

Well let industrial warehouse investment opportunity

UNITS 4-7

CENTENARY INDUSTRIAL ESTATE

Jeffreys Road, Enfield, EN3 7UF





Investment Summary

- > Well configured industrial terrace located within one of Enfield's most established industrial estates.
- > Strategically positioned close to Mollison Avenue (A1055), with excellent connections to Central London, the M25 motorway and the wider motorway network.
- > 4 interconnecting industrial warehouse units totalling **20,926 sq ft (1,944 sq m) GIA**.
- > Fully let to **Tayco Foods Limited** on a 10 year lease from 11th January 2018 with a tenant only break option in year 5, providing 4.75 years term certain.
- > Current rent passing of **£177,752 per annum**, reflecting a very low **£8.49 per sq ft** (£91.44 per sq m).
- > **Freehold**.
- > We are instructed to seek offers in excess of **£3,300,000 (Three Million and Three Hundred Thousand Pounds)** which reflects a **Net Initial Yield of 5.06%** (allowing for purchaser's costs of 6.48%), an estimated **Reversionary Yield of 6.86%** and reflecting a **low capital value of £158 per sq ft**.



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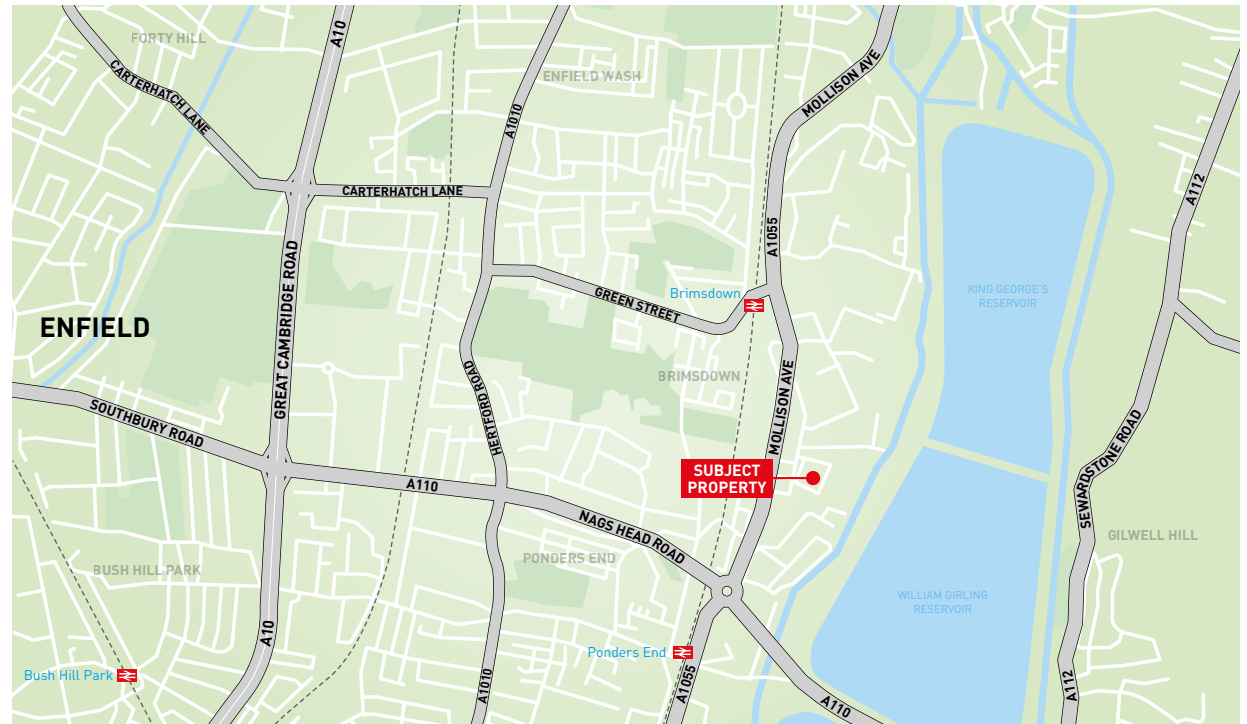
Location

Enfield is a well-established location for industrial and logistics occupiers servicing London and the South East. Enfield is strategically located approximately 12 miles north of Central London and 2 miles south of the M25 (Junction 25). Its strategic position makes it very well placed to service London via the A10 and A406 (North Circular) and also has excellent access to the national motorway network via the M25 to the M11 (Junction 27), A1 (M) (Junction 23) and M1 (Junction 21). It is estimated that just under 90% of the UK's population are accessible within a 4.5 hour drive time.

Enfield benefits from several railway stations of which the closest is Ponders End station on the London Overground, approximately 0.6 miles from the property, which provides a direct link to London Liverpool Street with a journey time of approximately 20 minutes.

London Heathrow, Stansted and Luton Airports are all located within a 30 mile radius of the property.

Enfield Council has embarked upon the £6bn Meridian Water regeneration scheme with a vision for transforming a 210 acre site stretching from Edmonton Green town centre to Lee Valley. The masterplan proposes 5,000 homes by 2026 and 237,000 sq ft of offices. The first phase of the scheme is underway with the construction of the first 725 homes, along with the brand new Meridian Water railway station, funded and being delivered by Network Rail. It is anticipated that the first trains will run and the first residents will move in 2019.



Situation

Centenary Industrial Estate is situated in an established industrial location in Enfield, forming part of the Brimsdown Industrial Estate. Units 4-7 are situated to the rear of the estate and are accessed via Centenary Road. The Ponders End roundabout to the south provides easy access to the Great Cambridge Road (A10) which in turn has direct access to the M25 (Junction 25), approximately 2 miles to the north west and Angel Road (A406 North Circular) approximately 3 miles to the south.

Ponders End Station and Brimsdown Station are less than a mile from the subject property and provide direct access to London Liverpool Street Station.

The surrounding area has seen significant recent redevelopment, with speculatively developed schemes being undertaken by SEGRO, Aberdeen Standard Investments with Graftongate, Royal London with Chancerygate, and Newable Property Developments.



Description

The subject property was constructed in the 1970s and comprises four interconnected warehouse units totalling 20,926 sq ft. The units are of steel portal frame construction with a full height brick elevation to the front of the units. The subject property forms part of a terrace of units fronting the estate road on the east side of the estate.

Each unit benefits from one full height level access loading door and a minimum eaves height of 5.90m. The office accommodation is split into two sections and provided to the front of the warehouse units over ground and first floors.

Accommodation

The property has been measured in accordance with the RICS Code of Measuring Practice (Sixth Edition) on a Gross Internal Area (GIA) basis providing the following approximate areas:

Description	Sq M (GIA)	Sq Ft (GIA)
Ground Floor Warehouse	1,665	17,920
Ground Floor Offices	126	1,352
1st Floor Offices	154	1,654
Total Area	1,944	20,926

The property also benefits from 12 car parking spaces within the demise.



Site



Tenure

Freehold title to be created at completion with right of access over the rest of the estate.

Tenancy

The property is fully let to Tayco Foods Limited on a new 10 year lease from 11th January 2018. The lease incorporates a tenant option to break in year 5, providing approximately 4.75 years term certain. The lease provides for an upward only rent review in January 2023.

The current rent passing is £177,752 per annum, reflecting a low £8.49 per sq ft.



Market Commentary

Since 2011 available supply in north London has dwindled by some 61% representing a fall of around 3.2m sq ft creating a shortage of space across all sizes ranges. The absence of second hand stock has polarised occupiers creating a two tier market for those of an institutionally acceptable standard chasing more secondary, less covenant driven opportunities. This has led to a pent up demand for a reducing second hand market which shows no signs of abating. Following the highest industrial take up for three years last year, activity slowed towards the end of the year due mainly to the shortage of available stock which now stands at 3.2% of total stock.

In the 10,000 – 25,000 sq ft range, demand is 72% higher than available supply fuelling the prospects of significant rental growth within this size range. Rents for secondary stock within the region have risen 12% per annum on average over the past 5 years with evidence of current rents at £12.00 per sq ft for some second hand space in Enfield.

Covenant

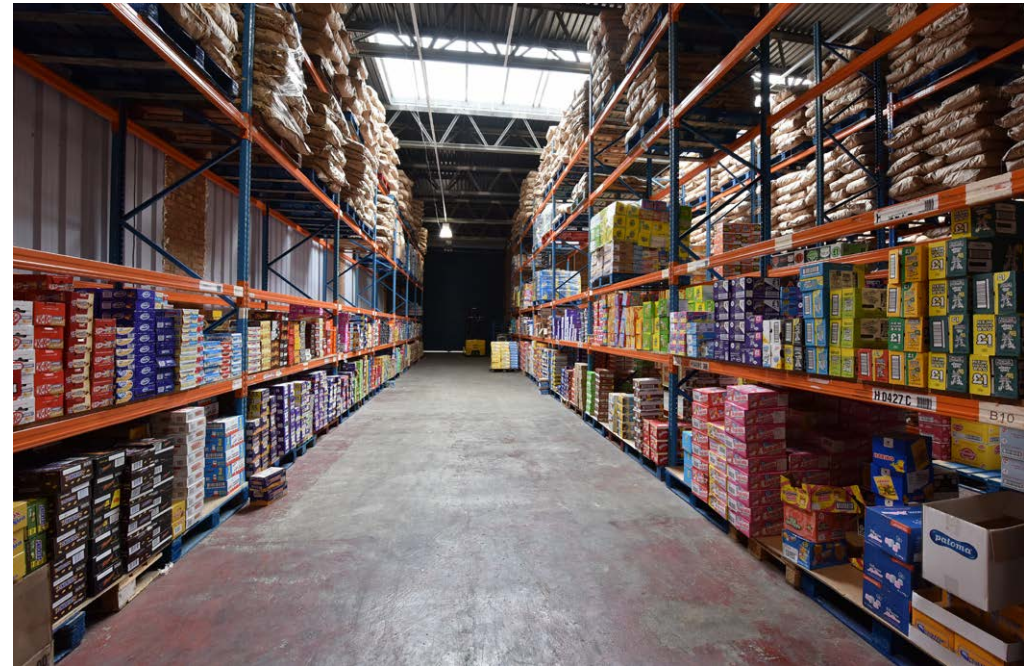
Tayco Foods Limited (Company Number 09795109), are a wholesale distributor supplying a variety of food and beverage products (confectionery and grocery) to a network of local convenience shops. The distribution network is focused on business to business supplies as opposed to distributing directly to the public.

The distribution network covers a vast area of Greater London and Kent, with over 150 active clients at present.

The ownership of the company is within a single family.

Future product lines are expected to be launched in the next 12 months as well as the recently launched restaurant charcoal product, which trades under the name Mr T Charcoal. The launch of this product has been well received, with regular repeat orders from over 50 restaurants within Greater London.

Tayco Foods Limited has also provided a rental deposit of £44,438, which equates to 3 months rental cover.



Investment Comparables

The London and South East Industrial market continues to be favoured by investors and below are some recent transactions in this sector providing evidence of current pricing levels:

Date	Property	Size (Sq Ft)	Tenant	Unexpired Term	Rent £ pa (£ psf)	Price	NIY	Capital Value (psf)
Mar-18	Units 1&2, Longmead Industrial Estate, Epsom	22,751	Wolseley UK Ltd	9.1	£236,000 (£10.37)	£5,990,000	3.69%	£263
Jan-18	Unit 4, Golden Business Park, Leyton	21,413	FedEx UK Ltd	5.3	£191,169 (£8.93)	£5,520,000	3.25%	£258
Oct-17	Alpha House, Wimbledon	34,241	Subsidiary of Cadogan Tate	9.7	£500,000 (£14.60)	£11,100,000	5.35%	£324
Oct-17	Units 1&2 Action Court, Ashford	51,192	Geodis Wilson UK Limited	1.2	£550,000 (£10.74)	£10,150,000	5.08%	£198
Sep-17	Unit K60, Lister Road, Basingtoke	58,504	Bunzl UK Ltd	4.6	£525,300 (£8.98)	£9,560,000	5.20%	£163
Aug-17	Lee House, Enfield	47,171	The Royal Bank of Scotland	10.5	£427,309 (£9.06)	£8,450,000	4.80%	£179
Jul-17	Oakcroft Road, Chessington	19,000	Travis Perkins	4.0	£190,400 (£10.02)	£4,000,000	4.47%	£211

VAT

The property has been elected for VAT and therefore it is envisaged that the sale will be treated as a Transfer of a Going Concern (TOGC).

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EPC

Energy Performance Certificates are available on request.

Proposal

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Further Information

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