



LEATHERHEAD TRADE PARK

STATION ROAD, LEATHERHEAD, KT22 7AG

PRIME SOUTH EAST TRADE PARK INVESTMENT



INVESTMENT SUMMARY

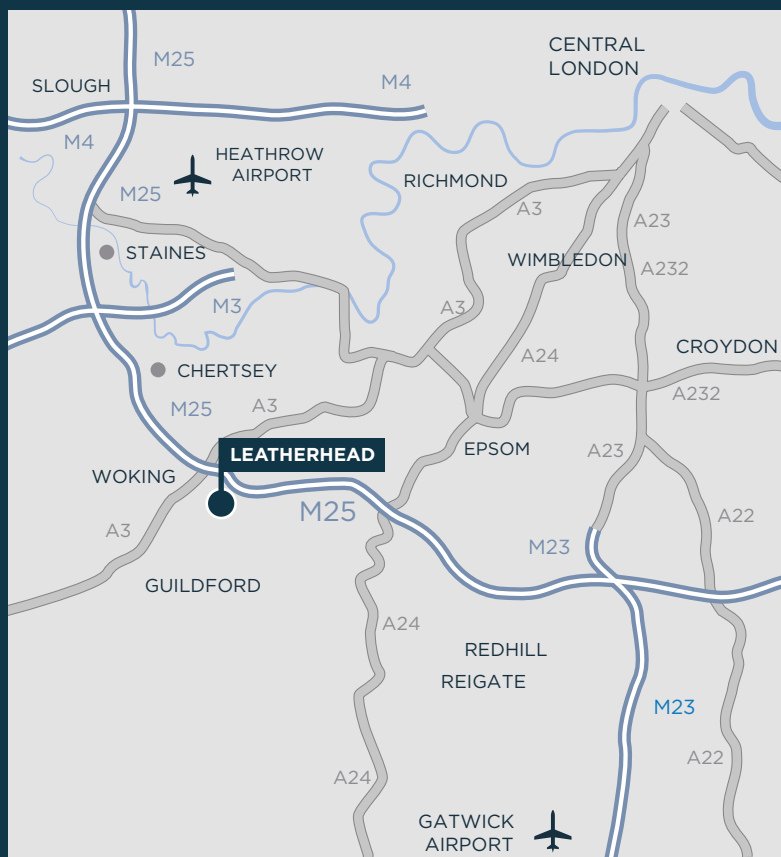
- Located approximately 17 miles south west of Central London, 11 miles north east of Guildford and 11.5 miles north west of Gatwick Airport.
- Excellent motorway connections being within 1 mile of Junction 9 of the M25, and also approximately 1.1 mile from the A24.
- Modern units totalling 48,415 sq. ft.
- Let to strong covenants including Screwfix and Magnet.
- Total rent of £514,267 per annum which reflects a low average rent of £9.78 per sq. ft.
- Highly reversionary with an ERV of £12.75 per sq. ft.
- Average weighted unexpired lease term of 5.34 years to expiries and 4.00 years to breaks.
- Freehold.
- Offers in excess of £8,750,000 subject to contract and exclusive of VAT. This price reflects a net initial yield of 5.5% and reversionary yield of 6.61% (net of acquisition costs of 6.70%).

LOCATION

The property is located approximately 17 miles south west of Central London, 11 miles north east of Guildford and 11.5 miles north west of Gatwick Airport. The M25 (Junction 9) is within close proximity being less than 1 mile away via the A245. The A24 is readily accessible as well and is less than 1 mile away providing access to the south coast through West Sussex.

The nearest station is Leatherhead which provides regular services to London Waterloo (45 minutes) and London Victoria (43 minutes).

Major airports are accessible at London Gatwick (11.5 miles) and London Heathrow (13 miles).



SITUATION

Leatherhead is a popular location and home to a number of large corporates and public sector bodies. Mole Business Park lies adjacent to the subject property and occupiers here include Surrey and Borders NHS Foundation Trust and JLT Employee Benefits. Other trade occupiers in the immediate vicinity include Howdens Joinery, SIG Roofing and Travis Perkins.

Leatherhead Trade Park is situated on Station Road and is accessed from Station Approach (A245) leading directly to Leatherhead rail station, which is within walking distance. The Centre of the town provides leisure and retail amenities including the Swan shopping centre which are also within walking distance.

LEATHERHEAD



DESCRIPTION

The property comprises 8 units, extending to 48,415 sq. ft. The units are finished to a good specification being of steel portal frame construction with profile metal cladding and pitched roofs. The properties all have approximately 6 metres eaves height.

Unit 4 was refurbished to an excellent specification prior to letting the unit to Screwfix. Unit 3 has recently been vacated and provides an opportunity for refurbishment.

ACCOMMODATION

The property has been measured on a gross internal area basis in accordance with the RICS Property Measurement (1st edition, May 2015), incorporating the latest edition of the Code of Measuring Practice, the summary of which is set out.

UNIT	AREA (SQ.FT)	AREA (SQ.M)
Unit 1	6,379	593
Unit 2 (Front)	3,886	361
Unit 2 (Rear)	2,468	229
Unit 3	3,784	352
Unit 4	6,363	591
Unit 5	6,381	593
Unit 6	4,384	407
Unit 7	8,986	835
Unit 8	5,784	538
Substation	0	0
TOTAL	48,415	4500

SITE

The estate comprises a site extending to 2.677 acres reflecting a low site coverage of 41.52%.



TENURE

Freehold.

TENANCIES

The 8 units are let to 7 tenants producing a total income of £514,267 per annum (£9.78 per sq. ft) with an average income weighted unexpired term to expiries of 5.34 years and 4.00 years to breaks. Unit 3 has just become vacant and the landlord will provide a 12 month rental guarantee on this unit.

The latest lettings of Unit 4 to Screwfix at £12.75 per sq. ft. and Unit 6 to Saracen Datastore at £12.77 per sq. ft. provide evidence of a rental uplift and reversion for the rest of the estate.

UNIT	TENANT	AREA (SQ. FT.)	START DATE	EXPIRY DATE	TERM CERTAIN	PASSING RENT (P.A.)	RENT PER SQ. FT.	RENT REVIEW	LEASE BREAK DATE	LEASE BREAK TYPE	SCHEDULE OF CONDITION
Unit 1	Magnet Ltd	6,379	26/03/2008	28/09/2021	3.93	£64,667	£10.14	25/03/2018			No
Unit 2 (Front)	Merityre Specialists Ltd	3,886	26/03/2008	28/09/2021	3.93	£39,719	£10.22	26/03/2018			No
Unit 2 (Rear)	Magnet Ltd	2,468	26/03/2008	28/09/2021	3.93	£25,615	£10.38	25/03/2018			No
Unit 3	Rental Guarantee for 12 months	3,784	18/10/17	18/10/2018	0.98	£48,246	£12.75				
Unit 4	Screwfix Direct Ltd	6,363	26/10/2017	25/10/2027	5.53	£81,128	£12.75	26/10/2022	26/10/2022	Tenant Break	Yes
Unit 5	W Finch And Co Ltd	6,381	01/07/2009	30/06/2019	1.68	£59,260	£9.29				No
Unit 6	Saracen Datastore Ltd	4,384	10/08/2017	09/08/2032	9.80	£56,000	£12.77	09/08/2022 & 09/08/2027	09/08/2027	Landlord Break	No
Unit 7	C I Sport Ltd	8,986	26/03/2008	28/09/2021	3.93	£75,932	£8.45	26/03/2018			Yes from 1999
Unit 8	W Finch And Co Ltd	5,784	06/03/2015	05/03/2020	2.36	£63,700	£11.01				No
Substation	Seeboard Plc	0	16/03/1981	15/03/2080	62.43	£0	£0.00				
		48,415			3.94	£514,267	£9.78				

COVENANT INFORMATION



Unit 1 & Unit 2 (Rear):
Magnet Ltd

MAGNET LTD	GBP	GBP	GBP
	31-DEC-16	31-DEC-15	31-DEC-14
Turnover	£500,000	£500,000	£600,000
Profit / (Loss) Before Taxes	£500,000	£500,000	£600,000
Net Worth	£34,864,000	£34,270,000	£33,673,000

Magnet has a Dun & Bradstreet credit risk rating of 4A1



Unit 2 (Front):
Merityre Specialists Ltd

MERITYRE SPECIALISTS LTD	GBP	GBP	GBP
	30-JUN-16	30-JUN-15	30-JUN-14
Turnover	£25,768,755.00	£26,698,909	£27,337,284
Profit / (Loss) Before Taxes	£448,463.00	£535,363	£608,018
Net Worth	£3,410,430.00	£3,915,908	£3,192,880

Merityre Specialists has a Dun & Bradstreet credit risk rating of 2A2



Unit 4:
Screwfix Direct Limited

SCREWFIX DIRECT LTD	GBP	GBP	GBP
	31-JAN-17	31-JAN-16	31-JAN-15
Turnover	£1,306,018,000	£1,057,303,000	£835,569,000.00
Profit / (Loss) Before Taxes	£118,448,000.00	£91,053,000	£64,799,000
Net Worth	£449,161,000.00	£358,687,000	£286,873,000

Screwfix has a Dun & Bradstreet credit risk rating of 5A1



Unit 5 & 8:
W Finch and Co Limited

W FINCH AND CO LTD	GBP	GBP	GBP
	31-DEC-16	31-DEC-15	31-DEC-14
Net Worth	£654,091.00	£536,555	£499,196

W Finch and Co has a Dun & Bradstreet credit risk rating of A1



Unit 6:
Saracen Datastore Ltd

SARACEN DATASTORE LTD	GBP	GBP	GBP
	31-JUL-16	31-JUL-15	31-JUL-14
Turnover	£2,172,810	£1,956,368	£1,840,392
Profit / (Loss) Before Taxes	£414,393	£136,645	£96,930
Net Worth	£1,135,380	£747,534	£627,587

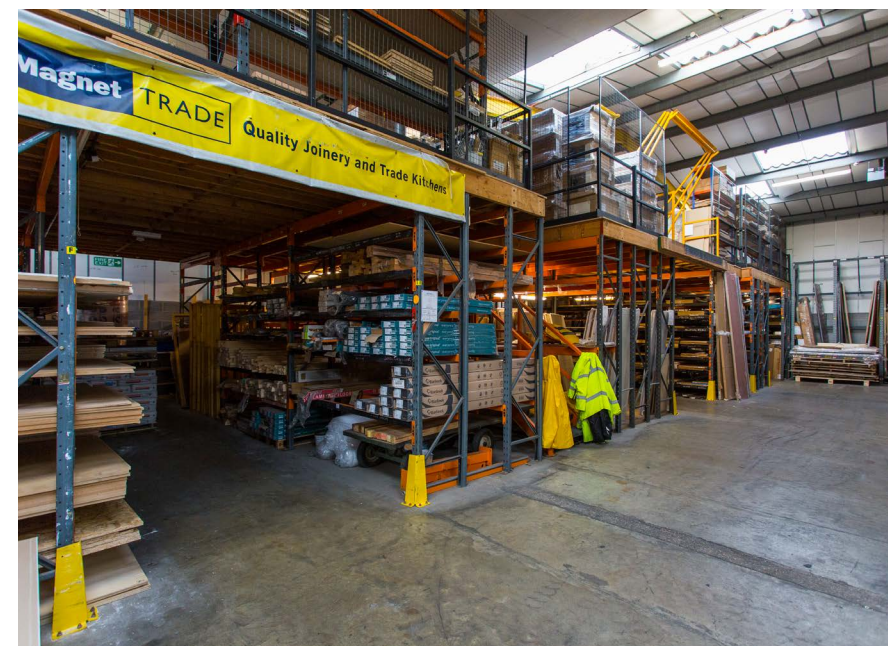
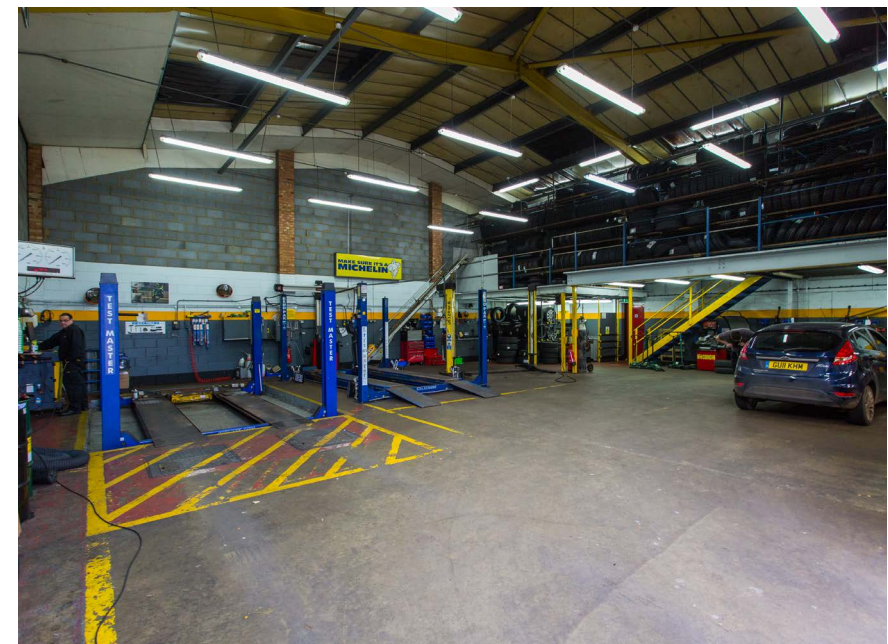
Saracen Datastore has a Dun & Bradstreet credit risk rating of 1A1



Unit 7:
C I Sport Ltd

C I SPORT LTD	GBP	GBP	GBP
	31-JAN-16	31-JAN-15	31-JAN-14
Shareholders Funds	£2,134,555	£2,165,631	£1,981,468

C I Sport has a Dun & Bradstreet credit risk rating of 2A1





INVESTMENT MARKET

Throughout 2017 occupational demand has continued to outstrip supply in the industrial and logistics sector which has lead rental values to increase. The industrial and logistics sector is one of the most popular with investors and this coupled with continued occupational demand and subsequent rental growth opportunities has lead to a contraction in yields.

Set out below are a number of comparable investment transactions in relation to the subject property:

STATUS	DATE	COUNTY	TOWN	ADDRESS	SIZE (SQ FT)	BUILD DATE	PASSING RENT (PA)	PASSING RENT (AV. PSF)	UNEXP TERM (YEARS)	TENANT	VENDOR	PURCHASER	PRICE	INITIAL YIELD	CAP VAL PSF	COMMENTS
Sold	Aug-17	Greater London	Ashford	Units 17-26 Ashford Industrial Estate, Shield Road	62,010	1960	£666,259	£10.74	6.4	Multi-let	Eskmuir Properties	RLAM	£13,000,000	4.80%	£209.64	10 units
Sold	Jul-17	Surrey	Sutton	Sutton trade park, Kimpton Parkway, SM3 9DA	14,470	2007	£205,001	£14.17	4.5	3 tenants		Henderson	£4,285,000	4.49%	£296.13	
Sold	Jul-17	West Sussex	Worthing	Downlands Industrial Estate, BN14 9LA	211,011	1990s	£1,469,485	£6.96	6.5	Let to four tenants, on 12 units, with 1 vacant unit with RG	Private	CBRE GI (Hampshire CCPPF)	£25,985,000	5.30%	£123.15	
Sold	Jun-17	Hertfordshire	Hemel Hempstead	Units A-C, Boundary Park, Boundary Way	75,611	2001	£648,745	£8.58	6.7	3 tenants	Aberdeen AM	Cluttons IM	£14,096,000	4.31%	£186.43	FH. 41% site cover. 3 units. Fully let. Reversionary to north of £9.00 psf.
Sold	May-17	Surrey	West Byfleet	Units A,B & C, Oyster Lane, KT14 7JQ	20,300	1970's	£229,252	£11.29	6.1	3 tenants	Marchmont	House of Hiranandani	£4,303,000	5.00%	£211.97	3 units. FH. Trade counter
Sold	Mar-17	Surrey	West Byfleet	Trackside Business Park, Abbott Close, KT14 7NR	63,416	1970's	£500,814	£7.90	5.65	Multi-let	Varde Group	Hermes	£9,300,000	5.10%	£146.65	
Sold	Mar-17	Surrey	Woking	Orchard Business Centre, Forsyth Road, GU21 5RZ	75,907	2017	£987,469	£12.86	10	6 units	Goya Developments / Bilsdale	RLAM	£21,000,000	4.45%	£276.65	6 unit spec scheme. Part let to 3 tenants on 10 year terms and then all other units have a 1 year rent only guarantee.

OCCUPATIONAL MARKET

As outlined in the tenancy schedule the latest lettings of Unit 4 to Screwfix at £12.75 per sq. ft. and Unit 6 to Saracen Datastore at £12.77 per sq. ft. provide the most comparable rental evidence. Unit 4 has just been refurbished and Unit 3 which has just become vacant could also be refurbished to increase the rental tone further.



EPC INFORMATION

UNIT	EPC RATING	EPC SCORE
UNIT 1	D	84
UNIT 2 (FRONT)	D	84
UNIT 2 (REAR)	D	84
UNIT 3	D	84
UNIT 4	D	84
UNIT 5	C	63
UNIT 6	C	74
UNIT 7	D	83
UNIT 8	D	97

VAT

The property is elected for VAT which will be payable upon the purchase price.

PROPOSAL

Offers sought in excess of **£8,750,000** subject to contract and exclusive of VAT. This price reflects a **net initial yield of 5.5%** and a **reversionary yield of 6.61%** (net of acquisition costs of 6.70%)



CONTACT INFORMATION

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