

PRIME CENTRAL LONDON DEVELOPMENT OPPORTUNITY

35 - 39

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LEINSTER GARDENS

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BAYSWATER

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LONDON W2



# 35 - 39

## LEINSTER GARDENS

BAYSWATER | LONDON | W2

### THE OPPORTUNITY

Prime Central London property with development and refurbishment potential.

Planning permissions granted for a change of use to residential or serviced apartments.

The property is offered with vacant possession and comprises a former 92 bedroom hotel with restaurant, bar, private club, meeting rooms and spa facilities.

Freehold site comprising 5 interconnected buildings.

The property is arranged over lower ground, raised ground and five upper floors, measuring 39,773 sq ft GIA.

Planning permission and listed building consent granted for a redevelopment comprising 66 serviced apartments with C1 use.

Planning permission and listed building consent granted for a redevelopment comprising 32 residential apartments.



Viewing by appointment only.

These particulars are intended only as a guide and must not be relied upon as statements of fact. Your attention is drawn to the Important Notice on the last page of the brochure.



THE REGENT'S  
PARK

  
PADDINGTON STATION

  
MARYLEBONE

MAYFAIR

HYDE PARK

  
MARBLE ARCH

35 - 39  
LEINSTER GARDENS

  
LANCASTER GATE

  
BAYSWATER

  
QUEENSWAY

KENSINGTON PALACE  
& GARDENS

ROYAL  
ALBERT HALL

  
KNIGHTSBRIDGE



## THE EXISTING BUILDING

## DESCRIPTION

The property is Grade II listed and comprises five interconnected white stucco fronted Victorian houses which form part of a terrace built in the mid 1850's. The buildings were historically used as grand residences however, the internal floor layout has been transformed over the years into the existing hotel.

The property is arranged across lower ground, raised ground and five upper floors which are accessed via a lift and the main staircase from the hotel reception lobby and main entrance. An additional two staircases are located at either end of the hotel and provide access to all floors. The hotel measures approximately 39,773 sq ft GIA.

### THE PROPERTY CURRENTLY COMPRISES:

- 92 en-suite letting bedrooms
- Restaurant
- Meeting rooms
- Bar and club
- Spa facilities

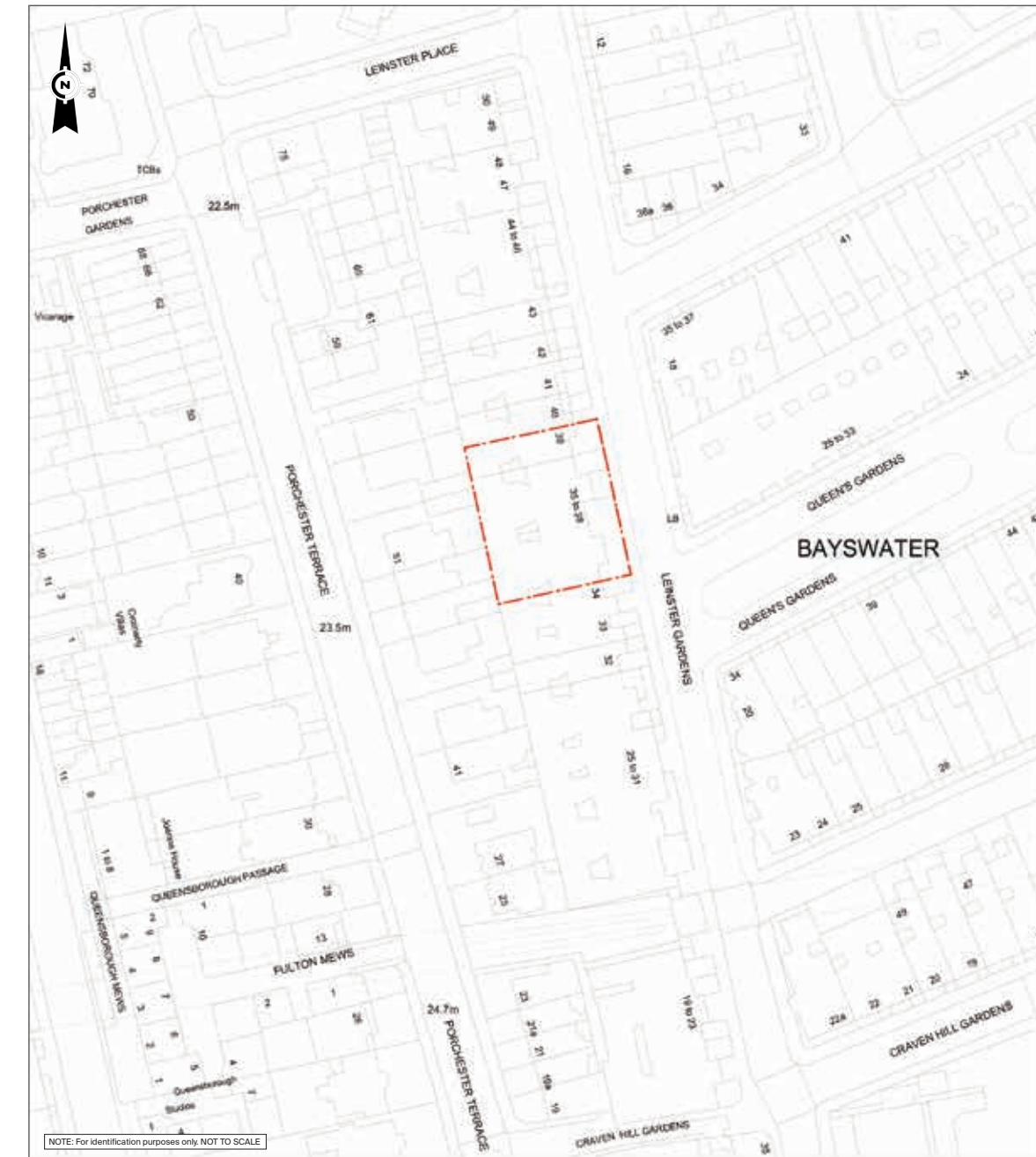
## EXISTING ACCOMMODATION

The existing accommodation comprises the following:

	Keys	Net Internal		Gross Internal		Gross External	
		(sq m)	(sq ft)	(sq m)	(sq ft)	(sq m)	(sq ft)
Lower Ground Floor	-	603	6,491	826	8,891	872	9,386
Ground Floor	7	474	5,102	698	7,513	773	8,321
First Floor	22	422	4,542	658	7,083	716	7,707
Second Floor	17	317	3,412	393	4,230	443	4,768
Third Floor	18	320	3,444	404	4,349	446	4,801
Fourth Floor	18	320	3,444	404	4,349	443	4,768
Fifth Floor	10	257	2,766	312	3,358	338	3,638
<b>Total</b>	<b>92</b>	<b>2,713</b>	<b>29,201</b>	<b>3,695</b>	<b>39,773</b>	<b>4,031</b>	<b>43,389</b>

## TITLE

The property is held freehold under the title number NGL178149. The site extends to approximately 0.24 acres (0.1 hectares).





## THE PROPOSED SCHEMES

## SERVICED APARTMENTS

This scheme allows for the conversion of the existing building into 66 serviced apartments with C1 use. The proposed scheme will allow the remodelling of the mansard roof in order to create additional space, provide alterations to the rear fenestration and redevelopment of the front forecourt areas. The existing lift location will be converted into two lift shafts. All serviced apartments will be self-contained with kitchen facilities comprising dishwasher, cooker, washing machine and refrigerator. There is no requirement to provide affordable housing within the scheme.



## AREA SCHEDULE

### 66 SERVICED APARTMENTS

	NIA Sales	
	(sq m)	(sq ft)
<b>Basement</b>		
-1.01 (Studio, capacity 4)	28	299
-1.03 (Studio, capacity 4)	36	383
-1.08 (Studio, capacity 4)	40	429
-1.09 (Studio, capacity 3)	36	387
-1.10 (Studio, capacity 3)	23	253
-1.04 (1 bed, capacity 4)	39	420
-1.05 (Studio, capacity 3)	23	248
-1.11 (Studio, capacity 3)	21	224
-1.06 (2 bed, capacity 6)	76	817
-1.07 (2 bed, capacity 6)	48	518
<b>Ground Floor</b>		
0.01 (Studio, capacity 4)	30	320
0.04 (Studio, capacity 4)	26	275
0.05 (Studio, capacity 4)	29	309
0.06 (1 bed, capacity 4)	30	328
0.03 (Studio, capacity 2)	19	203
0.12 (Studio, capacity 2)	23	245
0.02 (2 bed, capacity 6)	45	481
0.10 (2 bed, capacity 5)	51	549
0.11 (1 bed, capacity 4)	45	479
0.08 (1 bed, capacity 4)	50	534
<b>First Floor</b>		
1.05 (1 bed, capacity 4)	35	375
1.07 (Studio, capacity 2)	19	201
1.03 (3 bed, capacity 7)	79	848
1.12 (3 bed, capacity 7)	59	634
1.04 (3 bed, capacity 7)	68	734
1.06 (2 bed, capacity 6)	54	580
1.01 (Studio, capacity 4)	33	358
1.02 (Studio, capacity 4)	31	334
1.08 (Studio, capacity 4)	33	359
1.09 (Studio, capacity 4)	33	355
1.10 (Studio, capacity 3)	24	261

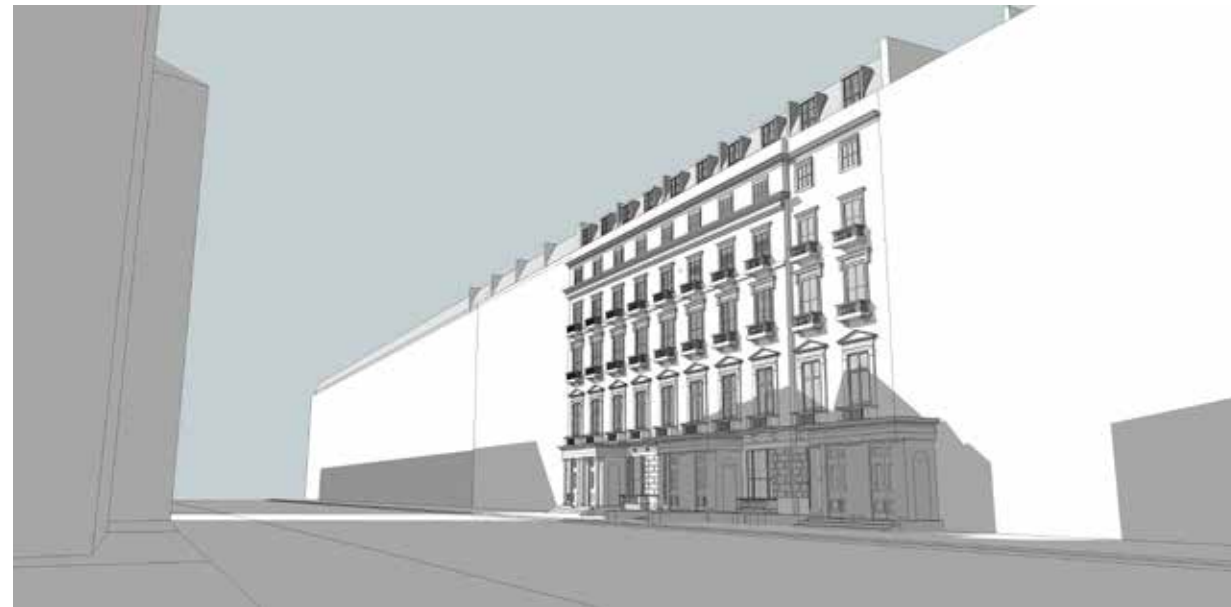
<b>Second Floor</b>		
2.01 (Studio, capacity 4)	30	327
2.02 (Studio, capacity 3)	28	301
2.08 (Studio, capacity 4)	27	287
2.09 (Studio, capacity 3)	23	248
2.04 (1 bed, capacity 3)	28	303
2.05 (1 bed, capacity 3)	26	283
2.06 (1 bed, capacity 4)	31	335
2.03 (Studio, capacity 2)	17	180
2.07 (2 bed, capacity 5)	51	544
<b>Third Floor</b>		
3.01 (Studio, capacity 4)	31	334
3.02 (Studio, capacity 3)	27	289
3.03 (Studio, capacity 3)	30	320
3.08 (Studio, capacity 4)	26	282
3.09 (Studio, capacity 3)	24	259
3.04 (1 bed, capacity 4)	29	313
3.05 (1 bed, capacity 4)	28	301
3.06 (1 bed, capacity 4)	32	348
3.07 (3 bed, capacity 8)	64	685
<b>Fourth Floor</b>		
4.01 (Studio, capacity 4)	27	295
4.02 (Studio, capacity 4)	24	263
4.08 (Studio, capacity 4)	28	301
4.09 (Studio, capacity 3)	24	259
4.03 (Studio, capacity 4)	35	372
4.04 (1 bed, capacity 4)	33	353
4.05 (1 bed, capacity 3)	30	318
4.06 (1 bed, capacity 4)	35	376
4.07 (3 bed, capacity 8)	65	696
<b>Fifth Floor</b>		
5.01 (Studio, capacity 4)	27	289
5.02 (Studio, capacity 4)	26	280
5.07 (Studio, capacity 4)	24	260
5.03 (Studio, capacity 4)	25	271
5.04 (Studio, capacity 3)	23	247
5.08 (Studio, capacity 3)	20	217
5.06 (2 bed, capacity 6)	50	542
5.05 (2 bed, capacity 5)	37	398

<b>Total</b>	<b>2,268</b>	<b>24,417</b>
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Note: The above areas are subject to final verification.

## RESIDENTIAL SCHEME

The residential scheme will allow the conversion of the existing building into 32 residential apartments, the refurbishment of the front and rear facades with new windows to the rear elevation. The planning permission implements the remodelling of the mansard roof in order to maximise additional space. The existing lift location will be converted into two lift shafts. The majority of the units will have dual aspect and none will be north-facing. The scheme, approved in 2019, comprises 53% one bed units, 12.5% two bed units and 34.5% three-four bed units.



## AREA SCHEDULE

### 32 RESIDENTIAL UNITS

	NIA Sales	
	(sq m)	(sq ft)
<b>Lower Ground Floor</b>		
1 bed	61	657
2 bed	83	893
1 bed	56	603
<b>Floor Total</b>	200	2,153
<b>Ground Floor</b>		
3 bed	142	1,528
3 bed	107	1,152
1 bed	72	775
3 bed	141	1,518
2 bed	73	786
2 bed	85	915
<b>Floor Total</b>	620	6,674
<b>First Floor</b>		
4 bed	137	1,474
1 bed	52	560
3 bed	70	753
4 bed	132	1,420
2 bed	74	796
1 bed	48	517
1 bed	47	506
1 bed	49	527
<b>Floor Total</b>	609	6,555

<b>Second Floor</b>		
1 bed	39	420
1 bed	39	420
1 bed	38	409
1 bed	42	452
<b>Floor Total</b>	158	1,701
<b>Third Floor</b>		
3 bed	113	1,216
1 bed	39	420
1 bed	39	420
3 bed	136	1,464
1 bed	38	409
1 bed	56	603
<b>Floor Total</b>	421	4,532
<b>Fourth Floor</b>		
1 bed	57	614
3 bed	78	840
1 bed	62	667
<b>Floor Total</b>	197	2,121
<b>Fifth Floor</b>		
3 bed	159	2,152
3 bed	125	1,884
<b>Floor Total</b>	284	3,057
<b>Overall Total</b>	<b>2,489</b>	<b>26,792</b>





## PLANNING OVERVIEW

### SERVICED APARTMENTS SCHEME

Planning permission and listed building consent were granted on 12th August 2020 (Ref: 20/00408/LBC) for the conversion to 66 serviced apartments with C1 use ranging from 19 sq m to 79 sq m.

### RESIDENTIAL SCHEME

Planning permission and listed building consent were granted on 21st November 2019 (Ref: 19/02068/LBC) for the conversion to 32 residential apartments and associated works; rebuilding of mansard roof level; external works, including alterations to rear fenestration.

### THE RESIDENTIAL SCHEME PROVIDES FOR:

- 17 x 1 Bedroom Units
- 4 x 2 Bedroom Units
- 11 X 3 Bedroom Units
- Section 106 Agreement
- £553,327 (only applicable to the residential scheme)

**LEINSTER  
GARDENS W2**

**CITY OF WESTMINSTER**

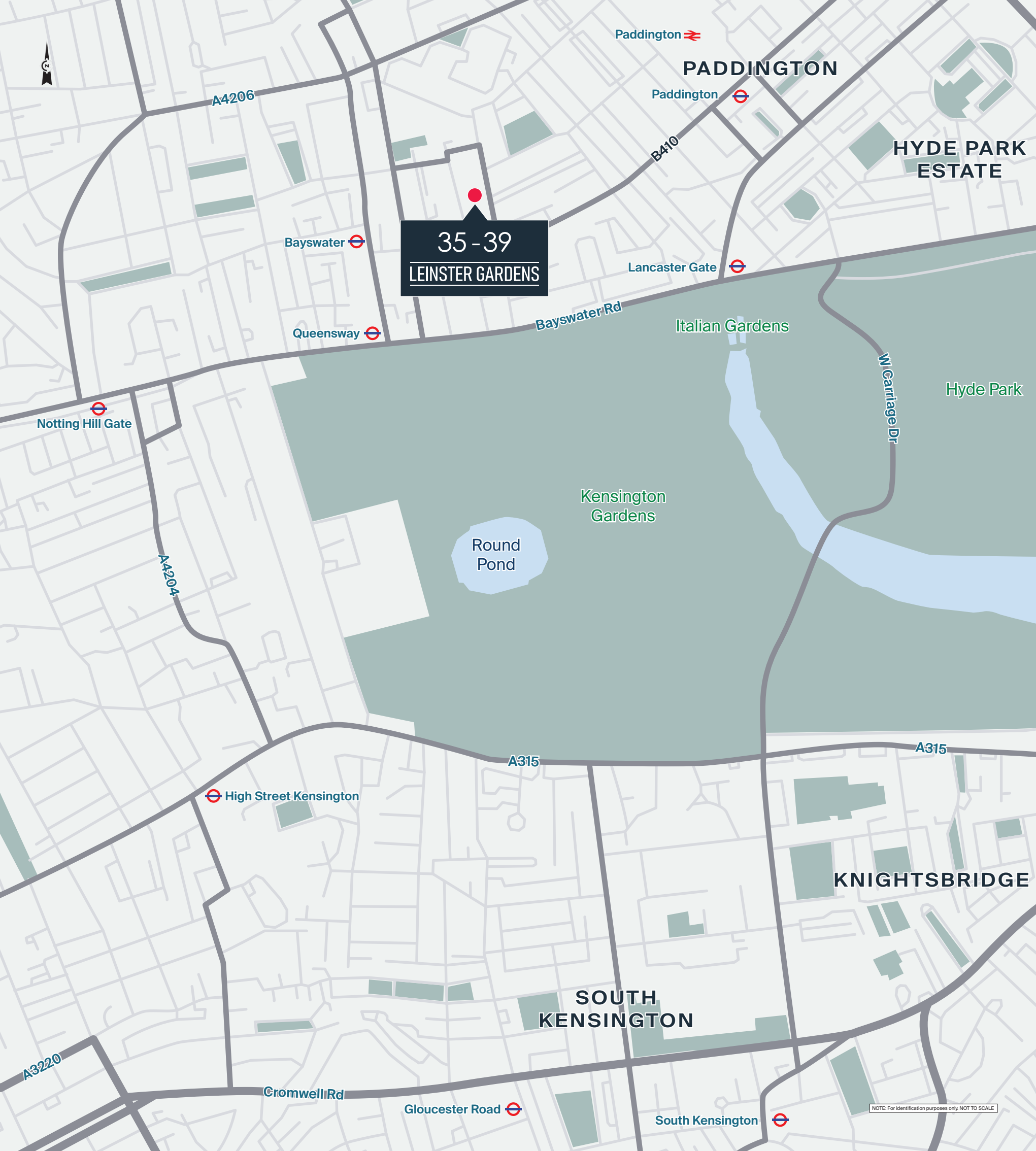
THE  
LOCATION

## SURROUNDING AREA

The property is located in the heart of Bayswater, on the western side of Leinster Gardens, within the City of Westminster. Bayswater is an extremely desirable residential/commercial district, north of Kensington Gardens and Hyde Park, north-east of Paddington and west of Marylebone. It is bordered to the north by the Regents Canal and Little Venice, to the east by the vibrant West End and to the west by the fashionable boutiques and cafes of Notting Hill.



The area is due to benefit from the forthcoming regeneration of Queensway which is being realised by six key stakeholders who are committed to enhancing the value and sustainability of Bayswater's main retail thoroughfare. The Queensway improvements will ultimately offer a vastly improved shopping and pedestrian experience and will provide a more attractive pedestrian-friendly environment.



## CONNECTIVITY

The property is located approximately less than a 10 minute walk from Bayswater, Queensway and Lancaster Gate underground stations. These stations are served by the District, Circle and Central Lines which offer regular train services to the West End and The City of London. Paddington Railway Station is located 0.7 miles to the east of the hotel, which provides London underground and mainline services to Heathrow Airport with direct access on the Heathrow Express with a journey time of approximately 15 minutes. Paddington Station will be part of Crossrail, connecting both Reading and Heathrow from the west to Abbey Wood and east of London.



Paddington Mainline Station




Heathrow Airport




Bayswater Underground Station


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LEINSTER GARDENS



UNDERGROUND STATIONS  
Bayswater  
Queensway  
Lancaster Gate



TRAIN STATIONS  
Paddington



AIRPORTS  
Heathrow Airport



## THE INVESTMENT SENTIMENT

In Hotels, Serviced Apartment and  
Residential Development Markets

## HOTEL MARKET COMMENTARY

London contributes to over 21% of the UK's total GDP and is home to 75% of Fortune Global 500 companies. It is the most visited city in the UK and benefits from year-round demand from both leisure and business visitors. In 2019, total overseas visitors grew 14% year-on-year to 21.7 million. Consequently, London is firmly established as the UK's premier hotel market posting Key Performance Indicators (KPIs) well in advance of the regional markets. In 2019, London posted a RevPAR of £129.14, significantly ahead of its nearest rival (Edinburgh: £83.55) and above the UK average of £73.36.

The investment sentiment for central London hotels, despite COVID-19, remains inquisitive and has improved in 2021. Investors ultimately see long term security in the London real estate market and with a considerable lack of available opportunities for investors, hotel prices are not facing as much downward pressure as once predicted. Along with the support made available to hoteliers through schemes such as the Coronavirus Job Retention Scheme and business rates relief, there is still little evidence of distressed product coming to the market. With lockdown measures easing in April 2021 and a successful vaccine roll-out programme, the outlook for hotel real estate in the UK is positive, with hotels set to reopen in May.

## RESIDENTIAL MARKET COMMENTARY

The new homes residential market in Prime Central London (PCL) is currently facing an acute shortage of supply, the result of tougher planning policy and value growth across competing uses, notably offices and hotels.

The figures on the table below forecast a sharp reduction in new homes supply (£3,000psf +) in the next four years: a product of the c.70% drop in construction starts for new PCL schemes that we have witnessed over the past three years. No new prime PCL schemes over 10 units are currently anticipated before 2022.

As a result, the growing imbalance between supply and demand is expected to continue, assisted by the weak pound and global instability, which has seen London targeted by 'flight capital'. As the risk of Covid has become absorbed, activity levels in the residential market now exceed the 5-year average, with over 65% more properties going under offer in Q3 2020, as pent up buyer demand continues to be released.

Purchaser appetite for prime residential property has become increasingly product-focused in recent years. Best-in-class properties, which reflect relative value, are now becoming more important to investors than historic locational prejudices.

Schemes such as Regents Crescent, Belgravia Gate, Harcourt House and 13-19 Leinster Square continue to set new records in their respective micro locations, demonstrating just how highly sought-after period refurbishments are by the international market, who are willing to pay premiums to own a piece of London history over more ubiquitous modern alternatives.

As at year end	2020	2021	2022	2023	2024
Prime new homes London pipeline	1,171	709	476	176	96
Percentage decline (%)	-	-39%	-33%	-63%	-45%

## SERVICED APARTMENT MARKET COMMENTARY

The serviced apartment sector remains resilient in Prime Central London due to the lack of stock and increased demand. The business model of the serviced apartments, with limited food & beverage offering and a high yielding accommodation business, generates a much higher GOP than traditional hotels, often in the range of 55% to 65%. Serviced apartments and aparthotels are expected to join the asset classes of build-to-rent, healthcare, senior living and the private-rental-sector, which are increasingly viewed upon as defensive asset classes.



CGI - Regents Crescent



CGI - 13-19 Leinster Square



CGI - Harcourt House

## ADDITIONAL INFORMATION

### INSPECTIONS

Inspections are by appointment only and to be arranged through the vendor's joint agents.

### DATA ROOM

Access to a secure online data room is available upon request.

### TENURE

Freehold.

### LOCAL AUTHORITY

London Borough of Westminster.

### GUIDE PRICE

£29,500,000

### IMPORTANT NOTICE

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