



REVERSIONARY SOUTH EAST MULTI-LET INDUSTRIAL INVESTMENT

Units 1-4 Vale Road

DEACON VALLEY TRADING ESTATE

Tonbridge, TN91SU



INVESTMENT SUMMARY

- A multi-let trade park in an established and affluent South East location benefiting from excellent transport links.
- Highly reversionary asset with an imminent opportunity to capture rental growth.
- The property comprises 4 industrial/trade counter units let to 3 tenants extending to a gross internal area of approximately 5,767 sq m (62,081 sq ft).
- The property is fully let to 3 tenants with strong covenant strengths.
- Total income of **£426,000 per annum, averaging £6.86 per sq ft overall** (Net income of £298,200 after head rent pay away of £127,800).
- Estimated rental value of £568,500 per annum, reflecting £9.16 per sq ft overall.
- Average weighted unexpired lease term of 11.3 years to expiries and 4 years to breaks (from 24th May 2021).
- Tenants include Alsford Timber Ltd, Galerie Ltd, and Albion Fine Foods Ltd (with a guarantee from Vestey Holdings Ltd).
- Site area of approximately 1.46 hectares (3.61 acres) with an approximate site cover of 39%.



We are instructed to seek offers for the long leasehold interest in excess of **£4,305,000** (Four Million, Three Hundred and Five Thousand Pounds), subject to contract and exclusive of VAT. A purchase at this level, after paying the head rent will reflect the following yield profile assuming purchaser's cost of 6.56%:

Net Initial Yield:	6.50%
Reversionary Yield:	8.67%
Proposal Net Income:	£298,200 per annum
Offers in excess of:	£4,305,000 (subject to contract)
Capital Value per sq ft:	£70.00

LOCATION

Tonbridge is an affluent commercial centre in west Kent, located approximately 6.4km (4 miles) north of Royal Tunbridge Wells, 19.4 km (12 miles) south west of Maidstone and 46.7km (29 miles) south east of London. Tonbridge draws on an affluent catchment with 88,000 people living within a 10 minute drive time of the town centre and 170,000 people living within a 20 minute drive time.



Tonbridge benefits from excellent road and rail links to London and the south coast with Junction 5 of the M25 motorway approximately 16 km (10 miles) to the north-west via the A21 trunk road and Junction 4 of the M20 motorway approximately 19 km (12 miles) to the north east via the A228. The A26 connects the town with Tunbridge Wells which is 7 km (4.5 miles) to the south.



The town benefits from excellent rail connectivity with London and other South Eastern towns.

Direct rail services

to Victoria, London Bridge, Charing Cross and Cannon Street, with a fastest journey time of approximately

40 minutes

Trains to Ashford International

providing access to Eurostar services to Brussels and Paris take approximately

35 minutes



Gatwick Airport

is located approximately (30 miles) to the west

48 km



For indicative purposes only.

SITUATION

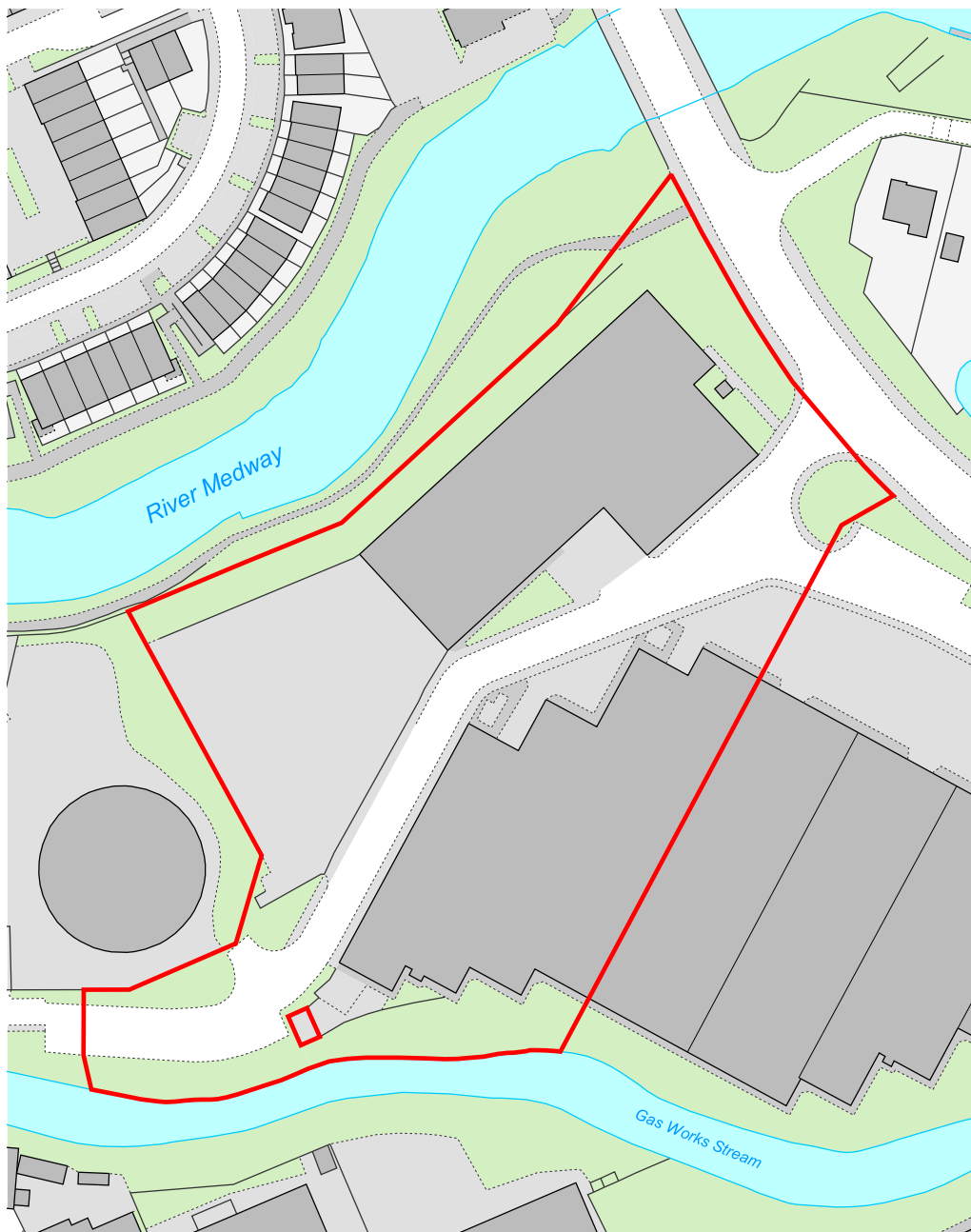
Deacon Valley Trading Estate is located on the eastern side of Tonbridge, prominently situated on the A26 Vale Road in a mixed commercial, albeit predominately industrial area approximately 1.6 km (1 mile) from the town centre. Vale Road provides a direct link into central Tonbridge as well as linking up with the A21 to the south which provides direct access to Junction 5 of the M25 motorway to the north.

The estate's proximity to the town centre makes this a particularly sought-after location for occupiers from the trade warehouse sector. Neighbouring estates include Orchard Business Centre and Postern Industrial Estate with occupiers including:



There has been a significant amount of residential development between the town centre and subject property on Medway Wharf Road where Redrow have completed the Cannons Wharf and Waterside Reach developments which benefit from close proximity to a Waitrose foods.





For indicative purposes only.

DESCRIPTION

The property comprises a trade park which provides a standalone double unit and 2 additional units that form part of a larger terrace. Units 1-4 of the estate extends to approximately 5,767 sq m (62,081 sq ft) with individual unit sizes ranging from circa 15,849 sq ft to 27,191 sq ft. The estate has approximately 78.5 metres of frontage to Vale Road.

Units 1-2 have been combined to provide approximately 1,084 sq m 2,526 sq m (27,191 sq ft) to satisfy a larger occupational requirement. This double unit also benefits from a large yard extending to approximately 0.55 acres.

The units are of concrete frame construction and the elevations consist of brick and blockwork and steel cladding. The minimum eaves heights range from 5.95 metres to 6.10 metres to the underside of the haunch and each unit has full height loading doors leading to car parking and loading areas.

Internally, the units incorporate integral offices at ground and first floor level. The tenants in units 1-2 and 3 have installed trade counter areas within the units to suit their occupational requirements.

Site area of approximately 1.46 hectares (3.61 acres) with an approximate site cover of 39%.

TENANCY & ACCOMMODATION

The property is let on full repairing and insuring terms.

We have measured the property in accordance with the RICS Code of Measuring Practice 6th Edition which provides the following Gross Internal Areas:

	Tenant	GIA (sq ft)	Credit Safe Score	Lease Start	Rent Review	Break Option	Lease Expiry	Rent £pax	Rent £psf	ERV £pax	ERV £psf	Comments
1-2	Alsford Timbers Ltd	27,191	96	09.03.2018	09.03.2023 09.03.2028 09.03.2033	09.03.2028 (Tenant) 09.03.2033 (Tenant)	08.03.2038	£195,000	£7.17	272,000	£10.00	Warehouse 24,687 sq ft Offices 2 floors 2,505 sq ft. Subject to schedule of condition. EPC Rating D.
3	Galerie Ltd	15,849	56	25.09.2018	25.09.2023 25.09.2028	25.09.2023 (Tenant)	24.09.2033	£104,000	£6.56	134,700	£8.50	Warehouse 12,855 sq ft Offices 2 floors 2,994 sq ft. EPC Rating D.
4	Albion Fine Foods Ltd (Guarantor Vestey Holdings Ltd)	19,041	29 (Guarantor 93)	24.12.2019		23.06.2022 (Mutual)	23.06.2023	£127,000	£6.67	161,800	£8.50	Warehouse 16,991 sq ft Offices 2 floors 2,050 sq ft. Rent Deposit £31,750. Subject to schedule of condition. EPC Rating D.
Totals		64,160						£426,000	£6.64	£568,500	£9.16	

Average weighted unexpired lease term of 11.3 years to expiries and 4 years to breaks (from 24th May 2021).

TENURE

The property is held on a long leasehold basis. The headlease expires 05/11/2098 and the head rent payable is 30% of gross rents receivable. The current headlease rent is £127,800 per annum. Further information available upon request.

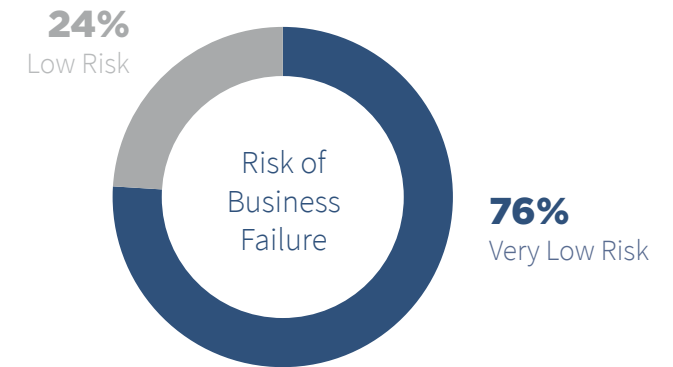


TENANT COVENANTS

The property is let to 3 tenants providing a diversified spread of income risk. 100% of the income is let to tenants with a creditsafe risk rating of “very low risk” or “low risk” with the exception of Albion Foods. However, there is a guarantor from Vestey Holdings on this unit, which is “very low risk”. We have set out the tenant’s Credit Safe ratings in the table below:

Tenant	Credit Safe Rating	Risk
Alsford Timber Ltd	92	Very Low
Galerie	56	Low
Albion Fine Foods	29	High
Vestey Holdings (Guarantor of Albion Fine Foods)	93	Very Low

Copies of the Credit Safe reports are available upon request.



*Based on the covenant strength of Vestey Holdings (very low risk) as the guarantor of Albion Fine Foods.



ERV / LOCAL OCCUPATIONAL MARKET

We are aware of the following leasing transactions in close proximity to the subject property:

Date	Address	Area (sq ft)	Tenant	Lease Terms	Rent (psf)	Incentive
Apr 2021	Unit 11, Deacon Trading Estate, Tonbridge	11,198	Howdens Joinery	15 years 10 year break	£9.50	6 months rent free
Apr 2021	Unit 406, Postern Trading Estate, Tonbridge	5,580	Connection Flooring Ltd t/a Flooring Superstore	10 years 5 year break	£12.50	1 month rent free

There is very little current supply of vacant comparable units in Tonbridge and increasing reported demand. In light of the above, we consider the estimated rental value to be £568,500 reflecting £10.00 psf on Units 1-2 and £8.50 psf on Units 3 & 4.



INVESTMENT COMPARABLES

There continues to be strong demand for multi-let industrial estates and trade parks in the South East. Recent comparable investment transactions include:

Date	Address	Area (sq ft)	No. of Units	WAULT	Average Rent (psf)	Price	Yield
Apr 2021	Kestrel Park, Springwood Industrial Estate, Braintree	49,883	13	4.0 years to expiry 2.8 years to breaks	£8.29	c. £8,300,000	4.67%
Feb 2021	Hilton Road (Trade Park), Ashford	14,656	4	10 years to expiry	£14.31	c. £3,800,000	5.20%
Jan 2021	Foundry Lane, C1-C3 & D, Horsham	41,198	4	5.5 years to expiry 3.8 years to breaks	£8.73	c. £6,100,000	5.30%
Dec 2020	Winchester Road, Basingstoke	23,299	4	6.1 years to expiry 5.1 years to breaks	£12.95	c. £5,375,000	5.27%
Dec 2020	South Hampshire Industrial Estate, Totton	41,736	10	6.5 years to expiry 3.6 years to breaks	£6.73	c. £5,265,000	5.00%





EPC

EPCs for the property can be provided upon request.

VAT

The property has been elected for VAT purposes. It is anticipated that the investment sale will be treated as a Transfer of a Going Concern (TOGC).

PROPOSAL

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Capital Value per sq ft:	£70.00

FURTHER INFORMATION

For further information or to arrange an inspection of the property, please contact:

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