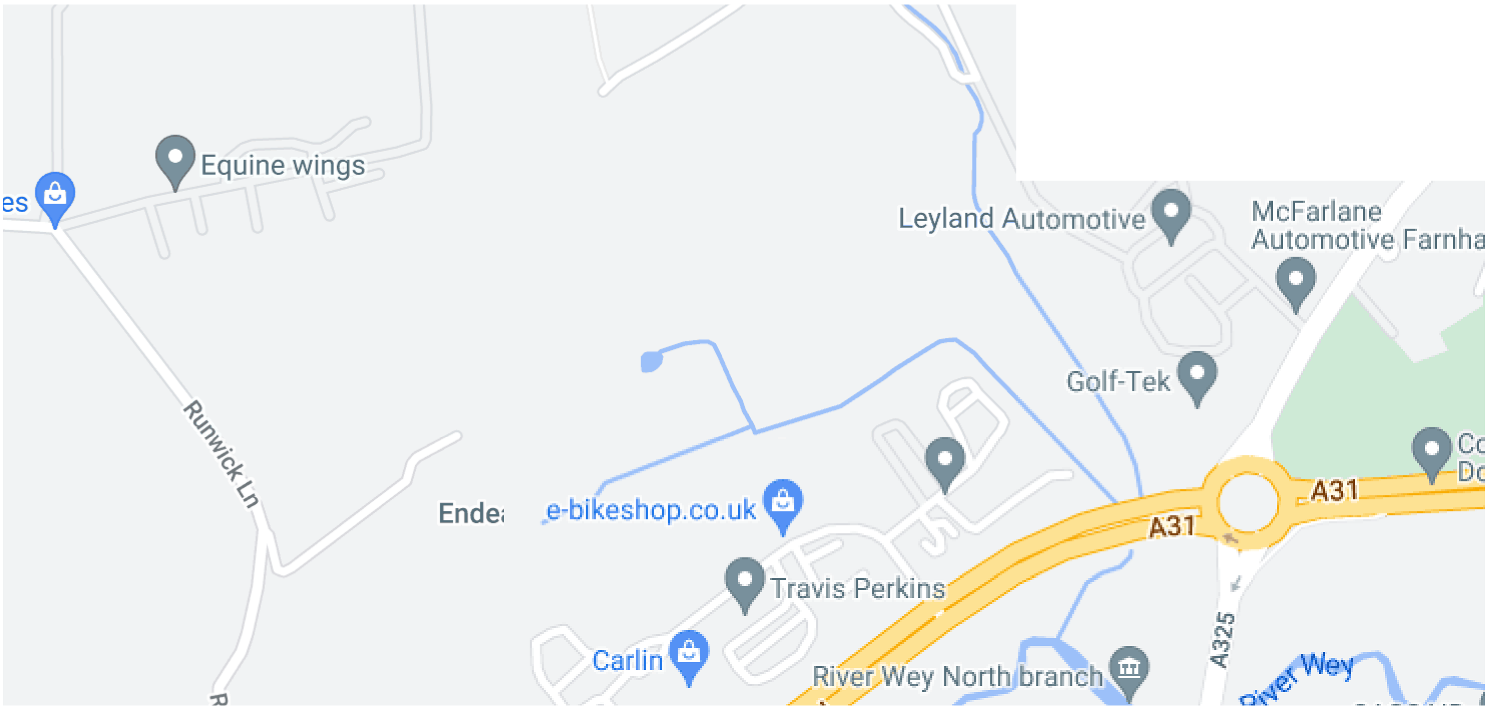
Discounted Industrial / Warehouse Investment Opportunity

Units B & C Crondall Place, Coxbridge Business Park, Farnham, United Kingdom, GU10 5EH

FOR SALE PRIVATE TREATY

£ 950,000 Offers in the region of

Location



Farham, an affluent commuter town in Surrey, is positioned about 68 km (42 miles) to the south-west of London and 18 km (11 miles) west of Guildford.

The town enjoys excellent road connectivity, as it is served by the A31 and A331 roads, which connect to Junction 4 of the M3 Motorway located approximately 13 km (8 miles) to the north. Junction 10 of the M25 Motorway is situated around 31 km (19 miles) to the north-east.

Furthermore, Farnham is integrated into the national railway network, offering a fastest travel time of 53 minutes to London Waterloo. Heathrow Airport is roughly 45 km (28 miles) to the north-east, while Gatwick Airport is positioned 64 km (40 miles) to the east.

Summary

- Attractive Industrial / Warehouse Investment
- Units B & C offered with Vacant Possession
- Significant Discount (30%+) to Potential Investment Value
- Offers in the Region of £950,000, subject to contract
- Gross Yield based upon Estimated Rental Value 8.4%
- £155 per sq ft / £1,674 per sq ft
- Of interest to investors and owner-occupiers
- High quality accommodation

Situation

The Coxbridge Business Park which is accessed directly from the A31 to the west of Farnham. The Park is therefore ideally located for access to the town centre and the surrounding road network.

Crondall Place is situated within The Coxbridge Business Park, accessed directly from the main estate road.

Description

Units B & C comprise two adjoining, high quality and interconnecting industrial/warehouse units within a terrace. The accommodation provides ground floor storage/workshop space benefitting from two electronically operated loading doors, with a first floor providing high quality air conditioned offices.

The property benefits from a loading bay to the front and 10 parking spaces, 5 for each unit.

Accommodation

Units B & C have been measured by BKR Floor Plans and provides the following Net Internal floor areas:

Ground Floor Industrial / Warehouse	**3,106 sq ft / 288.6 sq m**
First Floor Office / Ancillary	**3,003 sq ft / 279.0 sq m**
Total Gross Internal Area	**6,109 sq ft / 567.5 sq m**

A set of floor plans is available to download and the survey report will be re-addressed to a purchaser at a cost of £690 + VAT.

Tenure

Units B and C, including designated car parking, are held on 999 year leaseholds at a peppercorn rent. The sale includes these leaseholds as well as the freehold of the terrace of which units B and C form part (please see title number SY819017).

Tenancy

Units B and C are offered with vacant possession. The freehold is sold subject to the long leases of units A to E.

Service Charge

The freeholder of the terraces insures the units and recovers from the occupiers/owners. Please see details within the data room, including the insurance invoices for the period 1st June 2023 to 31st May 2024.

The freeholder pays the service charges of the wider Coxbridge Business Park, received from the managing agents, Workman. Pro-rata contributions are then collected from the occupiers/owners of the terrace. Please see within the data room recent service charge demands received from Workman and associated service charge invoices issued by the vendor. It should be noted that Workman have failed to provide service charge accounts to support the demands, and as a result arrears are owed from the following companies to the vendor (as at 6 September 2023)

JCHMHS Limited	**466.87**
Motor Parts Direct Limited	**£2,478.95**
Red Mist Pubs Limited	**£10,272.37**
The UK Electric Bike Co. Ltd	**£3,747.82**
Total	**£16,966.01**

(Note that Red Mist Pubs Limited is the vendor of the long leasehold interests in Units B & C).

The vendor has, therefore, withheld £12,071.56 from Workman whilst they await appropriate information in relation to the charges. Arrears will be assigned to the purchaser.

For costs incurred by the vendor in maintaining the terrace, these are collected on an adhoc basis from the occupiers/owners.

Site (Coxbridge Business Park)

The Planning Officer's Report in December 2013 states "The [Geo-technical Ground Contamination] Report has found no evidence of significant contamination of soils on the site that would be regarded as a threat to human health." Furthermore, the Report states "The Council's Environmental Health Officer has assessed the application and provided a condition of approval.."

A report from The Environment Agency of 25th October 2013 states "..the site is not significantly contaminated ".

Planning Permission was granted for the Coxbridge Business Park development 28th November 2013 and 27th November 2014. A condition of planning required an application to amend the remediation statement should new contaminants be identified during the course of the development.

A Sitecheck Assess report of August 2023 recommends investigation in relation to contamination but having regard to the above it is appreciated that there is no issue for a purchaser.

Market Comparable Evidence

We are aware of the following letting activity in relation to industrial units:

Address	Size	Letting date	Rent (psf)	Comments
F Grovebell Industrial Estate, Wrecclesham	2,730	May-23	£12.28	5 year lease break at 3, no rent free. Lease renewal.
8 Hurlands Business Centre, Farnham	3,396	May-23	£16.21	5 year lease break at 3, no rent free. Lease renewal.
Elder, Greenhills Enterprise Centre, Tilford	3,288	May-23	£11.92	5 year lease with no break, no rent free.
6 Dracott Park, Normandy	2,153	Apr-23	£14.98	5 year lease with break at 3, 3 months rent free up front and 2 months post break.
21 Riverside Industrial Park, Farnham	1,025	Nov-22	£18	5 years with 3 year break, no rent free.
Apple, Greenhills Enterprise Centre, Tilford	1,421	Jul-22	£15	5 year lease with 3 year break, no rent free.
3 Hurlands Business Centre, Farnham	1,676	May-22	£15.21	3 year lease with break at 2, no rent free.
Unit 3 The Enterprise Centre	1,053	Jul-21	£15.19	3 year lease with no break, no rent free.

In terms of recent office lettings, we are aware of the following recent transactions:

Address	Size	Letting date	Headline rent psf	Comments
Suite 5, 5 Mead Lane	**879**	**Jun-23**	**£15.00**	**2 year lease, no rent free**
First Floor A1 Endeavour Place, Coxbridge BP	**1,110**	**Dec-22**	**£15.00**	**5 year lease, 3 year tenant break, 3 months' rent free plus 2 months post break**
Rose, Greenhills Enterprise Centre, Tilford	**888**	**Aug-22**	**£12.11**	**5 year lease, no rent free**
7 Borelli Yard, Farnham	**831**	**Apr-22**	**£24**	**5 year lease with tenant break at 3, no rent free.**
2nd Floor M3 Millenium Centre	**3,945**	**Mar-22**	**£24**	**10 year lease with break at 5, 10 months' rent free up front with further 3 months at start of year 6**
Ground Floor North M4 Millenium Centre	**3,782**	**Mar-22**	**£23.00**	**5 year lease with break at 3, 3 months' rent free**
Ground Floor A1 Endeavour Place, Coxbridge BP	**1,132**	**Jan-22**	**£15.00**	**5 year lease, 3 year tenant break, 3 months' rent free plus 2 months post break**

Potential Investment Value

We suggest that the property will command a rental value in the order £79,500 based upon £13 per sq ft / £140 per sq m

Based upon a market investment yield of 6.0%, the property has a potential value of £1.25m when let.

VAT

The freehold and the leaseholds of Units B and C are opted to tax and, therefore, VAT will be payable.

Proposal

We are instructed to seek offers in the region of **£950,000** (Nine Hundred and Fifty Thousand Pounds), subject to contract, allowing for purchaser's costs at 5.69%.

The asking price reflects only £155 per sq ft / £1,674 per sq m compared to the potential value suggested of £204 per sq ft / £2,202 per sq m. .**Hence, the asking price reflects a discount of 31% compared to the potential investment value**

The asking price reflects gross yield based upon the estimated rental value of 8.4%.

Please note that a purchaser will be re-charged the costs of the measured survey (£690 + VAT) and searches (£1,586.74) which are provided in the data room.

Please note that a purchaser will be charged a Transaction Fee of 1.0% of the Purchase Price plus VAT.

Investment Considerations

1. An attractive industrial/warehouse opportunity;
2. Of interest to investors and owner-occupiers;
3. Asking price represents a significant discount to the potential investment value;
4. The opportunity to gain a high yield once let;
5. Attractive lot size.

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