



HIGHLY REVERSIONARY INDUSTRIAL INVESTMENT WITH REFURBISHMENT / DEVELOPMENT POTENTIAL  
TENANT HAS BEEN HOLDING OVER FOR THE PAST 15 YEARS

# 25-27 WILBURY WAY HITCHIN, SG4 0TS

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LEWIS ELLIS

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# 25-27

## INVESTMENT SUMMARY

- Hitchin is an important commercial centre within the county of Hertfordshire, strategically **located 32 miles north of London, 9 miles north east of Luton and 6 miles north west of Stevenage.**
- The property is located in a **highly prominent position on the entrance to the Wilbury Way industrial estate**, which is the prime industrial location within the town.
- Two industrial / manufacturing units with a **Gross Internal Area of 18,457 sq ft (1,715 sq m).**
- The property occupies a site of 1.20 acres, providing a **low site coverage of 35%.**
- Single let to Intra Limited at a **low rent of £95,000 per annum** (£4.32 per sq ft on the building and £3.00 per sq ft on 5,000 sq ft of excess storage land).
- **The lease to Intra Limited expired on the 1st February 2007** and the tenant has been holding over for the past 15 years.
- **Highly reversionary with the ERV for the unit in the region of £6.50 - £9.00 per sq ft** dependent on the level of works / refurbishment undertaken.
- Strong underlying occupational market with prime industrial **rents being achieved in the region of £12.00 per sq ft.**
- **Numerous** asset management angles.
- **Freehold.**

**WILBURY WAY**  
**HITCHIN, SG4 0TS**



## PROPOSAL

Offers sought in excess of **£1,900,000 (One Million Nine Hundred Thousand Pounds)** subject to contract and exclusive of VAT.

This reflects an attractive **net initial yield of 4.71%**, and an anticipated **reversionary yield of approximately 7.16%**, after deduction of purchaser's costs of 6.24%.

The price shows a **low capital value of £103 per sq ft** and **£1.58 million per acre** which is in line with land value.

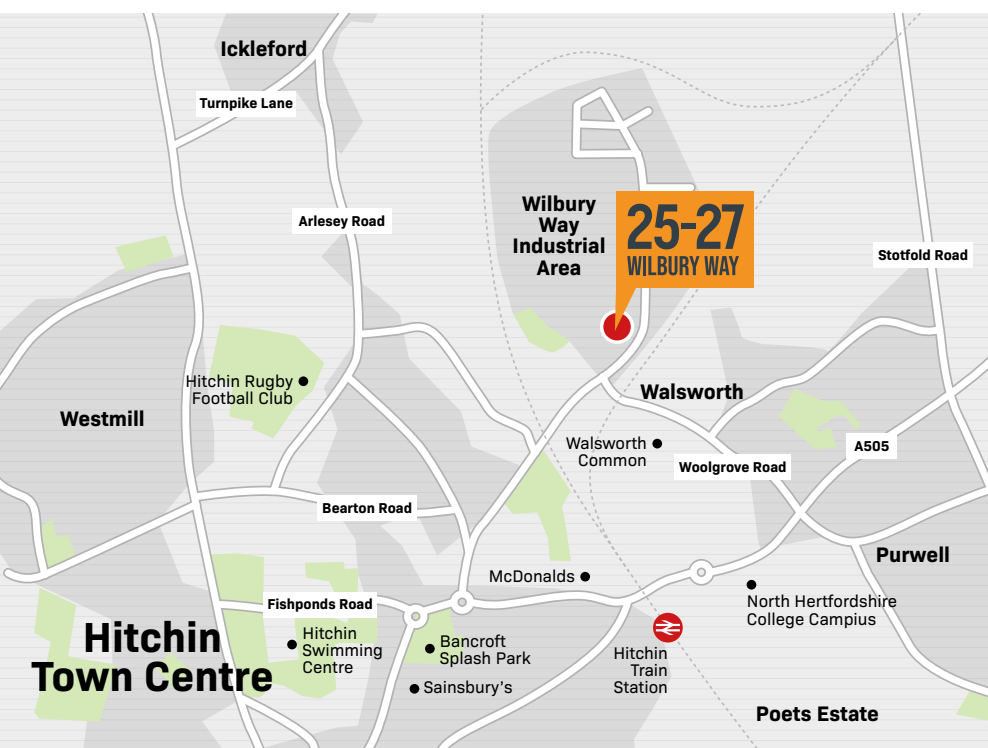
## LOCATION

Hitchin is a market town in North Hertfordshire with an estimated population of 33,350. The town is located 4 miles to the west of the A1 (M) motorway (Junctions 8 & 9) and 12 miles to the east of the M1 (Junctions 11 & 12).

The town is strategically located 32 miles north of Central London, 9 miles north east of Luton, 33 miles south-west of Cambridge and 27 miles south-east of Milton Keynes. The town is also within close proximity of Stevenage, Letchworth, Welwyn Garden City and Dunstable.

Hitchin Railway Station serves the town and is located approximately 1 mile north east of the town centre and sits on the East Coast Main Line. Trains at nearby Letchworth Garden City (2.8 miles to the north east) are operated by Great Northern and Thameslink services and run to the following stations: London Kings Cross, Brighton, Gatwick Airport and Cambridge.

North Hertfordshire is expected to benefit from substantial government investment in the Oxbridge Growth Corridor. Currently contributing £90 billion a year to the UK economy this area is forecast to grow £250 billion by 2050. The investment will deliver the Varsity Rail Line and Expressway Road between Oxford and Cambridge by 2031 and 2030 respectively and potential for 1 million new homes by 2050.



**WILBURY WAY**  
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## SITUATION

### WILBURY WAY HITCHIN, SG4 OTS

The subject property benefits from excellent road frontage being located at the entrance of the Wilbury Way industrial estate. Wilbury Way is considered the principal commercial area within Hitchin and provides for easy access to the A1 (M), which runs three miles to the east.

The immediate area is a well established industrial and distribution location with nearby occupiers including Howdens, National Grid and Travis Perkins as well as a large number of local businesses.

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## DESCRIPTION

### 25 WILBURY WAY

The unit looks to be of 1950s build and is a single storey steel portal frame brick / blockwork warehouse with office provision to the front of the unit. The roof is pitched asbestos and the building has been rendered.

This building contains an assembly area, canteen, meeting rooms and office space with a total area of 3,725 sq ft (346 sq m) GIA. There is visitor parking to the front of the unit.

There is semi-permanent portacabin situated adjacent to this building which is currently not in use.

### 27 WILBURY WAY

The building was constructed in the 1950's and was extended in the 1970's. The minimum eaves height is approximately 3 metres and approximately 5 metres to the underside of the apex. In addition to the main manufacturing area, there are a number of smaller manufacturing suites and a mix of open plan and office pod accommodation.

The unit is single storey steel portal frame with brick elevations. The office provision is to the front and there is one loading door to the side of the unit, adjacent to a crane gantry system. The roof of the unit comprises a mix of profile steel sheet and asbestos.

The unit extends to approximately 14,732 sq ft (1,369 sq m) GIA.



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**WILBURY WAY**  
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## ACCOMMODATION

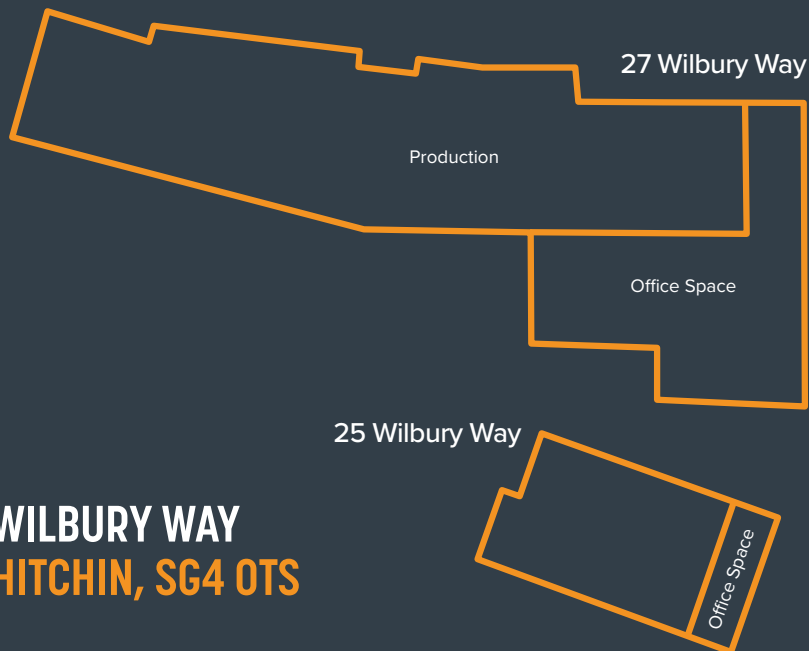
The property provides the following Gross Internal Areas (GIAs):

Property	Use	Sq m	Sq ft
25 Wilbury Way	Assembly area, canteen, meeting rooms	346	3,725
27 Wilbury Way	Warehouse and ancillary office accommodation	1,369	14,732
<b>Total</b>		<b>1,715</b>	<b>18,457</b>

The semi-permanent portacabin to the west of 25 Wilbury Way which extends to 1,400 sq ft is not included in the areas.

The property sits on a site of 1.20 acres, providing a low site coverage of 35%.

## BUILDING PLANS



**WILBURY WAY**  
**HITCHIN, SG4 0TS**



## EPC

The property has an EPC rating of 83 (Band D). A copy of the EPC is available on request.

## TENANCY

The property is let to Intra Limited who are currently holding over from a lease which expired 1st February 2007. The current income is £95,000 per annum equating to £4.32 per sq ft and £3.00 per sq ft on the 5,000 sq ft of excess storage land.

The lease is subject to a schedule of condition whereby the tenant must keep the premises in the same state of repair and condition as at the date of the original lease (2nd February 2005).

The lease is inside the Landlord and Tenant Act 1954.

## TENURE

The property is held freehold under title number HD11590.

## COVENANT INFORMATION

## INTRA

**Intra Limited** is an international company specialising in precision manufacturing and engineering and primarily build custom measurement equipment and technology for the automotive and aerospace industry.

Intra Limited has a D&B rating of 2A2 and has reported the following set of accounts for the last 3 years:

	31 December 2021	31 December 2020	31 December 2019
Current Net Assets (Liabilities)	£1,528,210	£1,293,760	£988,175
Tangible Net Worth	£1,544,818	£1,307,609	£1,014,938

**Intra Limited** is owned jointly by Intra Corporation and John Battista Sr. Intra has offices/facilities in the US, UK, Mexico, China and Thailand. Website: <https://www.intra-corp.net>



## MARKET COMMENTARY

Investor sentiment towards the UK industrial sector remains positive despite global issues.

The sector continues to have restricted supply, limited obsolescence and compelling rental growth prospects. COVID-19 has highlighted the sector's vital importance in servicing end consumers have critical supply chains and accelerated the existing trend towards e-commerce.

The appetite for South East industrial and Greater London industrial assets is particularly strong as a consequences of the chronic shortage of new development in recent years which has been reflected in significant rental growth. This growth is set to continue as the supply / demand dynamics remain imbalanced.

Hitchin, like a number of well connected locations in the UK is characterised by an obvious demand and supply imbalance of industrial space. The lack of Grade A stock has put increased pressure on the demand for secondary accommodation which has resulted in low vacancy rates. Consequently, this has led to an increased demand from occupiers for space and as a result has forced an upward pressure on rental levels.

Prime rents in Hitchin are significantly below rental levels achieved in nearby competing locations, offering considerable potential for additional rental growth. Trade counter rents in nearby locations of Luton and Stevenage are in the region of £16.00 per sq ft.

We consider the current rent for the unit of £4.32 per sq ft on the building and £3.00 per sq ft on 5,000 sq ft on excess storage land to be highly reversionary). Should the property be refurbished and the property split into a trade counter scheme then rents of circa £10.00 psf are likely achievable.

We are aware of the following occupational comparables:

Address	Date	Tenant	Letting Details	Size (Sq Ft)	Rent (Psf)
Unit 2-4, Hillgate, Hitchin, SG4 0SZ	Nov 21	Watts Roofing Supplies	5 year lease, 6 months rent free	13,992	£7.00
71-72B Wilbury Way, Hitchin, SG4 0TP	Aug 21	Principled Offsite Logistics	5 year lease	6,082	£6.45

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## ASSET MANAGEMENT OPPORTUNITIES

- **Regear** – engage with the current tenant to negotiate a new lease at a higher rent.
- **Surrender and regear / relet** – engage in discussions over the surrender of 25 Wilbury Way which is used as ancillary space by the tenant. Relet this space to a new occupier whilst keeping the existing tenant in situ via a regear at 27 Wilbury Way.
- **Refurbishment** – gain vacant possession of the unit and conduct a refurbishment of the existing space in order to obtain a higher ERV, with achievable rents in the region of £9.00 per sq ft.
- **Redevelopment** – gain vacant possession of the unit and demolish the existing buildings on site. Explore the potential alternative uses such as car showroom / builder's merchant, subject to obtaining the necessary consents. New build trade counter units would likely achieve rents in the region of £12.00 - £15.00 per sq ft.



## VAT

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

## AML

When submitting a bid for the freehold interest in the property, potential purchasers will need to provide appropriate documentation capable of satisfying the requirements of the Anti-Money Laundering Regulations.

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The price reflects a **low capital value of £103 per sq ft and £1.58 million per acre** which is in line with land value.

## FURTHER INFORMATION

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

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