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# THISTLEBROOK INDUSTRIAL ESTATE

EYNESHAM DRIVE  
ABBEY WOOD  
**GREENWICH**  
LONDON  
SE2 9RB

85 Year Ground Rent Leasehold Investment to The London Borough of Greenwich




CITY OF LONDON

CANARY WHARF

THAMES BARRIER

CITY AIRPORT

THAMESIDE WATERFRONT  
£8BN JV BETWEEN PEABODY & LENDLEASE  
11,500 PROPOSED NEW HOMES

PLUMSTEAD 

NATHAN WAY

BIRCHMERE PARK

EASTERN WAY (A2016)

EYNESHAM DRIVE

PEABODY DEVELOPMENT  
1,500 RESIDENTIAL HOMES

ELIZABETH LINE 



Sainsbury's

HARROW MANORWAY (A2041)

ABBEY WOOD   
Crossrail Terminus 

Please note: site boundary for indicative purposes only



## INVESTMENT SUMMARY

- Well located industrial estate in Abbey Wood within The London Borough of Greenwich.
- Situated 500m to the north of Abbey Wood Train Station, which is to be the south eastern terminus of Crossrail.
- Comprising a terrace of eight adjoining industrial units on a c.2.51 acre site and providing an approximate GIA of 60,400 sq ft.
- Entirely let on an underlease to The Mayor and Burgesses of The London Borough of Greenwich on a full FRI lease for a term expiring 9th November 2104 (84.8 years unexpired).
- 5 yearly rent review pattern with the next review on 20th November 2024.
- Passing rent of £416,300 per annum, reflecting £6.89 psf (reflecting a headline rent of £9.93 psf before deductions), which is very low in the context of the London market.
- Prime South East London Industrial quoting rents of £15 - £20+ psf.
- Strong future rental growth potential based on London industrial forecasts.
- Held leasehold from The Mayor and Burgesses of The London Borough of Greenwich until 19 November 2104.
- Offers in excess of **£13,000,000**, which reflects a **3.00% NIY** and a low capital value of **£215 psf**, assuming purchaser's costs of 6.72%. Subject to contract and exclusive of VAT.



## LOCATION

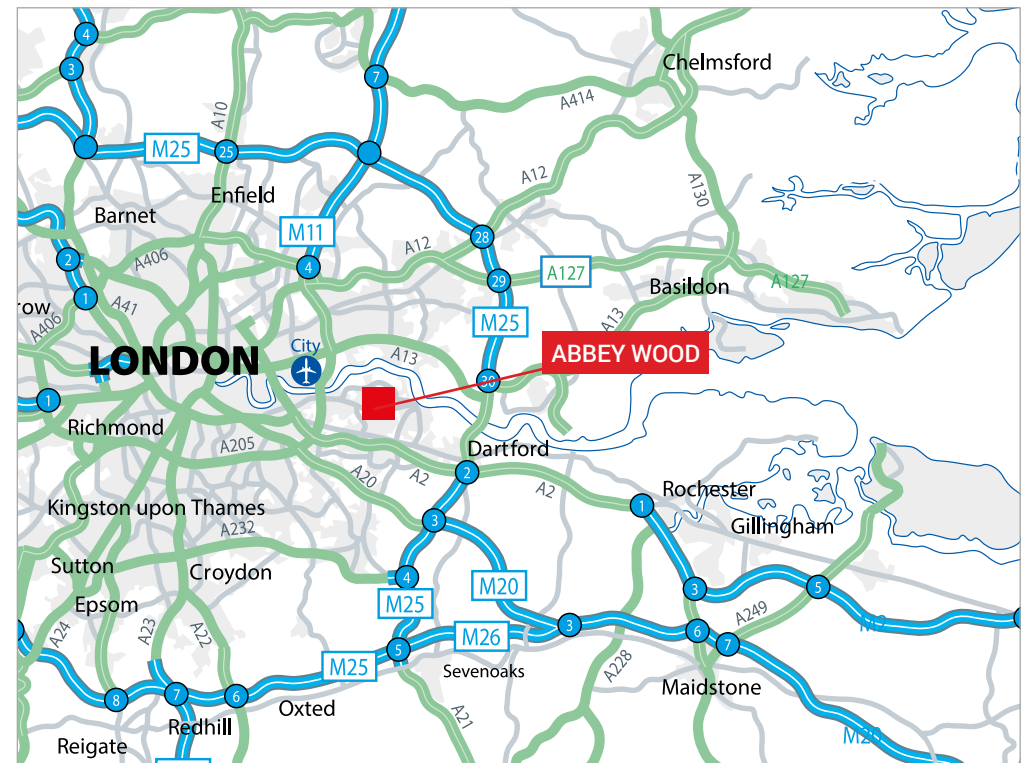
Thistlebrook Industrial Estate is located within the Royal Borough of Greenwich, approximately 6 miles east of Canary Wharf, 9 miles east of The City and 6 miles south east of Stratford.

Greenwich benefits from excellent road communications with the A102 connecting Canary Wharf and Central London via the Blackwall Tunnel and to the M25 via the A2. The A2 also links into the South (A205) and North Circular (A406) serving London.

Rail links are also strong with Abbey Wood train station providing regular direct services to London Bridge and Cannon Street stations in an approximate journey time of 24 minutes and 31 minutes respectively.

The Thames Clipper operates a commuter service from Central London to the O2. In addition, the O2 Express runs between Waterloo, London Eye Pier and North Greenwich Pier on event nights.

London City Airport is located approximately 2.5 miles to the north west, connecting Abbey Wood to over 42 locations across Europe and North America.



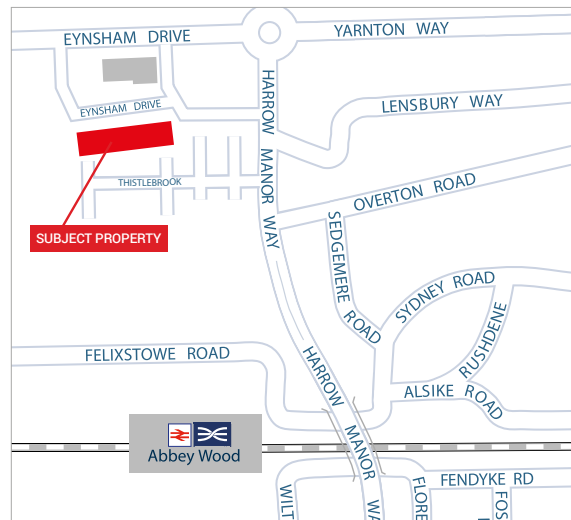
## SITUATION

The subject property is situated on the south side of Eynsham Drive approximately 0.5 miles north of Abbey Wood Train Station (Crossrail Station). The A2041 (Harrow Manor Way) lies directly east of the property off the roundabout junction with Eynsham Drive. The A2041 connects to the south with the A206 and to the north with the A2016. Local occupiers in the area include Lidl, Sainsburys, PDSA and Jessops.

The subject property is in close proximity to Cross Quarter, a new recently completed regeneration scheme which includes a brand new 81,000 sq ft Sainsburys food store, 5,000 sq ft of retail space, a nursery and 200 new homes. The scheme is forecast to generate over £125m of value for the local economy over the next 10 years, creating over 500 full and part time jobs.

Furthermore, Peabody have had planning permission granted to develop 1,500 new homes across four sites in close proximity to Abbey Wood Train Station. The first phase of the development is underway at Southmere Village which will include 525 new homes, a new library, and 40,000 sq ft of commercial space for cafes, retail and local enterprises. Southmere village is due to start in 2018 with the final phase to be completed by 2024.

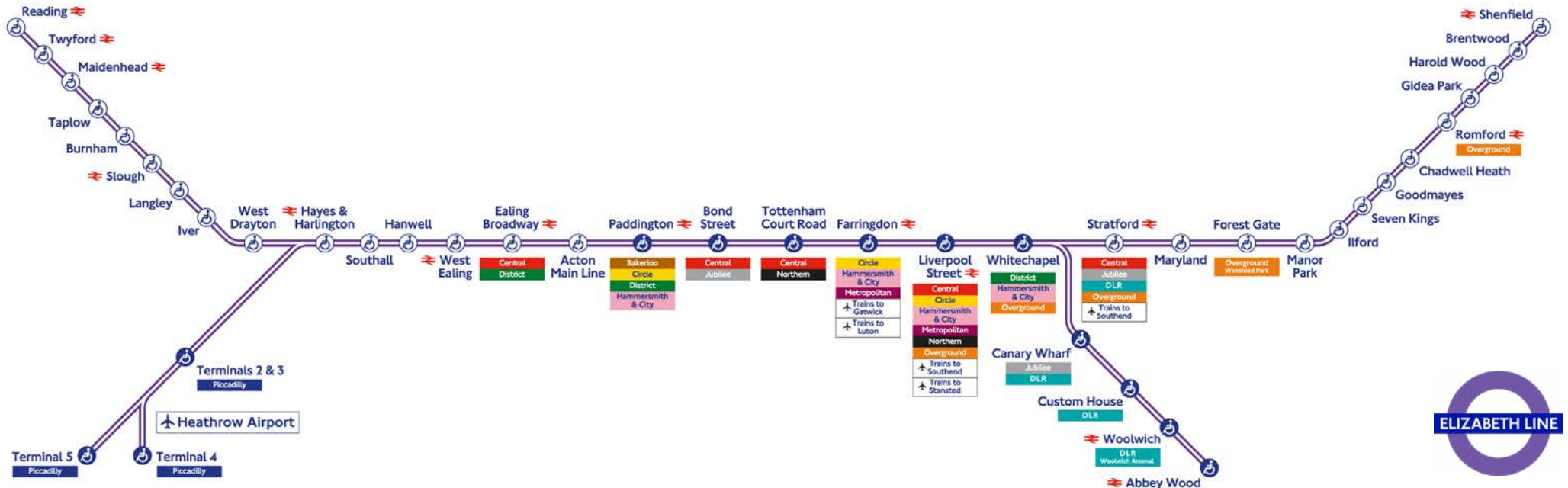
Further information can be found at: <http://www.yourabbeywood.co.uk/abbey-wood-south-thamesmead-housing-zone>



# CROSSRAIL

Abbey Wood is anticipated to hugely benefit from the significant infrastructure upgrade to the rail station. The new station will act as the south eastern terminus for Crossrail (Elizabeth Line) which is scheduled to open in 2021. The connectivity that Crossrail brings to Abbey Wood has already galvanised considerable inwards investment and this is set to continue as gentrification occurs.

From Abbey Wood:	Time:
Canary Wharf	11 mins
Liverpool Street Station	17 mins
Bond Street	25 mins
Paddington Station	28 mins





## DESCRIPTION

Thistlebrook Industrial Estate comprises a terrace of eight industrial units. The units are of steel portal frame construction with elevations of part external brick, part profile cladding. Each unit provides a warehouse with a maximum eaves height of 6.25m and each incorporate a roller shutter door.

At the front of each unit is a two-storey office block, some of the offices have been refurbished and benefit from heating and strip lighting.

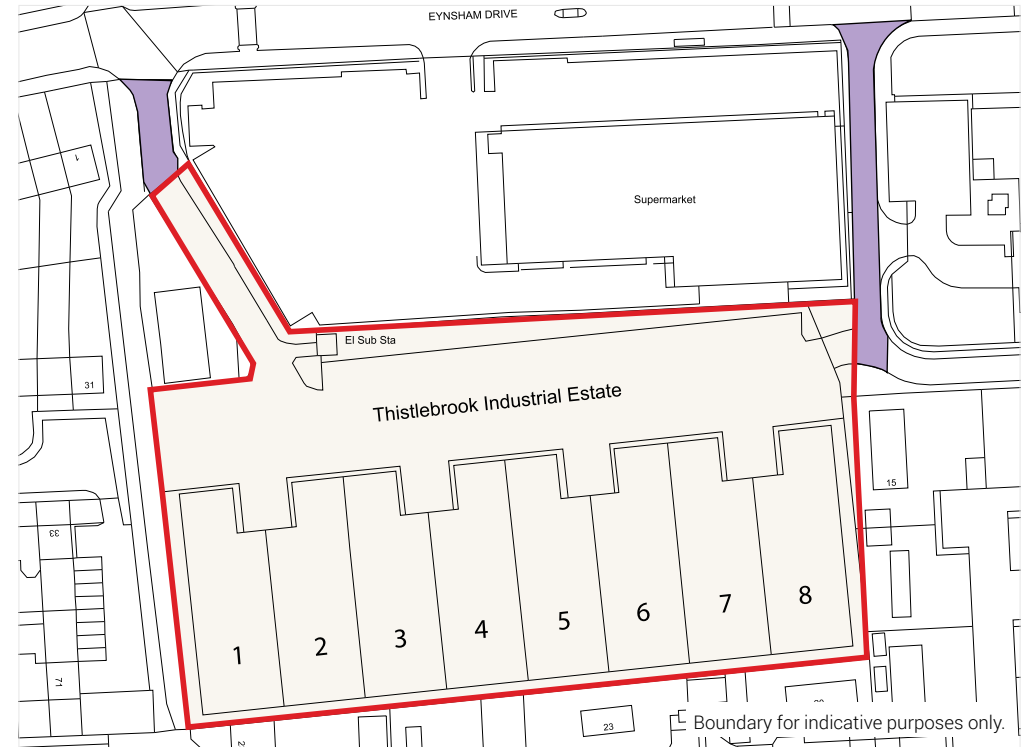
Externally, to the front of the estate, there is parking for approximately 77 cars. The estate is secured by fencing and benefits from access off Eynsham Drive, to the north of the estate, as well as another access point at the north east corner of the site, adjacent to the Lidl unit.

The property provides an approximate site area of 2.51 acres (1.02 hectares) and a low site coverage of 48%.

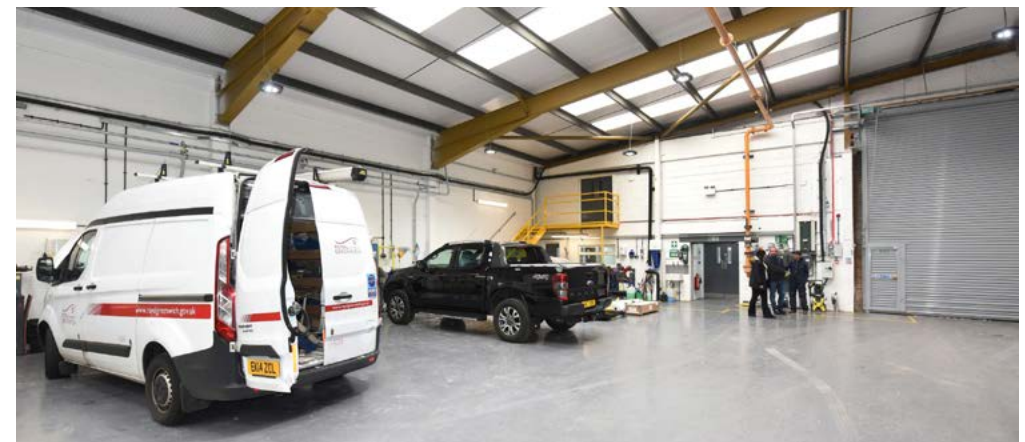
## ACCOMMODATION

We have been informed that the property has a Gross Internal Area of approximately 60,400 sq ft (5,611 sq m), in line with the table below.

Area	Sq m	Sq ft	EPC Rating
Unit 1	701.41	7,550	C
Unit 2	701.41	7,550	D
Unit 3	701.41	7,550	D
Unit 4	701.41	7,550	C
Unit 5	701.41	7,550	C
Unit 6	701.41	7,550	C
Unit 7	701.41	7,550	C
Unit 8	701.41	7,550	E
<b>Total</b>	<b>5,611</b>	<b>60,400</b>	



The purple shaded areas on the plan denote rights of way at all times and for all purposes with or without vehicles from Eynsham Drive.





## TENURE

The subject property is held long leasehold for a term of 125 years from 20th November 1979, providing an unexpired term of 84.8 years at a peppercorn rent. The freeholder is The Mayor and Burgesses of The London Borough of Greenwich.

## TENANCY

The subject property is entirely let to The Mayor and Burgesses of The London Borough of Greenwich for a term of 125 years less 10 days from 20th November 1979 expiring 9th November 2104, on FRI terms at a current rent of £416,300 per annum, equating to £6.89 psf. The tenant occupies Units 1 & 2 and sub-lets the remaining units.

## RENT REVIEW

The lease is subject to upwards only five yearly rent reviews, with the next review falling on 20th November 2024.

The rent is reviewed to 77.143% of the open market rental value for each individual unit let on a notional new lease. Please refer to the relevant clause in the lease for the full details.

We have included a table below illustrating how the most recent review was settled:

NOVEMBER 2019 RENT REVIEW WORKINGS	PA	PSF
Headline rent on notional units	£599,608	£9.93
Less 10% discount applied for hypothetical term	£539,647	£8.93
<b>Total</b>	<b>£416,300</b>	<b>£6.89</b>

## INVESTMENT RATIONALE

- **85 years** of income secured to The London Borough of Greenwich.
- **5 yearly rent reviews** to track strong forecast industrial rental growth.
- **60% rental uplift** since 2004.
- **4.2% annualised rental growth** since underlease commenced in 1979.
- Assuming a modest long term rental growth rate of 2% (in-line with current long term inflation forecasts) this investment would **provide an income stream in excess of £85m**.
- Significant **local development** as a result of **Crossrail**.
- **Opportunity to redevelop** the site in the future (stp).
- Initial yield provides **significant arbitrage over current Gilt rates**.



# LONDON INDUSTRIAL PRIME RENTS MAP



Not to scale. For indicative purposes only.



## ASSET MANAGEMENT INITIATIVES

The following may be suitable asset management opportunities in the short, medium and longer term:

- Capture strong forecast rental growth at the next review in November 2024.
- Re-gear the head lease with the Council.
- Purchase Freehold from the Council.
- Agree surrender of the underlease to the Council and refurbish individual units.
- Long term alternative uses such as residential or leisure (subject to necessary planning consents).

## VAT

Value added tax is applicable to the sale of this property and it is anticipated that the sale will be treated as a transfer of a going concern (TOGC).

## PROPOSAL

Offers in excess of **£13,000,000**, which reflects a **3.00% NIY** and a low capital value of **£215 psf**, assuming assuming purchaser's costs of 6.72%. Subject to contract and exclusive of VAT.

## FURTHER INFORMATION

Should you wish to view the property or require any further information please contact the joint agents.



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