



Prime, South East Retail Warehouse Investment Langston Road, Loughton IG10 3TQ

investment summary

Wickes

- Comprehensively refurbished, **south east** solus retail warehouse.
- Excellent location within M25 and offering Wickes' latest trading format.
- Close to recently opened **Epping Forest Shopping Park**
- New letting to **Wickes Building Supplies Ltd**, a **secure 5A1 covenant**.
- **20 year FRI lease** from 21st May 2018 (T.O.B. at Year 15)
- Total **GIA of 27,065 sq ft** (2,514 sq m).
- Low commencing rent of **£335,000 pa (£14.02 psf** on rentalised area).
- 5 yearly upward only rent reviews to Market Rent (capped at 3% pa).
- Offers in excess of **£5,960,000**, exclusive of VAT.
- **Net Initial Yield of 5.25%**, net of 6.62% Purchaser's Costs.





De La Rue

ITS

Arzen

Post Office

The Westye Group

Screwfix

Sytner

Wickes

Clintons



Mercedes

Volkswagen

EPPING FOREST SHOPPING PARK

Higgins

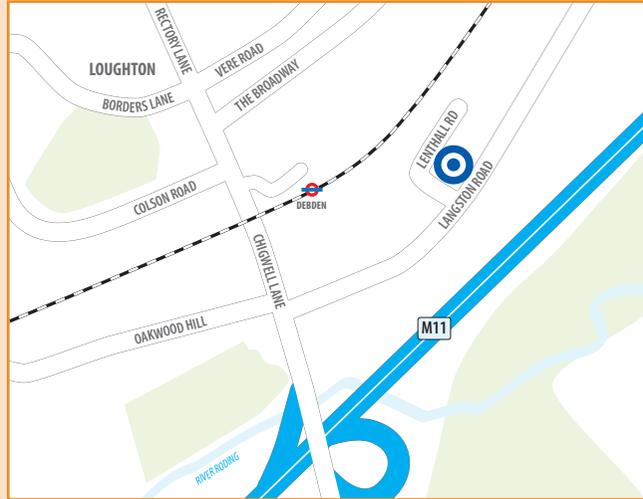
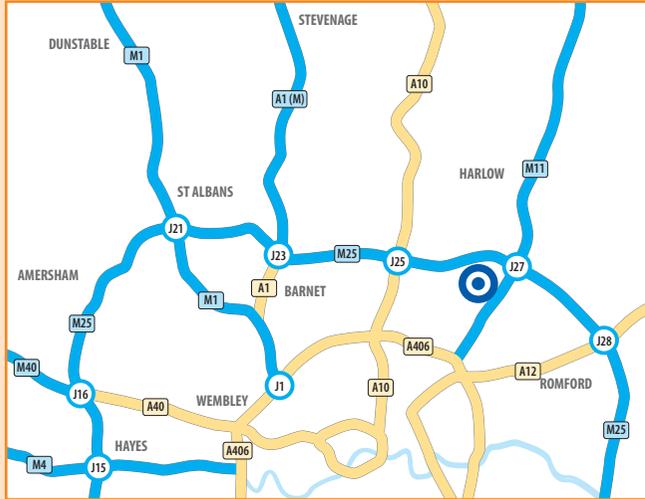
- TK Max
- Next
- Aldi
- Pets at Home
- JD Sports
- Costa
- Smyths Toys
- Hobbycraft

Sytner
Mini/BMW

Kier

M11

JUNCTION 5



Location

Loughton is a wealthy commuter town and commercial centre located 20 miles north-east of Central London. Together with neighbouring Chigwell, Theydon Bois, Buckhurst Hill and Chingford, the town is at the centre of an affluent residential enclave, on the edge of Epping Forest and rural Essex.

The area benefits from excellent road and rail connections being served by Jct.26 of the M25 and Jct. 5 of the M11 motorways. Loughton is on the Central Line with a scheduled journey time of 30 minutes to Bank. Stansted Airport is 24 miles to the north via the M11, London City 17 miles to the south and Heathrow 45 miles via the M25.

Situation

The property is situated approximately 2 miles from the centre of Loughton and within half a mile of Jct. 5 of the M11 motorway. The unit occupies a prominent corner site within a large, mixed commercial area adjacent to Debden Tube Station. BMW/Mini (Sytner), VW (Lancaster) and Mercedes car dealerships dominate the entrance to Langston Rd, at its junction with the A1168, Chigwell Road.

Fronting Langston Rd and within 150 metres of the property is the newly developed Open A1/A3, Epping Forest Shopping Park. Tenants include JD Sport, Smyth's Toys, Pets at Home, Aldi, Hobbycraft, TK Maxx, Next and Costa. The scheme opened for trade in October 2017 and headline rents are reported to be between £25-45 psf.

Other trade and retail occupiers within the area include Screwfix and Sainsburys. A number of key employers occupy large facilities on Langston Rd including the HQ for Kier, Higgins, Galliard Homes and the Bank of England.

Catchment and Demographics

Epping Forest is the 6th largest district in Essex with a mid 2016 district population of 130,320 which is forecast to increase by over 10% to 142,600 by 2025. The population is assessed as being younger and with significantly higher levels of home ownership (72%) than the national average. AB & C1 classifications account for more than 50% of the population.

The immediate catchment population is estimated at 75,000 people within a 10 minute drive time, leaping to 1.2 million within a 20 minute drive time.



Description

The property comprises a comprehensively refurbished, retail warehouse unit with car parking for approximately 47 vehicles. To the side is an external service yard, secured by 4m high, gated fencing.



The specification includes the following:

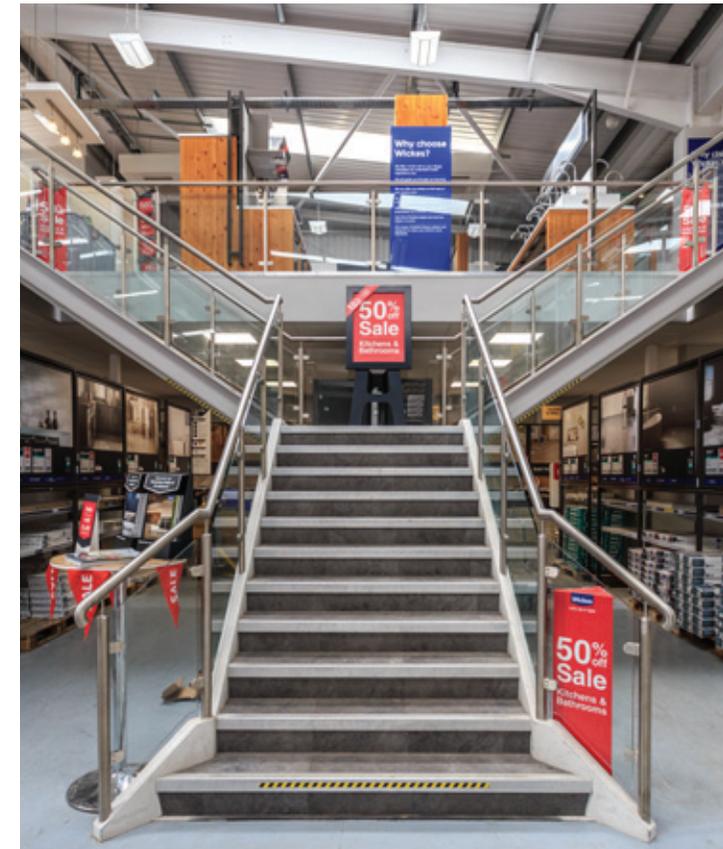
- Steel portal frame – 6m to underside of haunch.
- Insulated profiled steel cladding to external elevations and roof.
- The roof incorporates 15% roof lights.
- Internal block-work to 3m.
- Concrete floor slab and service yard.
- First floor staff accommodation including canteen, W.C's and administrative offices.
- Electrically operated roller shutter; sliding and security shutter doors to service bay and entrance lobby.
- Occupier led fit-out, including trading mezzanine bathroom and kitchen showroom area.

Accommodation

Floor/Unit	Sq M GIA	Sq ft GIA
Ground Floor	2067.74	22,257
Entrance Lobby	29.45	317
First Floor Ancillary	123.38	1,328
Trading Mezzanine*	293.85	3,163
TOTAL	2,514.42	27,065

Total site area is approximately 1.234 acres (0.5 h.a.) with site coverage of 42%.

NB *The trading mezzanine is to be regarded as Tenant's Fit-out Works and will be disregarded at rent review or lease renewal.



Tenure

Freehold

Tenancy

Wickes Building Supplies Ltd have taken a **20 year** FRI lease on the property from 21st May 2018, at an initial rental of **£333,500 pa (£14.02 psf on rentalised areas)**. The lease is in the Vendor's standard format, incorporating a Tenant's Option to Break (on 6 months notice) at Year 15 and five yearly upwards only rent reviews to Market Rent. Increases at each rent review will be capped at the equivalent of 3% pa i.e. a maximum increase of 15.93%.



Planning

Planning consent was granted in May 2015 for the refurbishment of the original building and its change of use to "storage/retail use (Wickes Building Supplies) together with first floor amenity space, trading mezzanine, revised parking and servicing arrangements and associated works". There are no specific restrictions on the goods that can be sold. In effect, the property has B8 and Open A1 retail consent.

Tenant's Covenant

Wickes Building Supplies Ltd (Reg. No:1840419) is a wholly owned subsidiary of Travis Perkins plc and trades from 244 stores. It is the UK's fastest growing DIY retailer and the market leading online DIY proposition. The new trading format stores continue to drive an uplift in divisional turnover and a 4.7% increase in sales was reported by the 'Consumer Division' of Travis Perkins for Y/e Dec 2017. This builds on a 6.4% 'like-for-like' increase to Y/e Dec. 2016.

The company has a 5A1 D&B Rating, representing a "minimum risk of business failure" and summaries from their accounts for the three previous trading years are:

Accounts	Turnover	Pre-Tax Profit	Net Worth
31/12/2016	£1,213m	£65.4m	£316m
26/12/2015	£1,104m	£60.1m	£414m
27/12/2014	£1,039m	£68.8m	£355m

Travis Perkins plc is the UK's leading company in the builders' merchandising and home improvement markets, with 20 businesses trading from over 2,000 sites. It reported a 3.5% increase in Group turnover for Y/e 31st Dec.2017 to £6.43bn, adjusted EBITA of £380m and total Assets of £5.14bn.



EPC

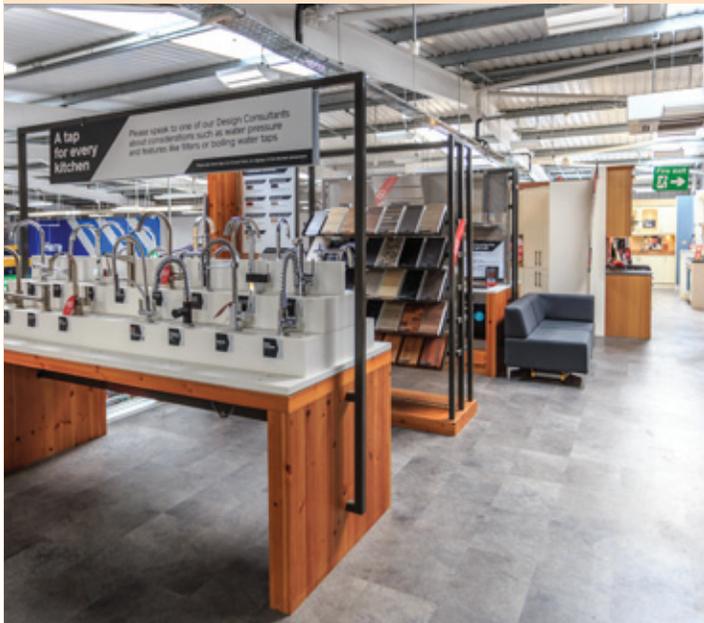
The property has been rated **B-34**. A copy of the Energy Performance Certificate is available on request.

VAT

The property has been elected for VAT and the transaction will be treated as a TOGC.

Proposal

Seeking offers in excess of **£5,960,000** (Five million Nine Hundred and Sixty Thousand Pounds) for the freehold interest, subject to contract and exclusive of VAT. This price reflects a Net Initial Yield of **5.25%**, assuming standard Purchaser's Costs and SDLT of 6.62%.



Contact

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HSM

Hoddell Stotesbury Morgan

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