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FINANCIAL TIMES COVERAGE OF
ROLEX, ONE HYDE PARK, 100 KNIGHTSBRIDGE, LONDON, SW1



The store beneath One Hyde Park has set a benchmark price for retail

Charlie Bibby

Russian buyer snaps up Rolex's flagship store

REAL ESTATE

By Daniel Thomas,
Property Correspondent

A Russian investor has set a benchmark price for retail in London's salubrious Knightsbridge district after agreeing to acquire the Rolex flagship store underneath One Hyde Park, the luxury apartments managed by the Candy brothers.

Grigory Guselnikov, a Russian investor, has acquired the premises at 100 Knightsbridge on behalf of a newly formed property fund called Williston Properties. The property has been acquired from the developers of One Hyde Park.

The price of more than £12.5m equates to a net initial yield of less than 3 per cent, which is a record for the area, and reflects the high level of interest in such prime property among overseas investors.

The influx of overseas capital targeting well-let London property has shown no signs of slowing even after the recent unrest in the capital, according to property agents, with such investors looking for safe, income-producing assets as other markets have remained volatile.

Although 3 per cent is a low yield for a property, which can be priced similarly to the performance of bonds and gilts but normally with an added risk premium, there is the

prospect for a higher return once the rent is renewed after five years. The property, which is located adjacent to the Mandarin Oriental hotel, is leased for a further 15 years at a rent of £400,000 per year, reflecting about £300 per sq ft.

The fund buying the property has a Russian investor base and focuses on prime central London assets offering core returns with solid rental growth prospects.

Investors from Russia and former Soviet states have

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been particularly active in buying upmarket properties both in the commercial and residential market. Last week, a Russian emerged as the buyer behind the most expensive home sold in the UK, the £140m Park Place in Henley. One Hyde Park is seen as one of the most exclusive addresses in the UK, with one flat sold for about £135m. Sales of the flats have exceeded £1.4bn.

Nightingale Partners and Gilchrist advised the Rolex store purchaser and the vendor was advised by Savills & SJ Berwin.