

**UNIQUE INVESTMENT OPPORTUNITY TO ACQUIRE A HIGH QUALITY
REFURBISHED / RECENTLY BUILT INDUSTRIAL BUILDING
LET ON A NEW 20 YEAR UNBROKEN TERM**

9,614 SQ FT (893.1 SQ M) APPROX

**FOR SALE
FREEHOLD**



**28 LYON ROAD, HERSHAM TRADING ESTATE,
WALTON ON THAMES, SURREY KT12 3PU**

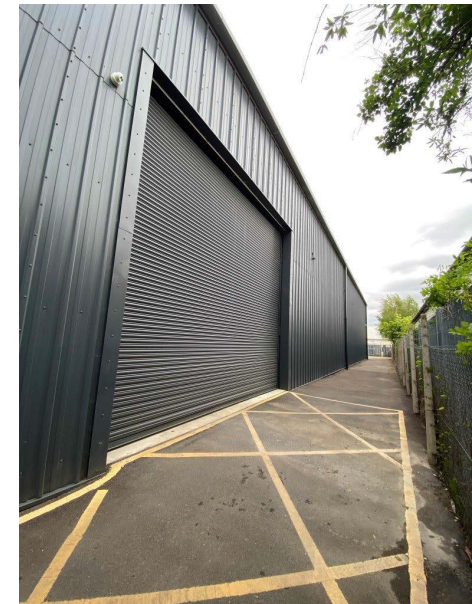


INVESTMENT SUMMARY

- ◆ A recently refurbished and part newly built industrial/ warehouse building with offices totalling 9,614 sq ft (893.1 sq m).
- ◆ Located on the long established Hersham Trading Estate.
- ◆ Good proximity to Hersham mainline railway station (with a good service to central London), J10 & J11 of the M25 and J1 of the M3 motorways.
- ◆ Let to The Cavan Bakery Limited who have been trading for 93 years.
- ◆ Cavan Bakery Limited have just spent a significant sum over the past 12 months, fitting the property out as a bakery and installing an increased 3 phase electricity supply.
- ◆ Let on a new FRI lease with a 19 year unbroken term remaining.
- ◆ Passing rent **£149,000** per annum exclusive, equating to **£15.50** per sq ft.
- ◆ Good future rental growth prospects with general lack of supply in the area.
- ◆ Freehold.
- ◆ Site area of 0.37 acres (0.15 hectares).
- ◆ Offers in excess of **£3,500,000 (Three Million Five Hundred Thousand Pounds)**.
- ◆ A purchase at this level would reflect a net initial yield of **4.0%** assuming purchase costs of **6.75%**.



PHOTOS TAKEN PRIOR TO CAVAN BAKERY FITOUT





LOCATION

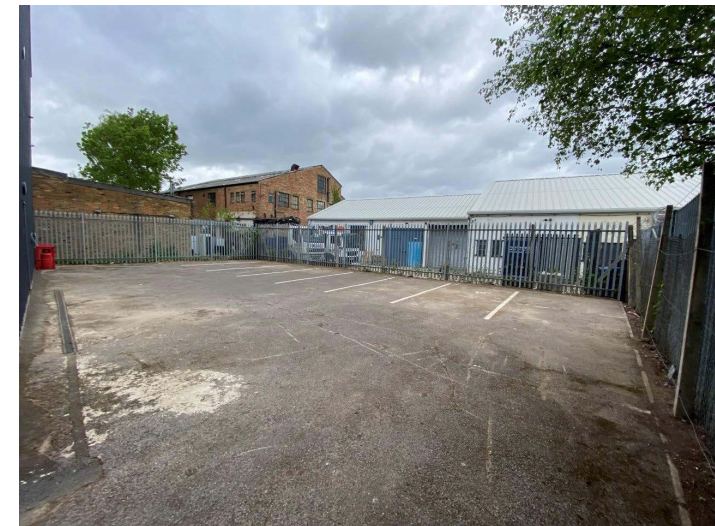
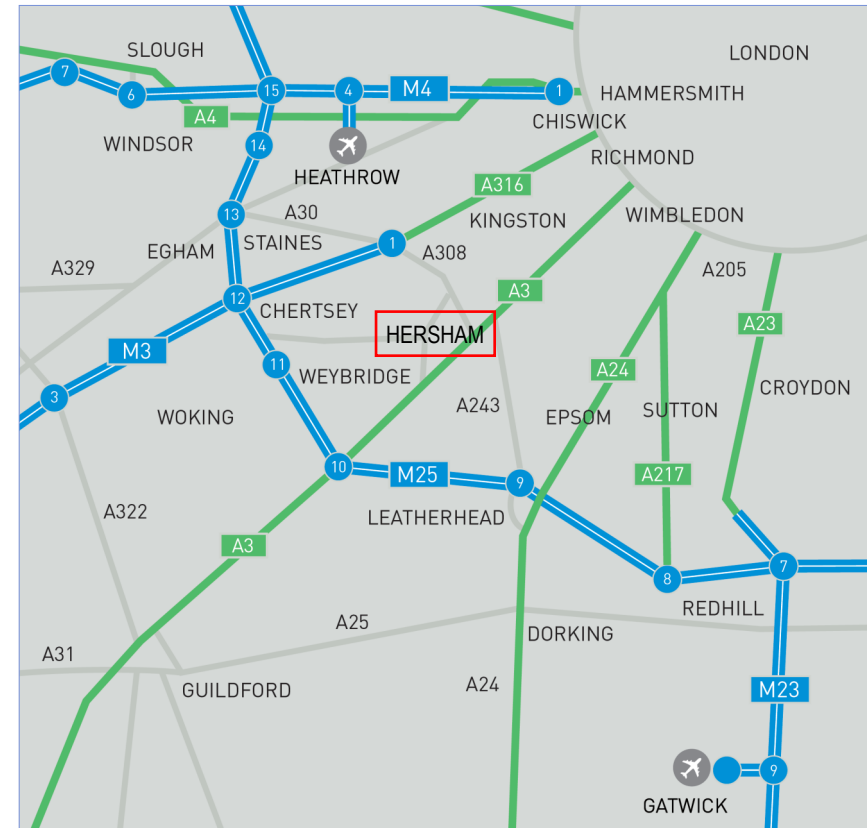
Hersham is part of Walton on Thames, a prosperous Surrey town and is situated in the affluent borough of Elmbridge approximately 16 miles (26 km) south west of Central London and located between Woking and Kingston upon Thames.

There is good connectivity into the area, benefitting from excellent access to Central London and the national motorway network being located some 4 miles (6 km) north of Junction 10 of the M25 motorway, thereby providing access to the M3, M4, M23 and M40 motorways.

The area also benefits from being in close proximity to the A3 which provides a direct access to London to the north east and Portsmouth to the south west.

Hersham mainline railway station is within 300 metres of the property with an approximate journey time of 30 minutes to London Waterloo.

The town is also well connected to Heathrow and Gatwick Airports, located 9 miles (14.5 km) to the north and 27 miles (46 km) to the south east respectively.



SITUATION

The property is located in the centre of the well established Hersham Trading Estate surrounded by trade counters such as Screwfix, Toolstation, Howdens, Travis Perkins and Tesco Express.

Hersham mainline railway station is within 200 yards of the building, offering a fast and frequent service to London Waterloo with an approximate journey time of 28 minutes. Access to the national motorway network is available via the A3 to junction 10 of the M25 or junction 1 of the M3. The A3 and A316 both offer direct access into central London.

The Duke of Northumberland Estate has just applied for outline planning consent for a substantial redevelopment of the nearby former Weylands Treatment Works which sit just behind Lyon Road. This would comprise approximately 408,000 sq ft (37,977 sq m) GEA of new warehouse and industrial units of various sizes which will greatly improve the area. Visit Elmbridge Council planning portal, application no.2022/3427 to see more.

TOWNS	MILES Approx	KM Approx
Woking	11	17.5
Guildford	14	22.5
Central London	16	26
Reading	33	53
ROAD		
M25 motorway J10	4	6
A3	3	5
M3 motorway J1	6	10
M4 motorway J4B	14	22.5
CONNECTIONS		
Hersham Mainline Station	0.18	0.3
London Heathrow Airport	9	14
London Gatwick Airport	27	46



DESCRIPTION

The property comprises a detached warehouse/industrial building with a 3 storey office building to the front that has been comprehensively refurbished to a high standard and is linked to a newly constructed steel frame warehouse to the rear. The entire building is clad in distinctive new profile steel panelling.

The ground floor provides a fully open plan office/reception area which is approached via double glazed aluminium framed entrance doors with a security roller shutter. There is a disabled WC on this floor which incorporates a shower cubicle.

The first floor is partitioned to provide a boardroom and large open plan office as well as high quality male and female toilets.

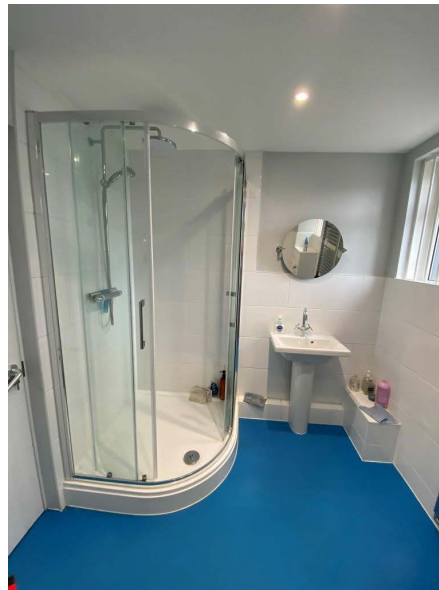
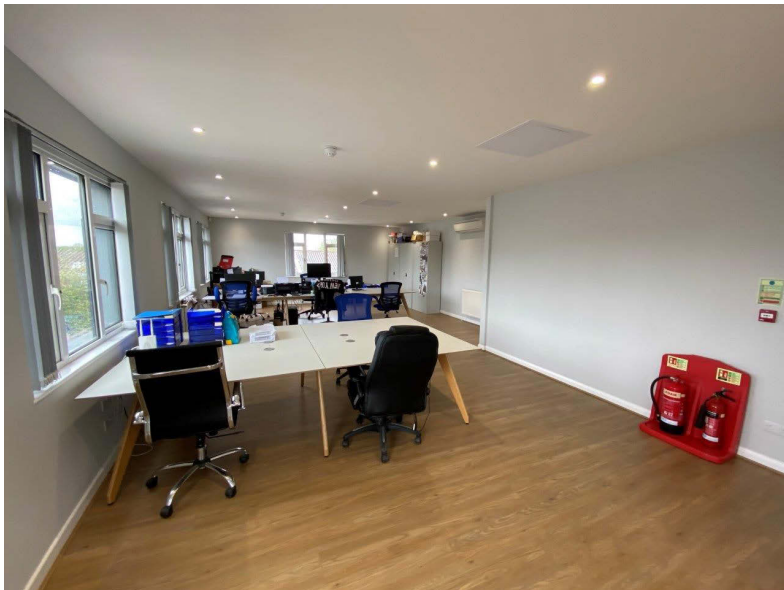
The second floor is largely open plan with laminate wood flooring and LED spot lighting throughout. This floor has excellent natural light and enjoys views over the estate. It also has a good quality fully fitted kitchen.

The ground floor is linked via a pedestrian door to the recently constructed warehouse which is of a steel frame construction with profile steel cladding to all elevations. This sits under a pitched steel roof with 120mm Kingspan insulated panels beneath. There are clear Perspex panels incorporated at regular intervals providing very good natural light.

The warehouse has excellent eaves height with an apex height of 28'1" (8.57m) and minimum height to underside of haunch of 23'7" (7.25m).

There is a full height electric roller shutter loading door to the side of the warehouse.

Externally, there is a large tarmacked forecourt which provides for off road deliveries and visitor parking. There is a gated driveway to the right hand side of the building which provides access to the loading bay and also a tarmacked rear yard which provides parking for 8 vehicles and is fully enclosed by a metal palisade fence and has lighting, CCTV and a Tesla rapid charge point.



ACCOMMODATION

The building comprises the following approximate gross internal floor areas:

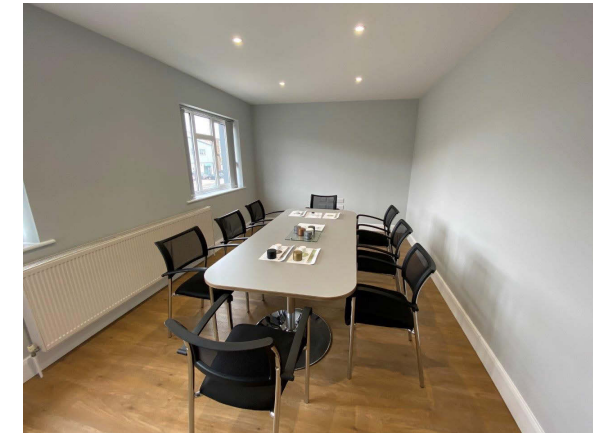
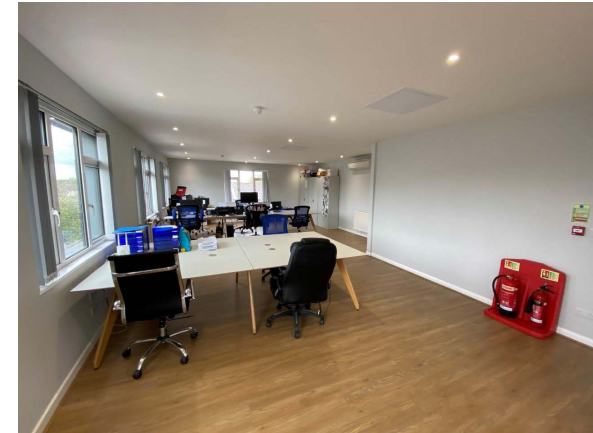
FLOOR	SQ FT	SQ M
2nd floor offices	905	84.1
1st floor offices	902	83.8
Ground floor office/reception	902	83.8
Ground floor warehouse/workshop	6,905	641.4
Total	9,614	893.1

AMENITIES**Warehouse**

- Three phase power
- Steel insulated roof
- Perspex skylights
- Electric roller shutter door (W5.97m x H5.78m)
- Gas fired blow heater
- High level LED lighting
- High specification smoke detection system and fire alarm
- 2 high level heat recirculation fans
- Steel pedestrian door
- Max eaves to apex 28'1" (8.57m)
- Min eaves to underside of haunch 23'7" (7.25m)
- Tesla high speed charging point
- Hiki night vision CCTV cameras throughout
- Secure gated parking (8 vehicles) yard with palisade fencing

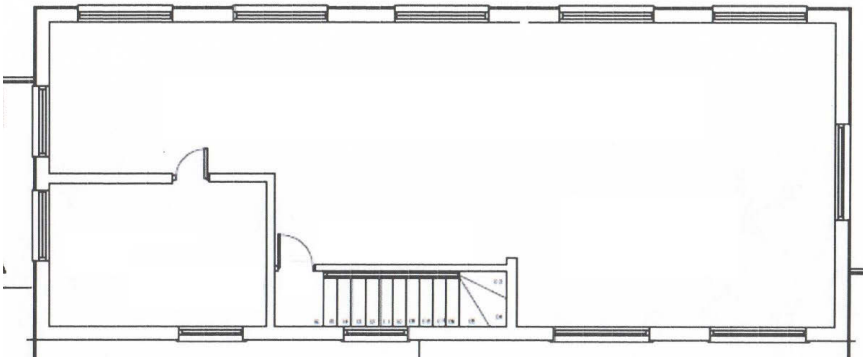
Offices

- Gas fired central heating
- Double glazed windows
- Vertical window blinds
- Sealed resin floor to ground floor
- Oak panel laminate flooring to 1st & 2nd floors
- LED spot lighting
- Category VI network cabling throughout
- 4G & 5G wireless network throughout
- Disabled WC & shower
- Male & female toilets
- Fully fitted kitchen
- Entryphone system
- Fire alarm

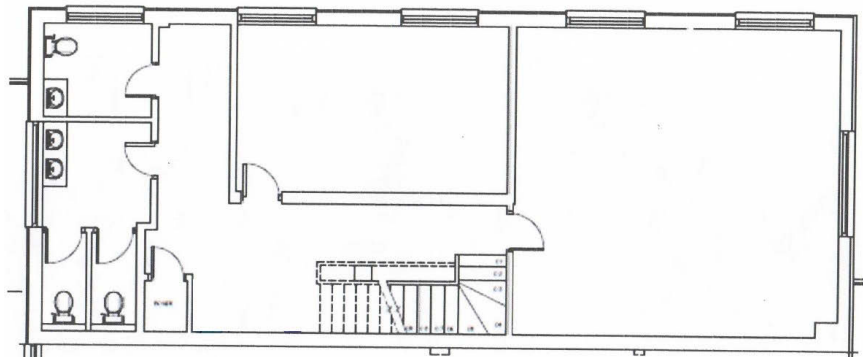


FLOOR PLANS

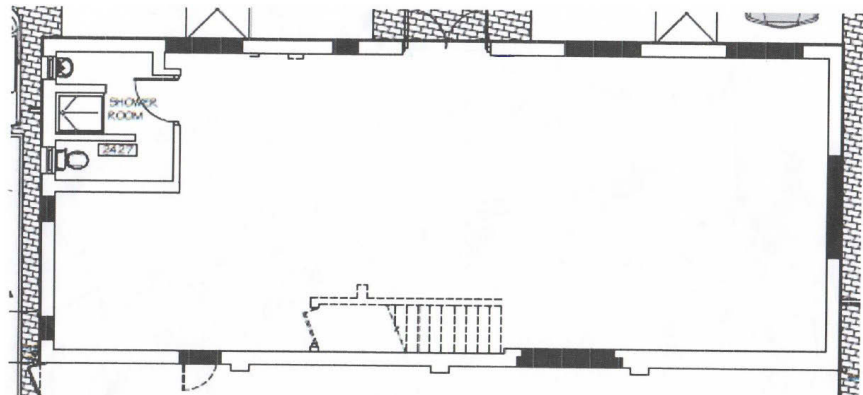
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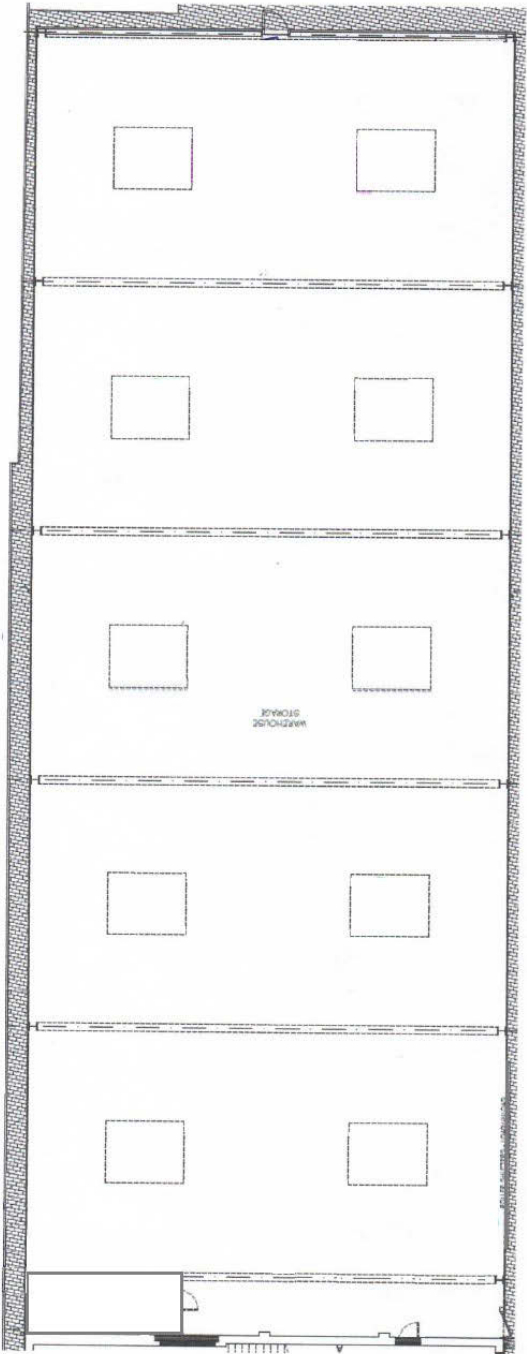
Second Floor Office



First Floor Office



Ground Floor Office



Ground Floor Warehouse

TENANCY

The building is let to The Cavan Bakery Limited on a full repairing and insuring lease for an unbroken term of 20 years from the 18th January 2022, subject to upward only rent reviews at the 5th, 10th and 15th anniversaries of the term. The annual rent is £149,000 per annum exclusive.

The lease is contracted outside the security of tenure & compensation provisions (sections 24-28) of the Landlord & Tenant Act 1954, part II, as amended.

The Tenant has provided a rent security deposit of £60,000 (the equivalent of 4 months' rent and notional VAT) which is to be held for the duration of the lease with any interest accrued being repaid to the Tenant at regular intervals.

COVENANT PROFILE**THE CAVAN BAKERY LIMITED - COMPANY REGISTRATION NO. 00334432**

The original business, having been established in 1929, was incorporated in December 1937 and runs a successful chain of local bakery outlets around the Surrey and south east London area. It currently has 12 bakery shops and a café, and also supplies over 100 wholesale customers.

	Financial Year Ending 31st December		
	2020	2019	2018
Turnover	£4,089,749	£3,294,242	£2,485,251
Profit Before Tax	£769,648	£260,689	£179,216
Net Worth	£569,743	£208,537	£132,878
Net Current Assets	£625,049	£21,530	£7,545

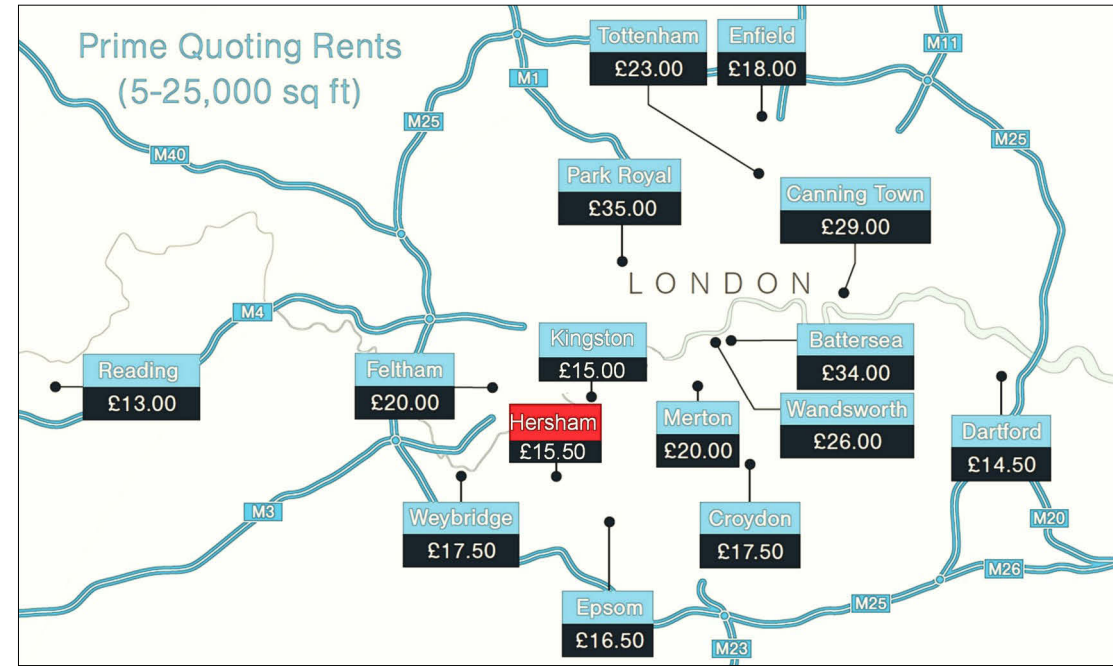
**INVESTMENT MARKET**

The Greater London investment market continues to show strong demand from investors who are attracted by the continuing rental growth prospects offered by limited supply levels.

OCCUPATIONAL MARKET SUMMARY INSIDE THE M25

Driven by both the South Easts sustained population growth and the continuing consumer behavioural shift towards e-commerce, the market has witnessed increased occupier demand in recent years, buoyed further by the Covid-19 pandemic. In particular, demand has soared for small-mid box/last mile distribution and trade counter units within the M25, capable of providing rapid access to major trunk roads and affluent conurbations.

South West London and North Surrey vacancy rates have now fallen to historic lows. Low vacancy rates coupled with diminishing employment land and a reduced development pipeline, has continued to exacerbate rental growth. Looking forward, recent research forecast prime headline rents may increase by 5.8% per annum between 2021 and 2025.



For unit sizes between 5,000 and 25,000 sq ft, we have witnessed quoting rents increase to £20.00 per sq ft in Merton and £17.50 per sq ft in Croydon and Weybridge. Hersham and West Molesey have no supply of available new build or refurbished industrial space at present. A schedule of comparable transactions and availability is provided in the table below, including a deal on an older neighbouring unit in Lyon Road, currently under offer, also at a rent of £15.50 demonstrating that rents are already increasing on older stock.

Address	Date	Area (sq ft)	Rent (£psf)	Occupier	Term
27 Lyon Road, Hersham	Under Offer	7,235	£15.50	Confidential	10 years
Unit 18 Beddington Cross, Croydon	Under Offer	23,772	Quoting £17.50	Confidential	Confidential
Unit 20 IO Centre, Sutton	Under Offer	10,273	Quoting £16.50	Confidential	Confidential
DC2A Prologis Park, Croydon	August 2021	14,680	£17.25	Oddbox	10 years (break at 6)
Valor 33, Merton	August 2021	33,579	£17.50	NHS	10 years
Unit 20 Trade City, Weybridge	February 2021	6,062	£17.50	Eventist Group	10 years (break at 5)
Logistics 15, Brooklands, Weybridge	August 2020	78,650	£15.25	Hermes	15 years
49 Oakcroft Road, Chessington	October 2019	25,966	£15.50	Master Removers Group	20 years
16 & 17 St Georges Industrial Estate, Kingston	June 2019	21,000	£16.62	Selco Trade Centre	10 years
5b Lyon Road, Hersham	June 2019	3,553	£14.10	Toolstation	10 years

PROPOSAL

We are instructed to seek offers in excess of **£3,500,000 (Three Million Five Hundred Thousand Pounds)**, subject to contract and exclusive of VAT.

A purchase price at this level would reflect a net initial yield in the region of 4.0%, assuming purchasers costs of 6.75%, or a capital value at £364 per sq ft.

VAT

We have been advised that the building is elected for VAT so this will be applicable to the sale price, unless the sale can be treated as transfer of a going concern (TOGC).

RATES

Ratable Value £82,500

Rates Payable (21/22) £42,250

We strongly recommend you verify these figures with Elmbridge Borough Council.

EPC

Rating B (42)

PLANNING

The building has a flexible B2 general industrial and B8 warehouse consent which was obtained in January 2022 from Elmbridge Borough Council under planning consent no. 2021/3934.



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