

**OXBOURNE
HOUSE**
LONDON W1

354 OXFORD STREET
& ONE MARYLEBONE LANE, W1



THE *OPPORTUNITY*

- Trophy retail and luxury residential opportunity in the heart of London's West End
- Reversionary, investment-grade income secured against two tenants
- Opportunity to capitalise on Marylebone's buoyant residential dynamics and Oxford Street's rapid re-emergence as Europe's key retail destination
- First new-build opportunity on Oxford Street West for over 20 years
- Future-proofed, 100% electric development by Hines, with exceptional ESG credentials
- Highest possible Public Transport Accessibility Rating of '6b', situated directly above Bond Street Station

PRIME OXFORD STREET RETAIL

- **5,228 sq ft (NIA)** flagship unit occupying a 100% prime position on **Europe's busiest retail pitch**
- **Exceptional retail fundamentals**, 1 of only 4 units on Oxford Street benefiting from **full peninsular frontage** (86 ft)
- Single let to leading fashion brand, **Manière De Voir Limited**, until 2033 (tenant break option in 2028) at a rent of £1,450,000 p.a.
- **Guarantee in place** from HSBC UK Bank plc for £1,450,000

LUXURY MARYLEBONE RESIDENTIAL

- **7,669 (NSA)** of prime Marylebone residential accommodation
- 11 highly-specified apartments arranged across 4 floors, independently accessed off **Marylebone Lane**
- Single let to high-end serviced apartment provider, **Portland Brown Limited**, until 2036 (mutual break option in 2031)
- Passing rent of £567,840 p.a. benefits from annual, **CPI-linked reviews** (1% p.a. - 4% p.a.)
- Opportunity to take direct control of the apartments in 2031 and **unlock significant latent value**

Offers are invited in excess of £45,750,000 for the SPV which owns the 144.5 year virtual freehold (peppercorn) interest in the asset.

This reflects a net initial yield of 5.00% on the retail element, assuming a capital value of £2,250 psf on the residential element.

HYDE PARK

PORTMAN SQUARE

MANCHESTER SQUARE

***PRIME RETAIL AND LUXURY
RESIDENTIAL INVESTMENT IN THE
HEART OF LONDON'S WEST END***



MARYLEBONE

GROSVENOR SQUARE

MAYFAIR



CAVENDISH SQUARE

OXFORD STREET

NEW BOND STREET

HANOVER SQUARE

OXFORD CIRCUS



OXFORD STREET *IS EVOLVING...*

Oxford Street has long been the epicentre of retail innovation – Europe’s most visited shopping destination and a coveted address for businesses and investors.

Structural shifts in consumer expectations, coupled with macro-economic changes, have driven a radical re-imagination of the retail environment. This shift has been characterised by a move from traditional retail to immersive experiences, which cannot be replicated online.

As an established flagship destination with excellent connectivity, Oxford Street is responding to these changes and undergoing a once-in-lifetime evolution, bolstered by significant public and private investment into infrastructure, public realm, and increased commercial demand for offices as well as retail and leisure space.



“OXFORD STREET IS BECOMING MORE THAN JUST A RETAIL DESTINATION; IT IS A VIBRANT, CULTURAL AND RECREATIONAL HUB WHOSE SUCCESS IS INTEGRAL TO THE FUTURE OF LONDON.”

CEO, New West End Company (March 2024)

**-40%
REDUCTION
IN BUSINESS
RATES**

Since the 2023 re-valuation



**1.8%
VACANCY
RATE**

Down from 13.7%
in Q4 2022



**+40 NEW
LETTINGS
IN PAST 12
MONTHS**

Oxford Street's most active
period in a decade

**AND RE-EMERGING
*STRONGER...***



**+23 LIVE
REQUIREMENTS**

For flagship stores on
Oxford Street

**+20 NEW
GLOBAL
BRANDS**

Have opened new
stores on Oxford Street
in past 12 months



**+42%
INCREASE IN
FOOTFALL**

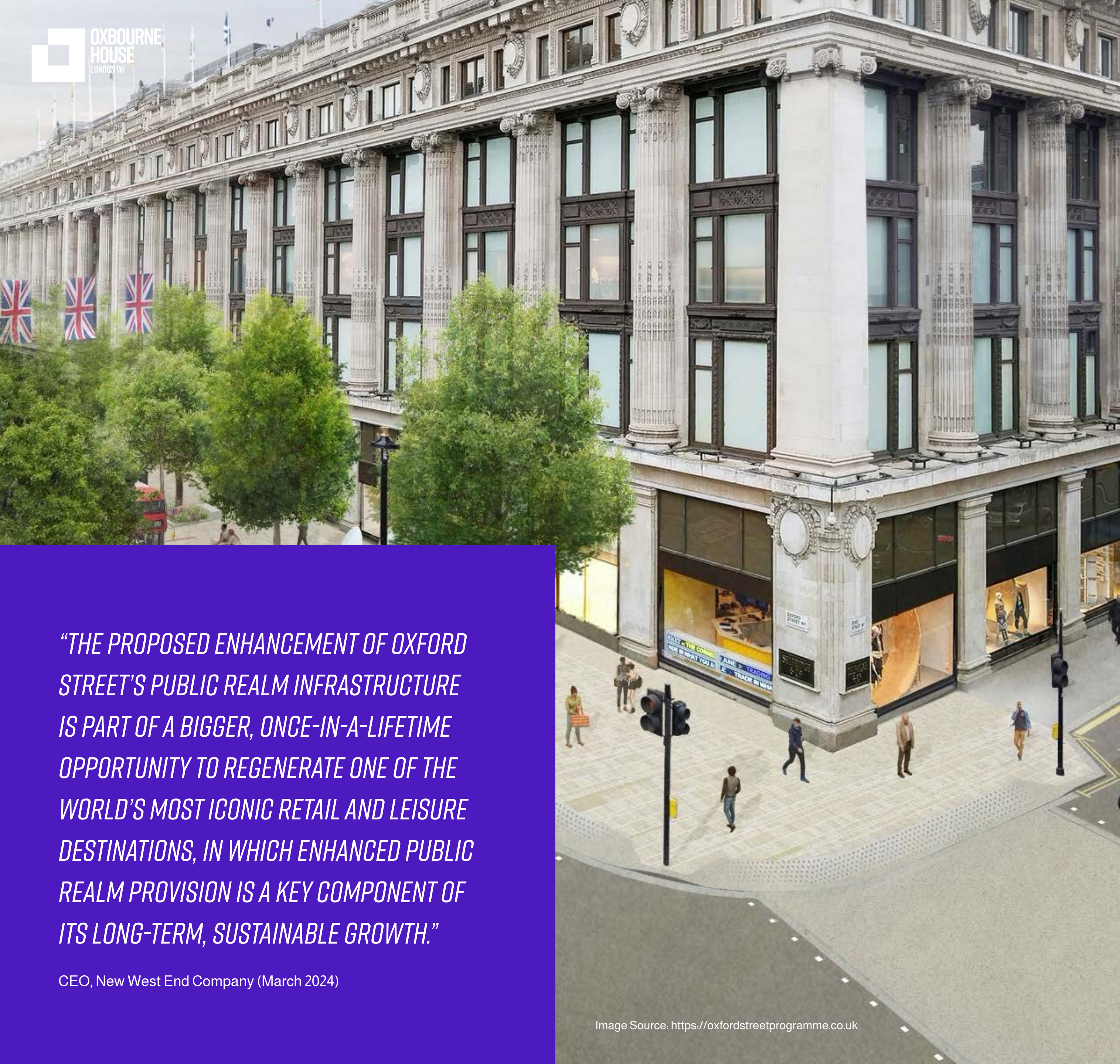
In / out of Bond Street
Station vs 2022



**+£90M
PUBLIC REALM
INVESTMENT**

Recently confirmed and
expected to drive up to
10% annual sales growth





“THE PROPOSED ENHANCEMENT OF OXFORD STREET’S PUBLIC REALM INFRASTRUCTURE IS PART OF A BIGGER, ONCE-IN-A-LIFETIME OPPORTUNITY TO REGENERATE ONE OF THE WORLD’S MOST ICONIC RETAIL AND LEISURE DESTINATIONS, IN WHICH ENHANCED PUBLIC REALM PROVISION IS A KEY COMPONENT OF ITS LONG-TERM, SUSTAINABLE GROWTH.”

CEO, New West End Company (March 2024)

Image Source: <https://oxfordstreetprogramme.co.uk>

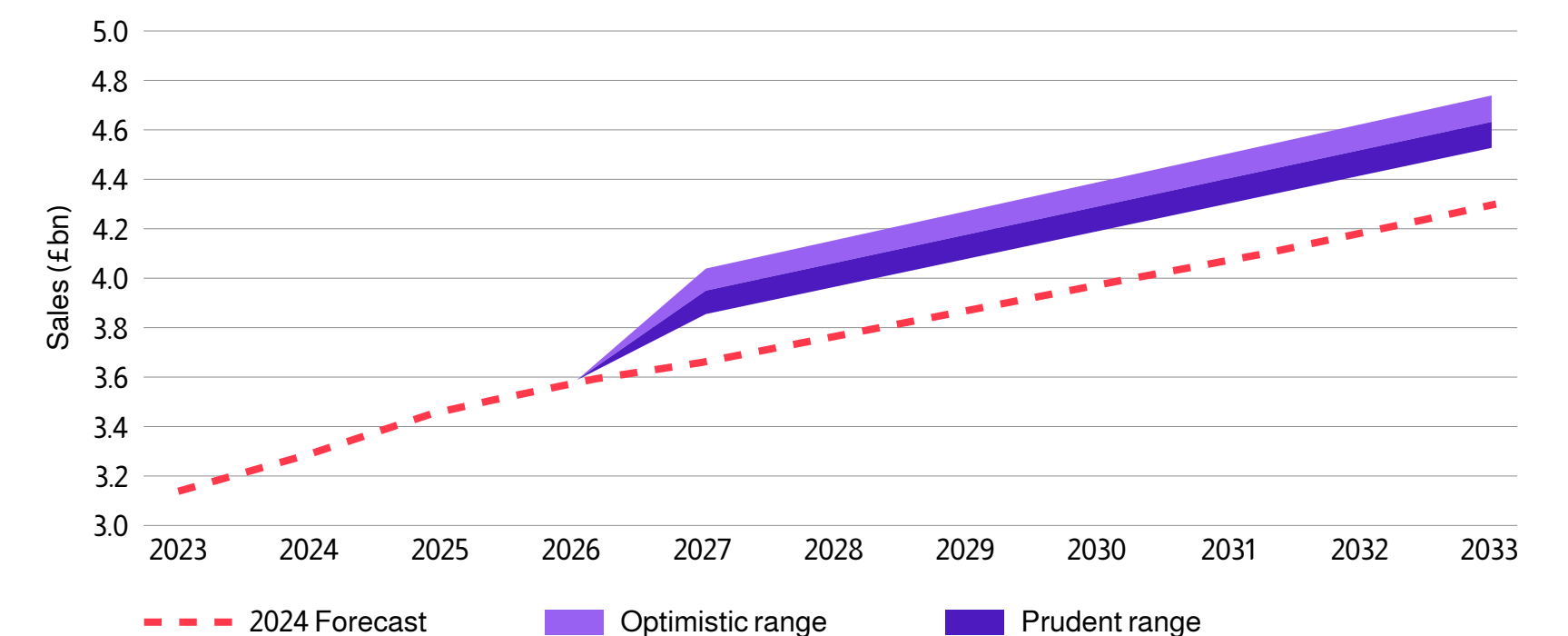
ENHANCED BY A *TRANSFORMING* *PUBLIC REALM...*

The property is set to benefit from a major (£90 million), recently-confirmed public-private partnership between Westminster City Council and the New West End Company, which will re-establish the area as a dynamic and contemporary global commercial center.

The landmark ‘Oxford Street Programme’, which will commence in August 2024, includes a series of public realm enhancements and is forecast to deliver a cumulative sales uplift to the area of £2.8 billion between 2027 – 2033.

Further information can be found [here](#)

PUBLIC REALM IMPACT ANTICIPATED TO BOOST OXFORD STREET SALES BY UP TO 10% P.A.



Source: New West End Company (March 2024)

AND CENTRED AROUND A NEW, *RE-BALANCED* *CORE*

SELFRIDGES

Ongoing re-positioning following
£4bn purchase in 2022

RE-PURPOSED DEBENHAMS

644,000 sq ft mixed-use scheme
Status: Consented / Ongoing

RE-PURPOSED HOUSE OF FRASER

366,000 sq ft mixed-use scheme
Status: Consented / Ongoing

RE-PURPOSED JOHN LEWIS

440,000 sq ft mixed-use scheme
Status: Consented

RE-PURPOSED WEST ONE

185,000 sq ft mixed-use scheme.
Status: Consented 2024

BOND STREET STATION

40% increase in entries
/ exits (2023 vs. 2022)

SOUTH MOLTON TRIANGLE REGENERATION

370,000 sq ft mixed-use scheme
Status: Consented / Ongoing

RE-PURPOSED FENWICK

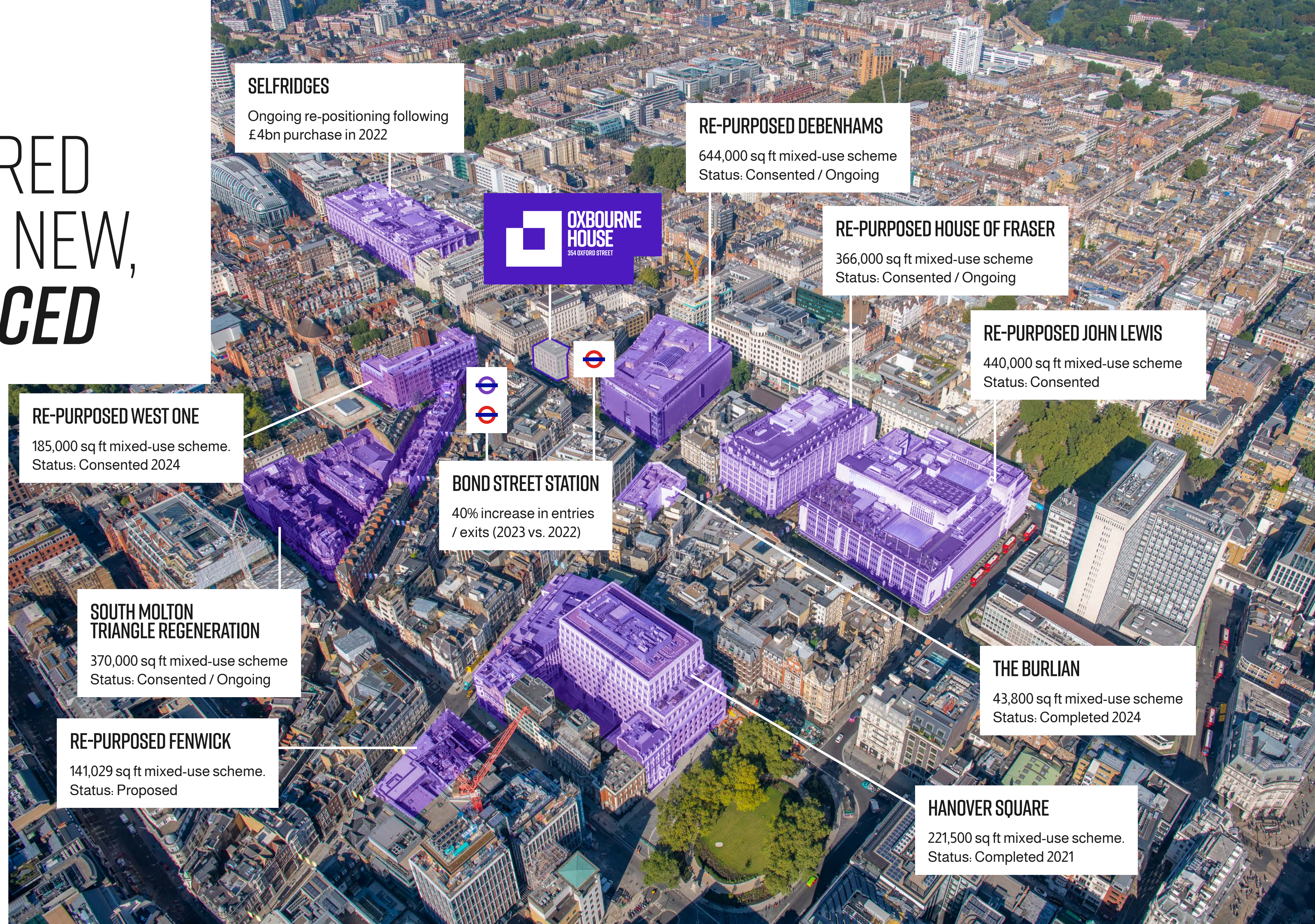
141,029 sq ft mixed-use scheme.
Status: Proposed

THE BURLIAN

43,800 sq ft mixed-use scheme
Status: Completed 2024

HANOVER SQUARE

221,500 sq ft mixed-use scheme.
Status: Completed 2021



FIRST NEW-BUILD
INVESTMENT OPPORTUNITY
ON OXFORD STREET WEST
FOR OVER 20 YEARS

OXBOURNE *HOUSE, W1*

Oxbourne House is a best-in-class, Fletcher Priest-designed property that was newly developed by Hines in 2021.

The property, which occupies a prominent peninsular site, provides 5,228 sq ft (NIA) of flagship retail space and 7,669 sq ft (NSA) of high-end residential accommodation above.

The development's design prioritised long-term environmental sustainability and energy-use optimisation, being all-electric and achieving a commercial EPC rating of 'B'.

DEVELOPER

Hines

ARCHITECT

fletcher priest architects
london + köln + riga

ENVIRONMENTAL
CONSULTANT

CUNDALL



BEST-IN-CLASS, 100% ELECTRIC
BUILDING RECENTLY DEVELOPED
BY HINES

FLAGSHIP RETAIL STORE WITH *EXCEPTIONAL FUNDAMENTALS*

The retail element of the property comprises 5,228 sq ft of well-configured accommodation arranged across lower ground, ground and first floors, and benefits from extensive (86 ft) double-height glazed frontage onto Oxford Street's prime pitch.

SPECIFICATION

- Excellent floor-to-ceilings of up to 3.9m
- Floor structural loading of up to 7.5 KN/M²
- Occupational density of 1:4
- LED lighting
- Electrical power provision of 150 W/M²
- Dedicated VRF heating & cooling system
- Self-contained 400 kg lift between lower ground, ground and first floors



1 OF ONLY 4 OXFORD STREET
UNITS TO BENEFIT FROM
***FULL PENINSULAR
FRONTAGE***



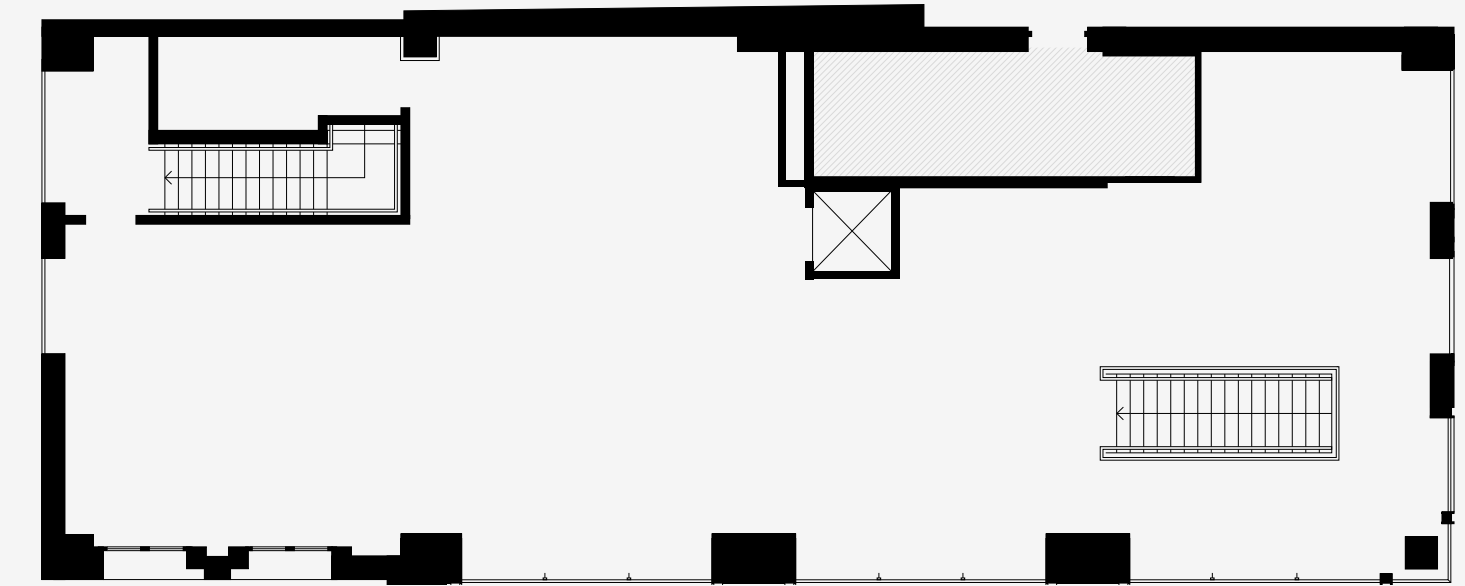
EXTENSIVE (86 FT) DOUBLE-HEIGHT FRONTAGE *ONTO EUROPE'S BUSIEST RETAIL PITCH*

The property has been measured by Malcolm Hollis LLP in accordance with the RICS Code of Measuring Practice (6th Edition) and provides the following internal areas:

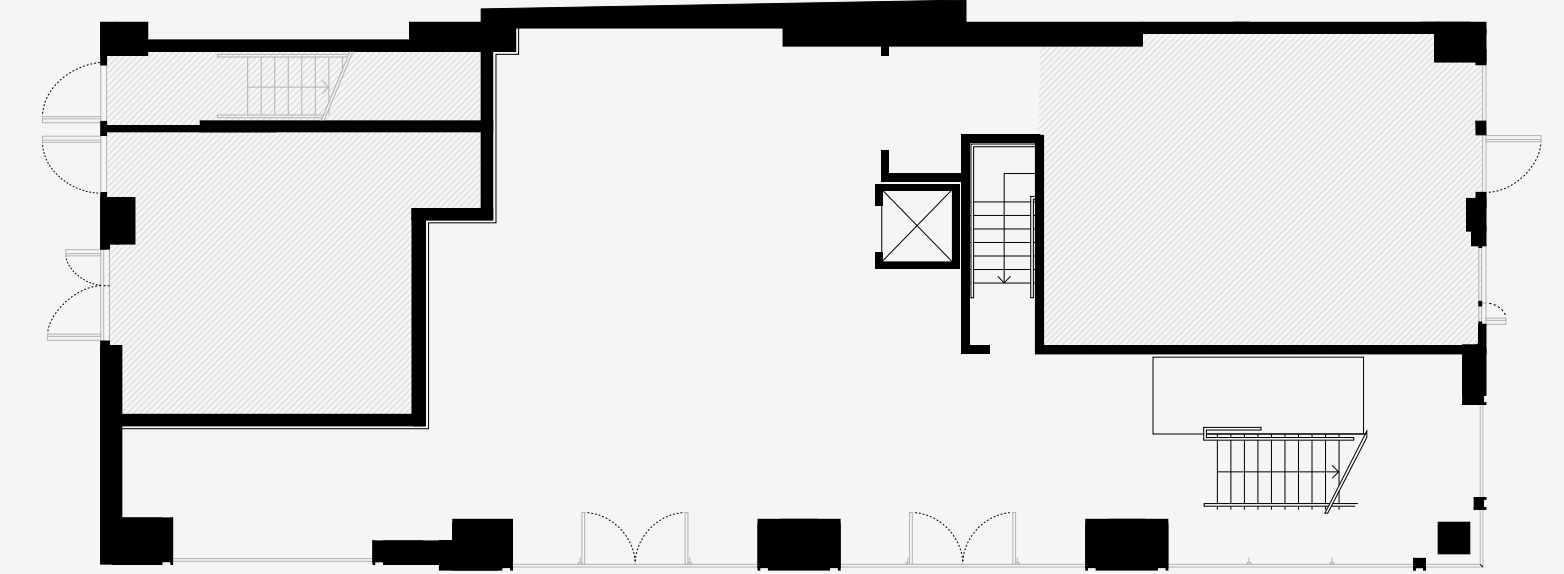
AREA SCHEDULE

FLOOR	NIA (SQ FT)	NIA (SQ M)	ITZA (SQ FT)
First	2,264	210.3	216
Ground	1,600	148.6	1,349
Lower Ground	1,364	126.7	66
TOTAL	5,228	485.6	1,631

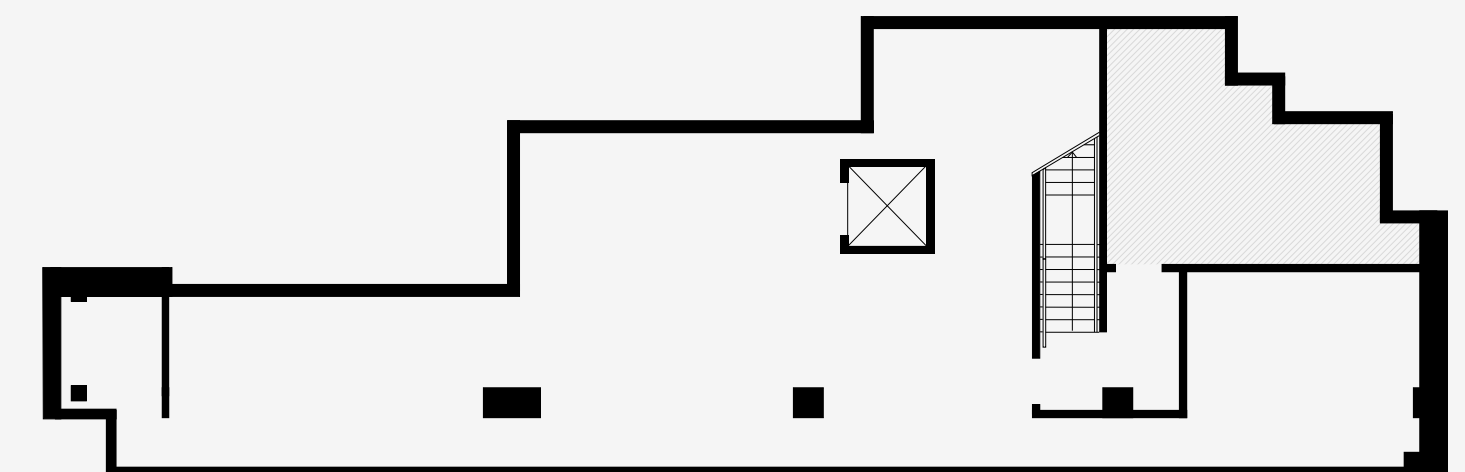
FIRST
2,264 SQ FT



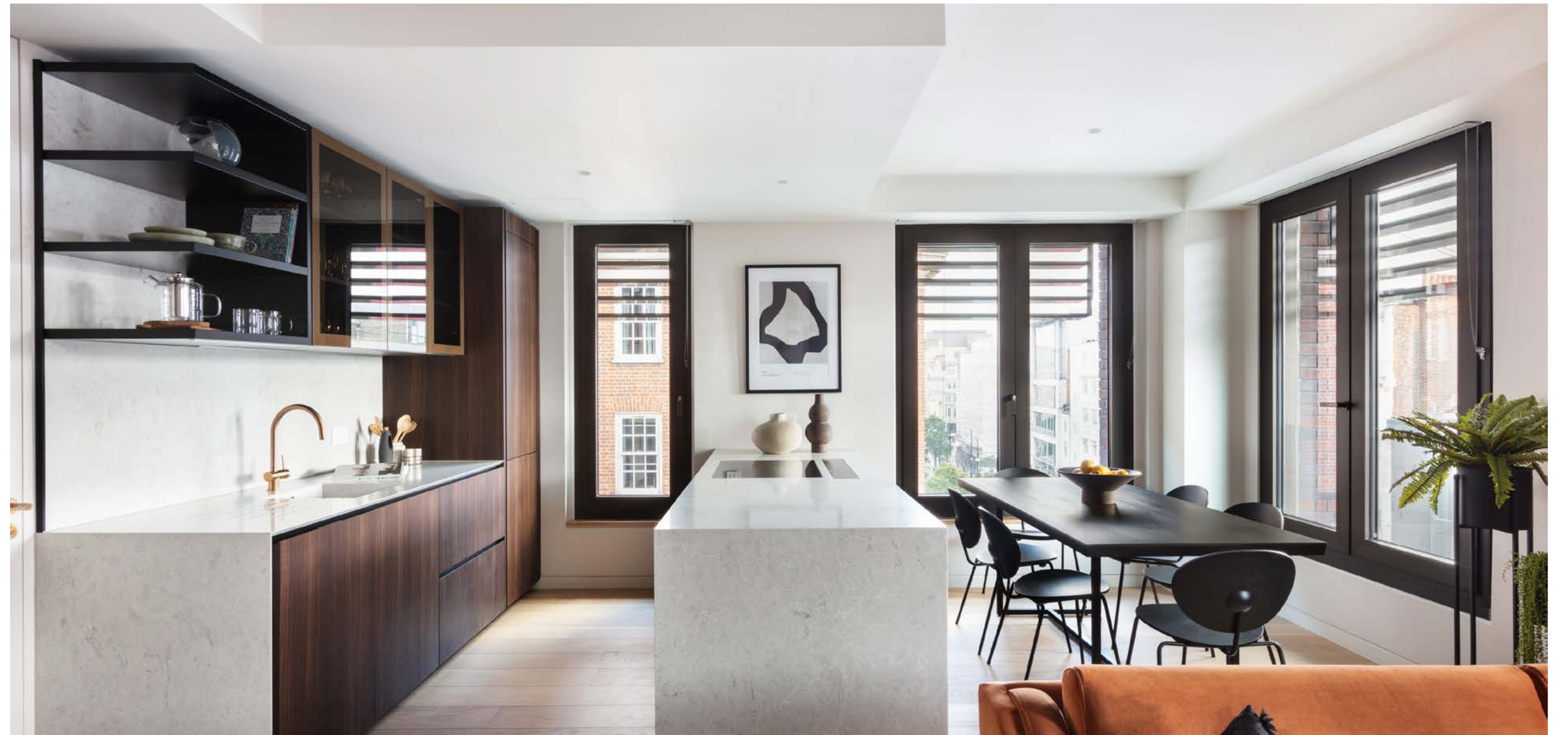
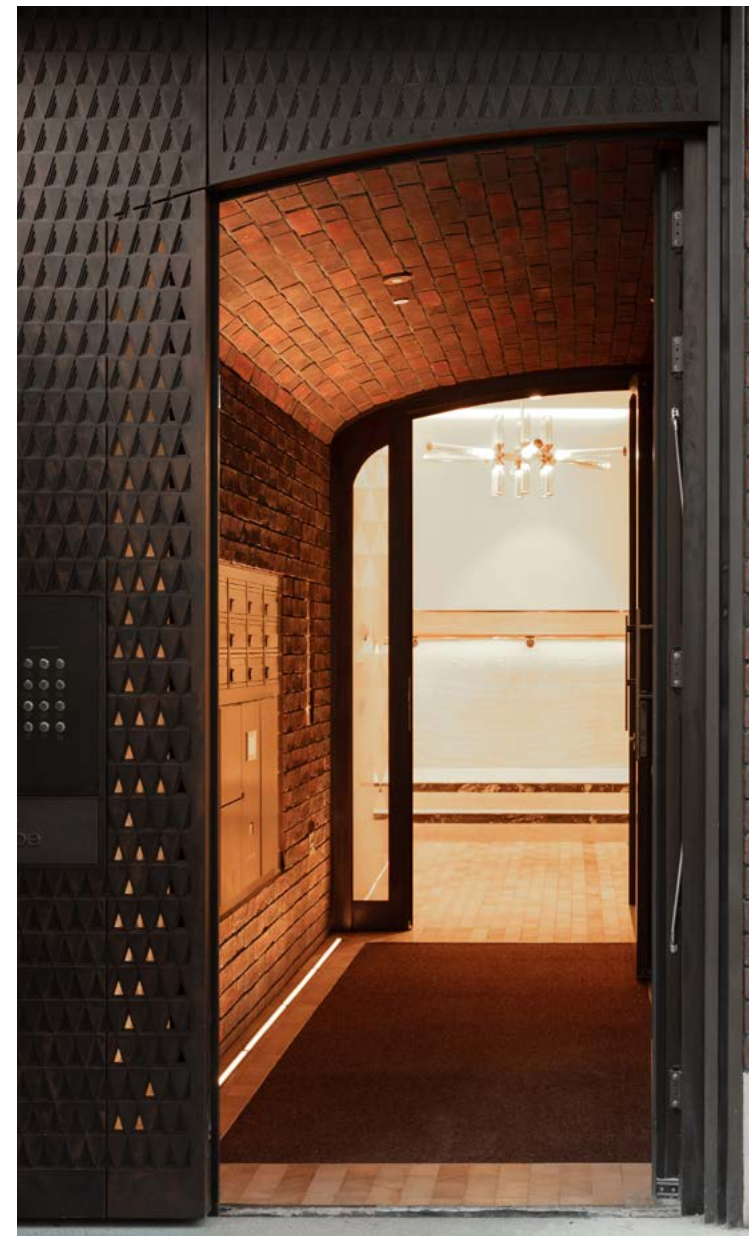
GROUND
1,600 SQ FT



LOWER GROUND
1,364 SQ FT



Areas not included

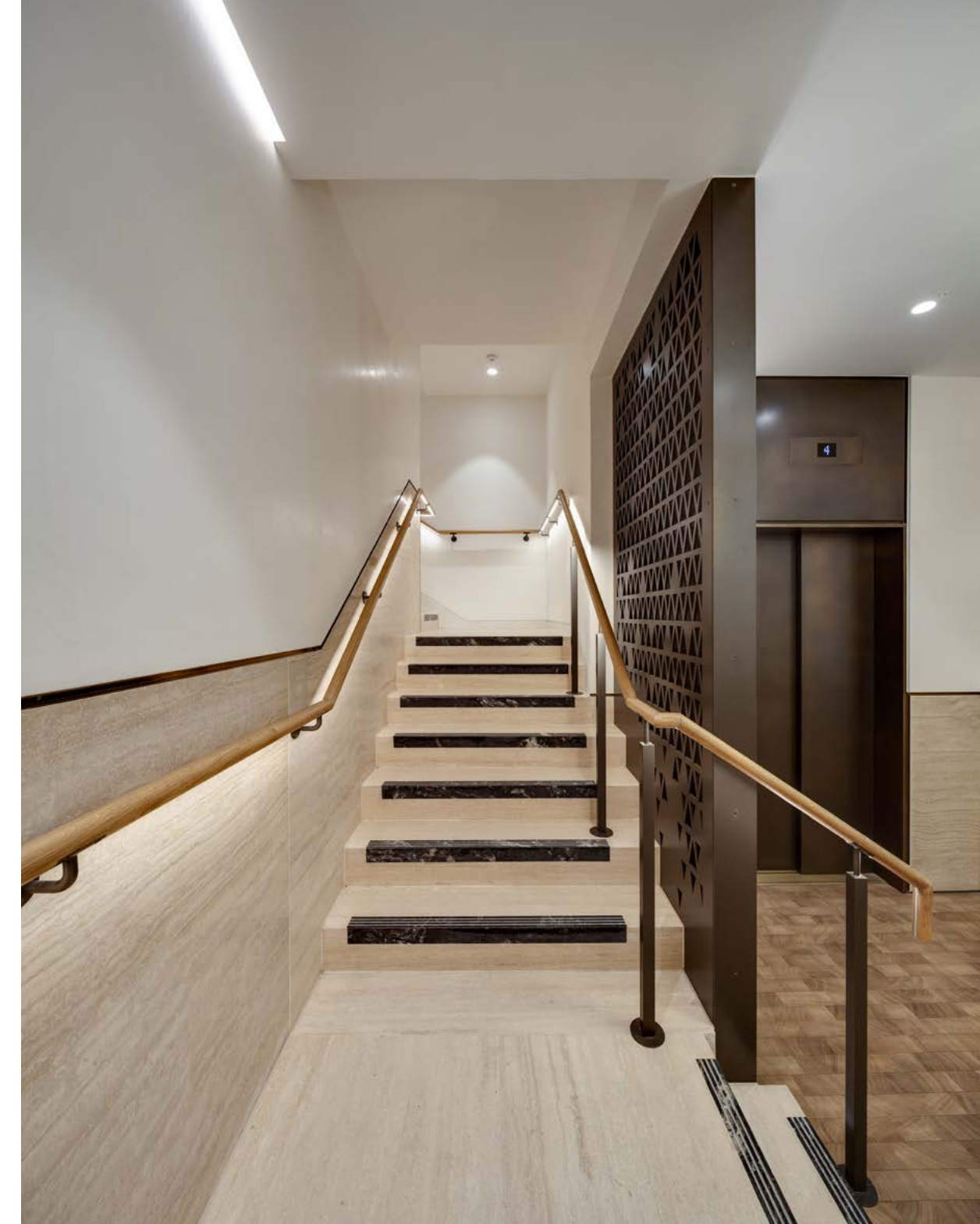


COMPLEMENTED BY ***PRIME RESIDENTIAL ABOVE***

The residential element of Oxbourne House is independently accessed via a dedicated entrance at One Marylebone Lane.

The property comprises 7,669 sq ft NSA across second to fifth floor, arranged across 11 apartments which range in size from 489 sq ft NSA to 906 sq ft NSA.

COMPRISING *11 x LUXURY APARTMENTS*



DELIVERED TO *BEST-IN-CLASS* SPECIFICATION

SPECIFICATION

- 1 x 13 person passenger lift and stair access to all floors
- Full-height windows with blackout blinds
- Ambient integrated lighting and recessed downlights
- VRF comfort cooling
- Timber floors with underfloor heating
- Illuminated oak wardrobes
- Juliette balconies



Hudson Reed **BETTE**



Poliform



RESIDENTIAL *FLOORPLANS* AND *AREAS*

The property has been measured by Malcolm Hollis LLP in accordance with the RICS Code of Measuring Practice (6th Edition) and provides the following internal areas:

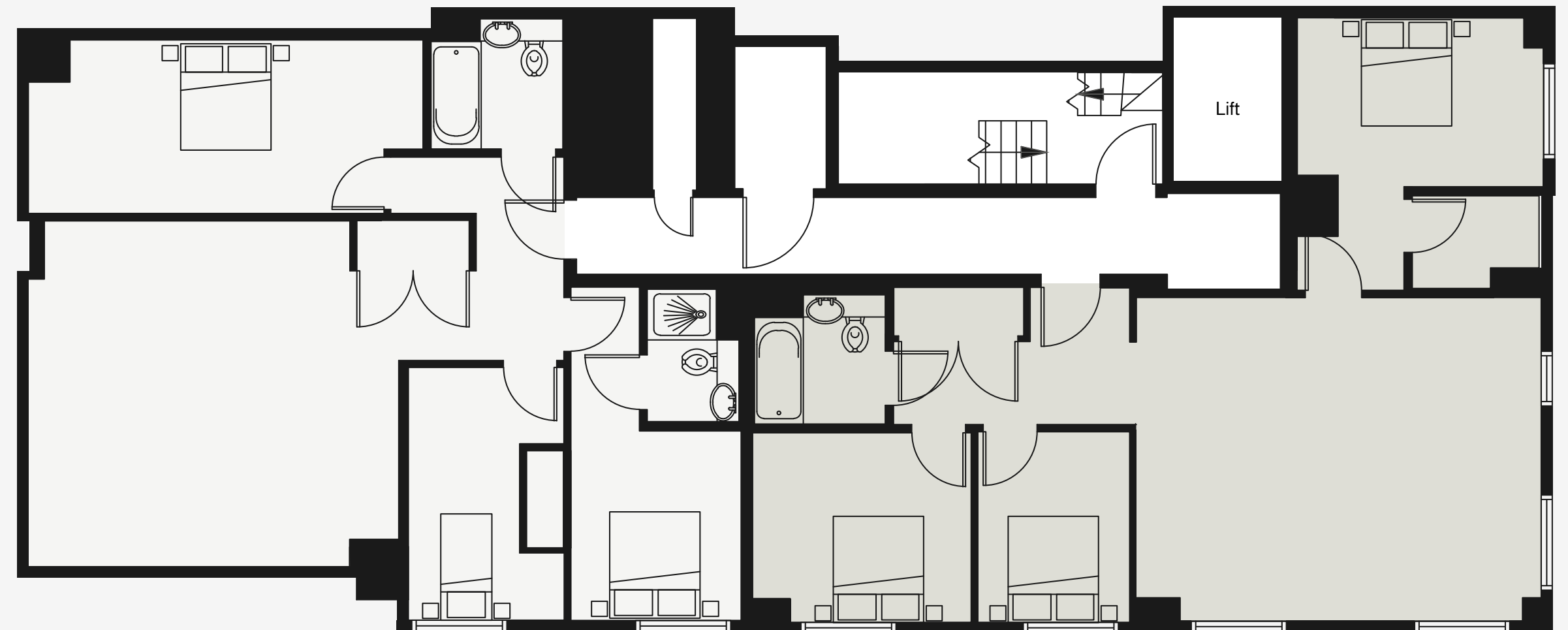
AREA SCHEDULE

APARTMENT	FLOOR	BEDS	NSA [SQ FT]	NSA [SQ M]
1	2nd	2	728	67.6
2	2nd	1	489	45.4
3	2nd	2	744	69.1
4	3rd	2	731	67.9
5	3rd	1	487	45.2
6	3rd	2	744	69.1
7	4th	2	730	67.8
8	4th	1	490	45.5
9	4th	2	743	69.0
10	5th	3	877	81.5
11	5th	3	906	84.2
TOTAL			7,669	712.5

SECOND, THIRD & FOURTH FLOOR



FIFTH FLOOR



INVESTMENT GRADE
INCOME SECURED
AGAINST TWO TENANTS

TENANCY SCHEDULE

The property is let to two tenants in accordance with the tenancy schedule below, producing a total (topped-up) rental income of £2,017,840 per annum.

TENANT	FLOOR	USE	AREA SQ FT	LEASE START	RENT REVIEW	LEASE END	BREAK DATE	RENT (£ PA)	RENT (£ PSF)	INSIDE THE ACT	COMMENTS
Portland Brown Limited (05452350)	Fifth	Residential	1,783	10/09/2021	01/09/2024 (Annual)	10/09/2036	10/09/2031 (M)	£567,840	£74.04 £10,920 (PCW)	No	<ul style="list-style-type: none"> • Subject to annual CPI reviews with a collar of 1.0% p.a. and cap of 4.0% p.a. • Rent payable monthly in advance • 2031 break option is mutual, subject to 3 months prior written notice • Landlord servicing costs estimated at £50,000 p.a.
	Fourth		1,963								
	Third		1,962								
	Second		1,961								
	Subtotal		7,669								
Manier De Voir Limited (08730104)	First	Retail	2,264	13/12/2023	13/12/2028	12/12/2033	12/12/2028 (T)	£1,450,000	£889 (ITZA)	No	<ul style="list-style-type: none"> • Fixed rental uplifts as follows (Vendor 'topping-up' to Yr 5 level): Yrs 1 & 2: £1.10m; Yr 3: £1.20m; Yr 4: £1.30m; Yr 5: £1.45m • Initial rent free period expiring on 13/06/2025 • Bank guarantee from HSBC UK Bank plc for the sum of £1,450,000 • 2028 break option is tenant only, subject to 12 months prior written notice and a penalty of £870,000
	Ground		1,600								
	Lower Ground		1,364								
	Subtotal		5,228								
TOTAL			12,897					£2,017,840			

PORTLAND BROWN

Portland Brown Limited was founded in 2005 and specialises in offering high-end serviced apartments / corporate accommodation to businesses and professionals as a flexible alternative to traditional hotels.

The company, which has a fully managed estate of over 250 apartments and several international partners, has a Dun & Bradstreet rating of 1A1, representing a minimum risk of business failure with an annual sales turnover in excess of £16,500,000 per annum.

Further information can be found at:
www.portlandbrown.com

MANIÈRE DE VOIR

Manière De Voir Limited, which was founded in 2013, is a luxury fashion brand specialising in designing contemporary clothing, footwear, and accessories for both men and women.

Manière De Voir Limited has an investment grade INCANS equivalent bond rating, with its latest results showing a 15% y-o-y increase in revenue (to £34.7m) and a 65% y-o-y increase in tangible net worth (to £12.1m).

Further information can be found at:
www.manierevoir.com

GUARANTEE

The lease benefits from a bank guarantee from HSBC UK Bank Plc for the sum of £1,450,000 (inclusive of VAT). The guarantee will remain in place until expiry, or sooner if the tenant satisfies a profits test of three times annual rent for three consecutive years.

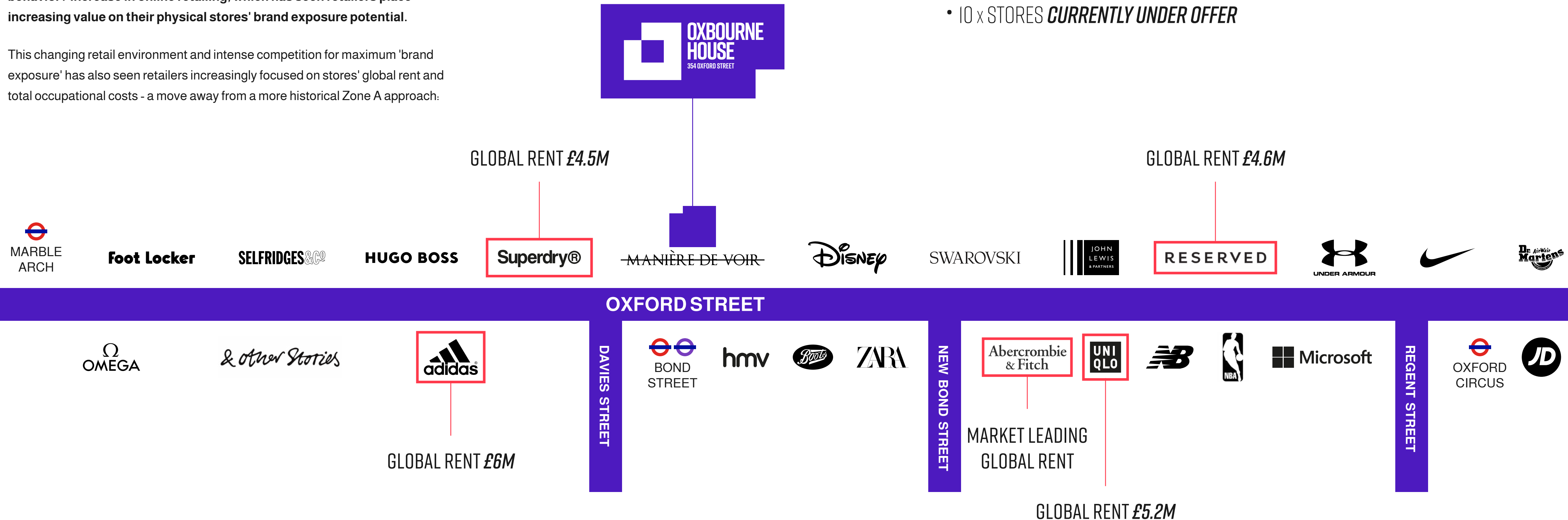


BUOYANT RETAIL CONDITIONS

Oxford Street's status as Europe's busiest retail hub leaves it exceptionally well-placed to benefit from the ongoing shift in consumer behavior / increase in online retailing, which has seen retailers place increasing value on their physical stores' brand exposure potential.

This changing retail environment and intense competition for maximum 'brand exposure' has also seen retailers increasingly focused on stores' global rent and total occupational costs - a move away from a more historical Zone A approach.

- RETAIL SPEND NOW **ABOVE PRE-PANDEMIC LEVELS**
- **40 x NEW LETTINGS** IN PAST 12 MONTHS (MOST ACTIVE PERIOD FOR A DECADE)
- 1.8% VACANCY RATE (**DOWN FROM 13.7% IN 2022**)
- **23 x LIVE REQUIREMENTS** FOR FLAGSHIP STORES
- 10 x STORES **CURRENTLY UNDER OFFER**



OXFORD STREET RETAILERS ARE PLACING INCREASING VALUE ON STORES' FRONTAGE AND FOOTFALL EXPOSURE

COMPELLING RETAIL INVESTMENT TIMING...

Oxford Street's global brand, strategic West End position and retained status as Europe's most visited retail destination have long-supported a robust leasing and investment dynamic.

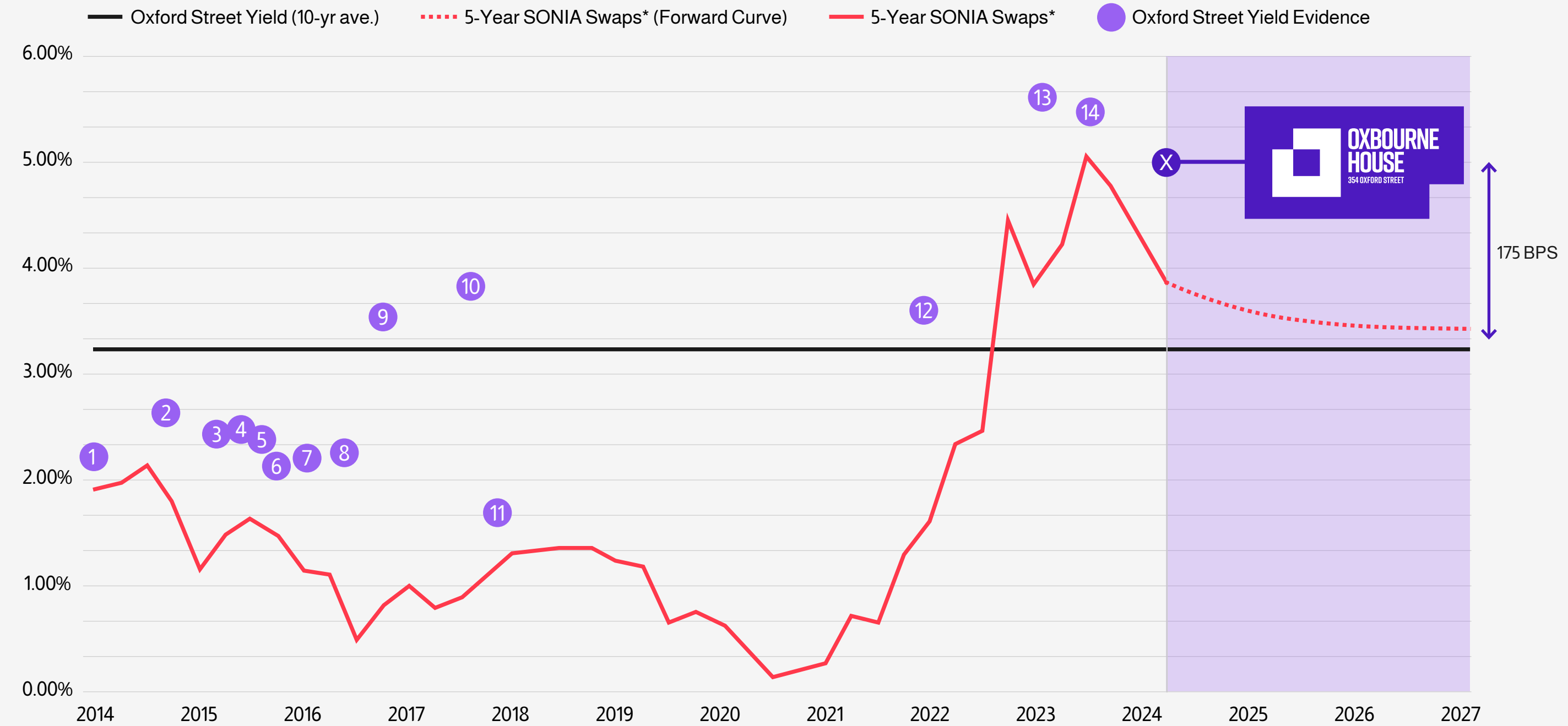
These fundamental strengths, combined with significant ongoing inward investment and Oxford Street's demonstrable ability to adapt to the new retail environment, leave it particularly well placed to recover from recent macro-economic and structural headwinds.

Oxbourne House's quoted retail yield of 5.00% represents a significant (175 bps) discount from Oxford Street's historic 10-year average yield of 3.25% and, with interest rates widely anticipated to tighten going forward, there is an intensifying global investor focus on Oxford Street.

We set out opposite a chart illustrating the past 10 years of investment activity on Oxford Street, highlighting:

- the attractive delta (175 bps) between the subject property's quoted yield (5.00%) and prime Oxford Street's 10-year average yield (3.25%)
- the positive correlation between the base rate / lending environment and prime Oxford Street yields
- the forecast trajectory of base rates / lending rates and implied scope for Oxford Street yield compression

ATTRACTIVE YIELD COMPRESSION PROSPECTS, WITH ENTRY YIELD SIGNIFICANTLY (+175 BPS) ABOVE HISTORIC (10-YR) AVERAGE



REF.	ADDRESS	KEY RETAIL TENANT/S	DATE	NET INITIAL YIELD
1	127 Oxford Street	Vodafone	Mar-14	2.23%
2	181 Oxford Street	Vision Express	Nov-14	2.64%
3	175 Oxford Street	Lush	Mar-15	2.43%
4	105-109 Oxford Street	Tiger & Footlocker	May-15	2.50%
5	155 Oxford Street	EE	May-15	2.16%
6	368 Oxford Street	Intimissimi	Jun-15	2.13%
7	192 Oxford Street	Russell & Bromley	Nov-15	2.26%
8	61 Oxford Street	Zara	Mar-16	2.47%
9	355 Oxford Street	Boots	Jul-16	3.55%
10	190 Oxford Street	Aldo & Office	Mar-17	3.85%
11	386 Oxford Street	Dr Martens	May-17	1.70%
12	283 Oxford Street	Footlocker	Nov-21	3.61%
13	341 Oxford Street	Vodafone	Apr-23	5.67%**
14	175 Oxford Street	Lush	Sep-23	5.50%**

* Source: Chatham Financial (March 2024)

** Building in need of near term capital expenditure

A *STRONG* *RESIDENTIAL* *LEASING* UNDER-PIN...

PRIME CENTRAL LONDON LETTING HEADLINES

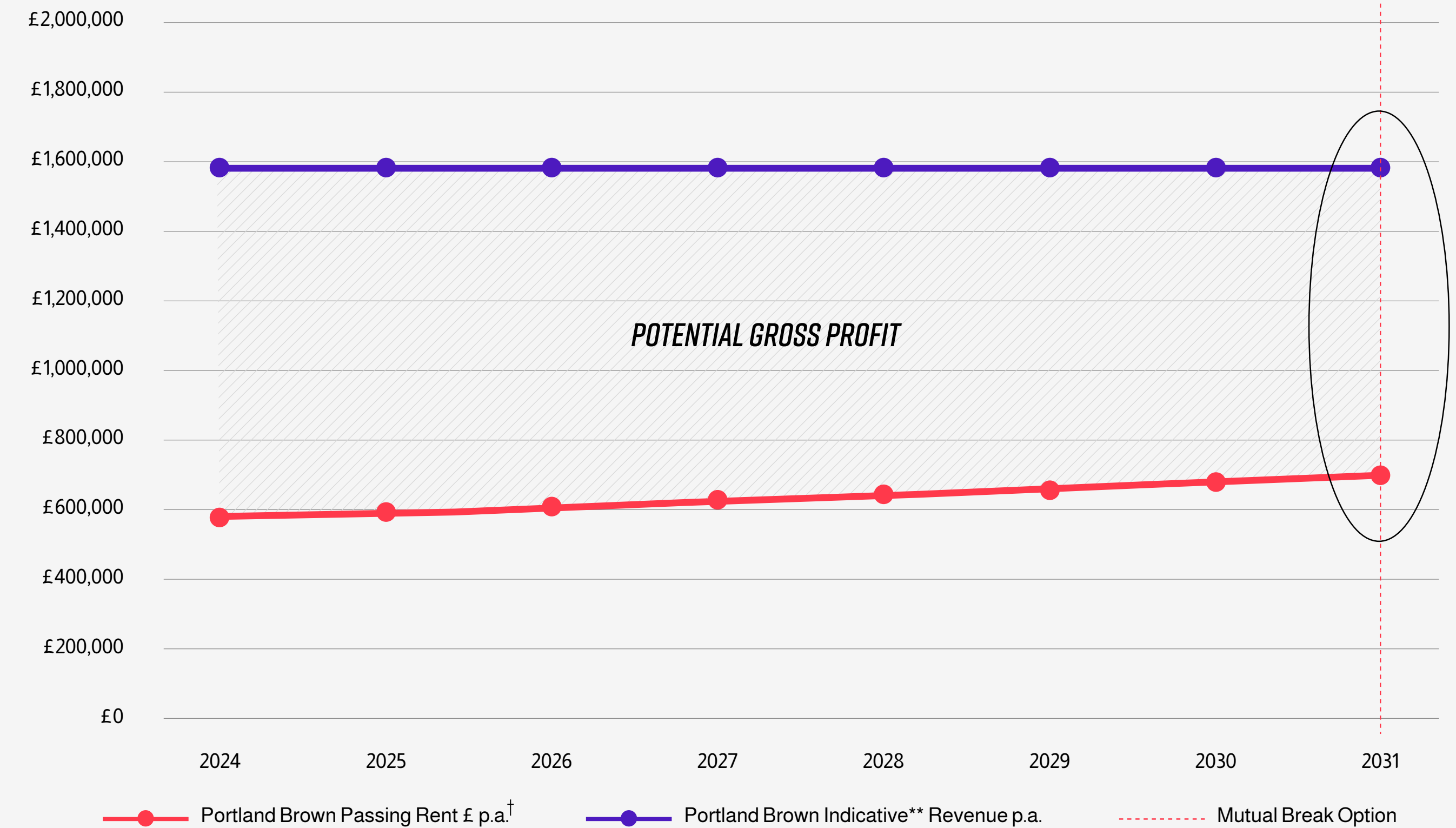
- **An acute lack of available stock** alongside demand from needs-based tenants has underpinned rental growth, particularly for highly-specified, new-build apartments.
- There were **4.3 prospective new tenants** for every rental listing below £1,000 per week and **2.7 prospective tenants** for listings above £1,000 per week, in the final Quarter of 2023.
- Property condition is becoming increasingly important for tenants, with **best-in-class properties averaging a 31% rental premium** over those in moderate or poor condition in 2023.
- Prime Central London will significantly outperform most other UK residential markets, with 2024 set to see a further **5.50% of growth** as demand continues to grow, with no immediate signs of supply improving.

PRIME CENTRAL LONDON RENTAL GROWTH FORECAST OF 19.9%*

YEAR	GROWTH P.A.
2024	5.50%
2025	3.50%
2026	3.50%
2027	3.00%
2028	3.00%
5 YEAR CUMULATIVE	19.90%

RESIDENTIAL 'SUPER REVERSION'

A significant arbitrage exists between the rent received from the residential tenant and the potential revenue achievable, presenting a major upside opportunity in 2031 should an incoming purchaser exercise the break option and directly manage the residential units.



* Source: Knight Frank Research

** Based on minimum weekly rates quoted on Portland Brown's website (March 2024)

† Assuming CPI at 4% p.a.

CONTRACTUAL, CPI-LINKED *RENTAL GROWTH*
OF 37% TO LEASE EXPIRY†

AND HIGH *RESIDENTIAL CAPITAL GROWTH* PROSPECTS

PRIME CENTRAL LONDON RESIDENTIAL SALES HEADLINES

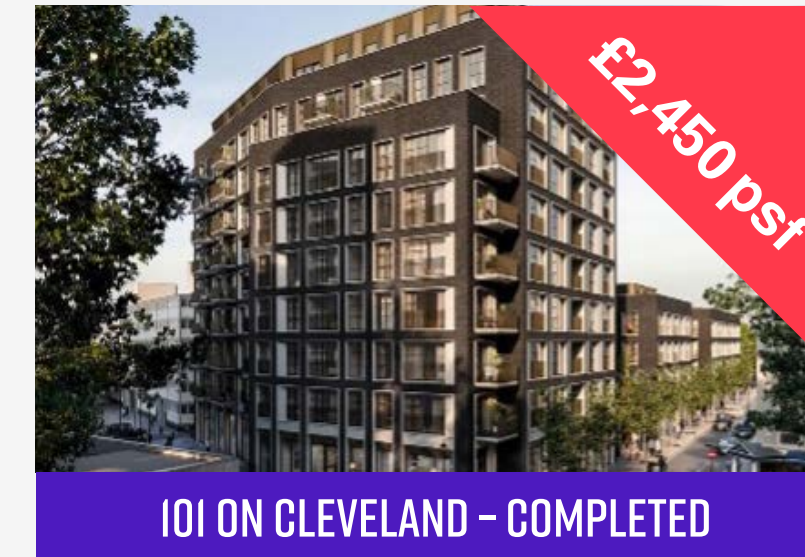
- **Accute scarcity** – the property market in Prime Central London remains **exceptionally resilient** with 7.8 buyers for every new residential unit available.
- The number of new prospective buyers in March 2024 was **9% higher** than the five-year average.
- Buyers and sellers are more insulated from rising interest rates due to **higher levels of affluence** and housing equity as well as the broader base of **returning international buyers**.
- **Cash buyers** are continuing to be pivotal in this market and accounted for **76% of all 2023 transactions** in Prime Central London.

PRIME CENTRAL LONDON CAPITAL VALUE GROWTH FORECAST OF 18.7%*

YEAR	GROWTH P.A.
2024	0.0%
2025	3.5%
2026	6.0%
2027	4.0%
2028	4.0%
5 YEAR CUMULATIVE	18.7%

* Source: Savills Research

PRIME, NEW-BUILD APARTMENTS IN THE SURROUNDING AREA ARE CONSISTENTLY ACHIEVING £2,500+ PSF



INVESTMENT *RATIONALE*

SCARCITY

First new build opportunity on Oxford Street West for over 20 years

RARE DUAL-EXPOSURE

To prime West End retail & luxury Marylebone residential

ESG EXCELLENCE

All electric, best-in-class building, designed to optimise energy / carbon efficiency

SURROUNDING REGENERATION

Oxford Street is set to benefit from a confirmed £90m public realm investment

GUARANTEED INCOME GROWTH

Residential income annually indexed to CPI (1% p.a. - 4% p.a.)

STRONG RETAIL UNDER-PIN

Oxford Street's vacancy rate has fallen to 1.8% (from 13.7% in 2022), following 40 new lettings in the past 12 months

NO CAPEX LIABILITY

Future-proofed new development by Hines with substantial Capital Allowances available

100% PRIME POSITION

Oxford Street is Europe's busiest retail pitch and Marylebone is one of London's most desirable neighbourhoods

INCOME SECURITY

Investment grade income and 100% rent payment history

STRONG YIELD COMPRESSION PROSPECTS

In light of anticipated base rate cuts and extent of current (175 bps) discount vs historic average

EXCELLENT CONNECTIVITY

Highest possible public transport rating of '6b' - directly above Bond Street station

ASSET MANAGEMENT UPSIDE

Via taking direct control of the residential element in 2031

MINIMAL VOID RISK

Residential units 100% pre-let prior to completion

19% RESIDENTIAL CAPITAL GROWTH

Forecast over the next 5 years

EXCELLENT RETAIL FUNDAMENTALS

86 ft of frontage & 1 of only 4 peninsular units on Oxford Street

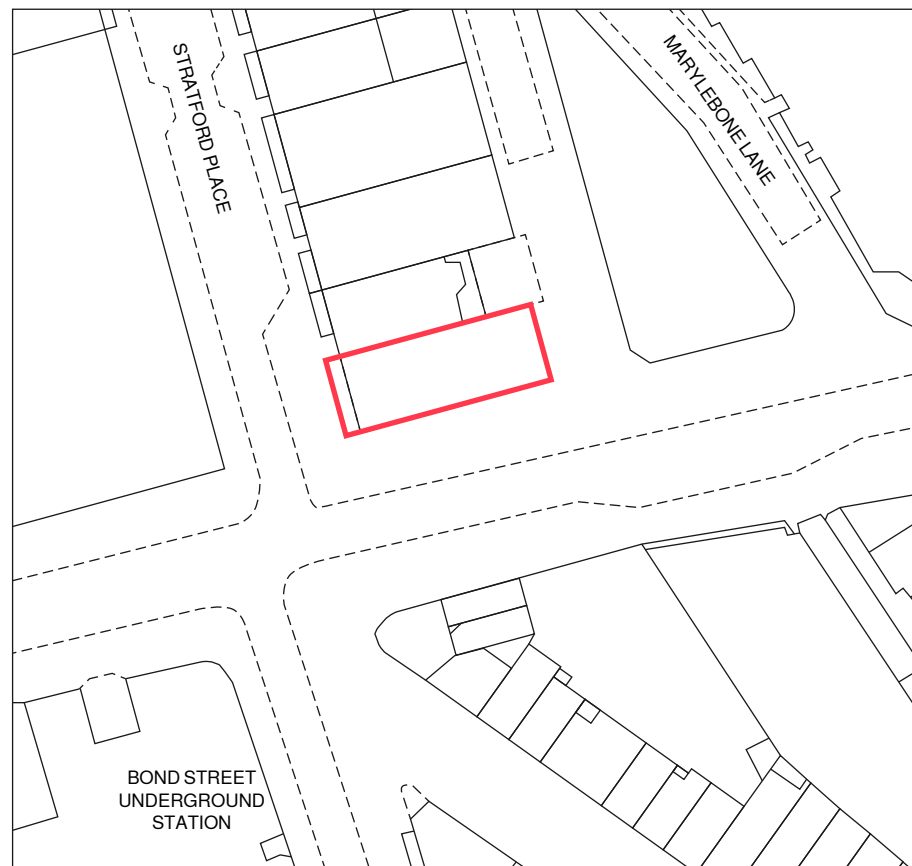
20% RESIDENTIAL RENTAL GROWTH

Forecast over the next 5 years

TITLE

The property is held on a 144.5 year virtual freehold interest (at a peppercorn ground rent) from the operational freeholder, London Underground Limited.

A full copy of the Headlease (NGL984717) can be found in the secure online data room, available upon request.



FURTHER *INFORMATION*

PLANNING

The building lies within the Stratford Place Conservation Area but is not listed.

EPC

Available in the data room.

VAT

The property is elected for VAT.

DATA ROOM

Further technical, legal and corporate information can be found in a secure data room, accessible on request.

CAPITAL ALLOWANCES

Significant Capital Allowances are available by separate negotiation.

PROPOSAL

Offers are invited in excess of **£45,750,000** for the LuxCo SPV owning the virtual freehold interest, subject to contract.

This reflects a **net initial yield of 5.00%** on the retail element assuming a **capital value £2,250 per sq ft** on the residential element.

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