1-11 FOULIS TERRACE
London SW7 3LZ

PRIME CENTRAL LONDON RESIDENTIAL INVESTMENT & DEVELOPMENT OPPORTUNITY
INVESTMENT SUMMARY

A rare opportunity to purchase an unbroken freehold terrace in Prime Central London.

- An elegant Grade II listed terrace of eleven adjoining buildings extending to an overall gross internal area 3,571.8 sq m (38,447 sq ft) including common parts, but excluding basement lightwells

- Prime location in Chelsea and within walking distance of South Kensington Underground Station, as well as the world class retail and restaurant amenities within the area

- Since the 1960s the Property has been used to accommodate staff based at the Royal Brompton Hospital, and part of the basement has been in use as a nursery / crèche since 1988

- There is significant scope to enhance the asset by upgrading and reconfiguring the existing accommodation (subject to the necessary consents)

- Overall site area 0.147 hectares (0.363 acres)

- The Property is for sale freehold with vacant possession on completion by way of informal tender
LOCATION & SITUATION

The Property is located in Chelsea, which together with neighbouring South Kensington, is one of the most desirable locations in Prime Central London.

Chelsea is home to some of London’s most beautiful residential garden squares and streets. The Property is within close proximity to a wide range of retail, café and restaurant outlets. Sloane Street is known for its exclusive international fashion and jewellery brands and is approximately 1.28 km (0.8 miles) from the Property. Fulham Road and King’s Road are both situated just to the south of the Property and also have an eclectic array of boutiques and well known high street shops.

Communications are excellent, with South Kensington Underground Station (Piccadilly, Circle and District lines) and Earl’s Court (Piccadilly and District lines) Underground Stations both approximately 1.3 km (0.8 miles) from the Property. West Brompton (District line, London Overground, and National Rail services) Station is approximately 1.4 km (0.9 miles) to the west. Cromwell Road (A4) is 700 metres north of the Property, which leads into Knightbridge and the West End. It also links to London Heathrow to the west, via M4 and M25, which is approximately 28 km (17.7 miles) from the Property.

The Property itself is situated on the west side of Foulis Terrace, which runs off Fulham Road, connecting to Onslow Gardens and Onslow Square. The Property overlooks the former Brompton Hospital, which was re-developed into private residential between 1996-2000.
DESCRIPTION

The Property is an elegant brick and stucco terrace which was constructed in the mid 19th Century.

In the 1960’s the Property was converted into accommodation for staff based at the Royal Brompton Hospital. A central corridor has been created interconnecting 1-9 Foulis Terrace on the ground and upper floors. 10 & 11 Foulis Terrace are self contained from 1-9 Foulis, but are interconnecting between one another and benefit from an additional mansard level. Since 1988 the basements of 3-6 Foulis Terrace have been used as a nursery/crèche, which was extended to include the basements of 7-9 Foulis Terrace in 2003.

Currently the buildings are arranged over lower ground, ground and three upper floors, with an additional fourth floor mansard at 10 & 11 Foulis Terrace. The Property is currently configured to provide 108 rooms, with shared bathrooms and WCs.

Internally, the Property is in need of complete refurbishment following continued occupation over the last six decades. There is a clear opportunity to modernise and reconfigure the accommodation, subject to obtaining the necessary consents.
The Property is located within the Royal Borough of Kensington and Chelsea (RBKC) and within the Thurloe Estate and Smiths Charity Conservation Area. The buildings are Grade II listed and form part of the listing for 1-14 Foulis Terrace.

There is limited planning history associated with these buildings. Several historic committee reports describe the use as ‘nurses residential accommodation’ and ‘non self contained residential accommodation’ interchangeably. The building has been used for this purpose for at least the last 10 years. In addition to the nurses residential accommodation, the buildings at 3-9 Foulis Terrace have also been used to contain a nursery school (D1 use) at basement level. The nursery occupied this space for over 10 years. It should be noted that the nursery use was limited to only providing childcare to children of NHS staff working in the locality.

In summary, the Property presents an opportunity to upgrade and optimise its current use class, or seek alternative uses, subject to the necessary consents.

HMO LICENCE

The Property was transferred from the Royal Brompton & Harefield NHS Foundation Trust to the Royal Brompton & Harefield Hospitals Charity in April 2012. No HMO licence exists.
FLOORPLANS

LOWER GROUND

GROUND

LEVEL ONE

LEVEL TWO

Not to Scale - For Identification Purposes Only.
### Area Schedule

<table>
<thead>
<tr>
<th>Floor</th>
<th>Use</th>
<th>Number of HMO Units</th>
<th>GIA SQM</th>
<th>GIA SQFT</th>
<th>NIA SQM</th>
<th>NIA SQFT</th>
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<tbody>
<tr>
<td>LG</td>
<td>Nurses Accommodation</td>
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<td>304</td>
<td>3,269</td>
<td>331</td>
<td>3,560</td>
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<td></td>
<td>Nursery</td>
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<td>5,840</td>
<td>385</td>
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<td>3,572</td>
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NOTE: The floorplans have been provided by the vendor and produced by BNP Paribas. We have assumed they have been produced in accordance with the RICS Code of Measurement Practice.
INVESTMENT MARKET

The HMO investment market has evolved rapidly over recent years, HMOs have the potential to optimise rent ‘per square foot,’ enabling an enhanced yield above mainstream residential.

Over the last 12 months, the strongest rental market in Prime Central London has been for smaller units in Central London. Prime one bedroom and studio units have delivered above average, annual rental growth of 3.1%. This has been predominantly due to a reduction in corporate budgets for employees. Central London locations remain popular, and so demand has risen in the studio market. Due to the transient nature of the London workforce, bespoke rental accommodation, which is fully furnished, operational and ready to move in to, is in highest demand.

LAND

The Central London residential land market has long outperformed other London and UK land markets and has recovered strongly since the 2009 downturn. Since the 2007 peak, values of Central London residential land sites have increased by nearly 20%. In contrast, Central London office sites have seen a decrease in value (-29%) over the same period and UK urban land has seen a decrease (-40%). Central London’s outperformance has been a result of an acute supply demand imbalance – strong demand for a limited pool of suitable opportunities from a wide range of domestic and foreign players.

Central London residential land values saw a period of strong growth from September 2012 to September 2014, increasing by 16% over the period. However, more recently over the last year caution in the land market due to uncertainty after the EU referendum has led to some falls in land values across the UK. In Central London, land values have fallen (-8.9%) during the six months to September 2016. The slowdown in this market has been exacerbated by subdued house price growth in the residential market as changes to stamp duty are still being absorbed. This presents an opportunity for land acquisition from buyers, although land buyer caution means that there is a focus towards lower risk sites, however there is still considerable activity for the best sites.
METHOD OF SALE
The freehold interest of the property is offered for sale as a whole by informal tender, through a sealed bid process. Further details on the bidding process are contained in the process letter which can be found on the dedicated project data room.

Unconditional offers (subject to contract only) are invited.

TENURE
Freehold (BGL10497)

VIEWINGS
Viewings are strictly by appointment only through the sole selling agents Savills.

EPC
A copy of the EPC for the property is available on the dataroom.

FURTHER INFORMATION
A full dataroom can be found at: www.savills.com/foulisterrace

VAT
The property has not been elected for VAT.

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