

# LONDON

PHOENIX TRADING  
ESTATE,  
BILTON ROAD,  
PERIVALE, UB6 7DZ

LEWIS ELLIS

RARE WEST LONDON MULTI LET INDUSTRIAL/TRADE COUNTER INVESTMENT OPPORTUNITY



## INVESTMENT CONSIDERATIONS

- Perivale is one of the **closest and well connected commercial locations to Central London** available to occupiers.
- Phoenix Trading Estate is located **less than one mile north of the major Hanger Lane roundabout system** and provides **excellent connectivity to Western Avenue (A40), the North Circular (A406) and onwards to the M40/M4/M1 motorways and Heathrow Airport.**
- Strategically **located 0.4 miles (0.6 km) west of Alperton underground station (Piccadilly line)** with both **Perivale & Hanger Lane underground stations (Central line) less than one mile (1.6km) away.**
- **Five industrial/trade counter units extending to 36,161 sq ft (3,359.47 sq m) GIA** with individual unit sizes ranging from 5,765 sq ft (535.58 sq m) to 8,101 sq ft (752.60 sq m).
- The estate is **well configured** and benefits from a **shared central loading yard** with staff/customer parking, **secure perimeter fencing** and an **electronically operated access gate.**
- **Multi let to four tenants** generating a **total rental income of £384,498 per annum**, reflecting a **low average rent of £12.65 per sq ft** (excluding unit 4).
- Attractive AWULT of **6.9 years to expiry** and **2.4 years to break.**
- The site extends to **1.6 acres (0.65 hectares)** providing a **low site coverage of 52%.**
- **Freehold.**
- **Opportunities to add substantial value** by exploring lease re-gears/rental growth or residential development in the future.
- Prime rents now stand in excess of £20 per sq ft in west London and are projected to continue on an upward trajectory, largely due to a lack of supply of quality industrial stock.
- The COVID-19 pandemic has highlighted how vital the industrial sector is to end consumers and supply chains. Industrial has remained resilient throughout the last 12 months, largely down to surges in e-commerce, food delivery services and home improvement.
- Offers sought in excess of **£12,000,000 (twelve million pounds)** subject to contract and exclusive of VAT. This reflects a **net initial yield of 3.00%**, after deduction of purchase costs of 6.71%, equating to a **capital value of £395 per sq ft** (excluding Unit 4).

## LOCATION

Located 9.2 miles (14.8 km) to the north west of Central London and adjacent to the A40, Perivale is situated in the borough of Ealing. Perivale is bordered by Wembley to the north, Park Royal to the east, Ealing to the south and Greenford to the west.

### Road



Perivale benefits from excellent road communications and is located 1 mile north (1.6km) of Hanger Lane, a large, complex roundabout system at the junction of two major routes: the North Circular (A406) and Western Avenue (A40). At rush hour, the roundabout carries in excess of 10,000 vehicles per hour. Hanger Lane provides direct access to multiple major motorways including the M4 at Gunnersbury (3.6 miles to the south) and the M1 at Brent Cross (4.2 miles to the north). The proximity to central London (via the A40) means that most locations in the capital can be reached in under 30 minutes.

### Rail



Perivale provides excellent connectivity into central London via multiple public transport routes. Perivale underground station (Zone 4) is served by the Central Line and Alperton underground station (Zone 4) is served by the Piccadilly Line. Furthermore, overground services are available via Wembley Central. From 2022 the Elizabeth Line (Crossrail) will be operational via Ealing Broadway providing improved connectivity and accessibility into the West End and City of London. The Elizabeth Line will deliver major improvements to stations across the western section and significant upgrades to improve the speed and reliability of services.

### Air



Perivale is located 11.7 miles (18.8 km) north east of the UK's busiest airport, Heathrow. In 2019, Heathrow handled a record 80.9 million passengers making it the busiest airport in Europe and 7th across the world by total passenger traffic. It also transported 1.6 million metric tonnes of cargo in 2019, more than all other UK airports combined. Heathrow expects to deliver a third runway by 2026.

The proximity and connectivity to these road, rail and



air networks makes Perivale an attractive proposition to occupiers who fulfil manufacturing, logistics and distribution functions across London.

### Park Royal

Park Royal is the largest industrial estate in London with an estimated 2,000 businesses employing over 30,000 people. The 1,200 acre industrial estate is considered the premier manufacturing, warehouse and urban logistics location performing a vital role in supplying and supporting the London economy. Park Royal is well known as a centre for manufacturing, logistics, distribution, car repair and vehicle maintenance, TV related businesses and food processing with a reported one third of all food and drink consumed within the capital distributed through the estate.

From an economic perspective, Park Royal is an important provider of entry level, low skilled and high skilled employment. The area experiences a positive net flow of approximately 37,000 workers, twice its

resident population. Employment in manufacturing, distribution and storage accounts for 16.6% of total employment in Park Royal and the wider area benefits from a low unemployment rate of 1.6%.

Major companies with a presence at Park Royal include Carphone Warehouse, Diageo, Katsouris Freshfoods, McVities and the NHS (Middlesex Hospital). Logistics occupiers include TNT, Ceva Logistics, Matthew Clarke & Bakkavor Foods.

Park Royal Industrial Estate sits within the Old Oak and Park Royal Development Corporation (OPDC), a 650 hectare regeneration site. The OPDC's mission is to capitalise on the significant HS2 and the Elizabeth Line (Crossrail) investment at Old Oak Common to drive forward the delivery of high quality homes (25,500) and employment (65,000 jobs) to facilitate London and UK growth and global competitiveness. Old Oak and Park Royal will become a world class transport 'super-hub' and one of the country's most connected and largest railway interchanges.

## SITUATION

Phoenix Trading Estate is prominently situated on the north side of Bilton Road. The major Hanger Lane roundabout system is located 1 mile (1.6 km) to the south via Ealing Road and provides direct access to Central London (via the A40), together with the M40, M4 and M1 motorways (via the north/south circular). Perivale is one of the closest and well connected commercial locations to Central London available to occupiers.

Phoenix Trading Estate is strategically located 0.4 miles (0.6 km) west of Alperton underground station (Piccadilly line) with both Perivale and Hanger Lane underground stations (Central line) less than 1 mile (1.6km) away. This allows easy access for the local workforce on the estate and excellent connectivity for residents into Central London.

Perivale Park, a large 34 acre commercial holding, is located 0.4 miles (0.6 km) to the west of the subject property and was acquired by Segro in June 2020 for £202.5m.

Commercial occupiers within close proximity include Sainsburys (foodstore), Jewson and Busy Bee Builders Merchant.

Alperton is undergoing a period of transformation with a number of significant developments under construction locally. These include:-

- The former Minavil House site opposite Alperton station where Clarion Housing Group (the UK's largest social landlord) are building a 27 storey residential tower (providing over 250 homes) and Lidl foodstore set for completion in 2022.
- Network Homes acquired a brownfield industrial site (adjoining the subject property) in Nov 2019 for a reported £11m (£7.85m per acre) and are on site building 105 new residential apartments (1, 2 and 3 bedrooms).
- Alperton House, adjacent to Ealing Road and the Grand Union Canal, was acquired by the Peabody Trust and Redrow Homes in 2019. The 2.2 acre site has planning for 474 new residential homes across four tower blocks up to 23 storeys high.
- Liberty Wharf, a new residential development by Clarion Housing Group overlooking the Grand Union canal provides 135 new residential apartments (1, 2 and 3 bedrooms) and completed in 2020.
- The Grade II listed iconic Hoover building was acquired by IDM in 2015 and converted into 66 luxury residential apartments in 2018. The adjoining site, owned by HTA, obtained planning consent in May 2020 for a new 16 storey development comprising 278 new residential apartments.





Central London

Wembley Stadium

Park Royal

Wembley Central

Alperton Station



CLARION HOUSING GROUP

Ealing Road

Jewsons

Sainsbury's

**SUBJECT PROPERTY**

Grand Union Canal

Bilton Road



Network Homes

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## DESCRIPTION

Phoenix Trading Estate comprises five industrial/trade counter units constructed in the 1970s. The estate provides a total GIA of 36,161 sq ft (3,359.47 sq m) with individual unit sizes ranging from 5,765 sq ft (535.58 sq m) to 8,101 sq ft (752.60 sq m).

The buildings are of steel portal frame construction beneath a pitched steel clad roof with part profile metal clad/part brick elevations.

The units benefit from the following institutional specification:-

- Full height level access electronically operated loading doors
- Hardstanding loading area to the front of each unit
- Covered loading canopies
- Dedicated staff / customer car parking bays
- Eaves height ranging from 5.5m to 6.6m
- Two storey ancillary office accommodation

The estate is well configured and benefits from a shared central loading yard with parking, secure perimeter fencing and an electronically operated access gate.

The site extends to 1.6 acres (0.65 hectares) providing a low site coverage of 52%.

## ACCOMMODATION

The property has been measured in accordance with the RICS Code of Measuring Practice (6th Edition) and comprises the following gross internal floor areas:

UNIT	TENANT	AREA (Sq ft)	AREA (Sq m)
1	Durkin & Sons Limited	8,045	747.40
2	Mr Edward O'Kane & Mrs Maureen O'Kane	8,101	752.60
3	Korn Wall Limited	7,996	742.85
4	Richard & Jacqueline Jasinski	5,765	535.58
5	Sofa & More Limited	6,254	581.02
<b>TOTAL</b>		<b>36,161</b>	<b>3,359.47</b>

## TENURE

Freehold. The long leasehold interest of unit 4 has been sold off.

## TENANCY SCHEDULE

The property is let in accordance with the below tenancy schedule providing a total income of £384,498 per annum (reflecting a low average rent of £12.65 per sq ft (excluding unit 4) and an attractive AWULT of 6.9 years to expiry and 2.4 years to break.

UNIT	TENANT	AREA (Sq ft)	AREA (Sq m)	LEASE START	NEXT RENT REVIEW	LEASE EXPIRY	BREAK OPTION	RENT (p/a)	Rent (psf)	COMMENT
Unit 1	Durkin & Sons Limited	8,045	747.40	22/03/2017	22/03/2022	21/03/2027	21/03/2023	£97,500	£12.12	
Unit 2	Mr Edward O'Kane & Mrs Maureen O'Kane	8,101	752.61	01/11/2017	01/11/2022	31/10/2027	01/11/2023	£101,263	£12.50	Outside the L&T 1954 Act
Unit 3	Korn Wall Limited	7,996	742.85	30/05/2018	30/05/2023	29/05/2028	30/05/2023	£107,460	£13.44	
Unit 4	Richard & Jacqueline Jasinski	5,765	535.59	10/09/1999	10/10/2098	09/09/2998	-	£100	-	Sold off LLH
Unit 5	Sofa & More Limited.	6,254	581.02	12/05/2017	12/05/2022	11/05/2027	11/05/2022	£78,175	£12.50	Schedule of condition
<b>TOTAL</b>		<b>36,161</b>	<b>3,359.47</b>					<b>£384,498</b>	<b>£12.65</b>	



## COVENANT INFORMATION

The estate benefits from a diverse income stream from a mix of regional multiples and independent occupiers. 53% of the income is secured to tenants with a 'lower than average risk of business failure' or better.

### DURKIN & SONS LTD

Durkin & Sons Ltd (company number 01729334) was established in 1980 and is primarily involved in the civil engineering and utility contracting industries. The company specialises in underground EHV cable installation and employs approximately 110 people. Their head office is based at the subject property.

Durkin & Sons Ltd has a D&B rating of 3A1 representing a 'minimum risk' of business failure. The latest company accounts are set out below:

	Year Ending 31 March 2019	Year Ending 31 March 2018	Year Ending 31 March 2017
Turnover	13,259,185	6,792,313	5,704,960
Profit / (Loss) Before Tax	775,701	(416,474)	111,526
Tangible Net Worth	8,327,416	7,758,808	8,198,595
Net Current Assets	7,758,547	7,052,845	7,664,728

### KORN WALL LTD

Korn Wall Ltd (company number 06812775), trading as KwickScreen, was founded in 2008. The company designs and engineers protective screens to create flexible, COVID secure spaces across hospitals. The company operates in 18 countries worldwide and is headquartered at the subject property.

Durkin & Sons Ltd has a D&B rating of A2 representing a 'lower than average risk' of business failure. The latest company accounts are set out below:

	Year Ending 31 March 2019	Year Ending 31 March 2018	Year Ending 31 March 2017
Tangible Net Worth	463,162	457,729	427,532
Net Current Assets	567,958	454,669	422,270

### SOFA & MORE LTD

Sofa & More Ltd (company number 07661143) is an online furniture and lighting retailer. The company employs approximately 27 people.

Sofa & More Ltd has a D&B rating of 1A3 representing a 'higher than average risk' of business failure. The latest company accounts are set out below:

	Year Ending 30 June 2019	Year Ending 30 June 2018	Year Ending 30 June 2017
Tangible Net Worth	722,640	474,133	448,525
Net Current Assets	669,963	457,408	441,305



## INVESTMENT MARKET COMMENTARY

COVID-19 has highlighted how vital the industrial sector, specifically distribution, urban logistics and trade counters, are to end consumers and supply chains. Unlike any other sector, industrial has remained resilient throughout the last 12 months, largely down to surges in e-commerce, food delivery services and home improvement.

There is a huge weight of money targeting industrial, logistics and trade counter assets in greater London. Opportunities to acquire quality assets are few and far between and when they do come to market they are hotly contested. Yields have compressed further in recent months with prime west London industrial assets trading at sub 3%.

The severely restricted supply of existing / pipeline stock and available land for development together with extremely robust occupier demand driven by the exponential rise of e-commerce and last mile logistics has put huge upward pressure on rents in recent years. On average, the market has experienced 6% rental growth over the last 12 months and Park Royal sets the benchmark across London where prime headline rents are in excess of £20 per sq ft.

Listed below are a selection of recent market transactions demonstrating current pricing levels:

Location	Date	Area (sq ft)	Term Certain (Years)	Price	Yield (NIY)	Cap Val (psf)
Art Logistics, 5-7 Park Royal Road, Acton	Jan 2021	14,229	3.2	£5.85m	2.70%	£411
New England Industrial Estate, Barking	Nov 2020	144,000	3.5	£41.75m	2.07%	£290
Electra Business Park, Canning Town	Oct 2020	228,137	4.3	£133m	2.58%	£583
Viper Industrial Estate, Romford	Oct 2020	43,419	7.8	£12.00m	3.42%	£276
Brentside Works/ Brentside Crescent, Hanger Lane	Sept 2020	63,371	2.0	£19.05m	3.83%	£301
HR Owen, 5-9 School Road, Park Royal	June 2020	42,722	2.8	£15.325m	2.84%	£359
Perivale Park, Perivale	June 2020	578,305	3.5	£203m	3.20%	£351
Saint Gobain, Units A&B, Ripple Road, Barking	April 2020	63,916	4.2	£19.00m	3.00%	£297
Selco, Wembley	Mar 2020	47,500	11.5	£16.1m	3.57%	£355

## SERVICE CHARGE

The service charge budget for the period ending 31st December 2021 is estimated at £16,640 per annum equating to £0.46 per sq ft. Further information is available in the dataroom.

## VAT

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

## ENERGY PERFORMANCE CERTIFICATE

The property has an EPC rating ranging between 65 (band C) and 117 (band E). Individual copies of the EPC's are available on the dataroom.

## DATA ROOM

There is a dataroom for the property with key tenancy information, service charge schedules, title documents and the EPCs. Access to it can be obtained via Lewis Ellis.





## PROPOSAL

Offers sought in excess of **£12,000,000 (Twelve Million Pounds)** subject to contract and exclusive of VAT.

This reflects an **attractive net initial yield of 3.00%**, after deduction of purchaser's costs of 6.71%, equating to a **capital value of £395 per sq ft** (excluding unit 4).

## FURTHER INFORMATION

Should you require further information or wish to view the property, please contact either:

**Simon Lewis**  
Tel: 020 7493 3330  
Mob: 07831 527 960  
Email: [slewis@lewisellis.co.uk](mailto:slewis@lewisellis.co.uk)

**David Kos**  
Tel: 020 7493 3330  
Mob: 07709 813 267  
Email: [dkos@lewisellis.co.uk](mailto:dkos@lewisellis.co.uk)

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