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Freehold Industrial Investment For Sale

Edmonton, London N18 3QW



Description

Comprising 4 industrial units constructed in the 1970s, which are all let on full repairing and insuring leases as per the tenancy schedule below.

Constructed of steel portal frame beneath a pitched steel clad roof with part profile metal clad/part brick elevations.

The units benefit from the following specification:-

- Full height level access electronically operated loading doors
- Hardstanding loading area to the front of each unit

The site extends to 0.28 acres (0.11 hectares) providing a site coverage of 92%.

Multi let to four tenants generating a total rental income of £128,500 per annum, reflecting a low average rent of £11.35 per sq ft.

Attractive AWULT of 3.2 years to expiry.

Opportunities to add substantial value by exploring lease re-gears/ rental growth.

Prime rents now stand in excess of £27 per sq ft in North London and are projected to continue on an upward trajectory, largely due to a lack of supply of quality industrial stock.

The COVID-19 pandemic has highlighted how vital the industrial sector is to end consumers and supply chains. Industrial has remained resilient throughout the last 12 months, largely down to surges in e-commerce,

Location

Situated on the Lea Valley Trading Estate which is accessed directly off the North Circular Road (A406) at Edmonton. Meridian Water Railway Station is located approximately 1 mile away and provides connections to Tottenham Hale (5 mins) and London Liverpool Street (15 mins) to the south and Hertford East (40 mins) to the north. Rail access is also available through the Lea Valley commuter lines, which connect Enfield to hubs such as Stratford and Liverpool Street to the South and Cheshunt, Stansted Airport and Cambridge to the North. In addition, the latest proposals for Crossrail 2 would create a new high-speed north-south rail service calling at several Enfield stations, encouraging significant future investment.

Areas

The property has been measured in accordance with the RICS Code of Measuring Practice (6th Edition) and comprises the following gross internal floor areas:

Tenants

Unit	Tenant	Area sq ft
15A	Quality Vehicle Mgmt Ltd	2,800
15B	Daljit Singh	2,625
15C	Ventorn Ltd	2,600
15D	Mayfair Cobblers Ltd	3,300
		11,325

Tenure

Freehold

Terms

£2,422,500 which represent a net yield of 5% after allowing for the usual purchase costs.

VAT

We are informed that the property is not elected for VAT.

Tenancy Schedule

The property is let in accordance with the below tenancy schedule providing a total income of £128,500 per annum, reflecting a low average rent of £11.35 per sq ft and an attractive AWULT of 3.5years to expiry.

Unit	Tenant	Area sq ft (GIA)	Lease Start	Lease Expiry	Lease Break	Total Rent	Rent psf	
15A	Quality Vehicle Mgmt Ltd	2,800	01/09/2021	31/08/2025		£33,600	£12	Guarantor Ibrahim Unek
15B	Daljit Singh	2,625	19/07/2019	18/07/2024		£29,900	£11.39	
15C	Ventorn Ltd	2,600	16/07/2020	15/07/2025		£30,000	£11.54	Guarantor Saeed Ghasemi Fard
15D	Mayfair Cobblers Ltd	3,300	15/09/2020	14/09/2025		£35,000	£10.61	Guarantor Huseyin Suleyman and Hatice Suleyman
	Total	11,325				£128,500	£11.35	

Covenant Information

The buildings benefit from a diverse income stream from a mix of regional multiples and independent occupiers.

Quality Vehicle Mgmt Ltd
Quality Vehicle Management Limited is a small claims assistance service. They company provides advice regarding road traffic accidents and also aides in vehicle repair, personal injury or motorbike hire.
Daljit Singh
This unit is currently being utilised in the purchase and sale of private goods as a warehouse or storage unit.
Ventorn Ltd
Ventorn Ltd is a manufacturer of ventilating equipment. This company specialises in the engineered ventilation systems for industrial fans of all types and includes extract fans, fresh air fans handling units, they deal in the fabrication and installation of fans for their clients.
Mayfair Cobblers Ltd
Mayfair Cobblers Ltd is a dry cleaners servicer. The unit is used for the cleaning of clothes.

Market commentary

London's industrial market had been performing well prior to the coronavirus crisis, with strong demand and weak levels of development pulling industrial vacancies down to a record low by the end of 2019. Take-up has picked up in recent months, driven by film production firms taking warehouse space and by rising demand for last-mile units. Within London Enfield, Ealing and Heathrow have been the busiest areas from a leasing perspective.

Industrial rent growth has accelerated again in recent months, fuelled by rising demand and the lack of availability of high-quality units. Average rents grew at their fastest pace since 2017 last year, with London outpacing the national average. London industrials should continue to outperform the national average over the next five years, as well as other property types like retail and office within the capital. Last-mile units in well connected submarkets are well placed for outsized rent growth.

In the area of North London and Hertfordshire there has been an accelerated take up in industrial space in the second and third quarter of 2021. This is the strongest level of activity seen in this area since 2017. There has been activity transacted in the film production sector with three deals completing. The largest was Netflix that completed leasing of 232,500 sq ft at Segro Park Enfield.

Supply has fallen back to pre pandemic levels following the strong levels of activity over the past six months to the third quarter of 2021.

Demand for industrial usage has also rebounded that are now at levels last seen in Q3 2021. The primary interest for smaller units that are less than 10,000 sq ft where enquiries are sharply up post the pandemic lockdown.

Prime industrials rents have experienced very strong growth over the last six to 12 months with values rising up by 27.4% and 37.8% with inner M25 markets of Enfield and Tottenham/Edmonton seeing stronger growth.

As of Q3 2021 Prime rents in Tottenham/Edmonton were seen to be at £27 per sq ft and for secondary rents at £20 per sq ft.

Investment market commentary

London industrial investment reached record heights last year. Over £2 billion was spent, more than double the amount spent in both 2020 and 2019, which were also record years at the time. And it shows little sign of slowing down, with increasing numbers of investors from home and abroad targeting industrial property due to its surging outperformance during the pandemic and the potential for further rent growth. Soaring demand and competitive bidding have pushed prices to record heights, with sub-3% yields increasingly common. Several deals have taken place in this yield range over the past year, which illustrates the strength of demand.

Mirastar bought a 101,000-SF unit at 19 Crown Road in Enfield for £43 million, a 1.9% yield. Smaller deals are achieving similarly low yields. UK property companies are also buying into industrial property in London, including REITS. In May 2021, British Land bought a Waitrose distribution hub in Enfield for £87.3 million, reflecting a 2.2% yield. The price represents a near fourfold increase on the £22.1 million that M&G, which was also the seller here, paid for the asset in 2012, illustrating industrial's ascendance over the past decade.





These property particulars have been prepared in all good faith to give a fair overall view of the property. If you require any further information or verification of any points particularly relevant to your interest in this property, please ask.

It should be noted that nothing in these particulars shall be deemed to be a statement that either the property is in good structural condition, or that any services, appliances, installations, equipment or facilities, are in good working order and services connected. No plant, machinery or appliance electrical or mechanical, present at the day of inspection has been tested and accordingly purchasers should satisfy themselves on such matters prior to purchase.

These particulars are given as a general guideline only, and do not constitute, nor constitute any part of an offer or contract. Any photographs included within these particulars depict only certain parts of the property and no assumptions should be made with regard to parts of the property that have not been photographed. Furniture, furnishings, personal belongings and other contents, etc., shown in the photographs must not be assumed to be included in the sale, neither should it be assumed that the property or the contents remain as displayed in the photographs. If in doubt, please ask for further information.

Measurements, descriptions, areas or distances referred to within the particulars, or indeed within any plan or plans associated with the property are given as a guide only and must not be construed to be precise. If such information is fundamental to a purchase, purchasers are advised to rely upon their own enquiries.

Purchasers are advised to make their own enquiries regarding such matters relating to Planning Permissions or potential uses referred to within the particulars, where such information is given in good faith by Claridges. Information relating to rating assessments has been given verbally. Intending purchasers/tenants should satisfy themselves as to its accuracy from the Local Authority.

No responsibility can be accepted for any expenses incurred by intending purchasers in inspecting properties, which have been sold, withdrawn or are under offer. Claridges do not hold themselves responsible, in negligence or otherwise, for any loss arising from the use of these particulars.

Claridges have not undertaken any environmental investigations in respect of land, air or water contamination. The purchaser/purchasers are responsible for making their own enquiries in this regard.

It must be appreciated that in preparing these particulars, descriptions given of the property by the author are personal and subjective and are used in good faith as a personal opinion and not as a statement of fact. To ensure that our descriptions are likely to match any expectations you may have of the property, we strongly recommend and advise that you make additional and specific enquiries.

Unless otherwise stated, in accordance with The Finance Act 1989, all prices and rents are quoted exclusive of VAT. (VAT may be chargeable upon some rents and premiums), purchasers and tenants should satisfy themselves during their due diligence if VAT is payable.

These details are believed to be correct at the time of compilation but may be subject to subsequent amendment.

GDPR

General Regulations (GDPR) took effect on 25 May 2018.

As a business we must have a lawful basis to process personal data, and therefore we require your written consent to hold your personal data on our files.

Anti Money Laundering

Due to recent changes in the Anti Money Laundering regulation it is now standard procedure to undertake a personal and company and general AML checks.

Please note this is taken up for both landlord/vendor and tenant/purchaser and any other entity that has a relationship with the property.

Viewing

By appointment only via Sole Agents:

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