



ELECTRA

BUSINESS PARK

CANNING TOWN, LONDON, E16 4ES

UBER PRIME INNER-LONDON LAST MILE INDUSTRIAL INVESTMENT OPPORTUNITY

INVESTMENT SUMMARY

- » A unique opportunity to acquire an extremely rare, multi-let industrial estate in Central London, offering highly reversionary income and underpinned by long-term residual value.
- » Electra is one of the UK's premier urban logistics parks.
- » Situated in the heart of East London, the property is in a key location for London centric occupiers, owing to its proximity to Central London, Canary Wharf and The City.
- » Electra comprises 10 highly specified industrial units totalling 228,137 sq ft GIA (237,325 sq ft GEA), with unit sizes ranging from 11,060 sq ft to 53,403 sq ft GIA.
- » The Property is let to 9 tenants, providing a topped-up headline income of £3,725,373 pa.
- » This reflects a low average rent of £16.33 psf (GIA), offering excellent future income growth prospects. The latest on estate letting reflects £20.77 psf.
- » There is one void at Electra, Unit 8 which totals 17,010 sq ft (GIA). The vendor will provide a 6 month rent, rates and service charge guarantee.
- » Key occupiers include, CCF Limited, HSBC Bank Plc, Swiss Post Solutions Limited and Cubic Transportations Limited, with 81% of the income secured against covenants rated 'Minimum Risk' or 'Lower than Average Risk' by Dun & Bradstreet.
- » The urban logistics park provides an attractive and diverse income profile with an AWULT of 6.4 years to lease expiries and 4.3 years to break options, which will increase on completion of two lease renewals.
- » Electra offers strong asset management opportunities, with one outstanding rent review and two ongoing lease renewals.
- » All of the forthcoming lease events are expected to achieve substantial uplifts and are supported by rental evidence, at headline rents of £20.60 psf +.
- » The property is held freehold and has a site area of approximately 13.44 acres (5.44 hectares). Electra has a low site coverage of 34%.

We are instructed to seek offers in excess of £100,000,000 (One Hundred Million Pounds) subject to contract and exclusive of VAT.

This reflects a Net Initial Yield of 3.49%, and a Reversionary Yield of 4.32%, assuming purchasers costs of 6.78%.







A purchase at this level equates to a capital value of £438 psf GIA.



MAP KEY

1. CCF
2. Project Lightning
3. Cubic
4. Worldwide Plastics
5. Drake's
6. Lutron
7. Financial Data Management (FDM)
8. Vacant Unit
9. HSBC
10. Swiss Post
11. GAP Tools Hire
12. Screwfix
13. Toolstation
14. Stagecoach
15. London Tool Hire
16. Menzies Distribution
17. Crowne Record Management
18. Bywaters
19. Three Mills Island
20. Stratford Market Depot
21. Bow School
22. Bow Locks
23. Leven Wharf
24. New Pedestrian Bridge

KEY OCCUPIERS

25. 
26. 
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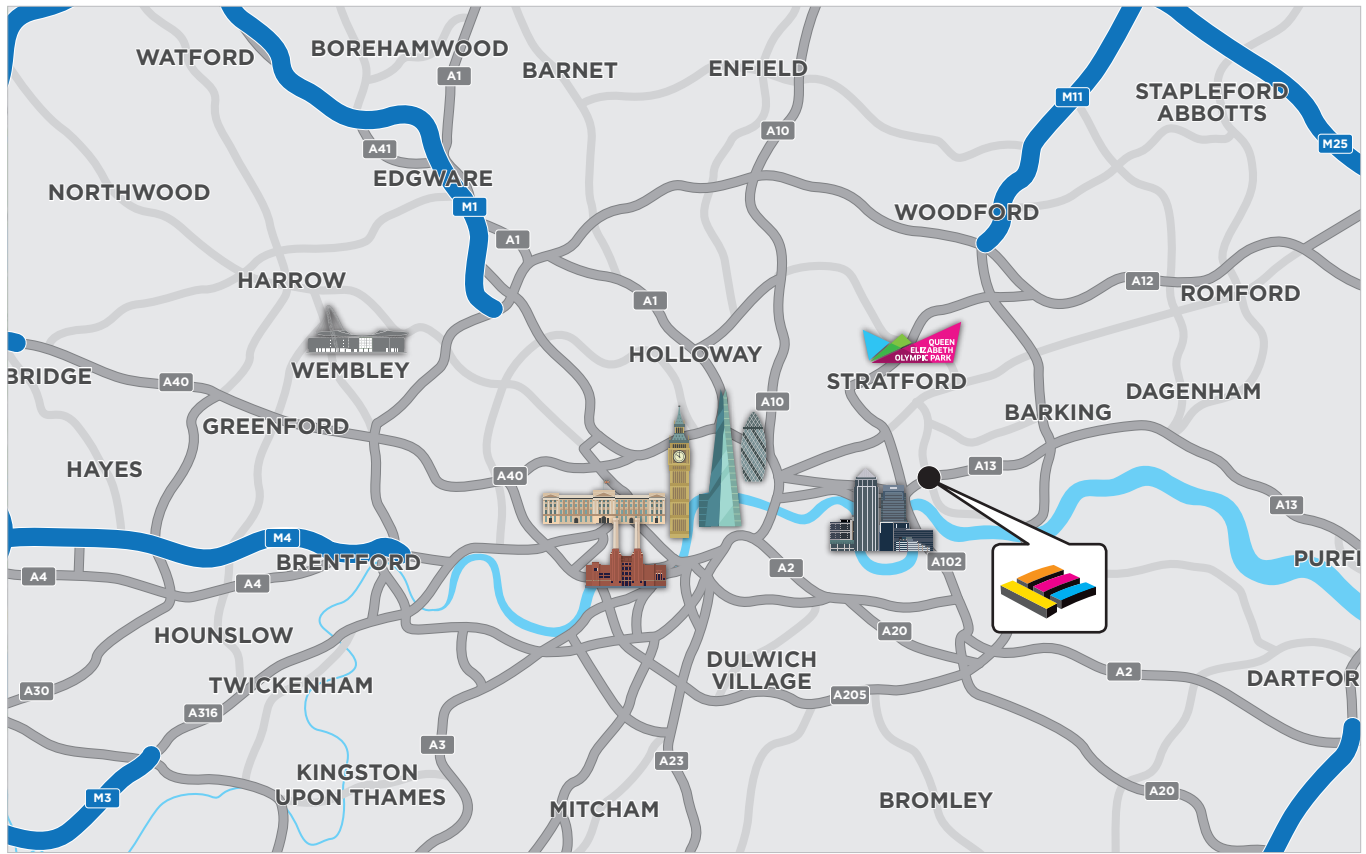


LOCATION










Electra is located in Canning Town, 4.5 miles east of The City in the London Borough of Newham. The property is equidistant between Canary Wharf (London's largest financial hub outside of the City of London) and Stratford City, which benefits from major commercial and residential developments including Olympic Park and the Westfield Shopping Centre.

Electra has access to the A13 (0.5 miles), Canary Wharf (1.8 miles), The City (4.5 miles), A12/A201 (Blackwall Tunnel Northern Approach) (1.4 miles), the North Circular Road (A406) (3.5 miles) and the M25 (13.1 miles). It also has excellent transport links with Star Lane DLR station at the entrance to the property. Canning Town and West Ham London Underground Stations (DLR and Jubilee Lines) are located within half a mile of Electra.

London Gateway and Tilbury Port are also nearby, providing access to the city's extensive shipping network. London City Airport is located 3 miles to the south east, providing regular domestic and international flights.



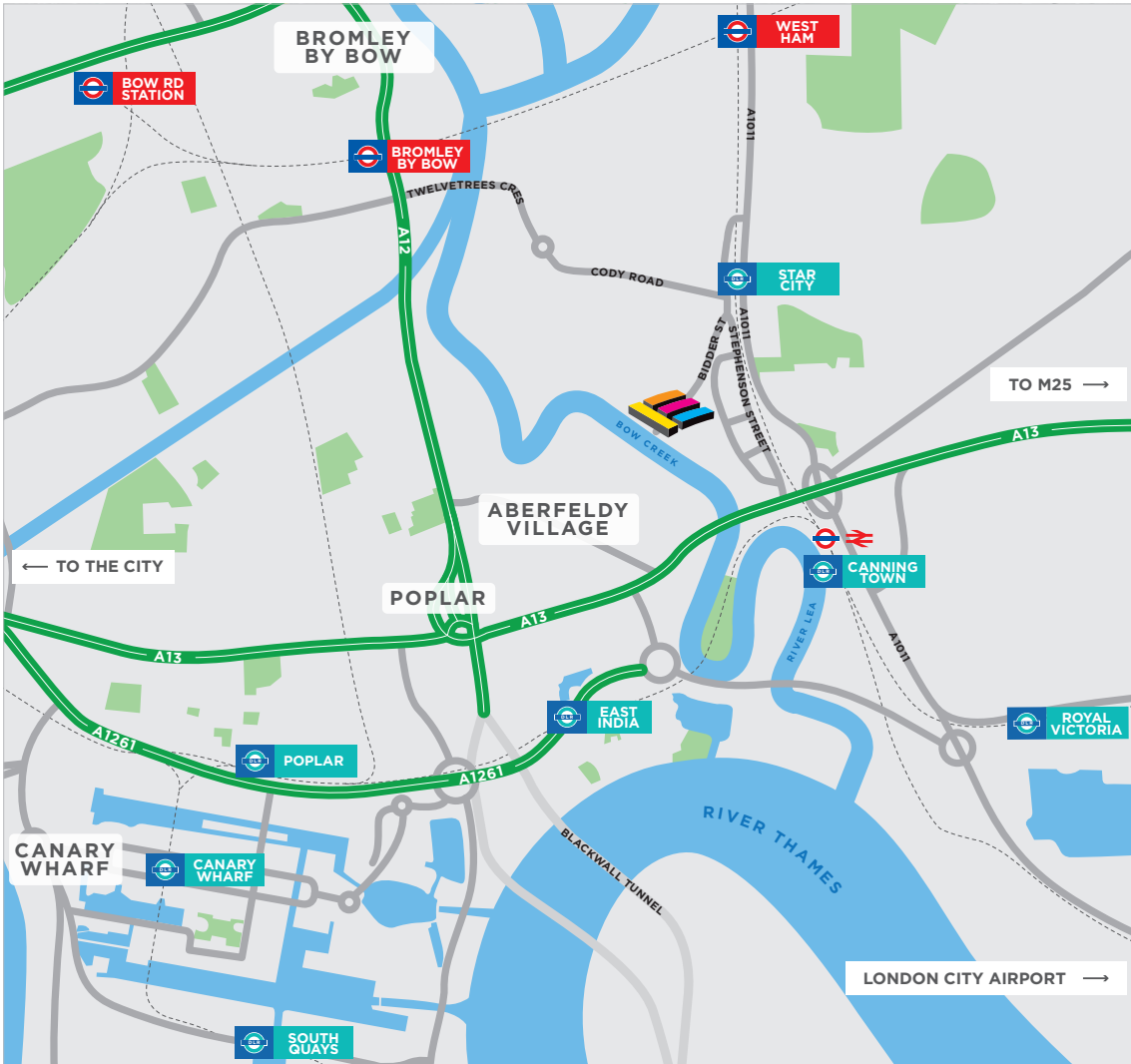
CONNECTIVITY

-  **City of London**
4.5 miles (15 mins)
-  **Canary Wharf**
1.8 miles (7 mins)
-  **North Circular (A406)**
3.5 miles (8 mins)
-  **M25 (Junction 30)**
13.1 miles (16 mins)
-  **Star Lane (Docklands Light Railway)**
0.1 miles (1 min walk)
-  **West Ham (London Underground Station)**
0.5 miles (12 min walk)
-  **Stratford International Train Station**
2.9 miles (9 mins)
-  **Canning Town (London Underground Station)**
0.6 miles (15 mins)
-  **London City Airport**
3 miles (8 mins)

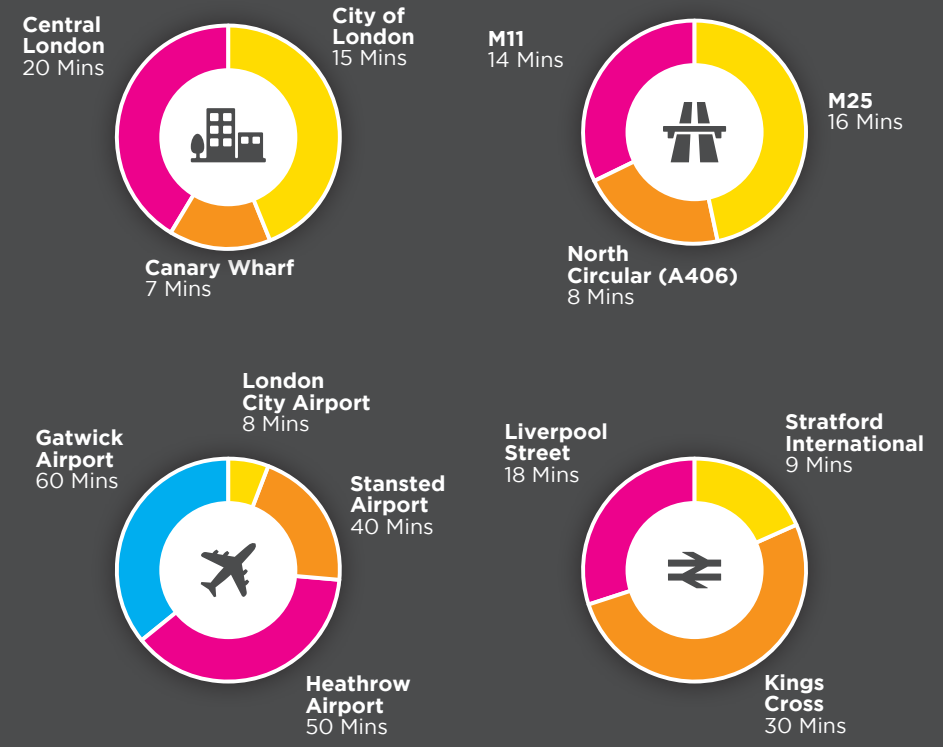


SITUATION

East London is an important industrial location and home to many notable occupiers including Sainsbury's, Amazon, Bywaters, Greencore, Menzies Distribution and Iron Mountain. To the north east of the property is Bromley-by-Bow Prologis Park. There are also a significant number of regeneration schemes that will deliver, over 16,500 new homes on former industrial land (see page 15).



KEY DRIVE TIMES



MAJOR OCCUPIERS NEARBY



DESCRIPTION


Electra is institutional in specification and was developed in 2002 to a high quality standard as a long term hold. It comprises 10 highly specified warehouse units set within an independent and well-maintained business park environment. The property also benefits from an attractive river frontage to the River Lea.

The units are of steel portal frame construction, with profiled sheet clad elevations under pitched roofs. Units 1-3 are large detached units and each have secure yards. Unit 4 has its own private yard. Units 5-7 and 8-10 are located on opposite terraces facing a central shared service yard.


All of the units have integral and highly specified office accommodation that is fitted out to include raised access floors, double glazed windows, carpeting, suspended ceilings and gas fired central heating.



BUILT IN 2002



37.5 KNS PER SQ FT FLOOR LOADING



7.5M CLEAR INTERNAL HEIGHT



24 HOUR SECURITY



SERVICE YARD & CAR PARKING



FITTED OFFICES & RAISED FLOORS




MINIMUM LOADING DOOR PROVISION OF 1:12,000 sq ft



GAS FIRED CENTRAL HEATING



UNIT SIZES 11,060 - 53,403 SQ FT (GIA)



**228,137 SQ FT (GIA)
237,325 SQ FT (GEA)**



SITE

The site is well configured and extends to 13.44 acres (5.44 hectares). Electra has a site coverage of 34%.



TENURE

Freehold.

ACCOMMODATION

An assignable measured survey has been carried out by Plowman Craven in accordance with the RICS Property Measurement, 2nd Edition and provides the following IPMS3 measurements;

UNIT	TENANT	ACCOMMODATION (GIA)				TOTAL		EXCLUDED TENANT IMPROVEMENTS GIA
		MEZZANINE	FIRST FLOOR (OFFICE/ANCILLARY)	GROUND FLOOR	WAREHOUSE	GIA	GEA	
1	CCF Ltd	-	4,128	3,745	28,299	36,172	37,728	1,997
2	Project Lightning	-	4,974	2,876	45,553	53,403	55,070	5,743
3	Cubic Transportation Ltd	4,235	3,218	2,982	24,950	35,385	36,664	2,456
4	Worldwide Plastics Ltd	-	2,411	2,222	15,516	20,149	21,134	7,935
5	Carrington Hull Associates Ltd	-	1,015	495	10,056	11,566	12,126	-
6	Lutron EA Ltd	-	1,015	592	9,453	11,060	11,447	-
7	Financial Data Management Ltd*	*12,767	2,806	890	15,023	18,719	19,622	-
8	VACANT	-	1,978	1,622	13,410	17,010	17,849	-
9	HSBC Bank Plc	-	1,015	704	9,352	11,071	11,447	-
10	Swiss Post Solutions Ltd	-	1,015	903	11,684	13,602	14,238	-
Total		17,002	23,575	17,031	183,296	228,137	237,325	18,131

*Financial Data Management Ltd tenant mezzanine excluded from GIA/GEA for ease of analysis.

TENANCY

The property is let to 9 tenants in accordance with the tenancy schedule below. Electra benefits from an AWULT of 6.4 years to expiries and 4.3 years to break options. The tenants are committed to the estate due to their extensive fit outs and London centric customer base.

SERVICE CHARGE

There is a service charge for Electra that runs from 24 June in the current year to 23 June in the following year. The 2020/2021 budget is £233,095, which is equivalent to £1.04 per sq ft. Further information is available on the data room.

UNIT	TENANT	MEZZ	FIRST FLOOR	GROUND FLOOR	WAREHOUSE	TOTAL SQ FT (GIA)	LEASE START	RENT REVIEW ("RR")	BREAK DATE	EXPIRY	HEADLINE RENT (PA)	HEADLINE RENT PSF (GIA)	HEADLINE ERV (PA)	HEADLINE ERV PSF (GIA)	TENANCY COMMENTS
Unit 1	SAS Group Services Limited (t/a CCF Ltd)	-	4,128	3,745	28,299	36,172	25/03/2002	*25/03/2022	-	24/03/2027	£488,498	£13.50	£741,526	£20.50	*RR assumes 36,179 sq ft GIA.
Unit 2	Project Lightning	-	4,974	2,876	45,553	53,403	12/05/2014	12/05/2024	11/05/2024	11/05/2029	£878,543	£16.45	£1,068,060	£20.00	^① Schedule of condition. 9m notice to exercise brk. 3m RF post brk.
Unit 3	Cubic Transportation Systems Limited	4,235	3,218	2,982	24,950	35,385	14/05/2015	*14/05/2020 *14/05/2025	-	31/10/2026	£423,500	£13.15	£660,159	£20.50	*At RR, the rent on the base build specification (excluding LL mezz) is geared to 103.38%. This is the same as rentalising the LL mezz at 25%. **The same is assumed in the ERV.
Unit 4	Worldwide Plastics Limited	-	2,411	2,222	15,516	20,149	11/03/2003	*11/03/2023	-	10/03/2028	£350,000	£17.37	£418,092	£20.75	Current rent of £300k p.a. steps £25k pa to £350k p.a by 2022 (vendor to top-up). £196.6 rent deposit. RR assumes 20,176 sqft GIA.
Unit 5	Carrington Hull Associates Limited (t/a Drake's)	-	1,015	495	10,056	11,566	09/12/2019	09/12/2024	08/12/2025	08/12/2029	£232,840	£20.13	£239,995	£20.75	6m Brk notice & 4 m penalty. Rent deposit £116.4k. Outside '54 Act.
Unit 6	Lutron EA Ltd	-	1,015	592	9,453	11,060	01/07/2019	*01/07/2024	30/06/2026	30/06/2029	£228,000	£20.61	£229,495	£20.75	4m RF post brk. 12m brk notice. *RR assumes 11,051 sq ft GIA. Hypothetical term of 5 yrs at RR.
Unit 7	Financial Data Management Plc	***12,767	2,806	890	15,023	31,486	28/06/2020	28/06/2025	27/06/2025	27/06/2030	£375,260	£20.05	***£388,419	£20.75	***ERV assumes nil rent on T mezz. 6m brk notice & 9m penalty.
Unit 8	Vacant	-	1,978	1,622	13,410	17,010	-	-	-	-	£352,958	£20.75	£352,958	£20.75	6m rent & 6m rates / service charge guarantee.
Unit 9	HSBC Bank Plc	-	1,015	704	9,352	11,071	24/06/2011	-	-	23/06/2021	£230,000	£20.77	£230,000	£20.77	Passing rent £149,067 pa. Lease renewal in solicitor's hands. New lease at £230,000 pa expires 30/05/27.
Unit 10	Swiss Post Solutions Ltd (AGA: Pitney Bowes Limited)	-	1,015	903	11,684	13,602	16/11/2018	-	-	15/11/2020	£165,774	£12.19	£282,242	£20.75	Rent deposit of £91k. Lease renewal under discussion at £20.63 psf.
Cable Bridge	EDF energy Limited	-	-	-	-	-	31/03/1990	-	-	30/03/2089	-	-	-	-	Peppercorn rent.
Transformer Chamber	EDF energy Limited	-	-	-	-	-	30/03/1990	-	-	27/03/2989	-	-	-	-	Peppercorn rent.
Total		17,002	23,575	17,031	183,296	228,137					£3,725,373	£16.33	£4,610,944	£20.50	

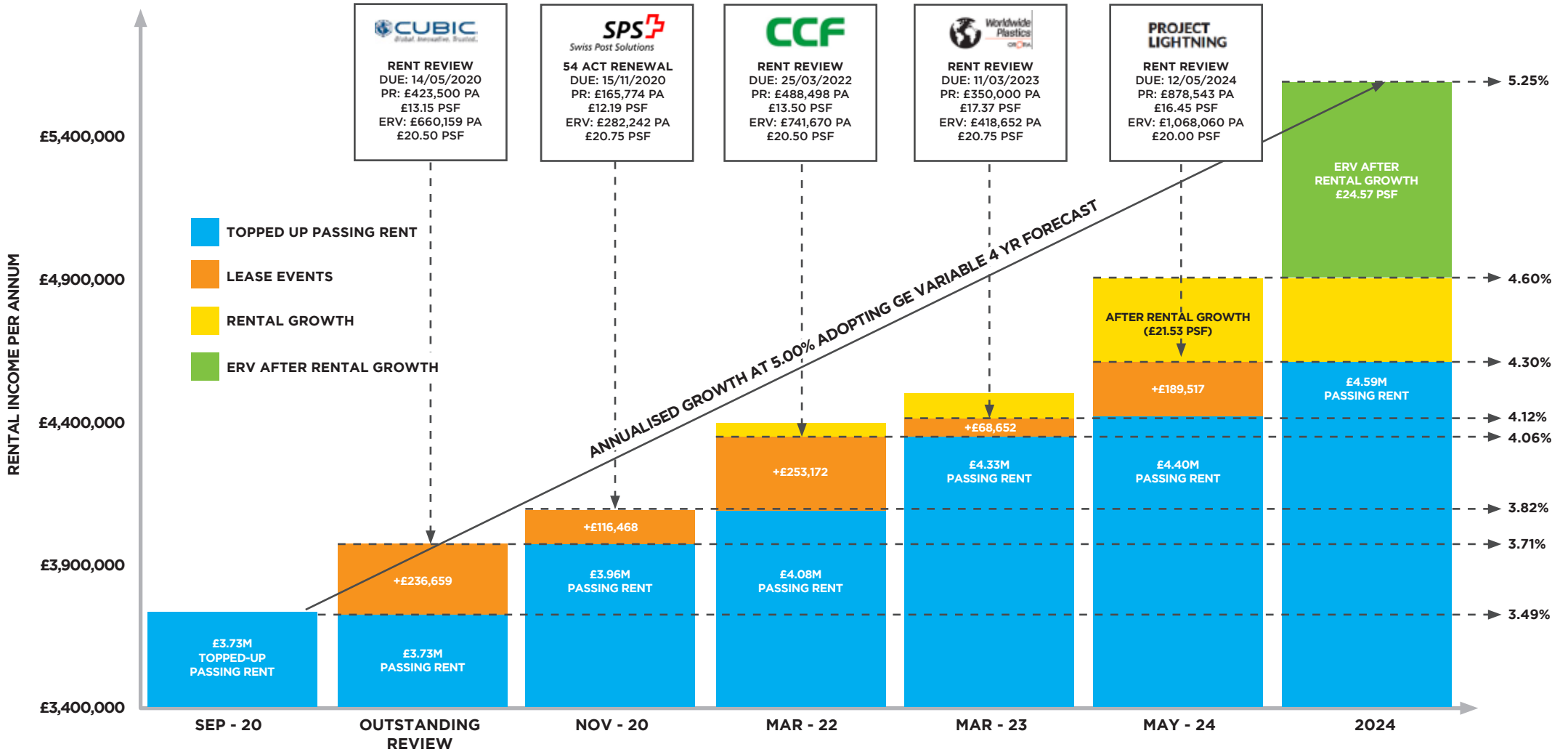
*Please refer to the tenancy schedule comments as Units 1, 4, 6 and 10 have rent review measurements defined in the leases.

^① A photographic schedule of condition is appended to the lease to clarify the extent of high quality refurbishment works undertaken by the landlord prior to the tenants occupation and fitting out works. The tenant fit out is estimated to have cost £2m.



DRIVING VALUE THROUGH ASSET MANAGEMENT

Strong fundamentals – limited supply, robust demand and constrained development opportunities has led to Greater London vacancy levels reaching historic lows. Electra is highly reversionary and therefore well positioned to capture inherent and forecasted rental growth.



RENTAL GROWTH

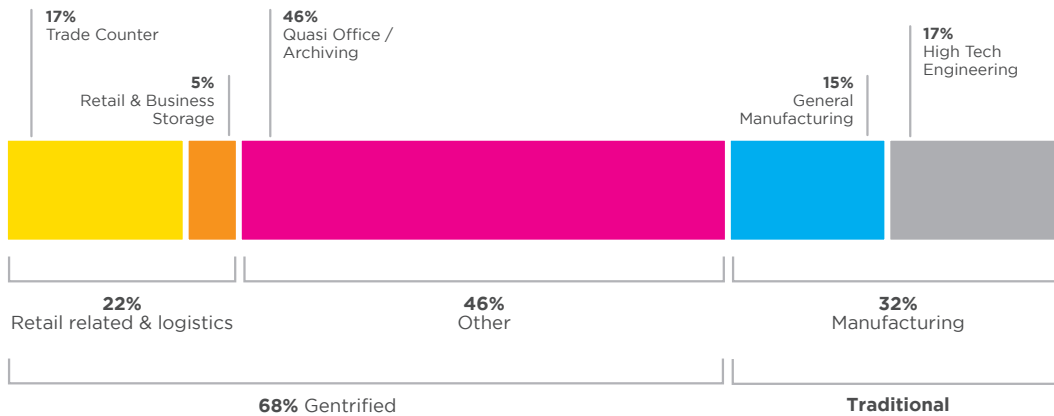
We calculate the average rental growth for the estate across all tenanted units over the last five years (Sep 2015-2020) to be a compounded growth rate of **7.9% per annum**.



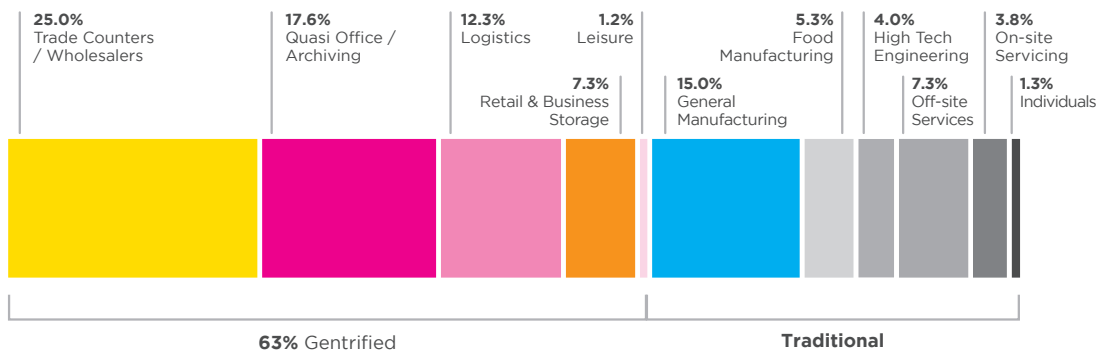
ELECTRA - OCCUPATIONAL CONTEXT

With the recent letting of Unit 5 to Carrington Hull Associates, the space let at Electra exceeds 211,000 sq ft GIA (93%). The occupier footprint consists predominantly of a new wave of 'gentrified' tenants that have been at the forefront of rental growth in London and can afford to pay higher rents, whilst also offering stronger covenants, typically shorter incentives and lower default rates.

ELECTRA BUSINESS PARK FOOTPRINT



GERALD EVE MLI RESEARCH



Gerald Eve's market-leading Multi-Let Industrial Research based upon assets with a capital value of £15bn and capturing 108m sq ft has shown the following recent trends. The full report can be found at www.geraldeve.com/multi-let-insights-series-2020/

QUASI-OFFICE / ARCHIVING OCCUPIERS

Our research shows this occupier group displaying the following characteristics:

- » This is the fastest growing occupier sector in UK MLI, which comprises 46% of the subject estate.
- » Rent is the lowest proportion of their operational cost compared to other occupier groups.
- » They are the most profitable occupier sub-sector and have low default risk.
- » They have the willingness and ability to pay the highest rents.
- » On average they receive the lowest incentive packages.
- » They have the greatest resilience to rental increases.
- » When this group accounts for 50% or more of the income on an estate (clustering), the average rent on the estate is statistically higher.

LOCATIONAL NEEDS

The tenants need to be located in very close proximity to Central London:

- » CCF - main Central London depot, supplying sites and projects in Central, North and East London.
- » Swiss Post - deal exclusively with Parliamentary and Investment Banking post.
- » Luton - lighting controls, supplying into London buildings.
- » Cubic - contracts with Transport for London, Santander Cycles, Oyster travel cards.
- » Drakes - production, storage and distribution for Saville Row tailors.
- » FDM - Government document management.
- » HSBC - site museum and archive facility for the Bank.
- » Project Lightning - technical support and assembly for major Global information business, with large Canary Wharf presence and customer base.



COVENANT INFORMATION

Electra has a very strong tenant line-up, with 81% of the income secured against covenants rated 'Minimum Risk' or 'Lower than Average Risk' by Dun & Bradstreet.

PROJECT LIGHTNING

Project Lightning

23.6% of total rental income
Risk Indicator - Low Risk
Registration ID - 2110234 (US)
Sector: Technology / Mass Media

Project Lightning is part of a US\$55bn organisation, founded in 1981. Project Lightning is a privately held, financial, software, data and media company and is active in 167 countries worldwide, employing 20,000 people.

Project Lightning employs 35 people at Electra and has occupied Unit 2 since 2014. Project Lightning's on site operation focusses on the manufacturing and preparation of IT hardware for distribution to EMEA customers.

Project Lightning's registered (US) entity is rated low risk by Dun & Bradstreet. Their UK entity is rated 2A1 by Dun & Bradstreet.

YEAR END	2018 £'000S	2017 £'000S	2016 £'000S
TURNOVER	n/a	n/a	n/a
PRE-TAX PROFIT	n/a	n/a	n/a
TANGIBLE NET WORTH	n/a	n/a	n/a
NET ASSETS	n/a	n/a	n/a



CCF Limited

13.1% of total rental income
Risk Indicator: 2 - Lower than Average Risk
Company Number - 01632482
Sector: Builders Merchants

CCF Limited ("CCF") is a £90m organisation in terms of tangible net worth and was founded in 1983. CCF is a nationwide distributor of insulation and interior building products to the UK construction industry. It is a subsidiary company of Travis Perkins, who acquired the business in 2002. CCF employs c.1,000 people in the UK, across 42 branches nationwide.

At Electra, CCF distribute their products to contractors completing some of Central London's largest office fitting out projects.

CCF is rated 5A2 by Dun & Bradstreet. The latest reported accounts are summarised below.

YEAR END	2018 £'000S	2017 £'000S	2016 £'000S
TURNOVER (£)	£469,700	£469,500	£421,777
PRE-TAX PROFIT	£23,900	£22,000	£15,276
TANGIBLE NET WORTH	£90,200	£90,800	£93,443
NET ASSETS	£65,100	£63,300	£66,024



Cubic Transportation Systems Limited

11.4% of total rental income
Risk Indicator: 2 - Lower than Average Risk
Company Number - 01381707
Sector: Intelligent Transportation Systems

Cubic Transportation Systems Limited ("Cubic") is a £56m organisation in terms of tangible net worth and was founded in 1975. Cubic is an industry-leading integrator of payment and information solutions for intelligent travel applications. Cubic is active in 20 countries worldwide, employing c. 1,000 people.

Cubic employs 35 people at Electra and has occupied Unit 3 since 2015. Cubic services 4 main Government contracts from Electra including Santander Cycles, Oyster Card, TfL Tunnel and traffic signal operations.

Cubic is rated 5A2 by Dun & Bradstreet. The latest reported accounts are summarised below.

YEAR END	2018 £'000S	2017 £'000S	2016 £'000S
TURNOVER	£185,329	£167,005	£135,449
PRE-TAX PROFIT	£41,596	£20,139	£32,533
TANGIBLE NET WORTH	£55,880	£37,364	£209,067
NET ASSETS	£30,056	£19,296	£204,240

COVENANT INFORMATION

Worldwide Plastics Limited

9.4% of total rental income
 Risk Indicator: 3 - Higher than Average Risk
 Sector: Food & Beverage Distributer

Worldwide Plastics Limited ("Worldwide Plastics") is an importer and distributor of food and beverages, with a London centric client base. Worldwide Plastics is rated N3 by Dun & Bradstreet.

COMPANY NO. 03605698	2019	2018	2017
TURNOVER	N/A	N/A	N/A
PRE-TAX PROFIT	N/A	N/A	N/A
TANGIBLE NET WORTH	(£95,150)	(£83,786)	(£72,372)
NET ASSETS	(£192,387)	(£191,827)	(£191,827)

Financial Data Management Plc

10.1% of total rental income
 Risk Indicator: 2 - Lower than Average Risk
 Sector: Digital Print Mail

Financial Data Management ("FDM") is one of the UK's leading communication specialists providing comprehensive document solutions for public and private sector organisations. FDM employ 80 people at Electra and rely on their proximity to their Government clients. FDM is rated 2A2 by Dun & Bradstreet.

COMPANY NO. 02827644	2019	2018	2017
TURNOVER	£14,889,045	£12,326,310	£14,088,245
PRE-TAX PROFIT	£1,567,025	£1,060,944	£1,850,364
TANGIBLE NET WORTH	£4,548,028	£4,031,195	£4,146,460
NET ASSETS	£3,401,520	£3,133,120	£3,242,780

Carrington Hull Associates Limited (Trading as Drake's)

6.3% of total rental income
 Risk Indicator: 2 - Lower than Average Risk
 Sector: Haberdasher

Drake's established in 1977 and is a maker and haberdasher of shirts, ties and accessories, employing 40 people nationally. At Electra, Drake's will serve their Saville Row flagship store and have chosen Electra due to its proximity to Central London. Drakes will store and distribute goods worldwide from Electra, in addition to light manufacturing. Drakes is rated 2A2 by Dun & Bradstreet.

COMPANY NO. 01343414	2019	2018	2017
TURNOVER	£11,873,024	£11,041,881	-
PRE-TAX PROFIT	(£254,967)	(£581,825)	-
TANGIBLE NET WORTH	£2,021,425	£2,258,342	£2,379,420
NET ASSETS	£3,240,694	£2,740,208	£2,874,188

Lutron EA Limited

6.1% of total rental income
 Risk Indicator: 1 - Minimum Risk
 Sector: Electrical Manufacturing

Lutron is a leader in the lighting control industry and offers a wide selection of energy saving dimmers and lighting control solutions. At Electra, Lutron employ 14 people and undertake small scale production and storage of their products for distribution across Europe. Lutron EA Limited is rated 4A1 by Dun & Bradstreet.

COMPANY NO. 01925140	2018 (£'000s)	2017 (£'000s)	2016 (£'000s)
TURNOVER	£73,218	£66,999	£62,655
PRE-TAX PROFIT	£4,043	£4,041	£7,049
TANGIBLE NET WORTH	£20,145	£17,085	£14,302
NET ASSETS	£20,933	£17,347	£14,858



COVENANT INFORMATION

HSBC Bank Plc

6.2% of total rental income
 Risk Indicator: 1 – Minimum Risk
 Sector: Banking & Financial

HSBC is one of the largest banking and financial services organisations in the world. At Electra, HSBC employ 10 people to manage the on site museum and archive facility.

HSBC is rated 5A1 by Dun & Bradstreet.

Swiss Post Solutions Ltd

4.4% of total rental income
 Risk Indicator: 1 – Minimum Risk
 Sector: Document Management Outsourcing

Swiss Post Solutions is a global full-service provider of physical and digital Document Management. At Electra, Swiss Post Solutions employ 20 people and service a Government mail screening contract. Swiss Post is rated 3A1 by Dun & Bradstreet.

Swiss Post Solutions Ltd AGA: Pitney Bowes Limited

Risk Indicator: 2 - Lower than Average Risk

Pitney Bowes Limited is rated 5A2 by Dun & Bradstreet.

COMPANY NO. 02827644	2019 (£'000s)	2018 (£'000s)	2017 (£'000s)
TURNOVER	£14,685,000	£16,670,000	£19,760,000
PRE-TAX PROFIT	(£872,000)	£1,974,000	£2,370,000
TANGIBLE NET WORTH	£22,423,000	£24,252,000	£37,526,000
NET ASSETS	£34,740,000	£38,513,000	£56,879,000

COMPANY NO. 04482213	2018 (£'000s)	2017 (£'000s)	2016 (£'000s)
TURNOVER	£100,982	£100,728	£101,912
PRE-TAX PROFIT	£1,841	£323	£67
TANGIBLE NET WORTH	£9,014	£5,783	£3,181
NET ASSETS	(£95,150)	(£191,827)	(£191,217)

COMPANY NO. 01925140	2018 (£'000s)	2017 (£'000s)	2016 (£'000s)
TURNOVER	£152,443	£184,178	£170,524
PRE-TAX PROFIT	£20,351	(£10,367)	£5,318
TANGIBLE NET WORTH	£58,526	£29,154	(£43,534)
NET ASSETS	£100,598	£81,516	£29,932



EAST LONDON REGENERATION - RESIDENTIAL

Within a 1 mile radius of Electra, c.50% of all industrial land has been absorbed for residential redevelopment, which is equivalent to 157 acres (63.5 hectares).

Electra sits in close proximity to a number of regeneration initiatives across the London Borough of Tower Hamlets to the east of Bow Creek, and in the London Borough of Newham. It is intended that this large scale regeneration will provide a mix of affordable, private and build to rent homes aimed at creating new communities in the area.

The major regeneration will not only improve the local infrastructure and amenities for the commercial tenant base, but it will also put further pressure on the availability of industrial supply in proximity to the property, which should add to the fundamentals of this location.



Stephenson Street, Canning Town

Developer: Berkeley Homes (in JV with GLA)
Site: 10.62 ha brownfield development site
Proposal: 3,810 new homes, 25,000 sq m of retail and commercial space, 5 ha of public realm, a new community centre and a 1,000 pupil secondary school.
Status: Consented & Under Construction



Ailsa Wharf, Poplar Riverside

Developer: Stockwool
Site: 2.50 ha brownfield development site
Proposal: 782 new homes, 2,000 sq m commercial space and public realm
Site: 2.50 ha brownfield development site
Status: Consent Granted

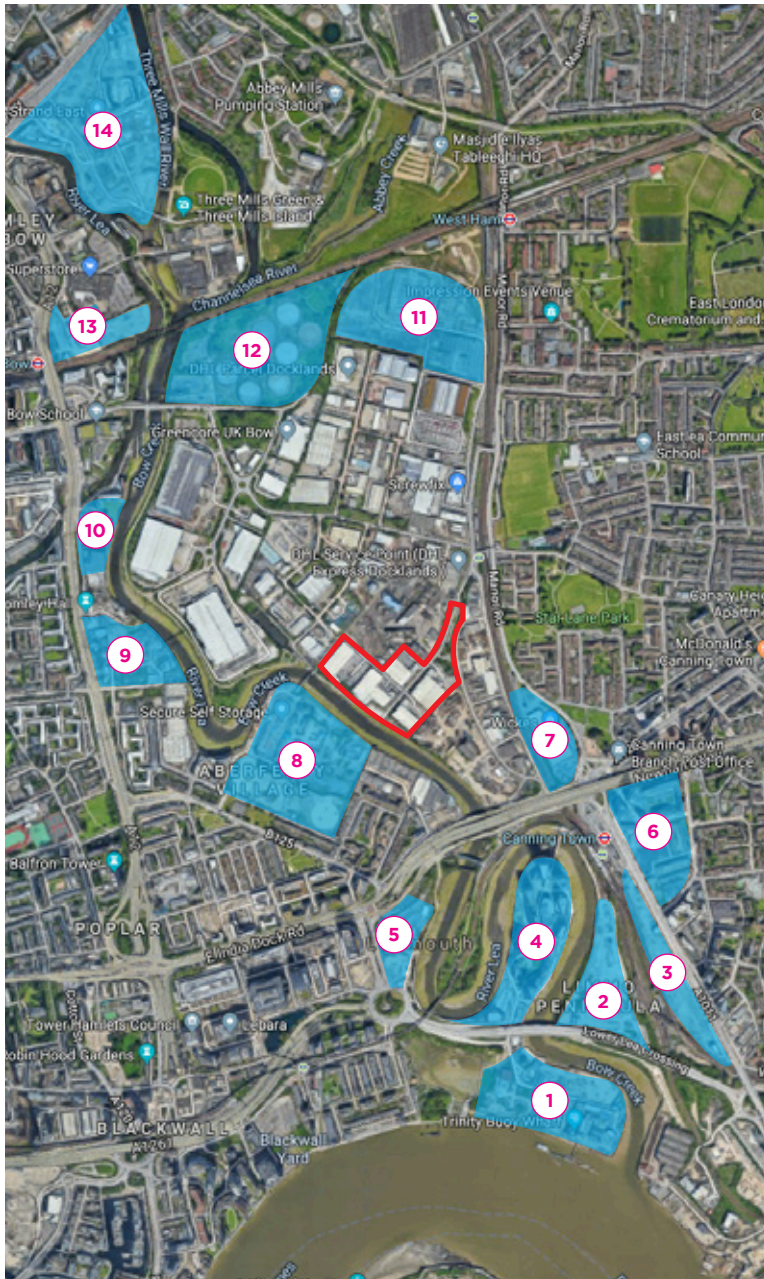


Leven Road Gas Works, Poplar Riverside

Developer: St William (a JV between Berkeley Group and National Grid)
Site: 8.10 ha brownfield development site
Proposal: 2,800 new homes, 2,500 sq m of commercial space, 2,700 sq m of employment space and 1 ha public realm
Status: Consent Granted



EAST LONDON REGENERATION - RESIDENTIAL



Within a 1 mile radius of Electra, c. 50% of all industrial land has been absorbed for residential redevelopment, which is equivalent to 157 acres (63.5 hectares). The 14 sites below could provide well in excess of 16,500 new homes.

- | | |
|--|---|
| <p>① Development: Leamouth Peninsula South (Under Construction)
Developer: Ballymore Group
No. of Units: 804</p> | <p>② Development: Limmo Peninsula
Developer: Grainger Homes
No. of Units: up to 1,500 planned</p> |
| <p>③ Development: Brunel Street Works (Under Construction)
Developer: Linden Homes Eastern
No. of Units: 975</p> | <p>④ Development: London City Island (Under Construction)
Developer: Ballymore Group
No. of Units: 1,706</p> |
| <p>⑤ Development: Orchard Wharf (Under Construction)
Developer: Galliard Homes
No. of Units: 338</p> | <p>⑥ Development: Hallsville Quarter P3 (Permission Granted)
Developer: Linkcity
No. of Units: 620</p> |
| <p>⑦ Development: Wickes + Manor Road Retail Park (Planning Submitted)
Developer: Muse Developments
No. of Units: 804</p> | <p>⑧ Development: Leven Road Gas Works (Permission Granted)
Developer: St William (Berkeley)
No. of Units: 2,800</p> |
| <p>⑨ Development: Ailsa Wharf (Permission Granted)
Developer: Country Garden Holdings
No. of Units: 782</p> | <p>⑩ Development: Three Waters/Bromley Mills Wharf (Permission Granted)
Developer: Mount Anvil
No. of Units: 307</p> |
| <p>⑪ Development: Stephenson Street (Permission Granted + Under Construction)
Developer: Berkeley Homes
No. of Units: 3,810</p> | <p>⑫ Development: Bromley-by-Bow Gasholders
c. 8 ha development site</p> |
| <p>⑬ Development: Pelican Wharf + Access House & Clock House (Permission Granted)
Developer: The Guinness Partnership
No. of Units: 898</p> | <p>⑭ Development: Sugar House Island (Permission Granted + Under Construction)
Developer: Vastint UK
No. of Units: 1,200</p> |

OCCUPATIONAL MARKET

The most recent open market letting on the estate was Unit 5 in October 2019 at £20.13 psf. The vendor is currently in discussions on the void Unit 8 at rents in excess of £20.00 psf.

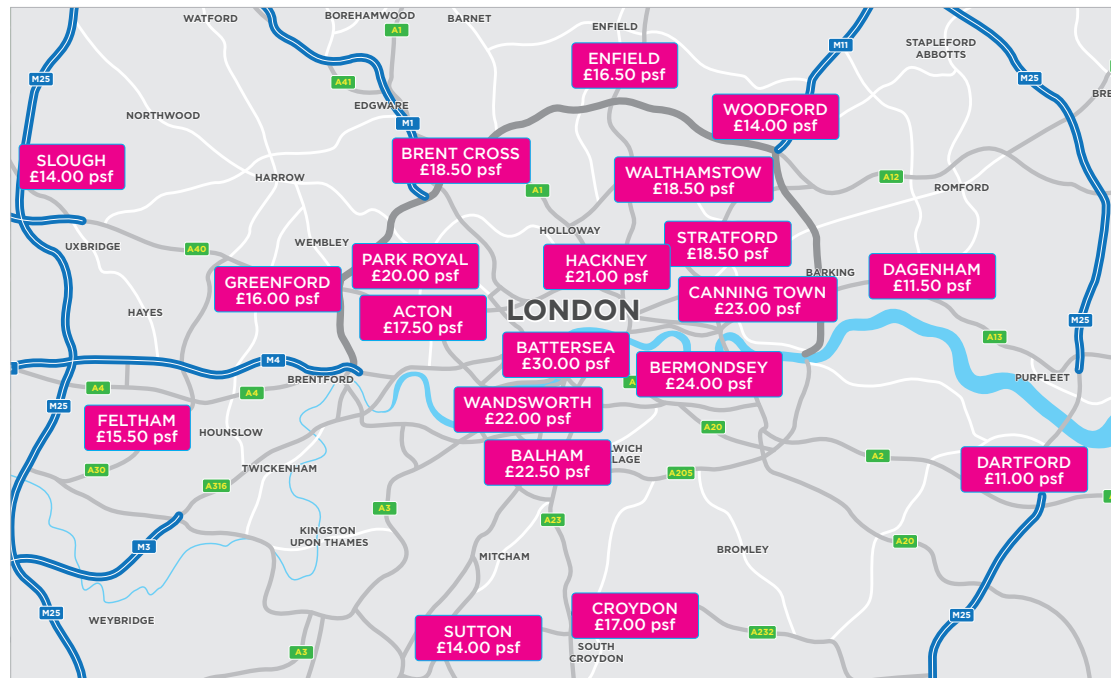
There are two live lease renewals ongoing, at rents of £20.77 psf and £20.63 psf.

In the local market, there is recent leasing evidence shown in the map and table below in both Canning Town and Walthamstow above £20.00 psf. As a consequence, our view of headline ERV is £20.00 - £20.75 psf depending on unit size.

From a wider London perspective, Electra has an employment catchment of 633,000 within 15 mins over 4.5 miles. In comparison to this, Park Royal, which has headline rents of £20.00 psf, has an employment catchment of 522,000, but within 6.7 miles and 26 mins.

There are very few locations within a 10 mile radius of Electra that have Grade A availability. The most comparable supply is at Belverdere, over 30 mins further out from central London.

RENT MAP BASED ON 10,000 - 25,000 SQ FT GRADE A SUPPLY



LOCATION	ELECTRA			PARK ROYAL		
	DISTANCE	JOURNEY TIME	EMPLOYMENT PER 1 MILE RADIUS	DISTANCE	JOURNEY TIME	EMPLOYMENT PER 1 MILE RADIUS
West End	6.9 miles	25 mins	75,652	6.7 miles	26 mins	77,910
City of London	4.5 miles	15 mins	114,000	9.2 miles	40 mins	55,761
Canary Wharf	1.8 miles	7 mins	66,667	12.6 miles	55 mins	9,524
King's Cross	8.3 miles	30 mins	3,012	7.2 miles	26 mins	3,472

A summary of recent occupational and leasing activity is shown below:

DATE	ADDRESS	AREA GIA (SQ FT)	TENANT	ACHIEVED RENT PSF (GIA)	LEASE EVENT / TERMS
Current	Unit 9, Electra Business Park, Canning Town	11,071	HSBC	£20.77	Lease Renewal 6 year term 3 months rent free
Jun-20	Unit 7, Electra Business Park, Canning Town	18,763	FDM	£20.63	Lease Renewal 10 year term (break at 5) 12 months rent free (9 months penalty on the break)
Mar-20	Unit 6, Data point, Canning Town	6,198	Confidential	£22.50	Open Market Letting 20 year term (breaks at 10 & 15) 18 months rent free
Jul-19	Unit 5, Electra Business Park	11,556	Drakes Clothing	£20.13	Open Market Letting 10 year term (break at 5) 9 months rent free (4 months penalty on the break)
Jul-19	Unit 6, Electra Business Park	11,051	Lutron EA Ltd	£20.65	Lease Regear 10 years (break at 7) 4 months rent free (if no break)
Oct-18	Supernova - Unit 5B, Canning Town	9,902	The Hireman	£20.20 (GEA)	Open Market Letting 10 year term 9 months rent free

INVESTMENT MARKET

The London industrial sector remains one of the most attractive asset classes in UK commercial property. The reason for this is:

- » Highest rental growth in the UK (historic and forecast)
- » Continual land absorption for alternative uses
- » Constrained development pipeline
- » Occupiers requiring close proximity to the UK's largest, wealthiest and most demanding population base
- » Highest total return forecast in UK real estate

Electra has never been traded since its development. There is an acute scarcity of multi-let industrial estates of this scale, particularly in such a central location with high quality characteristics.



SALE DATE	PROPERTY	AREA (SQ FT)	% VACANT	RENT (PSF)	AWULTC	NIY	PRICE	CAP VAL (EPSF)	VENDOR	PURCHASER
Under Offer	Viper, Romford	43,419	Fully Let	£10.80	7.4 yrs	c. 3.40%	c. £12.05 m	c. £277	Legal & General	Confidential
Jul-20	HR Owen, Park Royal	42,722	Fully Let	£11.02	2.8 yrs	2.84%	£15.32 m	£359	Eskimur	Capital Industrial
Jun-20	Perivale Park, Greenford	575,000	Fully Let	£10.29	4.5 yrs	3.21%	£202.50 m	£352	Federated Hermes	SEGRO
Apr-20	Saint-Gobian, Barking	63,918	Fully Let	£9.93	4.2 yrs	3.11%	£19.00 m	£297	LaSalle IM	M7 / Blackstone
Dec-19	Bilton Way, Enfield	130,295	Fully Let	£7.61	3.7 yrs	3.60%	£34.50 m	£265	Aberdeen Standard	IM Properties
Dec-19	Cox Lane, Chessington	137,960	Fully Let	£11.83	6.5 yrs	3.80%	£40.25 m	£290	Aberdeen Standard	Orhcard Street
Aug-19	Prologis Park, Croydon	176,556	Fully Let	£9.83	3.0 yrs	3.60%	£45.14m	£256	Aviva Investors	SEGRO
Aug-19	Sergent Industrial Estate, Wandsworth	51,958	10%	£13.29	2.2 yrs	2.50%	£27.63 m	£532	Private Investor	Wandsworth Borough Council
Jun-19	Royal Mail, Greenford	220,925	Fully Let	£10.64	11.5 yrs	3.14%	£70.15 m	£318	RM Coleview No 1 Ltd	Prologis
Apr-19	Elstree Distribution Park, Borehamwood	123,886	Fully Let	£8.92	7.4 yrs	3.40%	£30.47 m	£246	Hermes	RLAM
Jan-19	UPS, Kentish Town	101,999	Fully Let	£15.43	5.5 yrs	2.06%	£61.12 m	£599	HPPUT	UPS Ltd
Jan-19	Charlton Gate, Greenwich	135,753	Fully let	£11.63	-	3.05%	£48.50 m	£357	Hermes	M&G



VAT & TOGC

The property is VAT elected and we understand that an asset sale can be treated as a Transfer of a Going Concern (TOGC) for VAT purposes.

DATA ROOM

Access to the marketing data room will be provided upon request.

EPCs

Energy Performance Certificates are available on the data room.

CAPITAL ALLOWANCES

The benefit of any unclaimed capital allowances could be made available to the purchaser. Further information is available on request.

TECHNICAL SURVEYS

The following surveys will be assigned to the purchaser:

Building Survey - Malcolm Hollis LLP
Environmental Survey - Delta-Simons
Flood Risk Assessment - Delta-Simons
Measured Survey - Plowman Craven

PROPOSAL

We are instructed to seek offers in excess of £100,000,000 (One Hundred Million Pounds) subject to contract and exclusive of VAT.

This reflects a Net Initial Yield of 3.49%, and a Reversionary Yield of 4.32%, assuming purchasers costs of 6.78%.

A purchase at this level equates to a capital value of £438 psf GIA.



INVESTMENT RATIONALE

- Uber prime multi-let industrial estate in Central London.
- No multi let investment of this scale, quality, or as centrally located to London has ever sold before.
- Low passing rent of £16.33 psf (GIA)
- Immediate income growth potential with a RY of 4.32%.
- Strong and reliant occupier base with 86% of the income secured against D&B rated minimum risk covenants.
- Attractive AWULT of 6.4 years to lease expiries and 4.3 years to break options.
- Electra Business Park is underpinned by long term, strong underlying residual value given its prime position.

FURTHER INFORMATION

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