



# preview

AN INVESTMENT OPPORTUNITY FROM RIVERSIDE CAPITAL



Old Street Works

# Key facts and figures

Address	Old Street Works, 197–205 City Road, London EC1V 1JN		
Property profile	33,179 sq. ft. office and retail building arranged over lower ground, ground and four upper floors.		
Mixed-use	Retail ground and lower ground floors let to restaurants and a cookery school.  Office accommodation on four upper floors, with excellent natural light to front and rear elevations.		
Tenants	Currently 72.17% let to a diverse range of tenants across different industries.  Retail tenants have leases of 15 to 25 years with an average passing rent of £25–£30 psf.  Office units have leases of 3 to 5 years, with existing rents of around £47 psf.  Vacant space offers potential for rental uplift.		
Cost	£31.045 million (£27.5 million purchase price plus fees and working capital)		
Funding	£16.2 million equity £14.795 million bank loan		
Breakdown of predicted rental income once fully let	Office Let	Office Vacant	Retail
	More and More Studio	1.9%	
	Managed Networks	5.1%	
	Steinberg Media Technologies	5.9%	
	Asics UK	6.4%	
	Zest Media	6.4%	
	Voxygen	7.2%	
	Vacant Office 1	6.1%	
	Vacant Office 2	6.2%	
	Vacant Office 3	6.2%	
	Vacant Office 4	7.2%	
	Vacant Office 5	7.3%	
	Vacant Office 6	7.3%	
	Underground Cookery Barbican	1.9%	
	Bodean's BBQ	5.9%	
	Nando's	8.3%	
	Soul Food	9%	
	Fifteen Restaurant 1	0.3%	
	Jamie Oliver Ltd	0.4%	
	Fifteen Restaurant 2	1%	

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Our latest 'off-market' commercial property opportunity is in the heart of London's Tech City. This prime and vibrant area is synonymous with tech and media companies, and is one of London's fastest growing sub-markets.

The mixed-use investment is a **33,179 sq. ft.** former Victorian warehouse, arranged over six floors. Let to a diverse range of businesses, retail tenants include restaurants Nando's and Bodean's BBQ, while Asics UK, Zest Media and Voxygen are among the office occupiers.

With an attractive purchase price of **£829 per square foot (psf)**, the opportunity has a base case projected return of **10.66%** over a three-and-a-quarter-year term. Returns are expected to be driven by the potential for substantial uplift in both retail and office rents due to the location's growth in popularity, and there is also significant scope to add further value.

Equity investment is available from **£25,000**. The closing date for the investment is **11 July 2017**.

#### **Prime location**

300 metres north of Old Street ('Silicon') Roundabout, Old Street Works is in the heart of Tech City, the world's third largest start-up cluster and a hot spot for technology and media companies.

The area has attracted hundreds of SMEs as well as major players such as Amazon and Google's 'Google Campus', and is home to numerous famous restaurants, with Jamie Oliver's Fifteen just next door.

New developments are transforming Tech City into a vibrant area to work, live and play. These include large-scale residential developments by world-renowned architects and the planned redevelopment of Old Street Roundabout into a pedestrian and bike-friendly zone.

Crossrail's arrival in 2018 will further enhance the area's existing excellent mainline, London Underground and bus links.

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MINIMUM INVESTMENT

**£25<sub>k</sub>**

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HOLD PERIOD

**3.25 <sub>yrs</sub>**

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PROJECTED BASE CASE IRR

**10.66%**

### **Mixed-use diversification**

Old Street Works has three restaurants and a cookery school located on the ground and lower ground floors, and modern office accommodation on the four upper floors.

Let to a range of tenants in different industries, this mixed-use and multi-let investment reduces risk and eases cash flows by providing diversification.

### **Strong potential rental uplift and returns drivers**

There is significant potential to raise Old Street Works' rental income through letting vacant space and implementing rent reviews.

- Retail rents in Tech City have soared in recent years as world-class office and residential developments increase demand for shops and restaurants. Current retail rents of around £60 psf are more than twice the passing rent of Old Street Works' retail space.
- Surging tech and media employment has driven an **18% rise in headline office rents** over the past 12 months. New developments, including Derwent London's White Collar Factory and Helical Bar's The Bower, have established **office rents in the region of £65 to £70 psf**, compared to an average passing rent of under £50 psf for Old Street Works' office space.

Further value will be created by increasing the floor area of the offices, and there is the possibility of adding extra space subject to planning.



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Tech City, as well as the surrounding areas of Hoxton, Shoreditch and Clerkenwell, has become a globally recognised location which the world's foremost companies from the creative and technology sectors aspire to call home. Without doubt, it is one of the most exciting locations in London. Our latest deal gives investors the opportunity to participate in a growth story that will continue to unfold over the long term.

**Dominic Wright, Group Chief Executive, Riverside Capital**



# About Riverside Capital

Riverside Capital is a full-service property investment company, providing a platform for professional investors and intermediaries to access and invest in the UK property market.

Founded in 2010, to date we have completed £1.159 billion\* in transactions and have produced an average uplift in value of 50% on all exits.

Our primary focus is direct property investment. We scour the UK property market to offer investors regular opportunities to invest directly into UK property assets, on a deal-by-deal basis.

Our expert team is able to access 'off-market' opportunities that are not available to the broader market. They advise in the purchase of every asset we take to our investors, and then manage these assets to deliver income and capital growth.

Old Street Works, 197–205 City Road builds on our strong track record in London. Our focus is on identifying opportunities ahead of the market, and using our expertise and property insights to create value for our investors.

\*30 April 2017

## Contact us

If you'd like to know more, please don't hesitate to contact a member of our team.

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11 Berkeley Street  
Mayfair, London  
W1J 8DS

[www.rivercap.co.uk](http://www.rivercap.co.uk)  
T+44 (0)207 297 4480  
[info@rivercap.co.uk](mailto:info@rivercap.co.uk)

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