35 & 37 Clanricarde Gardens
Notting Hill
London W2 4JN

Prime Central London
Residential Investment Opportunity
Executive Summary

- An attractive pair of adjoining, period terraced buildings configured to provide 14 apartments
- Let on a full repairing lease to the Russian Federation for a term certain of 14.5 years at a current rent of £335,000 per annum
- Attractive annual rent reviews linked to the Retail Price Index (RPI)
- Overall gross internal area of 949 sq m / 10,214 sq ft (including common parts)
- Located in Notting Hill, within the Royal Borough of Kensington and Chelsea, close to Notting Hill Underground Station (Travel Zone 1, Central, Circle and District lines)
- The property is occupied by employees of the Russian Embassy
- Various future asset management options

“An opportunity to own a pair of freehold properties in Notting Hill, benefiting from a full repairing lease with a 14.5 year unexpired term”

<table>
<thead>
<tr>
<th>Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Units</td>
</tr>
<tr>
<td>Gross Internal Area</td>
</tr>
<tr>
<td>(Sq m / sq ft)</td>
</tr>
<tr>
<td>Passing Rent (pa)</td>
</tr>
<tr>
<td>Tenure</td>
</tr>
</tbody>
</table>

Location & Transport

The property is located in Notting Hill, within the Royal Borough of Kensington and Chelsea. Notting Hill is a fashionable area of prime central London. There is a range of shopping amenities available on Notting Hill itself, along with fashionable boutiques, exclusive bars and eateries in the immediate surrounding area. The world famous Portobello Road is immediately to the west whilst Kensington Gardens are approximately 150 metres to the east.

Clanricarde Gardens is a cul de sac road which runs north off Notting Hill. The subject property is situated on the north east side of the road.

Notting Hill London Underground station (Travel Zone 1, District, Circle and Central Lines) is situated approximately 500 metres to the west providing easy access to the West End. Journey times to Oxford Circus are approximately 8 minutes and approximately 17 minutes to Bank Station in the City. The Central Line also links with the Piccadilly Line giving access to Heathrow Airport. The Queen’s way London Underground station (Central Line) is situated approximately 0.4 miles (650 metres) to the east.
Description

The property comprises two adjoining stucco-fronted terraced period town houses. The building is of solid brick construction, with a white stucco front elevation up to the first floor and painted stucco detailing around the fenestration.

The property provides 14 self-contained apartments (2 x studios, 8 x one beds and 4 x two beds), arranged over the lower ground, ground and four upper floors.

The lower ground floor apartments benefit from their own private entrance and the apartments on the first floor benefit from balconies. Internally, the property is in good condition.

Planning

Planning consent was granted in 1994 by the Royal Borough of Kensington and Chelsea council permitting ‘change of use from hotel to conversion into 14 self-contained residential units with external alterations at rear basement and ground floor levels.’ (TP/94/1775).

Floor Plans

Overall gross internal area of 949 sq m / 10,214 sq ft (including common parts).

Common Parts

The floorplans have been provided by BKR Floorplanners. Please note that access to all the flats was not possible and the floorplans have been scaled from the historic floorplans provided by the tenant.
Lease

The property is let to the Russian Federation on effective full repairing terms for a term of 15 years commencing on 1st January 2015 and expiring 31st December 2029 with a current rent passing of £335,000 per annum.

The lease is subject to annual rent reviews linked to the Retail Price Index (RPI). The lease allows for the property to be used as a private residence for the staff of or other persons connected with the embassy or consular services of the government of the Russian Federation in London or guests of such embassy.

The Russian Federation currently has a D&B rating of O1 which reflects a minimum risk of business failure.

Using RPI forecasts from the Office of National Statistics and Haver Analytics the following rental increases are forecasted:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Projected YoY % RPI Growth</td>
<td>1.2</td>
<td>3.0</td>
<td>3.4</td>
<td>3.4</td>
<td>3.4</td>
<td>3.5</td>
<td>3.6</td>
<td>3.6</td>
<td>3.5</td>
<td>3.3</td>
</tr>
<tr>
<td>Annual rent for following year if forecast realised</td>
<td>£400,456</td>
<td>£412,469</td>
<td>£426,493</td>
<td>£440,993</td>
<td>£455,987</td>
<td>£471,946</td>
<td>£488,936</td>
<td>£506,537</td>
<td>£524,266</td>
<td>£541,566</td>
</tr>
</tbody>
</table>

Prime Central London Commentary

Over the past five years, Prime London has been the strongest performing UK residential market, with average values currently 30.8% above 2010 levels. Following the General Election sentiment remains strong for Notting Hill due to the quality of the location, built environment and breadth of amenities.

The Royal Borough of Kensington and Chelsea has seen particularly significant price growth and is currently 58% above 2007 levels. London is forecast to benefit from robust capital growth with Savills Research forecasting 22.7% growth over the next five years and 17% increase in Prime Central London rents. London’s global status and political and economic stability continue to attract ongoing high demand from equity rich investors and owner occupiers.

The property allows an investor to enjoy an attractive RPI linked income, as well as potential for good capital growth prospects during the lease term.
Tenure

The property is held Freehold.

VAT

We understand that the property is not VAT elected.

Method of Sale

For sale on the instruction of R Kerrigan & M Kempton at Kempton Carr Croft acting as LPA Fixed Charge Receivers.

The property is offered for sale, as a single lot subject to the existing lease, by way of informal tender.

Should a closing date for the submission of offers be set, all parties who have expressed an interest will be informed in due course.

Viewings

In order to keep tenant disruption to a minimum no internal access will be provided during the marketing period.

For further information and a full suite of property data including EPCs please visit:

www.savills.com/pembridgeandclanricarde

Contacts

For further information please contact:

Davina Clowes
dclowes@savills.com
+44 (0) 20 7016 3838

James Laverack
jlaverack@savills.com
+44 (0) 20 7016 3770

Important Notice

Savills, their clients and any joint agents give notice that:

1. They are not authorised to make or give any representations or warranties in relation to the property either here or elsewhere, either on their own behalf or on behalf of their client or otherwise. They assume no responsibility for any statement that may be made in these particulars. These particulars do not form part of any offer or contract and must not be relied upon as statements or representations of fact.

2. Any areas, measurements or distances are approximate. The text, photographs and plans are for guidance only and are not necessarily comprehensive. It should not be assumed that the property has all necessary planning, building regulation or other consents and Savills have not tested any services, equipment or facilities. Purchasers must satisfy themselves by inspection or otherwise.