

LSH IM buys prime South East retail warehouse investment

Oct 31, 2018



LSH Investment Management, acting on behalf of a retained client, has purchased from Travis Perkins plc a recently redeveloped retail warehouse investment at Langston Road, Loughton, Essex, which opened for trade in 2016. The freehold investment was acquired for £6.35 million at an initial yield of 4.95%.

The unit is in an excellent trading position, close to the recently developed 'Open A1' Epping Forest Shopping Park. Being within the M25 and accessed from Jct.5 of the M11, the location and significant catchment population has attracted such retail occupiers as Next, TK Maxx, Aldi and JD Sports, as well as high profile car dealerships for BMW/Mini, VW and Mercedes.

The Wickes unit provides the latest trading format for the DIY retailer with approximately 22,000 sq ft of ground floor sales and a 5,000 sq ft showroom mezzanine. Wickes have taken a lease for 20 years, with a tenant's option to break at year 15, at a low initial rental of £14 per sq ft, representing a significant discount to the levels achieved for Open A1 use on the neighbouring scheme.

Darren Screen, Property Finance Director for Travis Perkins said: "This latest sale of this recent development is in line with our stated Group objective of recycling capital back into the business".

Chris Hornung, Managing Director of LSH IM commented: “The purchase of this excellent retail warehouse asset represented an attractive opportunity for us. The Wickes unit is let off a long lease to a secure covenant, whilst offering the prospect of good rental growth and investment performance.”

HSM and Herbert Smith Freehills advised Travis Perkins plc on the investment sale. LSH IM were advised by Northgate Property.