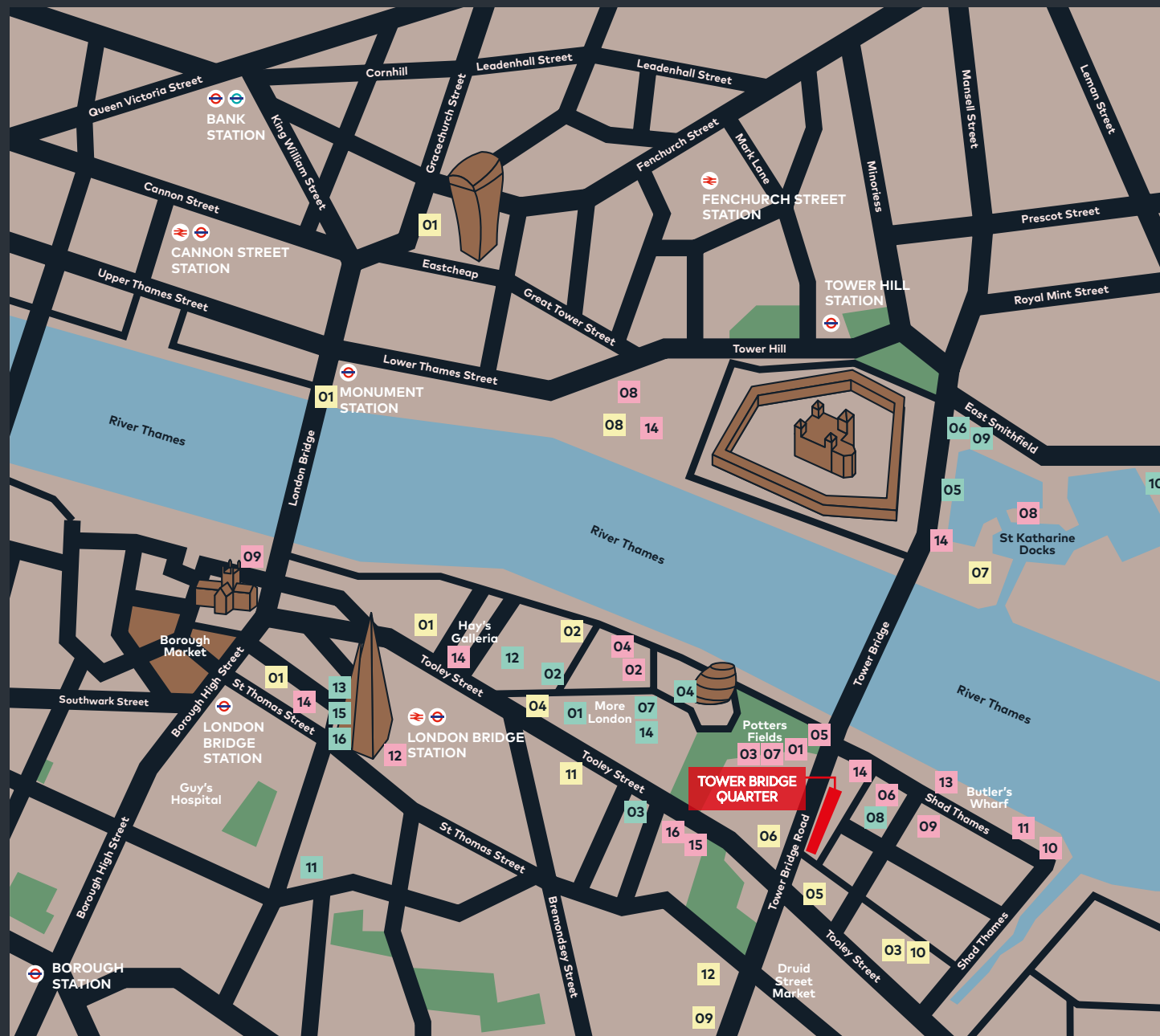
- | | |
|-----------------------------|--------------------------|
| 01 PWC | 09 Pacific Life |
| 02 Ernst & Young | 10 Gensler & Associates |
| 03 Southwark Council | 11 HCA International |
| 04 Greater London Authority | 12 Kantar Media |
| 05 WeWork | 13 Duff and Phelps |
| 06 Mazars | 14 Womble Bond Dickinson |
| 07 Gowling WLG | 15 Robert Half |
| 08 Zoopla Property Group | 16 Jellyfish Group |

RESTAURANTS & BARS

- | | |
|------------------|--|
| 01 The Ivy | 10 Browns |
| 02 Gaucho | 11 ASK Italian |
| 03 The Coal Shed | 12 Upper Crust |
| 04 Strada | 13 The Butler's Wharf Chop House |
| 05 The Vault Bar | 14 Starbucks |
| 06 Watch House | 15 The Two Bridges Ale House & Kitchen |
| 07 Temakinho | 16 The Bridge Lounge & Dining Room |
| 08 Zizzi's | |
| 09 Pizza Express | |

HOTELS & GYMS

- | | |
|-------------------------|-----------------------------------|
| 01 Fitness First | 08 Cheval Three Quays |
| 02 Third Space | 09 Premier Inn |
| 03 The Circle Gym & Spa | 10 London Tower Bridge Apartments |
| 04 Hilton | 11 Tooley Street Apartments |
| 05 The Dixon Hotel | 12 Gate House Apartments |
| 06 The Lalit Hotel | |
| 07 The Tower Hotel | |

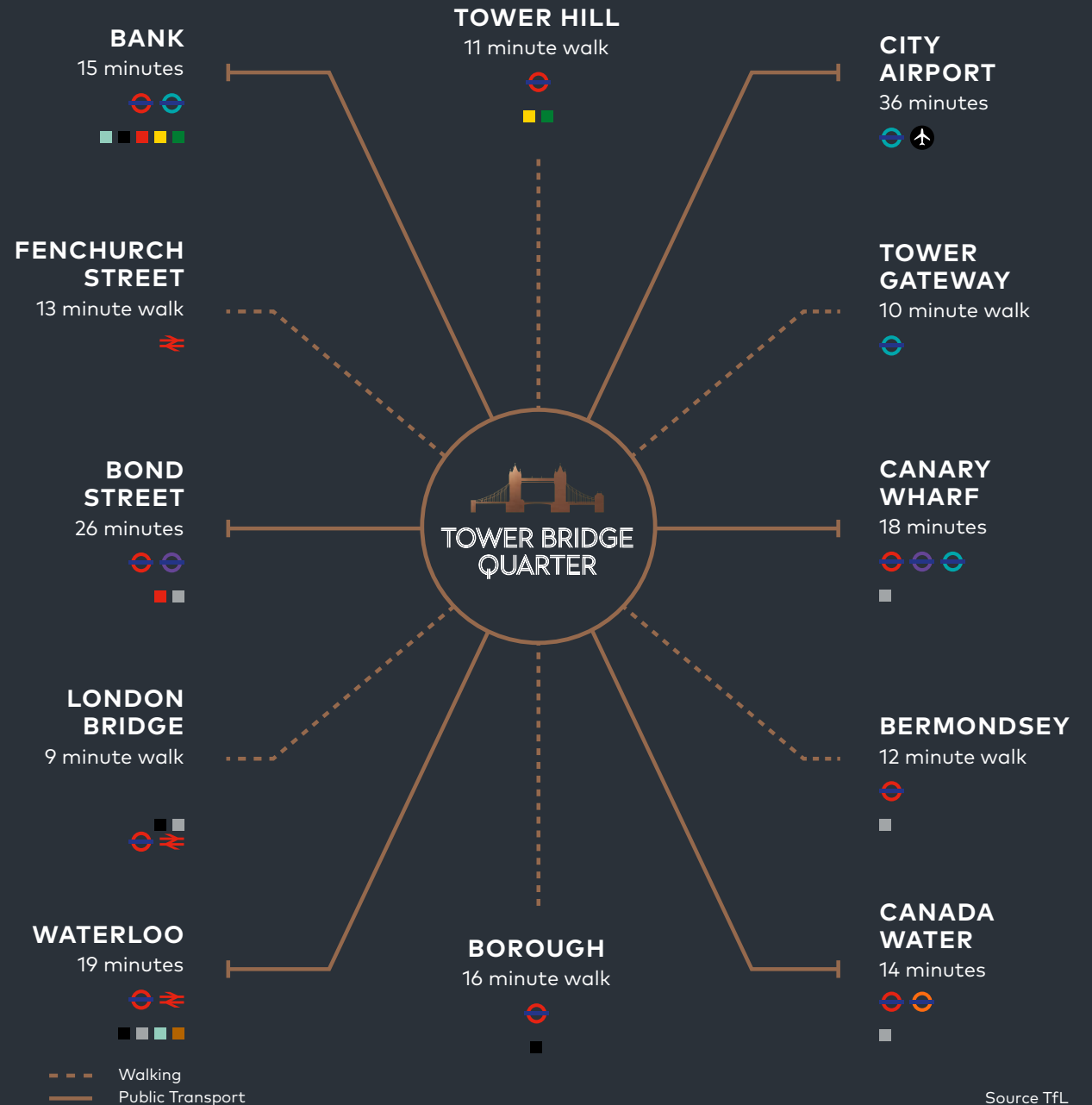


TRANSPORT CONNECTIONS

The buildings are approximately 8 minutes' walk from London Bridge and Bermondsey stations on The Southbank and 10 minutes from Tower Hill and Tower Gateway on the north side of Tower Bridge.

London Bridge has recently undergone a £1 billion regeneration which has increased station and rail capacity by up to 40% and now brings approximately 96 million passengers into London annually.

As part of the redevelopment, a new entrance was created on Tooley street which brought access to the station much closer to Tower Bridge Quarter.

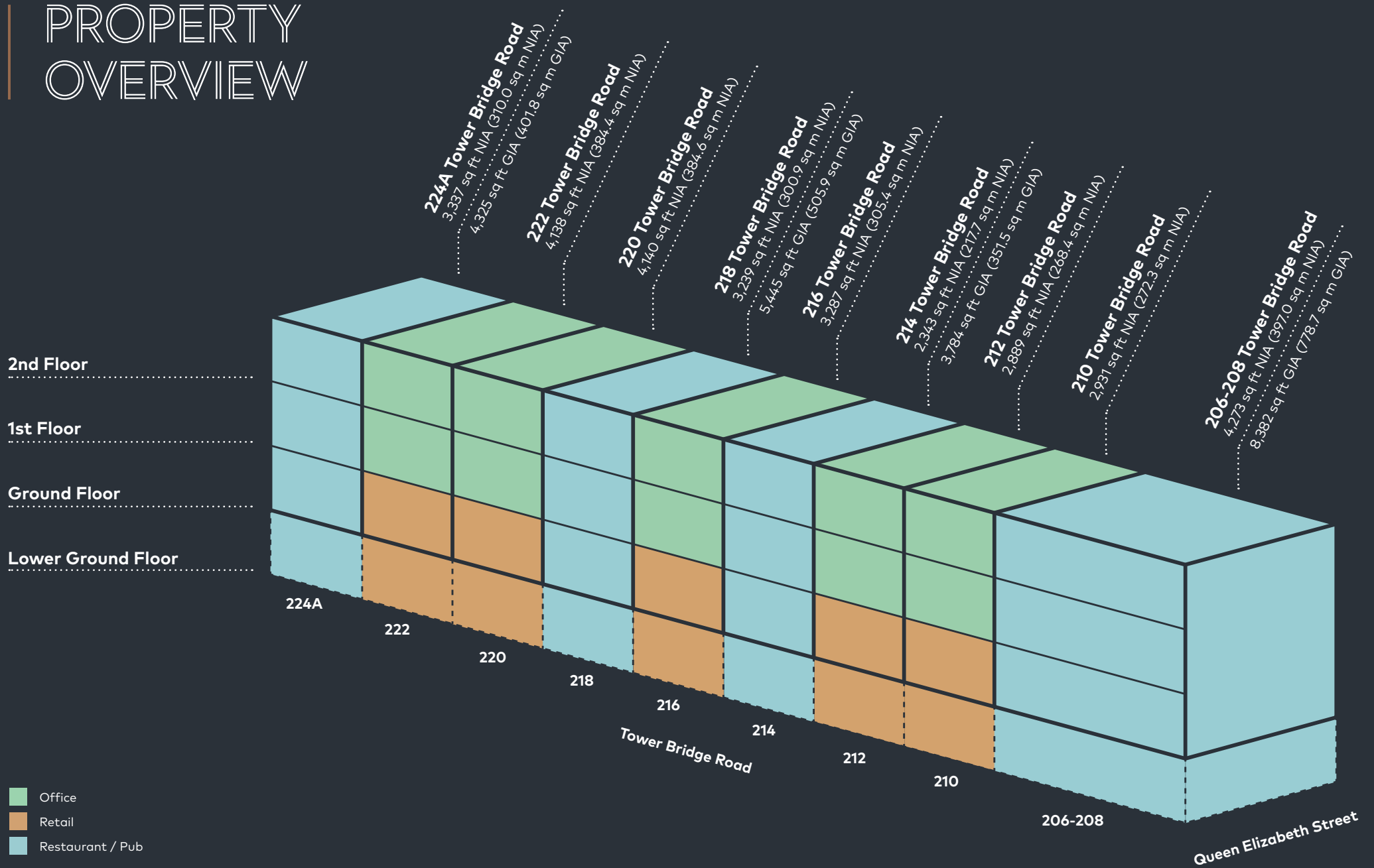


THE BUILDINGS

Tower Bridge Quarter is a terrace of nine individual buildings constructed in a combination of brick, timber and steel frame construction over four floors. Principal access to the retail and office floors is from Tower Bridge Rd, but each building has a separate access from Horsleydown Lane, also at ground floor level.



PROPERTY OVERVIEW



VIRTUAL TOURS

Click on a link below to view a Virtual Tour of the relevant building:

224A Tower Bridge Rd



All Floors

222 Tower Bridge Rd



G & LG Floors 1st & 2nd Floors

220 Tower Bridge Rd



G & LG Floors 1st & 2nd Floors

218 Tower Bridge Rd



All Floors

216 Tower Bridge Rd



G & LG Floors 1st Floor 2nd Floor

214 Tower Bridge Rd



All Floors

212 Tower Bridge Rd



G & LG Floors 1st & 2nd Floors

210 Tower Bridge Rd



G & LG Floors 1st & 2nd Floors

206-208 Tower Bridge Rd



All Floors



THE OFFICES

THE OFFICES

The offices are located at first and second floor levels which range in size from around 500 sq ft to 950 sq ft. All the units have been recently refurbished with bare timber floors and exposed services. Specification varies from building to building but includes:-

- Comfort cooling in part
- Electric and central heating
- Exposed services and pendant LED lighting in part
- Suspended ceilings with recessed lighting in part
- Wood flooring
- Perimeter trunking
- New double glazed windows
- Exposed timber and steel beams and columns
- New kitchens/tea points in refurbished space
- New male and female WCs in refurbished units





RETAIL UNITS

The retail units all front on to Tower Bridge Rd with secondary access from Horsleydown Lane. The units range in size from 1,800 sq ft to 2,000 sq ft and each was let in shell condition for fit out by the tenants.





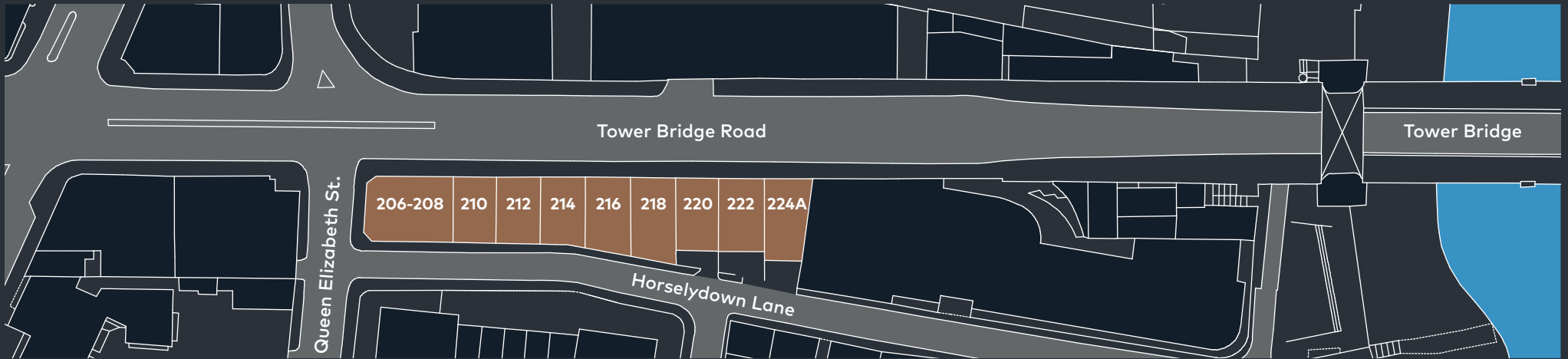
RESTAURANT & PUBS

RESTAURANTS & PUBS

The restaurants and pubs all occupy self-contained units over lower ground to second floors ranging in size from 3,800 sq ft to 8,400 sq ft. Each operator has fitted out to their own specification, although all use the ground floor as their principal customer area with ancillary uses mostly at lower ground floor level. The pubs both have venue areas.



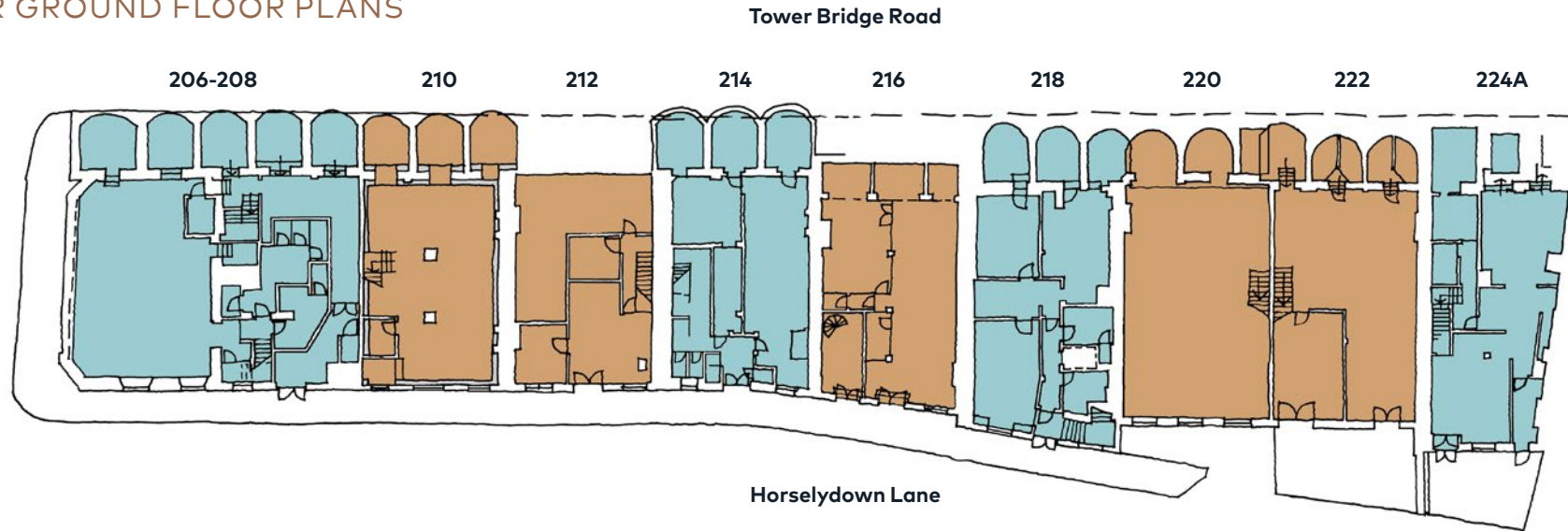
SITE PLAN & ACCOMMODATION



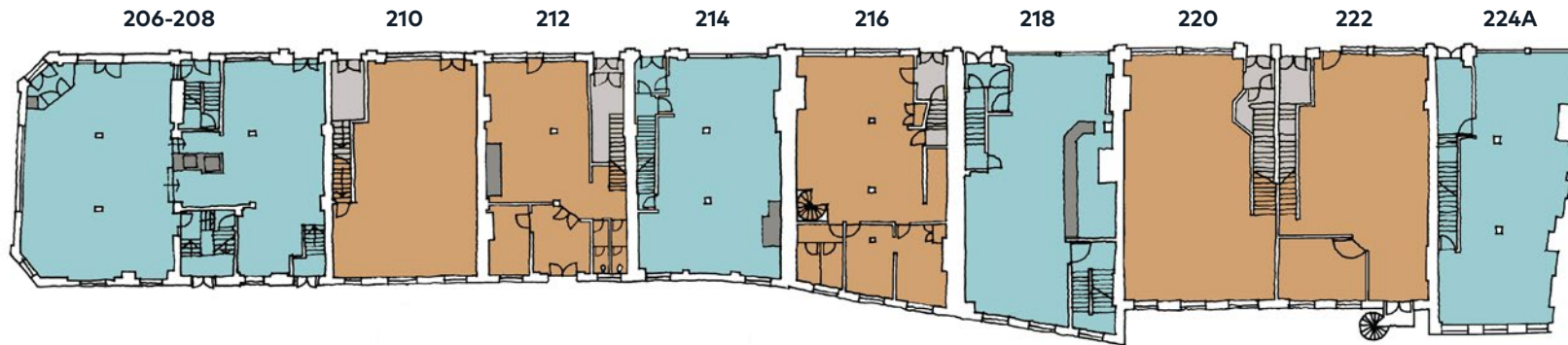
Floor	206-208		210		212		214		216		218		220		222		224 A	
	Sq Ft NIA	Sq Ft GIA	Sq Ft NIA	Sq Ft GIA	Sq Ft NIA	Sq Ft GIA	Sq Ft NIA	Sq Ft GIA	Sq Ft NIA	Sq Ft GIA	Sq Ft NIA	Sq Ft GIA	Sq Ft NIA	Sq Ft GIA	Sq Ft NIA	Sq Ft GIA	Sq Ft NIA	Sq Ft GIA
2	1,018	1,977	513	612	523	929	-	822	736	858	-	1,099	746	1,075	976	1,082	503	923
1	-	1,998	675	941	709	944	770	970	837	1,096	1,030	1,374	1,054	1,261	1,013	1,227	1,000	1,092
G	1,658	1,967	835	960	739	966	843	965	863	1,071	1,057	1,331	1,093	1,248	1,078	1,221	863	1,071
LG	1,597	2,440	908	1,222	918	1,018	730	1,027	851	1,053	1,152	1,641	1,247	1,504	1,071	1,535	971	1,239
Total	4,273	8,382	2,931	3,735	2,889	3,857	2,343	3,784	3,287	4,078	3,239	5,445	4,140	5,088	4,138	5,065	3,337	4,325

FLOOR PLANS

LOWER GROUND FLOOR PLANS



UPPER GROUND FLOOR PLANS



- Office
- Retail
- Restaurant / Pub

Not to scale. For identification purposes only.

FLOOR PLANS

FIRST FLOOR PLANS



SECOND FLOOR PLANS



- Office
- Retail
- Restaurant / Pub

Not to scale. For identification purposes only.

TENANCY SCHEDULE

TENURE

Each of the properties is held freehold in accordance with the title numbers in the schedule which is available in the data room.

No.	Unit Type	Unit	Tenant	Floor Area NIA (Sq ft)	Measuring Standard	Lease Date	Review Date	Break Date	Expiry Date	Lease Term (Yrs)	Outside L&T 1954 Act?	Rent (£ psf)	Headline Rent (£ Per Annum)	Comments
210	Office	2nd	Zaggora Global Ltd	513	NIA	Nov-19		Nov-22	Nov-24	5	Y	£37.65	£19,313	Break option is subject to 6 months' notice. A deposit has been provided equivalent to 6 months' rent.
210	Office	1st	Zaggora Global Ltd	675	NIA	Jul-19		Jul-22	Jul-24	5	Y	£43.50	£29,363	
212	Office	2nd	Terms provisionally agreed	523	NIA	Nov-20		Nov-22	Nov-23	3	Y	£36.53	£19,103	Rolling tenant's break option from the second anniversary, subject to serving 6 month's written notice. A deposit has been provided equivalent to 3 months' rent.
212	Office	1st	Terms provisionally agreed	709	NIA	Nov-20		Nov-22	Nov-23	3	Y	£36.53	£25,897	
216	Office	2nd	The Fashion Digital	736	NIA	Jan-20		Jan-23	Jan-25	5	Y	£23.10	£17,000	Break option is subject to 6 months' notice. A deposit has been provided equivalent to 3 months' rent.
216	Office	1st	Restaurant Story Ltd	837	NIA	Oct-19		Oct-21	Oct-22	3	Y	£37.04	£31,000	Break option is subject to 6 months' notice. A deposit has been provided equivalent to 6 months' rent.
220	Office	2nd	Anderson Tours Ltd	746	NIA	Dec-17		Dec-22	Dec-27	10	Y	£44.50	£33,200	Break option is subject to 9 months' notice. A deposit has been provided equivalent to 6 months' rent.
220	Office	1st	Anderson Tours Ltd	1,054	NIA	Dec-17		Dec-22	Dec-27	10	Y	£45.07	£47,500	Break option is subject to 9 months' notice. A deposit has been provided equivalent to 6 months' rent.
222	Office	1st & 2nd	PCA Law Ltd	1,989	NIA	Feb-20		Feb-23	Feb-25	5	Y	£35.34	£70,300	Break option is subject to 6 months' notice. A deposit has been provided equivalent to 3 months' rent.
Total				7,782								£37.61	£292,675	
210	Retail	G & LG	Krystals Express Ltd	1,743	NIA	Jul-19		Jul-24	Jul-29	10	N	£22.23	£38,750	2024 break option is subject to 6 months' notice.
212	Retail	G & LG	IMM Properties Ltd	1,657	NIA	Sep-18		Sep-21	Sep-23	5	N	£22.33	£37,000	Break option is subject to 6 months' notice. A deposit has been provided equivalent to 6 months' rent.
216	Retail	G & Part LG	Done Brothers (Cash Betting) Ltd T/A BetFred	863	NIA	Dec-05		-	Dec-20	15	N	£42.47	£36,650	Break option is subject to 6 months' notice. A deposit has been provided equivalent to 6 months' rent.
216	Retail	Platform Space (LG)	Morefit Ltd	851	NIA	Apr-18		Apr-28	Apr-33	15	Y	£32.31	£27,500	Break option is subject to 6 months' notice. A deposit has been provided equivalent to 6 months' rent.
220	Retail	G & LG	Chesterton Global Ltd	2,340	NIA	May-18		-	May-23	5	N	£19.36	£45,300	A deposit has been provided equivalent to 6 months' rent.
222	Retail	G & Part LG	Hobs Reprographic PLC	2,149	NIA	Jan-18		Jan-23	Dec-27	10	Y	£32.34	£69,500	Break option is subject to 6 months' notice. A deposit has been provided equivalent to 6 months' rent.
Total				9,603								£26.52	£254,700	
206-208	Restaurant	Whole	Draft House Holding Ltd	8,382	GIA	Dec-16	Dec-21	-	Dec-36	20	N	£16.40	£137,500	The annual rent is subject to stepped increases and will rise to £145,000 as of December 2021. A deposit has been provided equivalent to 1 year's rent.
214	Restaurant	Whole	Indian Fusion	3,784	GIA	May-10	May-20	-	May-25	15	Y	£13.21	£50,000	2020 Rent review negotiations ongoing
218	Restaurant	Whole	Bloomsbury 7 Ltd	5,445	GIA	Nov-18	Nov-23	-	Nov-38	20	Y	£15.61	£85,000	A deposit has been provided equivalent to 6 months' rent.
224A	Restaurant	Whole	Tower Bridge Kitchen	4,325	GIA	Jun-15	Jun-20	-	Jun-30	15	N	£18.50	£80,000	A deposit has been provided equivalent to 6 months' rent.
Total				21,936								£16.07	£352,500	
Grand Total				39,321	36,634							£22.89	£899,875	

OFFICE MARKET COMMENTARY

SOUTHBANK OFFICE MARKET

The Southbank has been among the top performing submarkets in recent years, with prime rents rising to £70.00 psf in 2020, up 7.7% on the previous year. Strong rental growth has been supported by a chronic undersupply of office stock in the Southbank submarket which entered 2020 with the lowest vacancy levels in central London at 1.7%. This figure has risen throughout the year but remains comparatively low at 4.7%. Of this 31% is second-hand tenant release space, but new space is still in short supply at for only 20% of all availability.

Strong rental growth and low vacancy levels have continued to attract developers to the Southbank, with Deloitte reporting the highest number of new starts on record for H1 2020. Despite this increase in activity, the volume of new starts only amounts to 560,000 sq ft and, as such, the area is likely to continue to attract developer interest.

RECENT LETTINGS

Date	Address	Floor(s)	NIA (sq ft)	Term (Break)	Rent (£ psf)	Incentive	Tenant
Jul 2020	150-152 Long Lane	Ground & 1st	7,493	10 (5)	£52.50 (1st) £42.50 (Grnd) (£47.50 Blended)	6 Months	Zwift UK
Apr 2020	60 Gainsford Street	2nd	3,365	5	£55.00	9 Months	TCP Global
Feb 2020	209 Blackfriars Road	3rd	4,485	5	£62.00	10 Months	JGA Group
Jan 2020	9 Holyrood Street	4th	2,206	5 (3)	£63.00	10 Months	Story Events
Dec 2019	136-148 Tooley Street	4th & 5th	2,797	5	£67.50	5 Months	Wordsearch Communications Ltd

RETAIL MARKET COMMENTARY

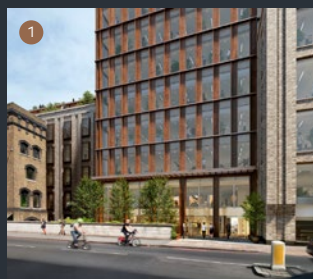
SOUTHBANK RETAIL MARKET

Tower Bridge Road and the surrounding streets, especially Shad Thames and the river walk going east and west attract substantial footfall throughout the year from local office occupiers, residents and tourists. Local developments have significantly added to the retail and cultural offering, providing a diverse mix of shops, restaurants, bars, hotels and attractions such as Berkeley Homes' Bridge Theatre, London's largest new theatre in over 80 years. The adjacent development of Tower Bridge Court will enhance this area further and extend the retail parade up Horsleydown Lane from Shad Thames to Tower Bridge Quarter.

RECENT LETTINGS

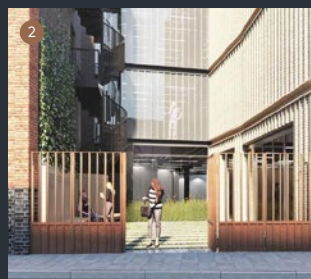
Date	Address	NIA (sq ft)	Rent (£ pa)	Rents (£ psf)	Tenant
Q1 2020	163-167 Bermondsey Street SE1	558	£40,000	£71.68	Andrew Brown Hair
Q4 2019	49 Southwark Bridge Road SE1	11,590	£509,916	£44.00	49 Sandstone Bobcat London Ltd
Q3 2019	Duchess Walk SE1	763	£52,000	£68.15	Custard
Q3 2019	194-204 Bermondsey Street SE1	1,150	£69,000	£60.00	Cod & Co
Q1 2019	Bridge House SE1	1,480	£60,000	£40.54	Roasting Plant Coffee

LOCAL DEVELOPMENTS



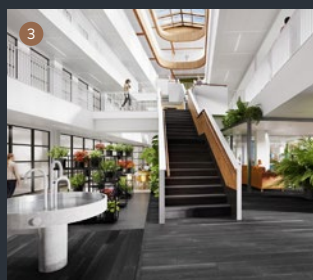
Tower Bridge Court

Developer: FORE / Landid
Architect: Stiff + Trevillion
Size: 110,386 sq ft
Completion: 2022



47 Tanner Street

Developer: Northstar
Architect: SPPARC
Size: 62,107 sq ft
Completion: Awaiting Planning Approval



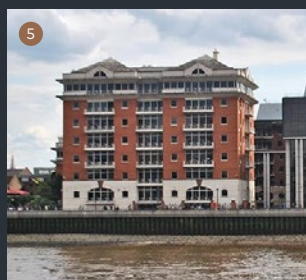
EDGE London

Developer: EDGE
Architect: Pilbrow & Partners
Size: 255,000 sq ft
Completion: 2024



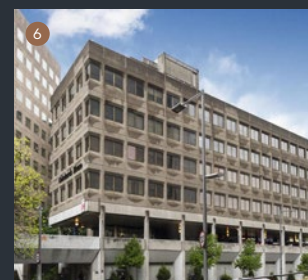
St. Thomas Street East

Developer: Greystar, Columbia Threadneedle, CIT Group & Sellar
Architect: KPF Architects
Size: 255,000 sq ft
Completion: 2024



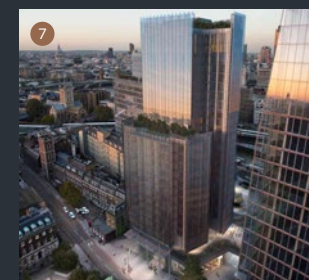
Red Lion Court

Developer: Landsec
Architect: Bjarke Ingels Group (BIG)
Size: 324,000 sq ft
Completion: 2023



New Colechurch House

Developer: CIT
Architect: Foster + Partners
Size: 36,292 sq ft
Completion: -



Shard Place

Developer: Sellar Property Group
Architect: Renzo Piano Building Workshop (RPBW Architects)
Size: 180,000 sq ft
Completion: Autumn 2020

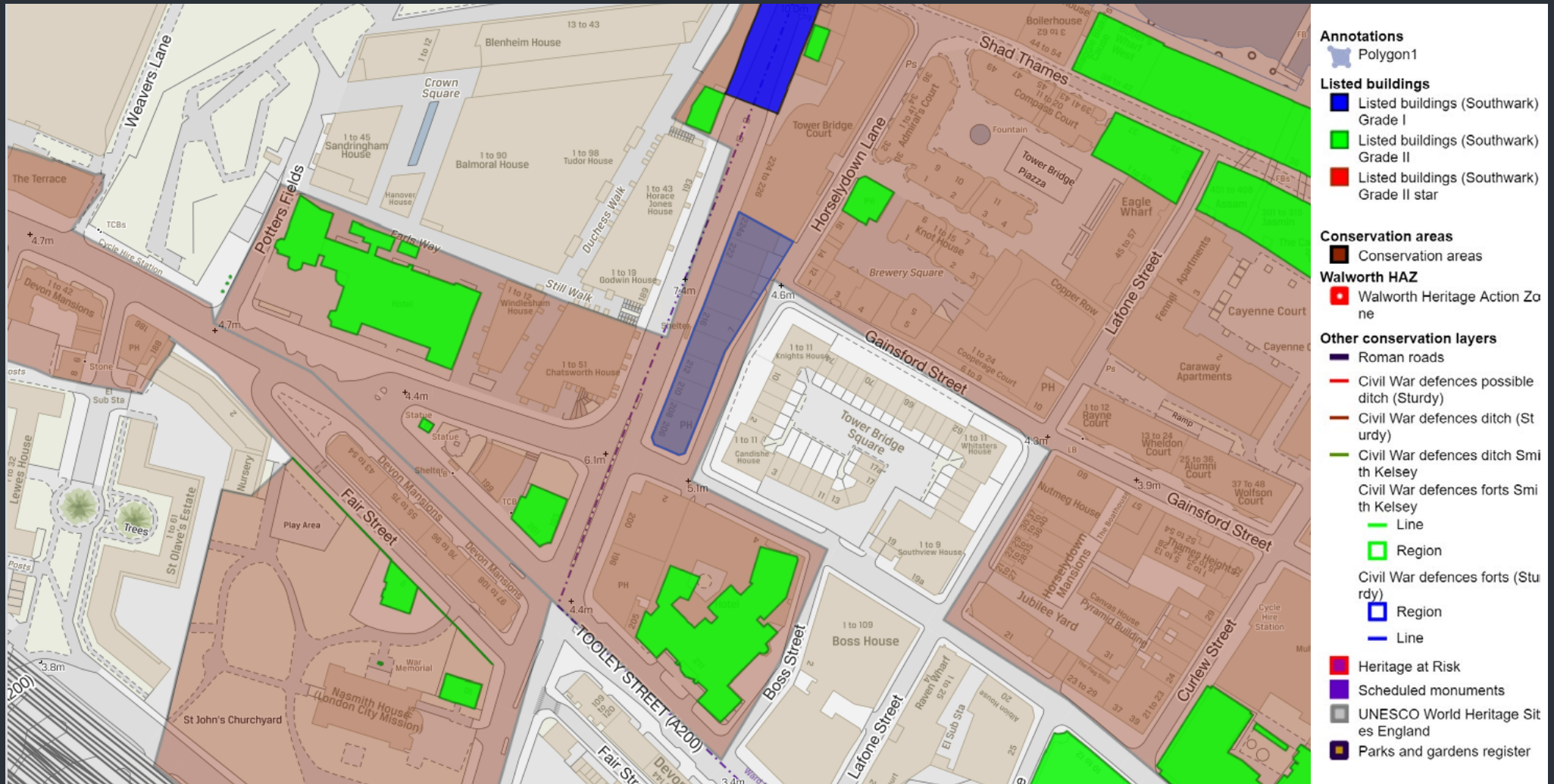


Borough Yards

Developer: Meyer Bergman
Architect: SPPARC
Size: 115,000 sq ft
Completion: 2020

PLANNING & CONSERVATION

The properties are not listed but they sit within the Tower Bridge Conservation Area. There is scope for various exciting options for changes of use, future extension and development, subject to planning. A Planning Briefing note has been included in the Data Room.



ACTIVE MANAGEMENT & DEVELOPMENT POTENTIAL

Tower Bridge Quarter offers an extremely rare opportunity to acquire freehold an estate of buildings close to an iconic landmark which is recognised worldwide. In addition, the estate offer substantial potential to add value:-

Highly reversionary average annual rent of £23.00 psf

Highly adaptable buildings to a variety of mixed uses including offices, residential, retail and leisure.

Opportunity to create a further c.8,728 sq ft through an additional storey, subject to planning.

Scope to further increase the floor area by c.3,106 sq ft by expanding footprint on Horselydown Lane.

The buildings can be re-orientated with quieter entrances with highly attractive frontages on Horselydown Lane and benefit from the additional footfall as a result of the 110,386 sq ft Tower Bridge Court redevelopment next door.

Timing of lease events allows for the scheme to be redeveloped in manageable blocks at different stages.

Ability to reposition and dispose of the asset in segments at a premium.



FURTHER INFORMATION

VAT

The property is not elected for VAT and it is anticipated that it will be sold as a TOGC

EPC

EPC's for each of the individual units are available to view in the data room.

PROPOSAL

Offers are invited in excess of **£17.00m** which equates to a Net Initial Yield of 4.92% and a **highly attractive Reversionary Yield of 6.97%** at a low capital value of **£432 psf**.



VIRTUAL TOURS

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All Floors

222 Tower Bridge Rd



G & LG
Floors



1st & 2nd
Floors

220 Tower Bridge Rd



G & LG
Floors



1st & 2nd
Floors

218 Tower Bridge Rd



All Floors

216 Tower Bridge Rd



G & LG
Floors



1st
Floor



2nd
Floor

214 Tower Bridge Rd



All Floors

212 Tower Bridge Rd



G & LG
Floors



1st & 2nd
Floors

210 Tower Bridge Rd



G & LG
Floors



1st & 2nd
Floors

206-208 Tower Bridge Rd



All Floors

CONTACTS

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