

SALE AND LEASEBACK INVESTMENT OPPORTUNITY AN INDUSTRIAL BUILDING OF 13,109 SQ FT (1,217 SQ M) IN A PRIME M25 TOWN

3 Maxted Road | Hemel Hempstead | HP2 7DX



Investment Summary

- Sale and leaseback opportunity of an industrial building in a prime M25 town
- Semi-detached industrial building of 13,109sq ft (1,217sq.m) constructed in 2006 and in excellent condition
- The property will be let by way of a new lease from completion to ITAB UK Limited for a term of 10 years with a tenant option to break after 5 years
- Initial rent £130,000 per annum equating to a realistic £9.91 per sq ft
- Offers are invited in excess of £1,900,000
- A purchase at this level reflects a net initial yield of 6.45% allowing for purchasers costs of 5.85%

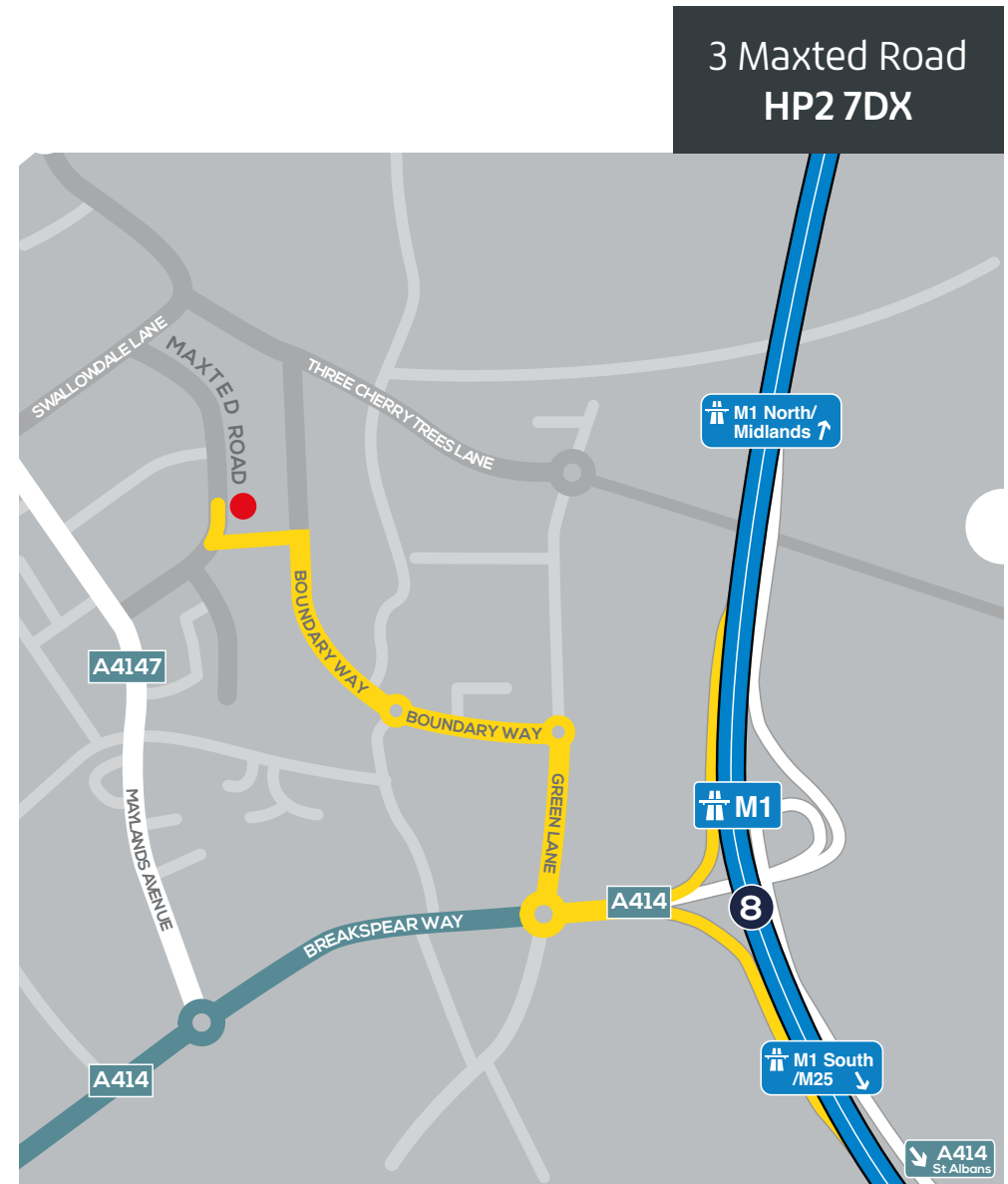


Location

The property is situated in Maxted Road close to its junction with Boundary Way on the well located and popular Maylands Business Area of Hemel Hempstead. Junction 8 of the M1 motorway is less than 1.5 miles away from where the strategic junction with the M25 is only 3 miles further to the south. The route to the motorway is straightforward and access is good for large vehicles.

Hemel Hempstead town centre is around 3 miles away from where there is access to the A41 dual carriageway which provides rapid alternative access to Junction 20 of the M25 at Kings Langley.

Hemel Hempstead is a prime location for distribution and one of the principal commercial centres of Hertfordshire with a population in excess of 100,000 and due to grow significantly in future years. It is located approximately 25 miles north-west of central London and 7 miles equidistant from Watford and St Albans. Luton airport is around 12 miles away and Heathrow airport 25 miles.



Description

Constructed in 2006, 3 Maxted Road comprises a semi-detached industrial unit incorporating a two storey office section to the front.

The warehouse is 'L' shaped with access via two loading doors to the side of the property. It has a mono pitched roof rising from 6m up to the party wall at approximately 9m. Heating to the warehouse is by two gas fired blower heaters with recirculating fans.

The two storey offices to the front are provided with air conditioning at both levels and the accommodation is primarily open plan.

A substantial mezzanine floor has been installed over part of the warehouse which will be a tenants fixture.

Accommodation

Two storey offices	2,809 sq ft	261 sq m
Industrial area	10,300 sq ft	956.95 sq m
TOTAL GIA	13,109 sq ft	1,217.85 sq m

Mezzanine floor	3,039 sq ft	287.4 sq m
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Tenure

The property is for sale freehold.

Tenancy

The investment will be sold by way of a sale and leaseback transaction. The property is to be let to ITAB UK Ltd on a new 10 year full repairing and insuring lease limited by reference to a Schedule of Condition. The lease will be within the Landlord & Tenant Act 1954 and will incorporate a tenant only option to break after 5 years. The initial passing rent will be £130,000 per annum reflecting a realistic rent of £9.91 per sq ft on the gross internal area and will be subject to an upward only rent review after 5 years.

Covenant Information

ITAB UK Limited, formerly ITAB Shop Concept UK Limited, is a member of the ITAB Group of Companies, one of the largest and most successful shop fitting groups in the world. Its owner is a Swedish company quoted on the Swedish stock exchange in Stockholm.

The main customers of Itab UK Ltd are large blue chip retailers, mostly supermarkets, and international brands. Together with its group companies Itab UK Ltd has a suite of products and services to improve productivity and enhance consumer experience in the stores. These are proving very relevant in this time of massive change in the retail sector.

ITAB UK Limited has a Dun & Bradstreet rating of 3A1 representing a 'minimum risk' of business failure.

	31.12.17	31.12.16	31.12.15
Turnover (£000)	£67,117	£51,710	£48,886
Pre-tax Profit (£000)	£6,887	£5,993	£4,812
Net Assets (£000)	£13,275	£16,734	£14,807

Occupational Market Overview

Hemel Hempstead is a key south-east and M1 corridor location strategically located alongside the M1 motorway at Junction 8 and just outside the M25 London Orbital motorway by J21. There is a consistent demand for industrial property across all size ranges which together with a constrained supply, is continuing to drive rental growth with achieved rents for units of a similar size between £10 and £13 per sq ft.

Recent transactions in Hemel Hempstead have included:-

- **DC4 Prologis Park – 14252 sq ft**
A new warehouse let to Chiltern Timber in January 2019 at £12.90 per sq ft
- **DC4a Prologis Park – 11,402 sq ft**
A new warehouse let to Nile Trading in November 2018 at £12.50 per sq ft.
- **DC7 Prologis Park – 22,094 sq ft**
A new warehouse let to Riwal in December 2018 at an annual rent of £11.95 per sq ft.
- **9 Maxted Road – 13,464 sq ft**
Sold in May 2018 to Omnivita for £1,950,000.
- **6 Finway Road – 11,941 sq ft**
1970's end of terrace unit, let in December 2017 to Express Vending at £10 per sq ft.

VAT

We understand the property is not elected for VAT.



EPC

The property has an Energy Performance rating of B/46.

Proposal

Offers are invited in excess of **£1,900,000 (one million, nine hundred thousand pounds)**. A purchase at this level reflects a net initial yield of **6.45%** allowing for purchasers' costs of **5.85%**.

Further Information

For further information or to arrange to view please contact the sole agents;

Trevor Church / Claire Madden

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