



INVESTMENT SUMMARY

- Borehamwood is a **well-established business hub** in the northwest quadrant of the M25.
- Situated in the heart of **Borehamwood**, only a short walk from a wealth of amenities and only 0.5 miles from the A1.
- Elstree Gate provides modern, **high-quality office accommodation**, extending to 68,305 sq ft.
- The Property's prominent location with three road frontages offers the ideal **opportunity for future redevelopment**, subject to necessary consents.
- Situated upon a strategic redevelopment site of **3.59 acres** with excellent connectivity 0.5 miles from the A1.
- **Freehold.**
- 347 car parking spaces, reflecting an **excellent ratio of 1:197 sq ft.**
- Multi-let to seven tenants offering attractive income diversification with a WAULT of **6.02 years to expiry and 4.24 years to break.**
- Passing rent of £1,509,004 per annum, reflecting a **low overall rent of £22.09 per sq ft.**
- Signature development projects including **Sky Studios Elstree, Panattoni Park** and the proposed **Hertswood Studios** are forecast to generate **15,000 new jobs** and **over £1.89Bn gross GDP per annum** to the local economy.
- **Numerous asset management opportunities** to improve the existing income profile including:
 - **Crystallising uplifts** at upcoming rent reviews;
 - **Removing break options;**
 - **Agreeing regears** to improve the WAULT; and
 - **Comprehensive redevelopment**, subject to planning.
- The Property is held in its own SPV which can be made available to the purchaser.

Seeking offers in excess of **£21,750,000 (Twenty-One Million Seven Hundred and Fifty Thousand Pounds)** subject to contract, exclusive of VAT and allowing for purchaser's costs of 6.75%.

A purchase at this level reflects the following profile:

Net Initial Yield: **6.50%**
(subject to outstanding review)

Reversionary Yield: **7.35%**
(2024)

Capital Value: **£318 per sq ft**

HERTSWOOD STUDIOS

Located alongside the Sky Studios Elstree development, the Hertswood Studios proposal covers 90 acres and would create the **UK's first film industry cluster**. If approved, the plans will see the delivery of 1 million sq ft of film studio space, including 21 stages, supporting workshops and offices, and a hotel for visiting film stars and crew.

The new studio complex would create over **14,000 jobs** and is anticipated to contribute **£1.17 billion GDP per annum** to the local economy.

HERTSWOOD STUDIOS

SKY STUDIOS EXPANSION

SKY STUDIOS ELSTREE



PANATTONI PARK

PANATTONI PARK

Panattoni Park is a best in class urban logistics development providing Grade A industrial accommodation. Phase 1 is complete offering two semi-detached units from 72,000 sq ft or a single unit of 159,000 sq ft.

Phase 2 will accommodate a 138,000 sq ft unit which will be available for occupation Q4 2022.

SKY STUDIOS ELSTREE

With construction well under way, the 32 acre Sky Studios Elstree film and studio complex is set to open in 2022. Located just 200m from Elstree Gate, the development will provide a **£3 billion investment** in the first five years as well as 900 jobs during the construction phase and **1,500 jobs** once the studio is operational.

This development will generate **£720 million gross value-add per annum** and will be a catalyst for significant further inward investment into Borehamwood.

Herstmere Council have given their in principle support to an additional 15 acres for a further phase of the development.

ELSTREE GATE
BOREHAMWOOD

SITUATION

Elstree Gate occupies a highly prominent site fronting Elstree Way (A5135), the main arterial route from the A1 into the town centre. The Property is situated at the junction of Elstree Way and Warwick Road, only 0.5 miles from the A1(M).

The Property is situated in a predominantly business area and benefits from a wealth of local amenities that include the retailers of the Shenley Road – the main shopping street - The Venue Health Club, Virgin Active, Ibis, Premier Inn and Travelodge Hotels, Lidl, Tesco Extra, The Ark Theatre and the Reel Cinema. Planning has also been achieved for a brand new Lidl store 150m west of the Property. Borehamwood Shopping Park which includes national brands such as M&S, Boots, Next, Pets at Home as well as a number of other retailers, cafes and restaurants.

The Venue Health Club is a 7 minute walk from Elstree Gate providing a large fitness gym, dance studio and 25 metre indoor pool.



LOCATION



Borehamwood is a commercial hub in southern Hertfordshire, located 11 miles northwest of Central London, within the M25 Motorway. The town is a well-established centre for company headquarters, including KFC, Signet, Durkan, Cable & Wireless, Elstree Studios and BBC Studios.



Sky Studios Elstree and Panattoni Park open their doors in 2022 demonstrating Borehamwood's appeal with significant inward investment being deployed. Borehamwood's studio space is set to expand further with the proposed 15-acre extension to Sky Studios and the proposed 90-acre Hertswood Studios.

Borehamwood is located in the London Borough of Hertsmeire, which has a population of approximately 103,500. The borough is affluent, with gross average earnings 6% above the national average and a high percentage of workers occupying skilled professional roles. The quality of the local labour pool in Hertsmeire and breadth of professionals has attracted an established base of global and national occupiers.

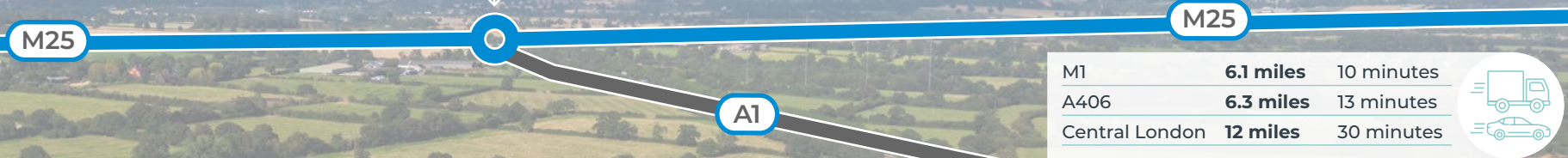
Borehamwood is also currently undergoing a substantial housing transformation with major developers including Bellway Homes and Taylor Wimpey delivering substantial new build developments. Hertsmeire's new Local Plan has stated the need for 2,155 new homes by 2038.




	M40	25 miles	25 minutes
	M4	30.2 miles	31 minutes
	M3	37.2 miles	40 minutes

	A10	11 miles	12 minutes	
	M11	18.5 miles	20 minutes	
	A12	26.5 miles	28 minutes	

M25 Junction 23 **2.5 miles** 3 minutes



	M1	6.1 miles	10 minutes	
	A406	6.3 miles	13 minutes	
	Central London	12 miles	30 minutes	

PANATTONI PARK
BOREHAMWOOD

ELSTREE GATE
BOREHAMWOOD



ELSTREE WAY

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CONNECTIVITY

Borehamwood benefits from excellent connectivity providing direct access to Central London and the national motorway network.

ROAD

The Property benefits from excellent road communications, being ideally located immediately west of the A1(M) providing direct access to the M25 (J23) and the M1 motorways.

Location	Distance (miles)
A1	0.5 miles
A1(M)	2.5 miles
M25 (J23)	2.5 miles
M1	6.1 miles
Watford	7.0 miles
St Albans	10.0 miles

Additionally, there are 25 bus routes servicing Borehamwood with a number of bus stops adjacent to Elstree Gate.

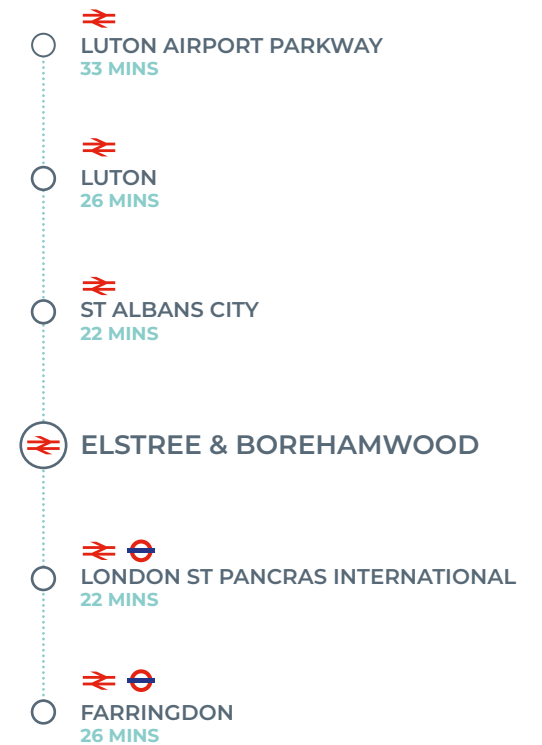
AIR

Heathrow, Luton and Stansted Airports are within easy driving distance of Borehamwood and offer both long and short haul flights across Europe and globally.

Location	Distance (miles)
Luton Airport	23 miles
Heathrow Airport	27 miles
Stansted Airport	36 miles

RAIL

Elstree & Borehamwood station is located approximately 1 mile from Elstree Gate and offers direct access to Central London via City Thameslink, with 4 services every hour.





DESCRIPTION

Elstree Gate is a modern development of seven adjoining office buildings set in attractive landscaped grounds fronting Elstree Way.

The seven units are accessed from Elstree Way and Warwick Road, benefitting from forecourt parking plus parking to the rear. There is secure access to a two-storey open deck car park with an additional 170 spaces.

Each building offers self-contained office accommodation over ground and first floors and typically benefits from the following internal specification:

- Suspended ceilings
- LED energy efficient lighting
- VRF air-conditioning
- Full access raised floors
- Male and female WC accommodation
- Passenger lifts

The Property provides 347 car parking spaces, reflecting an excellent ratio of 1:197 sq ft.

ACCOMMODATION

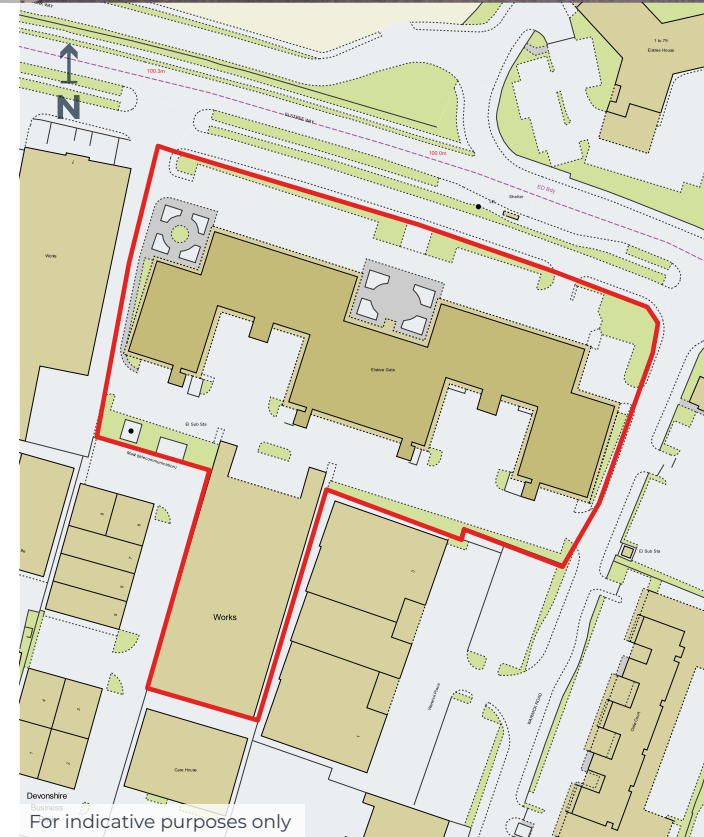
We understand the Property provides a total net internal floor area of 68,305 sq ft.

The individual floor areas are provided below.

DEMISE	NIA (SQ FT)	NIA (SQ M)
Unit 1	10,806	1,003.9
Unit 3	13,206	1,226.9
Unit 4	19,824	1,841.7
Unit 5	7,358	683.6
Unit 6	7,410	688.4
Unit 7	9,701	901.3
TOTAL	68,305	6,345.8

TENURE

The property is held freehold. The site extends to approximately to 3.59 acres (1.45 hectares).



TENANCIES

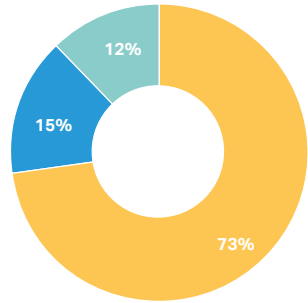
The Property is multi-let to 7 tenants on effective FRI terms providing an average weighted unexpired term of 6.02 years to expiry and 4.24 years to break.

The current income profile provides a passing rent of £1,509,004 per annum, equating to low £22.09 per sq ft overall.

Demise	Size	Tenant	Lease Start	Rent Review	Lease Expiry (Break)	Passing Rent (Per Annum)	Rent (Psf)	Comments
Unit 1	10,806	Chess Limited	30/10/2015	31/10/2020	29/10/2025	£223,755	£20.71	Demise includes 54 car parking spaces. Outstanding 2020 rent review. Landlord quoted £29.00 per sq ft.
Unit 2 Part Ground Floor	3,000	Delta Financial	12/10/2018	12/10/2023	11/10/2028 (12/10/2023)	£72,864	£24.29	Outside the Landlord & Tenant Act 1954. Demise includes 16 car parking spaces.
Unit 2 & 3 First Floor	6,621	Oakfield (Foods) Ltd	25/08/2017	25/08/2022	24/08/2027	£142,825	£21.57	Outside the Landlord & Tenant Act 1954. Demise includes 31 car parking spaces.
Unit 3 Part Ground Floor	3,585	Sopher & Co LLP	22/03/2019	21/03/2024	21/03/2029	£93,210	£26.00	Outside the Landlord & Tenant Act 1954. Demise includes 16 car parking spaces. Index linked rent review to RPI
Unit 4	19,824	Durkan Limited	12/09/2014	12/09/2024	11/09/2029 (12/09/2024)	£464,000	£23.41	Outside the Landlord & Tenant Act 1954. Demise includes 99 car parking spaces.
Unit 5	7,358	Sopher & Co LLP	22/03/2019	22/05/2023	21/03/2029	£176,600	£24.00	Outside the Landlord & Tenant Act 1954. Demise includes 38 car parking spaces. Vendor to top up to £176,600 per annum as a fixed uplift in 2023.
Unit 6	7,410	Symphony Environmental Limited	19/03/2010	-	24/03/2025	£171,250	£23.11	Outside the Landlord & Tenant Act 1954. Demise includes 37 car parking spaces. 2020 Rent review settled at £23.75 per sq ft with half rate on the reception.
Unit 7	9,701	Vodafone Enterprise U.K.	12/12/2012	12/12/2022	11/12/2027	£157,000	£16.18	Demise includes 37 car parking spaces.
10 Car Parking Spaces	-	Sopher & Co LLP	22/03/2019	22/05/2023	21/03/2029	£7,500	-	Documented as part of the Unit 5 lease to Sopher & Co LLP. The rent review is indexed to RPI.
Garage	-	Durkan Limited	18/11/2016	-	11/09/2029	-	-	Outside the Landlord & Tenant Act 1954. Secure garage unit within the multi-storey car park.
TOTAL	68,305					£1,509,004	£22.09	

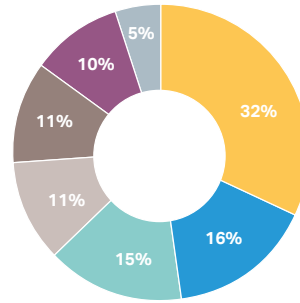
TENANT PROFILE

TENANT COVENANTS



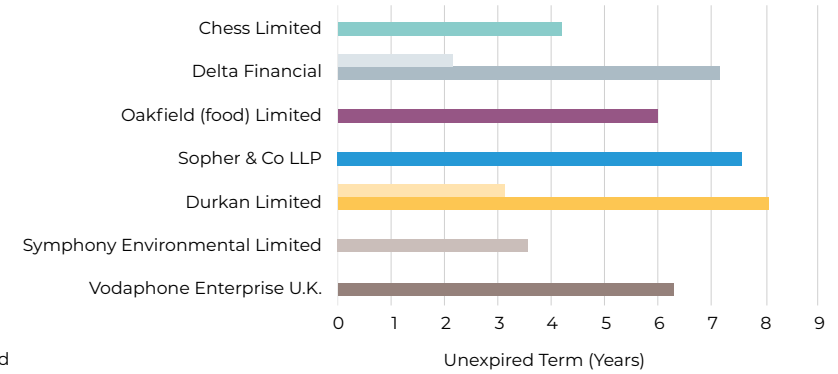
Very Low Risk Low Risk Moderate Risk

TENANT COVENANTS



Durkan Limited Sopher & Co Ltd Chess Limited
Symphony Environmental Limited Vodaphone Enterprise U.K.
Oakfield (foods) Limited Delta Financial

LEASE PROFILES



Demise	Tenant	Creditsafe Rating	Percentage of Income (%)
Unit 1	Chess Limited	Low Risk	15.2%
Unit 2 Part Ground Floor	Delta Financial	Very Low Risk	5.0%
Unit 2 & 3 First Floor	Oakfield (Foods) Limited	Very Low Risk	9.7%
Unit 3 (Ground Floor) / Unit 5	Sopher & Co LLP	Very Low Risk	16.1%
Unit 4	Durkan Limited	Very Low Risk	31.6%
Unit 6	Symphony Environmental Limited	Moderate Risk	11.7%
Unit 7	Vodafone Enterprise U.K.	Very Low Risk	10.7%

“MULTI-LET TO SEVEN TENANTS WITH A WAULT OF 6.02 YEARS TO EXPIRY AND 4.24 YEARS TO BREAK”



COVENANT INFORMATION

DURKAN LIMITED (32% OF TOTAL INCOME)

Durkan is a leading, consumer-focused developer of quality homes and sustainable communities, for all sectors of the housing market in London and the Home Counties. To date, Durkan have built more than 30,000 new homes and over 1 million sq ft of commercial space.

	YE 30-Nov-20	YE 30-Nov-19	YE 30-Nov-18
Turnover	£91,690,000	£129,162,000	£159,661,000
Pre-Tax Profit	£995,000	£1,447,000	£6,627,000
Net Worth	£44,720,000	£43,949,000	£43,177,000

SOPHER & CO LLP (16% OF TOTAL INCOME)

Established in 1975, Sopher & Co is a trusted business adviser of choice for entrepreneurs, owner-managed businesses, high net worth individuals, professional partnerships and expats. Founded in Borehamwood, Sopher & Co have witnessed significant growth in expertise with a portfolio now spanning over 20 industries.

	YE 31-Mar-20	YE 31-Mar-19	YE 31-Mar-18
Turnover	£11,861,000	£11,030,000	£5,421,000
Pre-Tax Profit	£2,068,000	£1,563,000	£584,000
Net Worth	£4,163,000	£3,501,000	£426,000

VODAFONE ENTERPRISE U.K. (11% OF TOTAL INCOME)

Vodafone is one of the largest telecommunications companies in the world predominantly operating in Asia, Africa, Europe and Oceania. Headquartered in London and with over 90,000 employees worldwide, Vodafone is also one of the most valuable brands in the UK.

	YE 31-Mar-20	YE 31-Dec-19	YE 31-Dec-18
Turnover	£5,475,000	£6,718,000	£6,828,000
Pre-Tax Profit	£553,000	(£2,426,000)	(£2,908,000)
Net Worth	£606,683,000	£605,554,000	£608,183,000



OFFICE MARKET COMMENTARY

Borehamwood is an established office market in the northwest quadrant of the M25, in close proximity to surrounding centres including Uxbridge, Watford and St Albans.

Supply levels of Grade A space remains severely constrained, a characteristic which is set to continue due to the lack of new development and removal of space via conversion to residential and redevelopment to industrial.

Arrival of the film industry cluster will significantly improve the attractiveness of the local market with inevitable improvements to amenity and diversification of Borehamwood's occupier base. Together with the acute shortage of supply, we expect further upward pressure on rental growth and increased occupier demand can be captured in the short to medium term.

15-20% discount to neighbouring office markets Uxbridge and Watford.

Combining the rare fundamentals of Borehamwood, access to highly skilled labour, numerous asset management initiatives and quality of office accommodation, Elstree Gate offers a highly attractive opportunity to capitalise on improving market conditions.

Prime rents in Borehamwood have recently achieved £32.50 per sq ft. This highlights the property's significant reversionary potential with 71% of total income subject to rent reviews by 2024.



ELSTREE GATE
BOREHAMWOOD
OFFICE

INVESTMENT COMPARABLES

Ealing Cross, 85 Uxbridge Road, Ealing	Centrium CT2 & CT3, St Albans	The Point, Maidenhead	Radius House, Watford
Freehold	Freehold	Freehold	Freehold
131,788 sq ft	47,016 sq ft	78,265 sq ft	40,011 sq ft
Multi-let	Multi-let	Multi-let	Multi-let
£70,255,000	£18,500,000	£38,850,000	£16,900,000
5.97%	6.35%	6.25%	5.60%
£533 psf	£393 psf	£496 psf	£422 psf
Apr-21	May-21	Dec-20	Dec-20

REPOSITIONING POTENTIAL

ELSTREE GATE
BOREHAMWOOD
INDUSTRIAL



INDUSTRIAL REDEVELOPMENT

Elstree Gate offers a highly prominent 3.59 acre site ideally located less than half a mile from the A1 and 2.5 miles from junction 23 of the M25.

The Property could therefore provide a prime urban logistics scheme, subject to the necessary consents. The site offers excellent fundamentals with direct access into Central London and the national network.

The vendor has provided an indicative plan prepared by Holder Mathiasas.

The proposed development allows for a total ground floor GIA of 69,427 sq ft (6,450 sq m), a site cover of 44% and 171 parking spaces.



INDUSTRIAL MARKET COMMENTARY

The Greater London industrial market continues to benefit from exceptionally strong investor demand, a result of a highly active occupational market demonstrating exceptional demand and supply fundamentals.

London is witnessing an almost unprecedented lack of industrial availability. The significant rise in occupational demand has been heavily driven by last mile logistics operators and an increase in ecommerce.

The demand and supply imbalance continues to put upward pressure on rents with significant recent and forecasted rental growth within the Greater London market. The severe lack of both existing and pipeline availability is exacerbated by the continued erosion of land for alternative use.

Prime industrial rents expected to achieve £22.50 per sq ft in Borehamwood in 2022.

Borehamwood's connectivity, large catchment area and labour pool makes Elstree Gate an ideal opportunity for industrial redevelopment. The location is an established industrial zone and highly attractive to occupiers for 'last mile' delivery with direct access to the M25 Motorway and Central London.



INVESTMENT TRANSACTIONS

Date	Address	Size	Term Certain (Years)	Price (£ psf)	Net Initial Yield
Dec-21	Panalux, 12 Waxlow Road	40,865	1.7	c.£51.05m (c.£1,249 psf)	c.1.05%
Dec-21	Rock & Roll, Waxlow Road	58,684	9.3	£41.03m (£699 psf)	2.49%
Nov-21	Constantine, Bermondsey	23,373	6.3	£14.65m (£626 psf)	2.69%
Nov-21	Abbeydale Industrial Estate, Wembley	58,578	3.4	£32.05m (£547 psf)	2.53%
Aug-21	Units A-D Elms Industrial Estate, Earlsfield	77,223	8.2	£41.25m (£531 psf)	2.55%
Aug-21	Evelyn Street, Deptford	68,320	6.7	£38.60m (£565 psf)	2.66%
Aug-21	Mowlem Trading Estate, Tottenham	213,765	8.3	£127.0m (£594 psf)	2.50%
Jun-21	The IRIS Portfolio	141,023	4.0	£75.25m (£534 psf)	2.71%



RESIDENTIAL DEVELOPMENT

Elstree Gate provides significant potential for wholesale redevelopment as a mixed-use site, subject to the necessary consents.

Elstree Way has been identified within the adopted Core Strategy as a key location for delivering a significant level of housing to meet the needs of the borough.

The Property is prominently located providing an ideal opportunity to deliver high quality mixed use scheme central to major new developments and a vast mix of nearby amenities.

Our client has undertaken a feasibility study to consider the site for future redevelopment to provide a prime residential led mixed-use scheme.

Holder Mathis architects have drawn up an indicative scheme as detailed below.

- 200 new homes, comprising a mix of studio, one, two and three bed apartments in four blocks of 6 to 11 storeys
- 15,000 sq ft commercial use at ground floor fronting onto Elstree Way

RESIDENTIAL MARKET COMMENTARY

Due to a lack of development land in Borehamwood's town centre, the area has experienced considerable erosion of commercial accommodation as a result of various residential development and regeneration projects.



Hertsmere's new Local Plan states the need to deliver 760 homes every year until 2038 with 2,155 homes earmarked for Borehamwood.

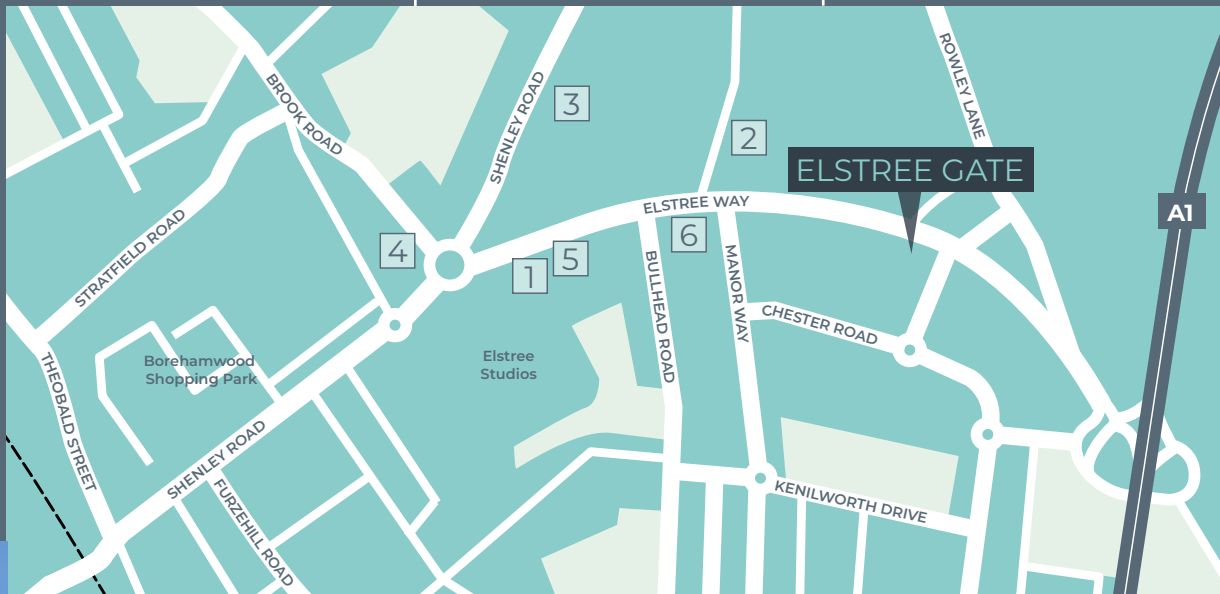
With an acute shortage of existing and pipeline development, high density developments are required in order to fulfill Hertsmere's housing target. In addition, with 15,000 new employees in Borehamwood following completion of Sky and Hertswood studios, the supply and demand dynamics will be considerably offset with the absence of new build developments.




Borehamwood's average house price has grown by c. 20% since 2019.

Borehamwood's anticipated growth in housing demand will put significant upward pressure on capital values which currently stand at a considerable discount to nearby administrative centres such as Watford and Harrow.

Major developers including Bellway Homes, Taylor Wimpey and Linden Homes have all completed residential schemes off Elstree Way illustrating the appeal of new build opportunities.

1 FORMER POLICE STATION	2 EMPIRE COURT	3 HERTSWOOD SCHOOL
		
UNITS 96	UNITS 130	UNITS 301
STATUS Pending Decision	STATUS Completed 2017	STATUS Completed 2017
DEVELOPER Hertsmere Borough Council	DEVELOPER Linden Homes	DEVELOPER Bellway Homes



4 HERTSMERE HOUSE	5 12 ELSTREE WAY	6 GEMINI HOUSE
		
UNITS 150	UNITS 88	UNITS 172
STATUS Completed 2017	STATUS Completed 2014	STATUS Completed 2014
DEVELOPER Heronslea Ltd	DEVELOPER Taylor Wimpey	DEVELOPER Taylor Wimpey



INVESTMENT CONSIDERATIONS



Future redevelopment potential
for industrial/trade and residential uses



WAULT of 6.02 years to expiry
(4.24 years to break)



73% of income
secured against Very Low Risk covenants



Crystallise rental growth
with numerous asset management opportunities



68,305 sq ft
of Grade A office accommodation



Excellent Parking Ratio
of 1:197 per sq ft



UK's first film industry cluster
attracting significant inward investment to Borehamwood



15,000 new employees
from film cluster in Borehamwood



Low passing rent
of £22.09 per sq ft



**PANATTONI PARK
BOREHAMWOOD**