



**PEGASUS ROAD
CROYDON
CR0 4RN**

**PRIME LONDON
REVERSIONARY
URBAN LOGISTICS
INVESTMENT**

CLAYSTREET

RARE OPPORTUNITY TO ACQUIRE A FREEHOLD REVERSIONARY MULTI-LET INDUSTRIAL ESTATE IN A PRIME SOUTH LONDON URBAN LOGISTICS LOCATION



EXECUTIVE SUMMARY

- > Croydon is situated on the A23 and has established itself as one of London's prime urban logistics locations proving unparalleled connectivity to Central London and the wider national motorway network.
- > Pegasus Road is immediately served by the A23 which leads into the M23 and provides direct access to Junction 7 of the M25 enabling quick access to Greater London and the south east.
- > Croydon is home to many national and global occupiers including; Amazon, Costco, Chanel, DHL, Selco, Saint Gobain, Howdens and Safestore.
- > The property is situated on a 3.85-acre site providing a low site coverage for Greater London of 45%.
- > The property comprises four purpose-built modern detached units providing a total Gross Internal Area of 74,806 sq ft (6,949.50 sq m).
- > Highly specified industrial units of steel portal frame construction, internal eaves of 6m – 11m, multiple level access loading doors, well configured secure yards and extensive car parking.
- > Fully let to four strong tenants including London Fire Commissioner, C.Brewers & Sons Limited, Iveco Limited and Bunzl UK Limited. Each with Creditsafe rating scores of between 96 – 100 A representing 'very low risk' of business failure.
- > Weighted unexpired lease term of approximately 9.90 years to expiry and 6.40 years to break.
- > Total passing rent of £1,102,385 per annum which reflects a very low average passing rent of £14.74 per sq ft.
- > Prime rents in the area are now established at in excess of £20.00 per sq ft with quoting rents on new stock at £25.00 per sq ft.
- > 33% by floorspace is subject to rent reviews within the next 12 months providing a significant opportunity to capture the reversionary nature of the property.
- > Opportunity to re-let on a Gross External Area basis to further maximise the income return.
- > Offers are invited in excess of **£22,500,000** subject to contract and exclusive of VAT.
- > A purchase at this level will reflect a **Net Initial Yield of 4.60%** and a capital value of **£300 per sq ft**, after assuming purchaser's costs of 6.75%.



HOWDENS

David Lloyd
CLUBS

EURO
CAR PARTS

safestore

CHANEL

mazda

SAINT-GOBAIN

Ford

Hilton

DHL

amazon

WADDON

CENTRAL LONDON

Nuffield Health

PEGASUS ROAD

A23 PURLEY WAY

PURLEY
M25 JCT 8

selco BUILDERS WAREHOUSE

COSTCO WHOLESALE

SPECIFICATION

- The property comprises four purpose-built modern detached units.
- Units 1, 2 & 6 were built in 1995, Unit 10 was rebuilt in 2012.
- Steel portal frame construction with profiled metal sheet roof's.
- The units' elevations are a combination of cavity brick / blockwork, composite panels and built-up profiled metal sheet cladding.
- Multiple level access loading doors.
- Internal eaves of 6m - 11m.
- Well configured secure yards.
- 50 kn/sq m floor loading.
- 24 hour access.
- Various tenant alterations have been undertaken under licence, including the installation of mezzanines, racking and additional office accommodation.
- Secure, self-contained estate with palisade fencing.
- Demised car parking spaces and cycle racks.



ACCOMMODATION

Hollis have carried out a measured survey that can be made assignable to the purchaser.

The units provide a total Gross Internal Area of approximately 74,806 sq ft (6,949.50 sq m), with unit sizes ranging between 5,011 sq ft to 25,246 sq ft.

The units provide a total Gross External Area of approximately 78,383 sq ft (7,282.00 sq m).

UNIT	USE	GROSS EXTERNAL AREA SQFT	GROSS EXTERNAL AREA SQM	GROSS INTERNAL AREA SQFT	GROSS INTERNAL AREA SQM
Unit 1	Warehouse	23,301	2,164.70	19,779	1,837.50
	Office	-	-	2,765	256.90
	First Floor	2,975	276.40	2,702	251.00
	Total	26,276	2,441.10	25,246	2,345.40
Unit 2a	Total	5,388	500.60	5,011	465.50
Unit 6	Warehouse	18,692	1,736.50	15,757	1,463.90
	Office	-	-	2,249	208.90
	First Floor	2,225	206.70	2,014	187.10
	Total	20,917	1,943.20	20,020	1,859.90
Unit 10	Warehouse	23,270	2,161.90	19,947	1,853.10
	Office	-	-	2,362	219.40
	First Floor	2,532	235.20	2,220	206.20
	Total	25,802	2,397.10	24,529	2,278.70
Totals		78,383	7,282.00	74,806	6,949.50

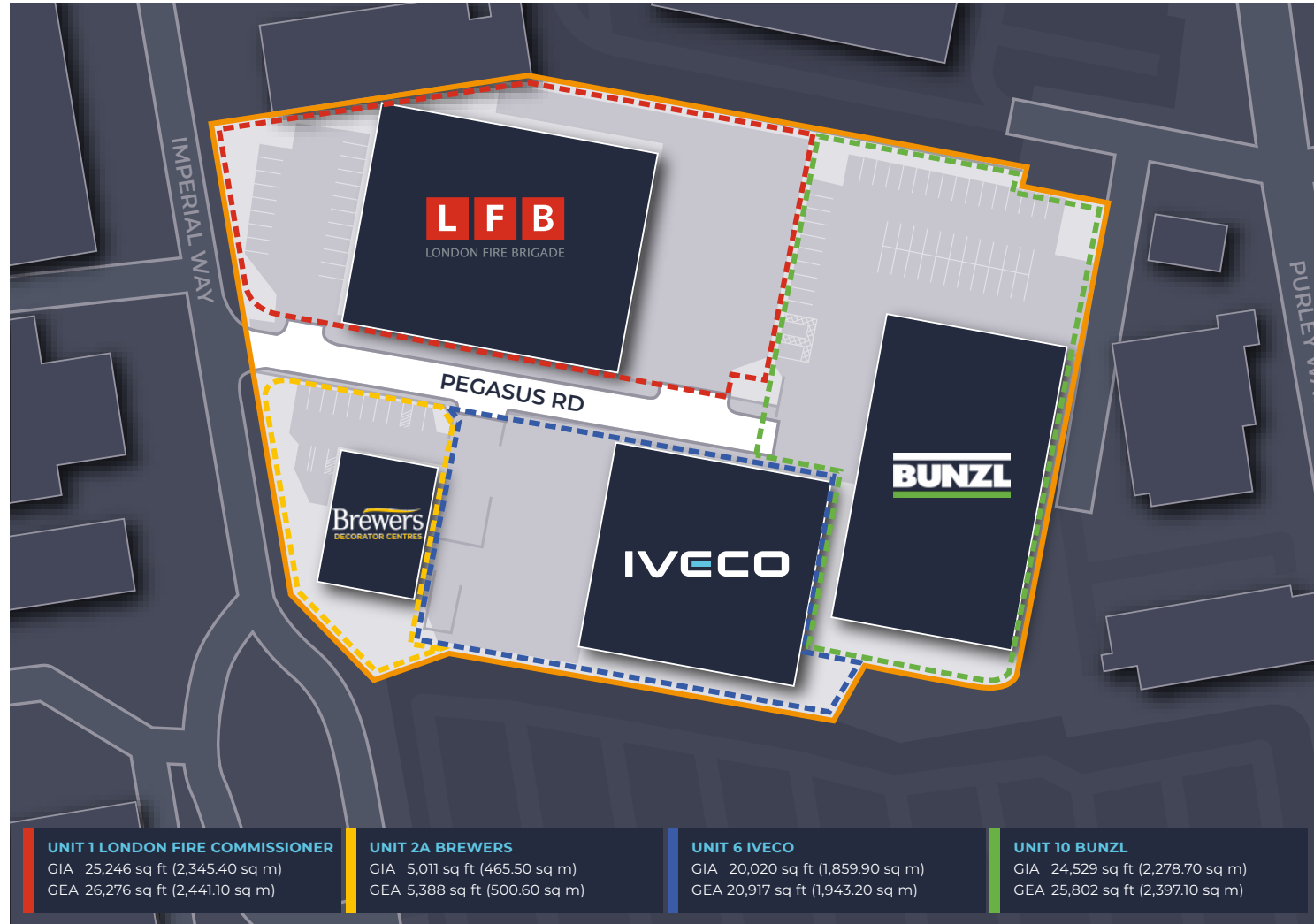


SITE

The property comprises an approximate site area of 3.85 acres (1.56 hectares) providing a low site coverage for Greater London of 45%.

TENURE

The property is held Freehold under title number SY316362.



UNIT 1 LONDON FIRE COMMISSIONER

GIA 25,246 sq ft (2,345.40 sq m)
GEA 26,276 sq ft (2,441.10 sq m)

UNIT 2A BREWERS

GIA 5,011 sq ft (465.50 sq m)
GEA 5,388 sq ft (500.60 sq m)

UNIT 6 IVECO

GIA 20,020 sq ft (1,859.90 sq m)
GEA 20,917 sq ft (1,943.20 sq m)

UNIT 10 BUNZL

GIA 24,529 sq ft (2,278.70 sq m)
GEA 25,802 sq ft (2,397.10 sq m)

TENANCIES

100% of the income is secured against businesses with a Creditsafe rating within the bracket of 71 - 100 with the actual tenant ratings being between 96 - 100 representing 'very low risk' of business failure.

Weighted unexpired lease term of approximately 9.90 years to expiry and 6.40 years to break.

All 4 units have a lease event by November 2028.

33% by floorspace is subject to a rent review by March 2025.



FORTHCOMING LEASE EVENTS

DECEMBER
2024

Brewers Rent Review
Open Market Rental Value

MARCH
2025

Iveco Rent Review
Open Market Rental Value

FEBRUARY
2028

**London Fire Commissioner
Rent Review**
RPI capped at 3% p.a.

NOVEMBER
2028

Bunzl Rent Review
CPIH capped at 6% p.a.

FEBRUARY
2038

**London Fire Commissioner
Lease Renewal**
Long dated reversion to market rent.

UNIT	TENANT	GIA (SQ FT)	GIA (SQ M)	START	REVIEW	BREAK	EXPIRY	RENT (P.A.)	RENT (PSF)	EPC	L&T 1954	EAVES HEIGHT (M)	YARD DEPTH (M)	COMMENTS
Unit 1	London Fire Commissioner	25,246	2,345	21/02/2018	21/02/2028	20/02/2033	20/02/2038	£343,835	£13.62	D81*	Inside	11.00	28.00	5 yearly upwards only RPI rent reviews subject to a C&C of 1-3% p.a. Tenant break on 12 months notice. 6 months rent free if break is not exercised.
Unit 2a	C. Brewer & Sons Limited	5,011	466	24/12/2014	24/12/2024	-	23/12/2029	£66,000	£13.17	E104*	Inside	6.00	11.00	5 yearly upwards only rent reviews to open market value assuming a 10 year lease.
Unit 6	Tenant: Iveco Limited Guarantor: Iveco Holdings Limited	20,020	1,860	09/03/2015	09/03/2025	-	08/03/2030	£262,550	£13.11	C54	Inside	7.55	30.00	5 yearly upwards only rent reviews to open market value assuming a 10 year lease with a 5 year break.
Unit 10	Bunzl UK Limited	24,529	2,279	15/11/2023	15/11/2028	14/11/2028	14/11/2033	£430,000	£17.53	B42	Inside	8.30	30.00	5 yearly upwards only CPIH rent reviews subject to a C&C of 2-6% pa. Tenant break on 9 months notice. 2 months rent free if break not exercised.
TOTALS		74,806	6,950					£1,102,385	£14.74					

* Unit 1 - If the warehouse gas systems are changed to electric radiant heaters the EPC rating improves to B44.

* Unit 2a - If the gas heater is replaced by an electric radiant system the EPC rating improves to B43.

COVENANTS



C BREWER AND SONS LTD

CRN 00203852

Creditsafe Rating: 96 A

- very low risk

Brewers is the UK's largest independent supplier of decorating materials. The first Brewers Decorator Centre was opened in 1904 and there are now over 190 Brewers stores across the UK. Brewers Decorator Centres has an extensive range of paints, brushes, rollers, wallcoverings, and fabrics to cover your decorating needs. The stores also offer a free on-site specification service for more problematic surfaces and hold in central stock one of the largest ranges of wallpapers in the world with over 10,000 wallpaper patterns to choose from. Brewers serves all forms of customers to include trade and DIY.

There are 38 stores across London, and we understand from the store manager that the Croydon branch has the fifth highest turnover in the city.

C BREWER & SONS LTD	30/12/2022	30/12/2021	30/12/2020
Turnover	£211,193,000	£194,990,000	£166,702,000
Pre-Tax Profit (Loss)	£9,148,000	£9,895,000	£8,281,000
Tangible Net Worth	£66,667,000	£66,260,000	£39,743,000



LONDON FIRE BRIGADE

LONDON FIRE COMMISSIONER

The London Fire Commissioner is one of the largest firefighting and rescue organisations in the world. It was formed by the Metropolitan Fire Brigade Act 1865. There are now approximately 6,000 staff including both operational firefighter and officers based at 102 stations across the city. The London Fire and Emergency Planning Authority was replaced in April 2018 with London Fire Commissioner, and it is public sector organisation that is part of the Greater London Authority (Mayoral Office) and therefore tax-payer funded. The London Fire Brigade operate Croydon as an Operations Support Centre, the only one in London, which was established to store and service protective equipment and act as a distribution facility.



IVECO LIMITED

CRN 01975271

Creditsafe Rating: 99 A

- very low risk

Iveco is a global leading manufacturer of commercial vehicles and vans. The company develops, builds, markets and services a vast range of light, medium and heavy commercial vehicles. It also manufactures passenger transport vehicles and special vehicles for defence, civil protection, and specific missions like firefighting.

Iveco was founded in 1975 following the merger of five well-established companies from three European countries. Iveco today has over 25,000 employees across 160 countries with 27 production plants.

Iveco operates Croydon as a service and MOT centre for light, medium and heavy vehicles.

IVECO LIMITED	30/12/2022	30/12/2021	30/12/2020
Turnover	£422,497,000	£313,467,000	214,985,000
Pre-Tax Profit (Loss)	£12,079,000	£6,193,000	-£475,000
Tangible Net Worth	£68,629,000	£56,043,000	£38,932,000



BUNZL UK LIMITED

CRN 02902454

Creditsafe Rating: 100 A

- very low risk

Bunzl was founded in 1940 and listed on the London Stock Exchange in 1957. The business operates in 31 countries including the Americas, Europe, Asia, and the UK & Ireland. It runs approximately 150 companies, providing specialist distribution services for internationally sourced non-food products to various sectors including grocery, food service, safety, cleaning, hygiene, retail, and healthcare, with about 22,500 employees serving over 800,000 customers globally.

The Bunzl unit in Croydon, managed by Bunzl Cleaning & Hygiene Supplies, serves South London and the Southeast UK with janitorial, cleaning, and hygiene products.

BUNZL UK LIMITED	30/12/2022	30/12/2021	30/12/2020
Turnover	£848,226,000	£572,303,000	£630,809,000
Pre-Tax Profit (Loss)	£44,800,000	£24,513,000	£12,041,000
Tangible Net Worth	£144,867,000	£96,328,000	£71,759,000

FURTHER INFO & PROPOSAL

DATA ROOM

A data room has been set up to provide details of all the property and legal information which is deemed relevant to the sale. This will include the following information:

- > Title Information
- > Occupational Leases
- > Hollis Building Survey
- > Groundsure Phase I Environmental Survey
- > Hollis Measured Survey
- > Management Information
- > EPCs
- > Marketing Details

SERVICE CHARGE

The leases are drawn on full repairing and insuring terms with a service charge in place to cover the cost of maintenance and upkeep of Pegasus Road. The current service charge budget is £7,500 per annum which reflects a rate of £0.10 per sq ft.

ANTI-MONEY LAUNDERING

The purchaser will need to satisfy both the vendor's and Clay Street's AML policies.

VAT

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

PROPOSAL

We are inviting offers in excess of **£22,500,000** subject to contract and exclusive of VAT. A purchase at this level will reflect a **Net Initial Yield of 4.60%** and a capital value of **£300 per sq ft**, after assuming purchaser's costs of 6.75%.

OFFERS IN EXCESS OF

£22,500,000

NET INITIAL YIELD

4.60%

CAPITAL VALUE (PSF)

£300

Should you require further information or would like to arrange a viewing, please contact:

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CLAYSTREET

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IMPORTANT INFORMATION:

1. No description or information given by Clay Street Ltd whether or not in these Particulars and whether written or verbal ("information") about the property or its condition or its value may be relied upon as a statement or representation of fact. Neither Clay Street Ltd (nor any joint agents) have any authority to make any representations and accordingly any information given is entirely without responsibility on the part of the agents or the seller. **2.** These particulars do not constitute, nor constitute part of, an offer or contract, nor shall they merge in any offer or contract which may hereafter be made between the sellers or lessors and the recipient of the information. **3.** The photographs show only certain parts of the property at the time they were taken. Any areas measurements or distances given are approximate only. **4.** Any reference to alterations to or use of any part of the property is not a statement that any necessary planning, building regulations or other consent has been obtained. These matters must be verified by any intending buyer. **5.** Any buyer must satisfy themselves by inspection or otherwise as to the correctness of any information given.

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