UNITS 20&21
WOODSIDE INDUSTRIAL PARK, WORKS ROAD
LETCHEWORTH GARDEN CITY, SG6 1LA

HIGH QUALITY INDUSTRIAL TRADE COUNTER INVESTMENT FULLY LET TO STRONG COVENANTS
INVESTMENT SUMMARY

- Unique opportunity to acquire a detached, high quality trade counter industrial unit.
- Situated on Woodside Industrial Park, the long established and dominant business location in Letchworth Garden City.
- Letchworth Garden City has excellent communication links, being just 1 mile (1.6 km) west of Junction 9 of the A1(M). Trains to Kings Cross take just 28 minutes.
- The property has been split to provide two refurbished industrial / trade counter units providing 13,724 sq ft (1,275 sq m).
- Fully let to two tenants; Toolstation Limited (D&B rating SA1) and Eurocell Building Plastics Ltd (D&B rating 3A2).
- WAULT of 4.75 years to break and 7.36 years to expiries.
- Unit 20 was refurbished in 2020 and Unit 21 in 2015.
- Strong rental growth prospects due to high occupier demand and limited supply within Letchworth and the wider South East market.
- Current gross passing rent of £104,638 per annum, reflecting a low rent of £7.62 per sq ft.
- Long Leasehold, having c.900 years unexpired.
- Offers are sought in excess of £1,495,000 (One Million, Four Hundred and Ninety Five Thousand Pounds), subject to contract and exclusive of VAT, which reflects a Net Initial Yield of 5.85% and a low capital value of £109 per sq ft assuming purchasers costs of 6.10%. This increases to 6.50% assuming the rent review on Unit 21 is settled at £8.00 per sq ft.

Unique opportunity to acquire a detached, high quality trade counter industrial unit.
LOCATION

Letchworth Garden City was the world’s first Garden City and is situated in North Hertfordshire. It is located approximately 33 miles (53 km) North of London and 21 miles (34 km) South West of Cambridge.

It has excellent communication links, being adjacent to Junction 9 of the A1(M). To the South the M25 provides access to the national motorway network and to the North the A14 connects to the M1 and M6. Letchworth Garden City railway station provides direct services to London King’s Cross, with a fastest direct journey time of approximately 28 minutes.

The airports at Luton and Stansted are within approximately 25 and 45 minutes drive time respectively, whilst Heathrow and Gatwick are accessible via the M25.

SITUATION

The property is situated on Works Road, close to its junction with Arden Press Way, on the strategically located Woodside Industrial Estate. Woodside Industrial Estate benefits from easy access to A1(M) via Junction 9 which is approximately 1 mile away. Letchworth Garden City town centre is located 0.5 miles to the west.

Woodside Industrial Estate is the key industrial and trade counter estate in the town, home to numerous national occupiers including City Plumbing, DPD, Edmundson Electrical, Halfords, Howdens, Jewson, Plumb Center and a number of independent operators.
DESCRIPTION & SPECIFICATION

Units 20 & 21 Woodside Industrial Park comprises a detached prominent trade counter unit totalling 13,724 sq ft (1,275 sq m). The unit is of steel portal frame construction with brick and metal profile clad elevations below a pitched roof.

Each unit benefits from a minimum eaves height of 5.7m increasing to 8.34m, roller shutter doors, office accommodation, toilets and yard space.

Unit 20 let to Eurocell was refurbished in 2020, providing the following specification:

- New LED lighting throughout.
- New split air conditioning for heating and cooling.
- Refurbished office and WC.

Unit 21 let to Toolstation was refurbished in 2015.

The property occupies a site of approximately 0.39 acres (0.158 hectares).

TENANCY SCHEDULE

The property is let in accordance with the tenancy schedule below on effective full repairing and insuring leases producing a total 'topped up' gross rent roll of £104,638 per annum. The net current passing rent is £92,738 per annum. All leases are inside the Landlord and Tenant Act 1954.

The rent review on Unit 21 is outstanding, with terms out at £8.00 per sq ft. Assuming a settlement at this level, the net rent would increase to £103,050.

<table>
<thead>
<tr>
<th>Unit</th>
<th>Tenant</th>
<th>Floor Area Sq m</th>
<th>Floor Area Sq ft</th>
<th>Start</th>
<th>Lease Terms Rent Review</th>
<th>Break</th>
<th>Expiry</th>
<th>Rent Passing £ pa</th>
<th>£ psf</th>
<th>EPC</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>20</td>
<td>Eurocell Building Plastics Ltd</td>
<td>636.2</td>
<td>6,849</td>
<td>09/06/2021</td>
<td>09/06/2026</td>
<td>09/06/2026</td>
<td>08/06/2031</td>
<td>£59,950</td>
<td>£8.75</td>
<td>C61</td>
<td>6 months, 21 days rent free. To be topped up. Tenant only break option subject to 6 months’ notice. SoC.</td>
</tr>
<tr>
<td>21</td>
<td>Toolstation Limited</td>
<td>638.7</td>
<td>6,875</td>
<td>20/11/2015</td>
<td>20/11/2020</td>
<td></td>
<td>19/11/2025</td>
<td>£44,688</td>
<td>£6.50</td>
<td>B41</td>
<td>Rent review outstanding. Terms out at £8.00 psf. SoC.</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>1,275</td>
<td>13,724</td>
<td>4.75</td>
<td>7.36</td>
<td>£104,638</td>
<td>£7.62</td>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

TENURE

The property is held Long Leasehold on a 999-year lease from 25 December 1909, subject to 25 year rent reviews. The current ground rent is £11,900 per annum, with the 25 December 2033 rent review already settled at £19,525.
COVENANT INFORMATION

Toolstation Limited (Company No: 04372131)

Established in 2003, Toolstation is one of Britain’s fastest growing suppliers of tools, accessories and building supplies to the trade, home improvers and self-builders. With a multi-channel offering, Toolstation customers can buy online, at over 450 branches across the UK and through the company’s dedicated UK call centre. In 2020 the company opened 60 new branches. For further information see www.toolstation.com.

The company is a wholly owned subsidiary of Travis Perkins Plc, the UK’s largest distributor of building materials to the building, construction and home improvement markets with over 20 businesses in the Group. The company employs over 20,000 people and operates from almost 1,700 branches, stores and sites around the UK. For the year ending 31st December 2019, Travis Perkins Plc reported Pre-Tax Profits of £180.8 million. For further information see www.travisperkinsplc.co.uk.

A summary of the last 3 years financial accounts is set out below:

<table>
<thead>
<tr>
<th></th>
<th>31/12/2019 (£000's)</th>
<th>31/12/2018 (£000's)</th>
<th>31/12/2017 (£000's)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Turnover</td>
<td>£434,165</td>
<td>£354,601</td>
<td>£300,401</td>
</tr>
<tr>
<td>Pre-Tax Profit</td>
<td>£25,610</td>
<td>£21,883</td>
<td>£21,511</td>
</tr>
<tr>
<td>Net assets</td>
<td>£63,056</td>
<td>£52,644</td>
<td>£45,367</td>
</tr>
</tbody>
</table>

Eurocell Building Plastics Ltd (Company No: 03071407)

Eurocell Building Plastics Ltd are owned by Eurocell Group Limited, the UK’s leading manufacturer, distributor and recycler of UPVC window, door, conservatory and roofline systems, offering the widest product range of any single brand. Eurocell PLC is listed on the London Stock Exchange.

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</tr>
</thead>
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<tr>
<td>Sales Turnover</td>
<td>£159,504</td>
<td>£143,502</td>
<td>£128,865</td>
</tr>
<tr>
<td>Pre-Tax Profit</td>
<td>£9,770</td>
<td>£8,112</td>
<td>£5,875</td>
</tr>
<tr>
<td>Net assets</td>
<td>£14,216</td>
<td>£11,383</td>
<td>£9,847</td>
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</table>
OCCUPATIONAL MARKET COMMENTARY

The UK industrial occupational market continues to outperform and has strengthened further post Covid-19. Take up increased in 2020, exceeding the 5 year average. Trade counter and industrial operators continue to perform strongly due to the buoyant e-commerce, housebuilder and home improvement markets. Increased demand has led to rental growth within the sector and the tightening of incentives.

The local industrial market of Letchworth has remained resilient despite the effects of Covid-19 and rents have continued to grow. There is currently very limited existing competing availability within the town. Competing centres such as Stevenage (£11.50 psf), Dunstable (£11.50 psf) and Luton (£12.50 psf) are at a c. 50% premium to the subject property.

INVESTMENT MARKET

The multi-let industrial and trade counter sector has proven resilient throughout the Covid-19 pandemic and remains in demand with investors due to compelling occupational markets and rental growth prospects. These strong fundamentals have kept downward pressure on yields as properties that come to the market continue to be hotly contested by a range of investors.

<table>
<thead>
<tr>
<th>Date</th>
<th>Address</th>
<th>Area Sq m</th>
<th>Tenant</th>
<th>Term Certain (Expiry)</th>
<th>Price</th>
<th>Yield</th>
<th>Capital Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>May-21</td>
<td>Units 5-7 Southern Cross Trading Estate, Bognor</td>
<td>16,423</td>
<td>Kwik-Fit, Screwfix &amp; Halfords Autocentres</td>
<td>4.3 (6.0)</td>
<td>£2,450,000</td>
<td>4.96%</td>
<td>£149</td>
</tr>
<tr>
<td>May-21</td>
<td>Units 10/10a Foster Avenue, Dunstable</td>
<td>18,619</td>
<td>Deralam Laminates Ltd</td>
<td>(4.4)</td>
<td>£3,000,000</td>
<td>4.28%</td>
<td>£161</td>
</tr>
<tr>
<td>March-21</td>
<td>West Portway Industrial Estate, Andover</td>
<td>19,331</td>
<td>Saint Gobain Building Distribution Ltd</td>
<td>(13.5)</td>
<td>£3,550,000</td>
<td>4.89%</td>
<td>£184</td>
</tr>
<tr>
<td>Feb-21</td>
<td>Hilton Road, Ashford</td>
<td>14,656</td>
<td>Screwfix, Crown Paint Ltd, Formula One Autocentres &amp; Easy Bathrooms</td>
<td>(9.4) (11.0)</td>
<td>£3,800,000</td>
<td>5.19%</td>
<td>£259</td>
</tr>
<tr>
<td>Dec-20</td>
<td>South Hampshire Industrial Estate Totton, Southampton</td>
<td>41,736</td>
<td>4 tenants</td>
<td>3.55 (6.51)</td>
<td>£5,265,000</td>
<td>5.00%</td>
<td>£126</td>
</tr>
<tr>
<td>Nov-20</td>
<td>Kings Heath Industrial Estate Northampton</td>
<td>23,015</td>
<td>Saint Gobain Building Distribution Ltd</td>
<td>(9.4)</td>
<td>£2,920,000</td>
<td>4.50%</td>
<td>£127</td>
</tr>
<tr>
<td>Sep-20</td>
<td>Jewson Chelmsford</td>
<td>25,211</td>
<td>Jewson</td>
<td>(10.0)</td>
<td>£5,100,000</td>
<td>4.02%</td>
<td>£202</td>
</tr>
</tbody>
</table>

VAT

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

AML

When submitting a bid for the long leasehold interest in the property, potential purchasers will need to provide appropriate documentation capable of satisfying the requirements of the Anti-Money Laundering Regulations.
DATA ROOM

There is a dataroom for the property with key tenancy information, title documents and EPCs. Access to it can be obtained via HSM.

PROPOSAL

Offers are sought in excess of £1,495,000 (One Million, Four Hundred and Ninety Five Thousand Pounds), subject to contract and exclusive of VAT, which reflects a Net Initial Yield of 5.85% and a low capital value of £109 per sq ft assuming purchasers costs of 6.10%. This increases to 6.50% assuming the rent review on Unit 21 is settled at £8.00 per sq ft.

CONTACT

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