



## Prime South West London Office Investment

Mortlake Business Centre  
Mortlake High Street • London SW14 8JN





Central London

WWT London Wetland Centre

Barnes Bridge Station

Mortlake Business Centre

Dukes Meadows Golf Course

Chiswick Bridge

Stag Brewery Redevelopment Site

Mortlake Green

Mortlake Station

Lower Richmond Road

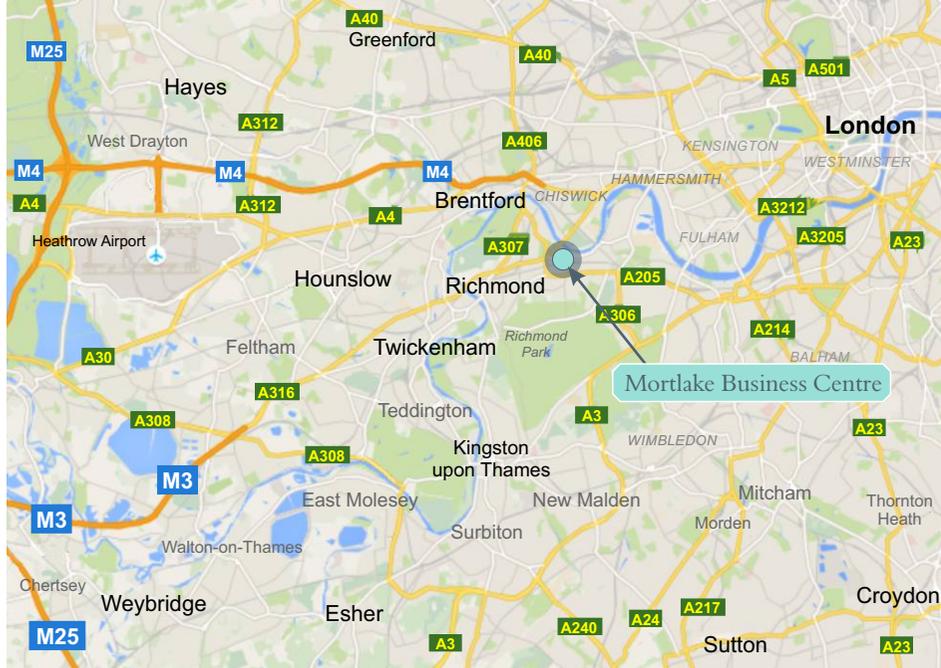
Richmond

Chiswick



## Investment Summary

- Freehold
- Prominent position in affluent Mortlake, a short walk from Mortlake train station.
- Office, with ancillary retail, operated as a serviced office with occupancy rates of approximately 90%.
- Vacant Possession achievable on six months' notice.
- Of interest to serviced office operators, investors and developers.
- Within major development zone, adjacent Stag Brewery development site - recently bought for £158m.
- Asset management opportunities, including refurbishment to create co-working environment, repositioning, increasing massing or refurbishment for use as conventional offices.
- Low capital value of £323 psf.
- Offers are invited in excess of £6,000,000 (Six Million Pounds), subject to contract and exclusive of VAT.



## Location

Mortlake is in the London Borough of Richmond approximately seven miles south west of Central London and located between Kew and Barnes. Richmond is approximately two miles to the west.

Mortlake is located on the banks of the River Thames, in an affluent location benefiting from a village atmosphere with a number of riverside pubs, local shops and cafés. It is well known for being the finishing line for The Boat Race - the annual contest between rowing crews from Oxford and Cambridge universities.

It also benefits from being within easy access of the Royal Botanic Gardens at Kew, Richmond Park and Barnes Common, together with numerous leisure facilities including the Dukes Meadows Golf Club.

Mortlake is set to benefit from the redevelopment of the Stag Brewery, a 21.2 acre site that was recently sold to provide a residential led scheme.

The area benefits from excellent road links being within close proximity to the South Circular. Several bus routes serve the immediate local area and there are excellent rail connections with Mortlake train station providing trains in to London Waterloo (fastest travel time of 22 minutes) and trains to Richmond (only four minutes travel time). Heathrow airport is located approximately 11 miles to the west and Gatwick airport is approximately 25 miles to the south.



## Situation

The property occupies a prominent position on the southern side of Mortlake High Street, close to its junction with Sheen Lane, which lies alongside Mortlake Green. The property is a short 3-4 minute walk from Mortlake train station, circa 250m south of the property.

The immediate area is predominately residential and the property is directly opposite the Stag Brewery redevelopment site, which is widely considered as the last major development on the river.

## Stag Brewery Development

The Stag Brewery site is directly opposite the subject property and comprises 21.2 acres split into two parts - separated by Ship Lane. The Council prepared a draft Planning Brief for the site and envisage creating a new heart to Mortlake, including open space and a new recreational area linking the river and the town. The Brief sets out a vision of a high quality residential led scheme, incorporating a mix of uses including restaurants, cafes, community leisure uses and small retail spaces. The site was recently purchased by Reselton (part of City Developments) for £158m. Further information is available at [www.stagbrewerylondon.com](http://www.stagbrewerylondon.com)





## Description

The property was redeveloped in 2003 to provide offices with ancillary retail, together with a residential tower block and surrounding residential units.

The office accommodation, on first, second and third floors, is accessed via a ground floor lobby. There is a large central atrium, with opening glass roof, and extensive glazing to the front elevation. A lift is located within the atrium providing access to all floors, including the ground floor lobby entrance. There is air conditioning throughout. Currently the space is divided to provide various sized cellular offices.

The property benefits from a café on the first floor and a gym is available on the third floor, which is shared with the residential occupiers.

On the ground floor there are kiosk style retail units and a car park with nine car parking spaces allocated to the office element.

Office specification:

- Atrium with opening glazed roof
- Reception area including café
- Air conditioning
- Lift serving all floors
- Gym facilities
- 9 car parking spaces

## Accommodation

The floor space in the property is allocated as follows:

		Floor Area (NIA sq ft)	Floor Area (NIA sq m)
Ground Floor	Retail	517	48
First Floor	Office	6,087	565
	Café	510	47
	Reception Area	870	81
Second Floor	Office	7,633	709
	Atrium Walkway	467	43
Third Floor	Office	3,565	331
	Office Mezzanine	292	27
	Atrium Walkway	438	41
	Gym	970	90
<b>Total Overall</b>		<b>21,348</b>	<b>1,983</b>
<b>Total Office*</b>		<b>18,087</b>	<b>1,680</b>
<b>Total Retail</b>		<b>517</b>	<b>48</b>

\* excluding the gym, reception and atrium walkways

## Tenancy

The office space and ground floor retail units are let direct on an all-inclusive serviced office basis.

Citibase operate this element on behalf of the landlord by way of a management agreement which can be terminated with six months' notice.

The gross revenue for 2015 was £889,097 and the net profit was £256,550. The average occupancy over 2015 was 92% and is currently operating at 89% occupancy and has generated a net profit of £86,873 from January to April this year.

The residential elements have been sold on 999 year leasehold interests from 25 March 1999. They currently generate an annual income of £6,450 pa. This is set to increase to £9,600 in 2024, to £12,750 in 2049, to £15,900 in 2074.



## Local Market

Offices in South West London within the M25 have recently been buoyant with take up of space alongside change of use to residential reducing supply and driving rents. Due to the impact of permitted development and constrictions on supply the upward pressure on rents is likely to continue.

The Richmond upon Thames market has seen strong rental growth with prime space now being offered in Richmond itself at up to £50 psf. Wimbledon is up to £47.50 psf and just over £30 psf for Twickenham, while Chiswick rents are currently quoting up to £56 psf and Hammersmith circa £60 psf.

Address	Occupier	Size (sq ft)	Rent (psf)	Deal Date
The Aircraft Factory, Hammersmith	Various	Various	£52.50 - £59	Q4 2015 - Q1 2016
One Queen Caroline Street Hammersmith	A&E Networks	20,059	£56.00	Q1 2016
Bridge House, Twickenham	Haymarket Media	34,000	£32.50	Q1 2016
Building 7, Chiswick Park Chiswick	Danone	42,000	£52.50	Q4 2015
Pinnacle House, Wimbledon	Unibet Ltd	40,000	£54.00	Q4 2015 (pre let)
Heron House, Richmond	Feed Factors Ltd	3,200	£50.00	Q2 2015

The local and surrounding areas continue to remain popular with a wide range of both UK and international investors. The high demand, along with recent rental growth, has driven up values as parties compete to get exposure to the London markets. We would highlight the following transactions:

Address	Price	Size (sq ft)	Capital Value (psf)	Deal Date
57-63 Church Road, Wimbledon	£4m*	7,705	£519*	U/O (exchanged)
510 Chiswick High Road, Chiswick	£6.5m	11,400	£570	U/O (exchanged)
Griffin House, Hammersmith	£75.55m	88,872	£840	Q3 2015
One Parkshot, Richmond	£9m	12,440	£723	Q3 2015
Argentum, Hammersmith	£15.78m	25,424	£620	Q2 2015
598-608 Chiswick High Road, Chiswick	£6.51m	13,300	£489	Q1 2015

\* Guide Price

## Asset Management Opportunities

There are numerous asset management opportunities at the property including the following:

- The space could be reconfigured to maximise floor area.
- Massing could be increased further by in filling part of the atrium.
- Create a co-working environment.
- The space could be altered for use as a conventional office.
- The opportunity to extend at roof level could be explored (STP).
- There is scope to reduce the running costs.

## Tenure

The property is held freehold under title number SGL367079. The ground floor of the adjoining building is held by way of long leasehold with title number TGL226573 for a term of 999 years from 29 September 2001.

## Planning

The property is located within the London Borough of Richmond Upon Thames and is not in a conservation area.

## VAT

The property is elected for VAT.

## EPC

The Energy Performance Asset Rating for the property is C(51). A full copy of the EPC is available on request.

## Further Information

For further information on Service Charge, Capital Allowances, Pre-emption Right and Indicative Floor plans please contact us. A data room will also be made available, please contact us to gain access.



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## **Proposal**

Offers are invited in excess of £6,000,000 (Six Million Pounds) subject to contract and exclusive of VAT. A purchase at this level equates to a capital value of £323 psf (excluding the gym, reception and atrium walkways).

**For further information please contact:-**

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JUNE 2016