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LEWIS & PARTNERS

CHARTERED SURVEYORS & PROPERTY INVESTMENT CONSULTANTS

UNITS 15-30
LEYTON BUSINESS CENTRE
ETLOE ROAD, LEYTON, LONDON E10 7BT

FREEHOLD INDUSTRIAL INVESTMENT OPPORTUNITY



Units 15-30, Leyton Business Centre, Etloe Road, Leyton, London E10 7BT



INVESTMENT SUMMARY

- Rare opportunity to acquire a **Prime East London** multi let estate in an area with high tenant demand.
- Well located industrial estate situated just north of Queen Elizabeth Olympic Park.
- Comprises 16 units of varying size totalling a gross internal area of approximately 24,943 sq ft.
- Weighted unexpired lease term of 3.1 years to expiry and 2.33 years to break.
- Current net rent of **£348,497 per annum** (£13.97 per sq ft) and an ERV of **£407,569 per annum**.
- Most recent lettings completed at **£16.79 per sq ft** and **£16.34 per sq ft**.
- Freehold.
- Potential for alternative uses in medium to long term such as residential (subject to necessary planning consents).
- Nearby residential schemes completed by Bellway Homes and Taylor Wimpey.
- Offers in excess of **£6,275,000** subject to contract and exclusive of VAT.
- Net initial yield of **5.21%** and a reversionary yield of **6.10%**.

LOCATION

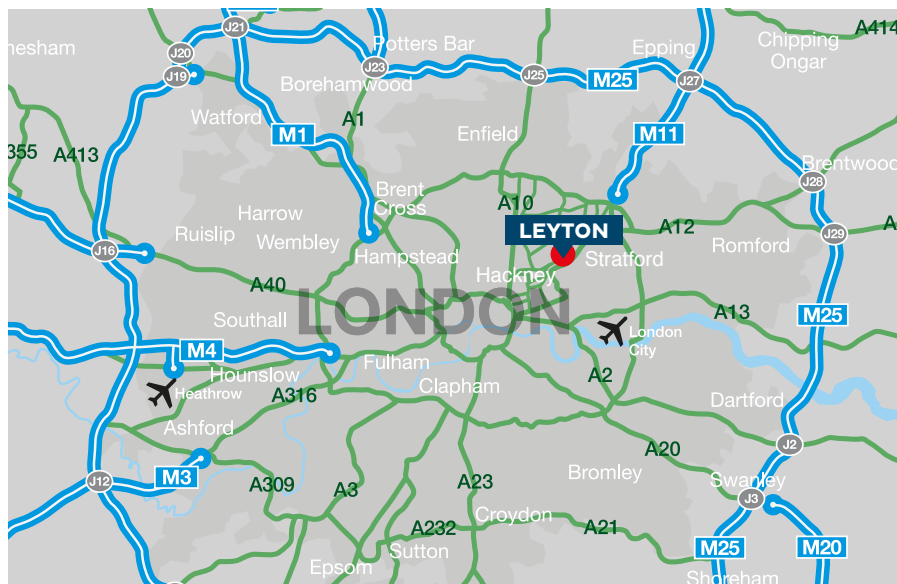
Leyton is an established suburb and commercial centre located in the London Borough of Waltham Forest approximately 8 miles north east of Central London, 0.8 miles north of Stratford, 3 miles west of Ilford and 3 miles east of Hackney.

Road communications in Leyton are excellent with the A12 trunk road providing access to Central London (via the A11) to the west, Canary Wharf to the south and the North Circular and junction 28 of the M25 to the east. The M11 motorway is located approximately 3.3 miles north east of Leyton, linking the area with the wider national motorway network.

Rail links in Leyton are also strong with Leyton Underground Station linking the area directly (via the Central Line) with Liverpool Street Station and the West End in an approximate journey time of 13 minutes and 22 minutes respectively.

In addition, Stratford Underground Station will be one of the main Crossrail stations which will link Reading and Heathrow in the west to Shenfield and Abbey Wood in the east, providing direct access to Central London. When the full Crossrail service commences in 2019, Crossrail will provide 12 trains per hour from and towards Central London during peak periods.

Leyton also benefits from being in close proximity to Stratford Westfield, one of the largest urban shopping centres in Europe attracting millions of visitors every year.



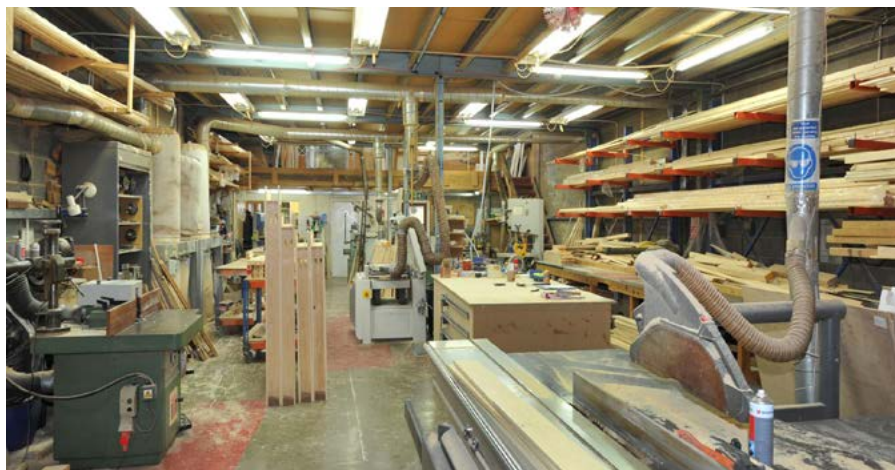
SITUATION

Leyton Business Centre is situated on the eastern side of Etloe Road, which is accessed off of Church Lane (A1006). Orient Way runs in a north/south direction to the west of the property linking the A104 Lea Bridge Road to the North and the A106 Eastway / A12 to the south providing easy access to the City, Blackwell Tunnel and the Docklands.

Leyton Underground Station is located approximately 1.4 miles to the south of the subject property and provides Central Line services to Liverpool Street (15 minutes). Stratford Station is also located approximately 2.8 miles to the south of the site and provides the Central Line, Jubilee Line, Docklands Light Railway, London Overground and Great Eastern Main Line services to Canary Wharf (9 minutes), Bank (11 minutes) and Oxford Circus (19 minutes).

Stratford International Station, located approximately 2.4 miles to the south of the site, provides High Speed 1 services to King's Cross and St Pancras in 13 minutes and onto mainland Europe via the Channel Tunnel. Infrastructure in the area will be improved with the Elizabeth Line (Crossrail) opening at Stratford Station from May 2017, with services to Liverpool Street (7 minutes) and by December 2019 to Heathrow Terminals 2 and 3 (43 minutes) and Paddington (18 minutes).

The immediate area is dominated by industrial and residential use. Nearby estates include Lea Bridge Industrial and Burwell Trading Estate to the west and Orient Industrial Park immediately to the south to name a few. Directly adjacent to the east of the subject property lies a cluster of residential terraced housing. Leyton Orient Football Club is located less than one mile south of the subject property.



DESCRIPTION

The subject property comprises an early 1980's terrace of 16 adjoining self-contained warehouse units with unit sizes ranging from approximately 1,101 sq ft to 2,026 sq ft.

We understand that the units have been constructed in accordance with the following specifications:

- Steel portal frame construction
- Clear internal heights range from 5.25 metres - 5.5 metres
- Strip lighting
- Brick and metal profile sheeting clad elevations
- Single roller shutter door to each unit
- Single pitched roof
- Ancillary offices
- Male and Female WC's
- Kitchen
- Designated car parking and the use of shared parking facilities
- Several units benefit from a mezzanine level



ACCOMMODATION

The subject property provides a total gross internal area of approximately 24,943 sq ft (2,317 sq m).

The site area is 1.314 acres (0.532 hectares).

TENURE

Freehold.

TENANCY

The subject property is multi let in accordance with the tenancy schedule on page 8 producing a total income of £348,497 per annum.

All leases are let on effective FRI terms where the tenants are directly responsible for any internal repairs. All external repairs are maintained by the landlord via recovering any costs through the service charge. Further information can be provided upon request.



TENANCIES

Description	Tenant	Area (Sq m)	Area (Sq ft)	Lease Terms	Rent Review (Break)	Rent (£ pa)	Rent (£ psf)	Inside the act	EPC Rating	Comments
Unit 15	Just Jersey Ltd	188.22	2,026	3 years From: 01/01/2016 To: 31/12/2019		£28,364	£14.00	Yes	E	Lease renewal.
Unit 16	Heathbeam Ltd	186.45	2,007	3 years From: 12/02/2016 To: 11/02/2019		£28,091	£14.00	Yes	D	Lease renewal.
Unit 17	Crystal Patisserie Ltd	186.54	2,008	5 years From: 21/01/2016 To: 20/01/2021	(21/01/2019)	£33,712	£16.79	No	D	New open market letting.
Unit 18	Sister Flower Ltd	186.73	2,010	5 years From: 16/03/2016 To: 15/03/2021	(16/03/2019)	£32,760	£16.30	No	D	New open market letting.
Unit 19	Zoe Designs Ltd	187.29	2,016	5 years From: 06/09/2015 To: 05/09/2020	06/09/2018	£26,208	£13.00	Yes	D	
Unit 20	United Print Finishers Ltd	186.54	2,008	5 years From: 05/09/2015 To: 04/09/2020	05/09/2018	£26,208	£13.05	Yes	D	
Unit 21	John Patrick Ward & Ward Glass Contractors	187.10	2,014	5 years From: 24/06/2014 To: 23/06/2019		£24,168	£12.00	Yes	E	
Unit 22	Wraps & Wings Ltd	130.99	1,410	5 years From: 06/04/2016 To: 05/04/2021		£21,150	£14.18	No	E	Lease renewal. Current rent is £20,000 pa rising to £21,150 pa in 04/2018. Vendor will top up.
Unit 23	Wanstead Windows Ltd	130.62	1,406	5 years From: 25/03/2014 To: 24/03/2019		£16,872	£12.00	Yes	D	
Unit 24	Muddy Boots Real Foods Ltd	130.43	1,404	5 years From: 19/02/2015 To: 18/02/2020	19/02/2018 (19/02/2018)	£19,670	£14.01	No	D	
Unit 25	Signature Brew Ltd	102.65	1,105	5 years From: 19/09/2014 To: 18/09/2019	(19/09/2017)	£18,025	£16.31	No	E	New open market letting. Lease is subject to a schedule of condition.
Unit 26	Brookmed Limited and Kevin Brookman	102.75	1,106	3 years From: 25/03/2014 To: 24/03/2017		£13,250	£11.98	Yes	E	
Unit 27	Background Bars Ltd	102.56	1,104	5 years From: 11/07/2014 To: 10/07/2019		£13,200	£11.96	No	E	
Unit 28	Signature Brew Ltd	102.47	1,103	3 years From: 15/08/2016 To: 18/09/2019		£18,025	£16.34	No	E	New open market letting.
Unit 29	Ellmax Electronics Ltd	102.28	1,101	5 years From: 05/09/2015 To: 04/09/2020	05/09/2018 (05/09/2018)	£15,414	£14.00	Yes	E	
Unit 30	Other Fabrications Ltd	103.58	1,115	5 years From: 04/04/2014 To: 03/04/2019	04/04/2017 (03/04/2017)	£13,380	£12.00	No	F	
Total		2,317	24,943			£348,497	£13.97			

ERV

We are of the opinion that some of the current leases in Leyton Business Centre are reversionary. The table below of comparable lettings in the last 12 months illustrates that the ERV of approximately £16.30-£16.79 may be achievable at the next review/renewal dates.

Date	Property	Size (Sq Ft)	Achieved Rent (per Sq Ft)
October 2016	Thompson Close Redbridge	1,102	£16.51
August 2016	Leyton Business Centre	1,103	£16.34
March 2016	Leyton Business Centre	2,010	£16.30
January 2016	Leyton Business Centre	2,008	£16.79

Taking the latest letting in August this year at £16.34 per sq ft. the estate has a conservative ERV of £407,569 per annum.



REDEVELOPMENT POTENTIAL

With its easy access to the West End and City, Leyton is fast becoming a new, trendy and affordable place to live in London. This has been evident with the likes of Bellway Homes (The Exchange) and Taylor Wimpey (Altius) having recently finished developments in the location. Residential values in the area are now breaching £600 per square foot and they continue to rise.

Located just one mile away from Leyton Business Centre, Bywaters have recently received consent for the development of a 750 home and 48,000 sq ft commercial scheme, which will only further enhance and improve the attractiveness of the area.





VAT

The property is elected for VAT and it is proposed the sale will be treated as a TOGC.

PROPOSAL

We are seeking offers in excess of **£6,275,000 (SIX MILLION TWO HUNDRED AND SEVENTY-FIVE THOUSAND POUNDS)** subject to contract and exclusive of VAT. A purchase at this level will reflect a **Net Initial Yield of 5.21%** after allowance for purchaser's costs of 6.64%.

This will reflect a **Reversionary Yield of 6.10%** based on an ERV of £407,569 pa (£16.34 psf).

FURTHER INFORMATION

Should you wish to view the property or require any further information please contact the joint agents.



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11. These details are believed to be correct at the time of compilation but may be subject to subsequent amendment.
12. These details were prepared as of JANUARY 2017.

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