



UNIT 2 & 3 STAR ROAD INDUSTRIAL ESTATE

PARTRIDGE GREEN, HORSHAM, WEST SUSSEX, RH13 8RA

WELL SECURED RPI LINKED INDUSTRIAL INVESTMENT



INVESTMENT SUMMARY

- Situated on **Star Road Industrial Estate**, the main industrial location for Partridge Green
- Two separate industrial units totalling **8,082 sq ft (750.86 sq m) GIA**
- **Freehold**
- Let to **Plysolene Limited**, whose main HQ warehouse is adjacent
- Let until 30th June 2029 (unexpired term of **8.25 years to expiry**)
- Rent of **£56,733 per annum** reflecting a low base rent of **only £7.02 per sq ft overall**
- **Annual RPI linked rental increases** (cap and collar of 2.50% - 5%)

- We are instructed to seek offers in excess of **£850,000 (Eight Hundred and Fifty Thousand Pounds)** reflecting a Net Initial Yield of **6.32%** (assuming purchaser's costs of **5.56%**), an equivalent yield of **6.88%**, and a reversionary yield of **7.52%** in July 2028
- Capital value of **£105 per sq ft** which is underpinned by vacant possession values
- **The investment will provide the following yield profile based upon the minimum uplift of 2.5% per annum:**

2021	6.32%	2022	6.48%
2023	6.64%	2024	6.81%
2025	6.98%	2026	7.15%
2027	7.33%	2028	7.52%



LOCATION

Horsham is situated in the county of West Sussex approximately 40 miles south of London, 9 miles south-west of Crawley and 14 miles south-west of Gatwick Airport.

Horsham is an affluent market town and benefits from good road communications with the A264 dual carriageway providing a direct link to Junction 11 of the M23 motorway to the east, which in turn provides access to Junction 7 of the M25. In addition, the A24 provides direct access to Junction 9 of the M25.

The town benefits from a regular rail service to London Victoria and to London Bridge with fastest journey times of approximately 54 minutes and 55 minutes respectively. In addition, nearby Gatwick Airport is the UK's second largest airport handling approximately 46 million passengers a year.

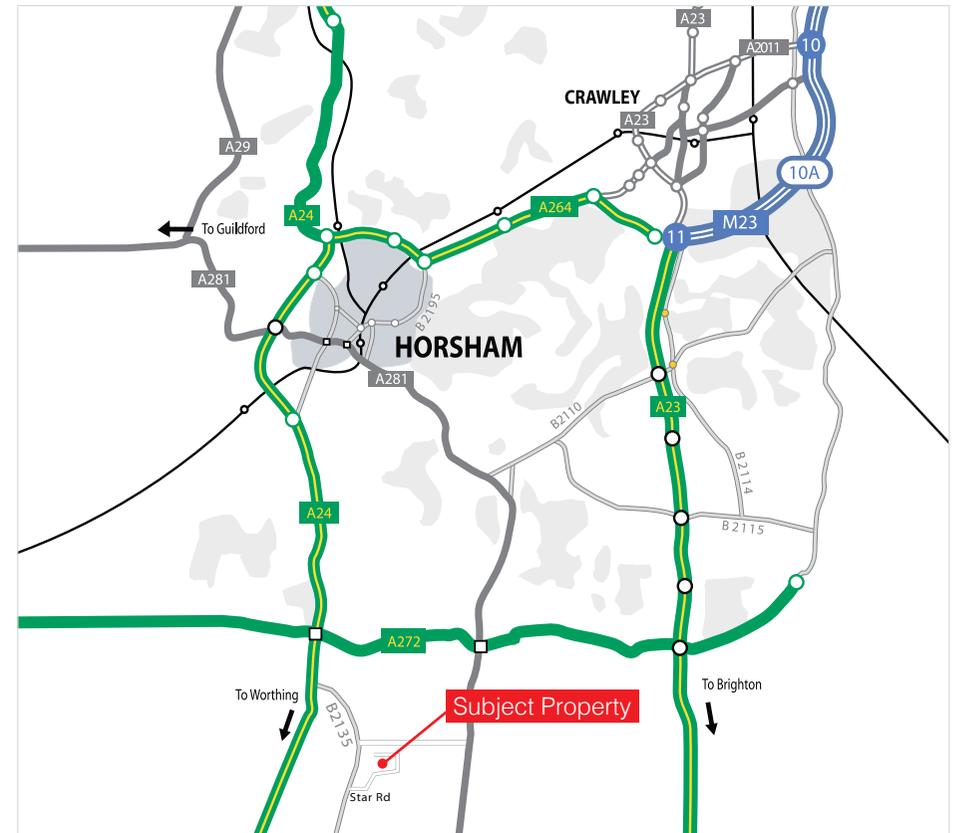


SITUATION

The Property is situated on the principal industrial estate in Partridge Green, located circa 9 miles south of Horsham.

Star Road Industrial Estate lies just to the south of the town centre just off the B2135, which leads directly to the A24 providing a direct access to all surrounding major road networks, including Junction 9 of the M25 Motorway (approximately 28 miles) and Junction 11 of the M23 Motorway (approximately 14 miles) via the nearby A23.

Nearby occupiers on the estate include Nova Racing Transmissions, Margrasil UK Ltd, Forza Doors Ltd, EG Wholesale and T&M Plant Hire.





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DESCRIPTION

The property forms part of a terrace of six modern industrial units which are accessed from the main estate road. The two adjoining units are currently interconnected via the party wall but could easily be occupied as two self-contained units.

The property is constructed from steel portal frame with brick elevations and re-clad roof. Each unit has an eaves height of approximately 3.5 metres and has access to the secure yard via electric shutter doors. The property also benefits from access to the secure rear yard via a shared access road leading directly off Star Road.

Internally each unit comprises ground floor warehouse accommodation, with dedicated reception area, kitchen facilities and first floor ancillary office accommodation.

The units benefit from car parking for 14 spaces to the front of the property within the common areas.



ACCOMMODATION

The Property benefits from the following Gross Internal Areas:

Description	Sq m (GIA)	Sq ft (GIA)
Unit 2	375.26	4,039
Unit 3	375.60	4,043
Total	750.86	8,082

The site extends to approximately 0.21 acres (0.086 hectares).



TENURE

Freehold.

TENANCY

Both units are let to Plysolene Limited under a single 10 year lease from 1st July 2019, expiring on 30th June 2029, giving an unexpired term of 8.25 years to expiry. The lease is on full repairing and insuring terms, subject to a schedule of condition.

The current passing rent as of 01 July 2020 is £55,350 per annum, equating to a low base rent of only £6.85 per sq ft. The lease is subject to an unconditional RPI linked annual rent increase on 1st July every year, with a cap and collar of 2.5% – 5%, providing guaranteed growth at above expected inflation levels.

The vendor will top up the rent until 01 July 2021 to a level of £56,733 per annum (£7.02 per ft overall) which is based upon the minimum 2.5% increase at the next annual review.



TENANT'S COVENANT



Plysolene Limited is a subsidiary of rubber and automotive products maker, Watts of Lydney Group, and was established in 1964. Plysolene are specialists in manufacturing elastomeric and thermoplastic sheeting for the construction industry. The company's products are used as a waterproofing membrane for pipework and ventilation ductwork which is used globally in oil refineries, chemical works and power stations. The company occupies an adjoining warehouse on the estate which forms their main manufacturing facility and HQ.

Plysolene Limited has a Dun & Bradstreet rating of 1A 1, reflecting minimal risk based on accounts dated 31 December 2019. The last three years accounts are summarised below:

Plysolene Limited	31/12/2019	31/12/2018	31/12/2017
Sales / Turnover	2,892,756	3,503,739	3,317,741
Profit / (Loss) Before Taxes	715,952	969,069	2,279,798
Equity Shareholders Funds	909,339	768,186	839,066

For further information please refer to <https://plysolene.co.uk>



INVESTMENT MARKET

The following table illustrates the most recent comparable investment evidence:

Property	Date	Area (sq ft)	Term Certain (years)	Tenant	Purchase Price	NIY	Capital Value (£psf)
40 Middleton Road, Banbury	Q3 2020	3,832	15	European Tyre Enterprise	£650,000	5.12%	£169
Fitzherbert Road, Farlington, Portsmouth	Q1 2020	12,391	2.75	Jewson Ltd (t/a Gibbs & Dandy)	£1,626,000	5.56%	£131
28 Mark Road, Hemel Hempstead	Q1 2020	5,042	1.4	Halfords Autocentres Ltd	£750,000	5.17%	£148
Spindle Way, Crawley	Q1 2020	9,913	10	Brewers Decorator	£1,545,000	5.20%	£155
25 Olds Close, Watford	Q3 2019	2,024	9	Publicity Plastics Ltd	£403,000	5.30%	£199



EPC

The Energy Performance Certificates are available on request and provide the following ratings:

Unit 2 - E 123
Unit 3 - E 115

VAT

The Property has been elected for VAT and the purchase price is exclusive of any VAT that may be chargeable. It is anticipated that the transaction would be treated as a transfer of a Going concern (TOGC).

PROPOSAL

We are instructed to seek offers in excess of **£850,000 (Eight Hundred and Fifty Thousand Pounds)** subject to contract and exclusive of VAT, reflecting a Net Initial Yield of **6.32%** (assuming purchaser's costs of 5.56%), an equivalent yield of **6.88%**, and a reversionary yield of **7.52%** in July 2028. This reflects a capital value of only **£105 per sq ft** which is underpinned by vacant possession values.

The following table displays the forecasted income based upon the minimum annual increase of 2.5%:

Year	Yield
2021	6.32%
2022	6.48%
2023	6.64%
2024	6.81%
2025	6.98%
2026	7.15%
2027	7.33%
2028	7.52%

FURTHER INFORMATION

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