

WICKFORD ENTERPRISE CENTRE, ENTERPRISE WAY,
WICKFORD, ESSEX, SS11 8DH



SECURELY LET FOR 114 YEARS & HIGHLY REVERSIONARY,
SOUTH EAST INDUSTRIAL INVESTMENT

- **Rare opportunity to purchase a strategic industrial estate investment, secured on a 114 year government head lease.**
- Located in the South Essex town of Wickford, within the District of Basildon, **30 miles to the east of Central London.**
- The property comprises a late 1980's **multi-let industrial estate** situated on an established business park, approximately 1 mile to the south east of Wickford town centre.
- **Excellent connectivity** with the A127 1.5 miles to the south of the property, which provides a direct link to the M25, 13 miles to the west.
- Gross internal floor area of **49,918 sq ft** and site area of approximately **3.2 acres**, providing an attractive **site coverage of 36%.**
- **Freehold.**
- Let on a **head lease to Basildon District Council with over 114 years unexpired.**
- The current total occupational passing rent is £311,651 per annum, **reflecting a highly reversionary rent of £6.24 per sq ft.**
- **The head rent is reviewed annually to the higher of £126,000 per annum or to 90% of the sum of the passing rent on let units and the market rental value on any vacant units.**
- The current passing head rent is therefore expected to be **£280,486 per annum** (subject to final confirmation between the Freeholder and the Council in accordance with the head lease). **60% of the income is currently subject to outstanding rent reviews.**

Let to Basildon District Council for a further 114 years



PROPOSAL

Offers for the Freehold interest are invited in excess of **£8,750,000 (Eight Million, Seven Hundred and Fifty Thousand Pounds)**, subject to contract and exclusive of VAT which reflects a **net initial yield of 3.00%** assuming purchaser's cost of 6.67%. A potential **reversionary yield of 4.57%** adopting an ERV of £9.50 psf.

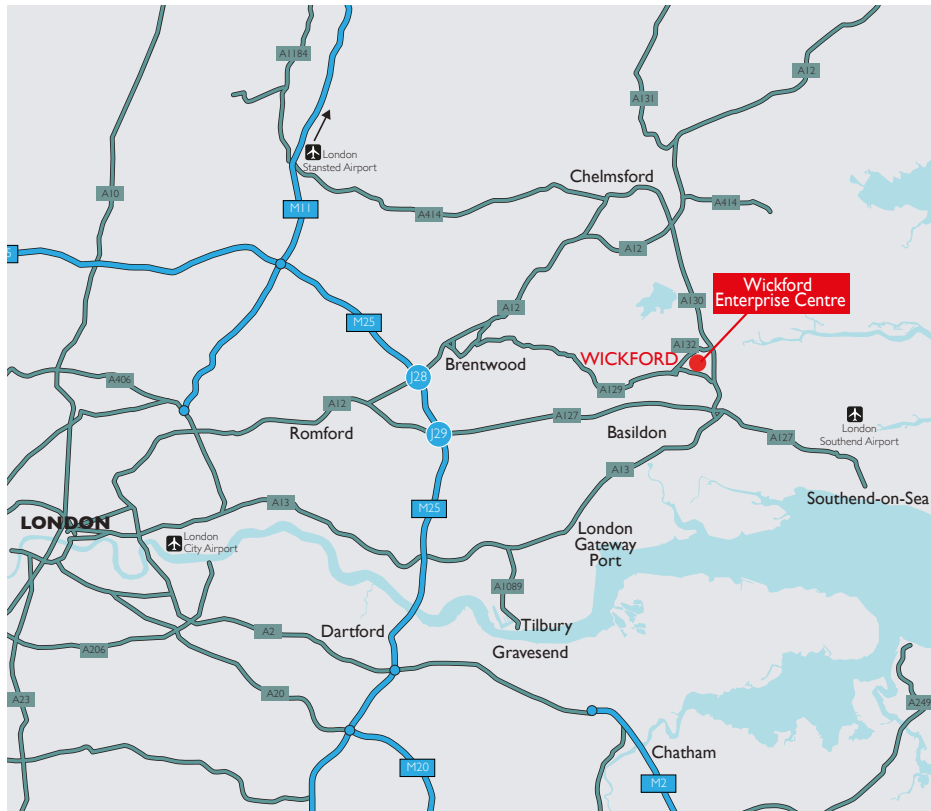


LOCATION

Wickford is a South Essex town located some 30 miles east of London, 8 miles south of Chelmsford and 3 miles to the north of Basildon. The town benefits from a large catchment population with over 664,410 people living within a 20 minute drive.

Wickford benefits from excellent strategic road connections making it a popular commuter town. The A127 (2.5 miles to the south) links with J29 of the M25 13 miles to the west. Chelmsford, Colchester, Braintree and the east of England are accessible via the northbound A130.

Frequent mainline rail services operate between Wickford to London Liverpool Street (37 minutes fastest journey time). The nearest airport is London Southend approximately 6 miles to the east and Stansted Airport is approximately 30 miles to the north. South Essex also benefits from close proximity to the Port of Tilbury and London Gateway Port, 13 miles to the south west and 7 miles to the south respectively.

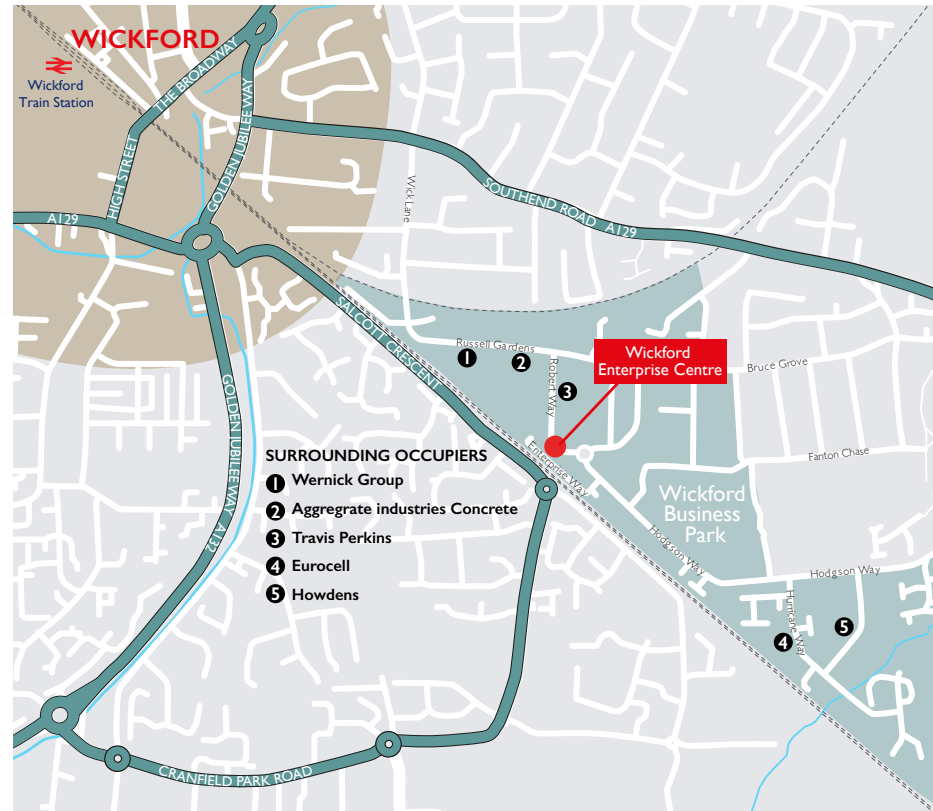


SITUATION

Wickford Enterprise Centre is situated within Wickford Business Park, the town's principal industrial location, which is approximately 1 mile to the south east of Wickford town centre and railway station.

Wickford Business Park is an established industrial area of approximately 90 acres and the property is located on Enterprise Way in the eastern section of the park. The property is accessed via Robert Way and Bruce Grove which in turn connect with Southend Road (A129) approximately 1/2 mile to the north east.

Surrounding occupiers of note include Wernick Group, Travis Perkins, Yewdale, Eurocell, Howdens and Aggregate Industries Concrete. In a sign of strength for the area, Equation Properties and Mirastar have commenced the speculative development of 440,000 sq ft at Arterial Park, located on the A127, 3 miles to the south east of the Wickford Enterprise Centre. Phase 1 comprises 9 light industrial units equating to approximately 120,00 sq ft and will be ready for occupation in 2022.



DESCRIPTION

Wickford Enterprise Centre comprises 3 detached terraces and a single detached warehouse totalling 49,918 sq ft GIA. The units were constructed in the late 1980's and are of steel portal frame construction with profiled cladding elevations. The units provide a minimum eaves height of 5.3m with integral offices at ground and first floor and loading to each unit. The estate is efficiently configured adjacent to Enterprise Way, with parking for approximately 105 cars.

The property occupies a site of approximately 3.2 acres reflecting an attractive site cover of 36%.



TENURE

The property is held **FREEHOLD**.

TENANCY

The property is let in its entirety to **Basildon District Council** for a term of 150 years from 20th May 1986, expiring 19th May 2136 **(114 years unexpired)**.

The rent payable is set on the 1st April each year of the term and is reviewed to the higher of:

- a) A minimum rent of £126,000 per annum; or
- b) 90% of the sum of the current rents received on let units and the market rent (rents receivable) on any vacant units, both established from the previous 12 month period.

There is an adjustment at year end to account for any changes to the rental income received during the previous 12 month period.

- The April 2020 rent review was agreed at £259,600.50 per annum, reflecting £5.20 per sq ft.
- The April 2021 rent review was agreed at £255,342.90 per annum, reflecting £5.12 per sq ft.

The current occupational passing rent is £311,651 per annum, which would indicate a head rent of at least £280,486 per annum for the April 2022 rent review (subject to final confirmation between the Council and Freeholder). **60% of the income is currently subject to outstanding rent reviews.**

The Freeholder and the Council have a two month settlement period from 31st May each year to agree the annual rent for the year ahead.

REDEVELOPMENT

Every twenty-fifth anniversary of the term (the next date being 20th May 2036) the Freeholder is entitled to redevelop the demised premises with 24 months' notice prior to the redevelopment date. At this point the leaseholder has an option to surrender its long leasehold interest upon which the Freeholder must pay to the long leaseholder the value of their interest.



SCHEDULE OF SUB TENANCIES AND ACCOMMODATION

Basildon District Council has provided the following information as to how the estate is currently sub-let:

Unit	Tenant	Area (sq ft)	Lease Term	Rent Review	Tenant Break	Lease Expiry	Rent (£pa)	Rent (£psf)	ERV at £9.50 psf	Comments
1	Industrial Training Services	4,354	13/05/2014	13/05/2019	-	12/05/2024	£21,765	£5.00	£41,363	Rent Review Outstanding – Glennly instructed.
2 & 3	Hedinair Ovens	10,532	04/12/2011	04/12/2021	-	30/11/2026	£59,000	£5.60	£100,054	Assignment to JLS Redditch currently in legals. Rent Review Outstanding – Glennly instructed.
4 - 6	Leidos industrial Engineers Ltd	13,710	20/05/2011	20/05/2021	-	19/05/2026	£74,750	£5.45	£130,245	Rent Review Outstanding – Glennly instructed.
7	Leidos industrial Engineers Ltd	5,424	20/05/2011	20/05/2021	-	19/05/2026	£30,875	£5.69	£51,528	Rent Review Outstanding – Glennly instructed.
8	Leidos industrial Engineers Ltd	5,251	04/03/2014	-	-	20/05/2026	£44,260	£8.43	£49,885	Rent increased from £26,000 (£5.04 psf) at the 2019 rent review.
9	Yewdale Corporation Limited	5,220	01/10/2020	-	-	01/11/2022	£49,001	£9.39	£49,590	New letting to Yewdale Corporation Ltd (in unit 10) currently in legals. 4 months rent free.
10	Yewdale Corporation Limited	5,427	02/11/2017	-	-	01/11/2022	£32,000	£5.90	£51,557	
		49,918					£311,651	£6.24	£474,222	



OCCUPATIONAL MARKET

In 2020 the Essex industrial market saw take up of 2.2m sq ft, above the annual average. This rate has slowed in 2021 due to low underlying levels of availability and fewer big box transactions. Prime industrial rents in Essex have increased by 9.9% on average over the past 12 months as the demand for accommodation has continued to outstrip supply. Pre-lets have been agreed on the majority of units at Equation Properties and Mirastar's Arterial Park, ahead of its November 2021 PC date. Rents agreed are all over £10 psf. Phase 2 will comprise a single distribution unit of 320,000 sq ft.

Summarised below are various relevant comparable leasing transactions:

Date	Property	Area (sq ft)	Tenant	Headline Rent (£psf)	Lease Terms (yrs)	Specification
Under offer	Arterial Park, Rayleigh (various lettings)	4,850 to 22,930	-	£10.00 (+)	-	Under construction
Sep-21	Unit 4 Blenheim Court, Wickford	2,045	CJ Home Improvements Ltd	£11.00	5	2nd Hand
Oct-20	Wickford Enterprise Centre, Wickford	5,220	Yewdale Corporation Ltd	£9.38	2	2nd Hand
Aug-20	Unit 4-5, Hodgson Court, Wickford	2,488	Sibco Europe Ltd	£8.00	5 (3)	2nd Hand

The current total passing rent is £311,651 per annum at an average rent of £6.24 per sq ft. Approximately 60% of the income is currently subject to outstanding rent reviews. At our ERV of £9.50 per sq ft the reversionary income for the estate is £474,222 per annum, a potential uplift of over 50%.

INVESTMENT MARKET

Investor sentiment towards the UK industrial sector remains extremely positive, with investors battling for growing exposure to a sector which boasts increasingly positive fundamentals of restricted supply, low obsolescence, and compelling rental growth prospects. This investment presents an opportunity to benefit from exposure to these robust occupational and rental growth trends, with the additional security of a long secure head lease to an undoubted Government tenant.

The following recent investment transactions display investor appetite for south east multi-let industrial estates:

Date	Address	Area (sq ft)	Term Certain (WAULT)	Average Rent (psf)	Price	Yield
Dec-21	Thistlebrook, Greenwich	60,400	83	£6.89	£17,000,000	2.30%
Nov-21	Cardinal Park, Huntingdon	79,713	2.9	£7.17	£16,200,000	3.30%
Sep-21	Nuffield Trade Park, Oxford	88,117	3.4	£9.24	£22,300,000	3.42%
Jun-21	Brackmills Trade Park, Northampton	66,317	7.1	£9.55	£15,580,000	3.80%
Apr-21	Saracen Industrial & Trade Park, Hemel Hempstead	44,360	4.4	£11.34	£12,450,000	3.78%



“ 60% of the occupational income is subject to outstanding rent reviews ”





VAT

The property is elected for VAT and VAT will therefore be chargeable on the purchase price if it is not possible to arrange this transaction as the transfer of a going concern.

EPCS

Energy Performance Certificates have been prepared for the property and copies of the reports are available via our website.

PROPOSAL

Offers for the Freehold interest are invited in excess of **£8,750,000 (Eight Million, Seven Hundred and Fifty Thousand Pounds)**, subject to contract and exclusive of VAT which reflects a **net initial yield of 3.00%** assuming purchaser's cost of 6.67%. A potential **reversionary yield of 4.57%** adopting an ERV of £9.50 psf.

FURTHER INFORMATION

For further information or to arrange an inspection to view, please contact:

Matthew Joyce
07976 798842
mjoyce@griffithseccles.com

Harry Fell
07795 158265
hfell@griffithseccles.com



Griffiths Eccles LLP
6 Princes Street
London W1B 2LG
020 7499 0550
www.griffithseccles.com

SUBJECT TO CONTRACT | EXCLUSIVE OF VAT

INVESTMENT

DEVELOPMENT

ASSET MANAGEMENT

NOTICE Griffiths Eccles LLP for themselves and for the vendors or lessors of this property for whom they act, give notice that:
(i) these particulars are a general outline only, for the guidance of prospective purchasers or tenants, and do not constitute the whole or any part of an offer or contract.
(ii) Griffiths Eccles LLP cannot guarantee the accuracy of any description, dimensions, references to condition, necessary permissions for use and occupation and other details contained herein and prospective purchasers or tenants must not rely on them as statements of fact or representations and must satisfy themselves as to their accuracy;
(iii) rents quoted in these particulars may be subject to VAT in addition;
(iv) Griffiths Eccles LLP will not be liable, in negligence or otherwise, for any loss arising from the use of these particulars; and
(v) the reference to any plant, machinery, equipment, services, fixtures or fittings at the property shall not constitute a representation (unless otherwise stated) as to its state or condition or that it is capable of fulfilling its intended function. Prospective purchasers/tenants should satisfy themselves as to the fitness of such items for their requirements.
(vi) no employee of Griffiths Eccles LLP has any authority to make or give any representation or warranty or enter into any contract whatever in relation to this property;
(vii) the information contained in these particulars has been prepared as at February 2022.