



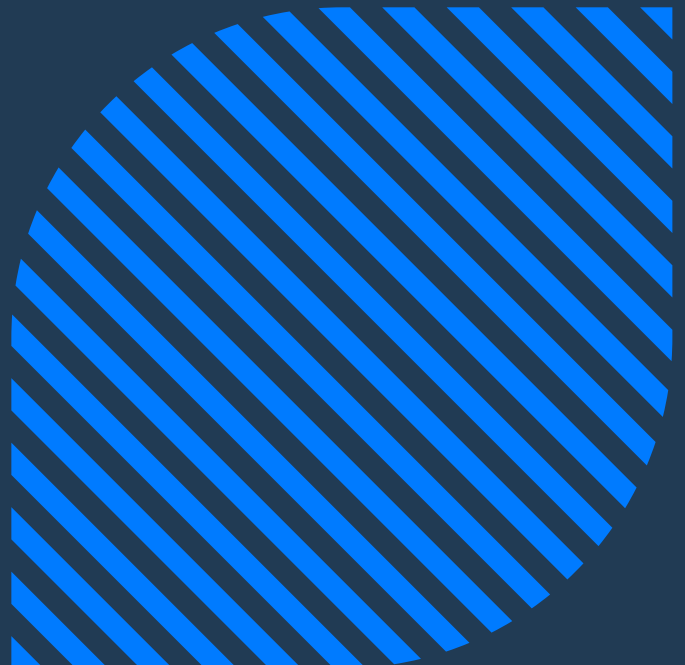
Metropolitan
House

RARE LANDMARK REPOSITIONING
& DEVELOPMENT OPPORTUNITY

POTTERS BAR
HERTFORDSHIRE
EN6 1AG



MONTAGU
EVANS



INVESTMENT SUMMARY

- Rare opportunity to acquire a landmark mixed-use building in a highly sought after commuter town.
- Potters Bar is a vibrant commercial and residential location benefitting from unrivalled rail and road connectivity.
- The property occupies a highly prominent 1.4 acre corner site directly opposite Potters Bar Railway Station, providing direct access into Central London within 20 minutes.
- The existing building comprises 59,724 sq ft (NIA) over 8 storeys within the tower block and an adjoining 3-level podium. Across ground floor level, there is 7,514 sq ft of retail accommodation with a prime frontage on to Darkes Lane.
- 131 parking bays.
- Multi-let to 6 tenants, with VP of the offices attainable by December 2024 (or earlier, subject to negotiation with the vendor), and a WAULT of 6.5 years on the retail element.
- The total contracted rent is £886,157 per annum. This is comprised of £724,457p.a. for the office accommodation, and £161,700p.a. for the retail units.
- Freehold.
- Opportunity to realise a substantial increase in massing, with feasibility studies supporting a scheme of 143,309 sq ft GIA, subject to planning.
- Vacant possession of the offices can be delivered by December 2024 (or sooner, subject to negotiation with the Vendor), providing the opportunity for:
 - * A redevelopment to alternative uses such as residential or hotel; and
 - * An office repositioning in a market with heavily restricted Grade A supply.

We are instructed to seek offers for the Freehold interest.



LOCATION

Potters Bar is an affluent commuter town in Hertfordshire, located 15 miles north of Central London and 10 miles east of Watford. Neighbouring conurbations include Watford, St Albans, Barnet, Borehamwood, Hatfield and Waltham Cross.

Benefitting from multi-modal connectivity with unrivalled access to the national motorway network, by road, the town is 0.5 miles from Junction 24 of the M25 which intersects the A1 to the west, leading north towards Stevenage and south towards Central London. The M1 is approximately 9 miles to the west, providing north-south connectivity. The A10 and M11 are situated 7 and 14 miles to the east respectively.

Potters Bar Railway Station is serviced by the Great Northern and Thameslink lines, providing services every 15 minutes to King's Cross St. Pancras and Moorgate reached within 20 minutes and 36 minutes respectively. The service runs northerly

to Stevenage (22 mins) via Welwyn Garden City (10 mins), with the former running regular services to Cambridge. Cockfosters, on the Piccadilly line, is situated 2.5 miles south of Potters Bar, providing direct access to Leicester Square and Covent Garden.

The area is well-served by bus, with regular services to and from Enfield, Waltham Forest, Barnet, Watford and beyond.

All of the major London Airports are highly accessible from Potters Bar, with London Luton Airport situated 22 miles to the north of Potters Bar (28 minutes drive), London Stansted 31 miles northeast (35 minute drive) and Heathrow Airport 33 miles southwest (35 minute drive).



2,232,000 people
within a 30-minute drive time



Workforce of **828,291 people**
within a 30-minute drive time



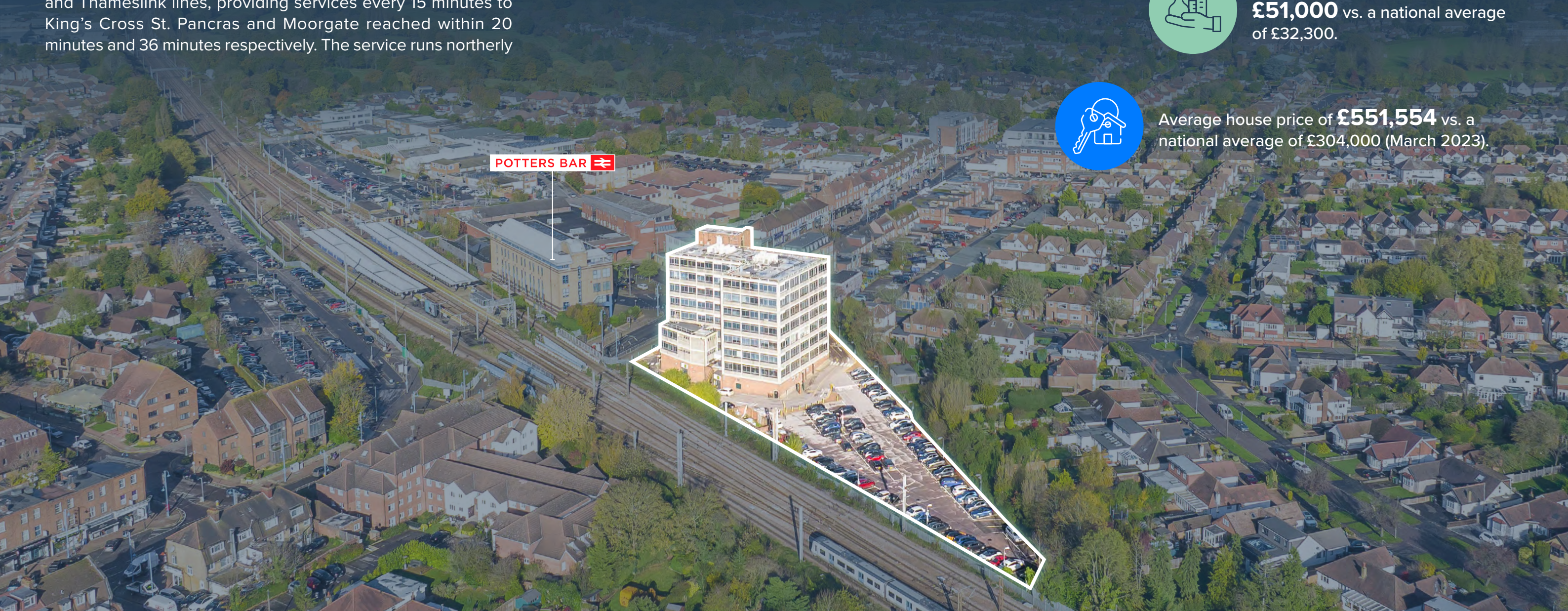
Over **1.4m passengers** used Potters Bar station in 2021.



Average household income of **£51,000** vs. a national average of £32,300.



Average house price of **£551,554** vs. a national average of £304,000 (March 2023).



LOCATION PLAN



SITUATION

Metropolitan House occupies a prominent corner site on the intersection between Darkes Lane and The Walk, directly opposite Potters Bar Railway Station.

The property benefits from a bustling amenity provision along Darkes Lane running from the southwest to the northeast, with an array of independent shops, cafes, restaurants, pubs and convenience stores. There is an additional retail parade on Barnet Road, within a 12 minute walk.

Past the station to the northwest of Metropolitan House is Station Close Industrial Estate, providing a mix of light industrial and commercial units.

Beyond this, the immediate vicinity and wider town is predominantly residential. In this respect, given the town's proximity to Central London, Potters Bar has established itself as a popular commuter location, attracting both young and established professionals alike.

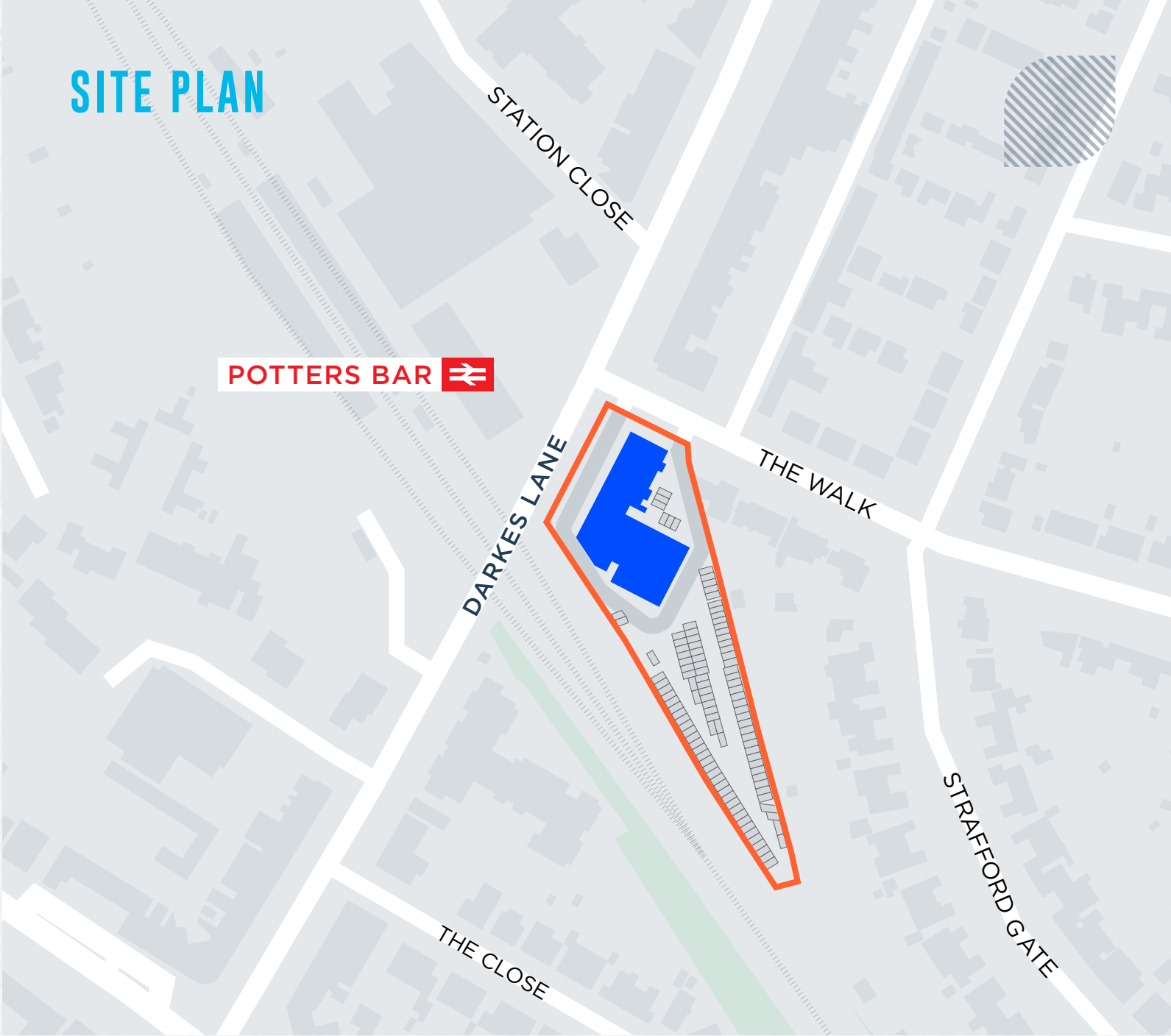








SITE PLAN

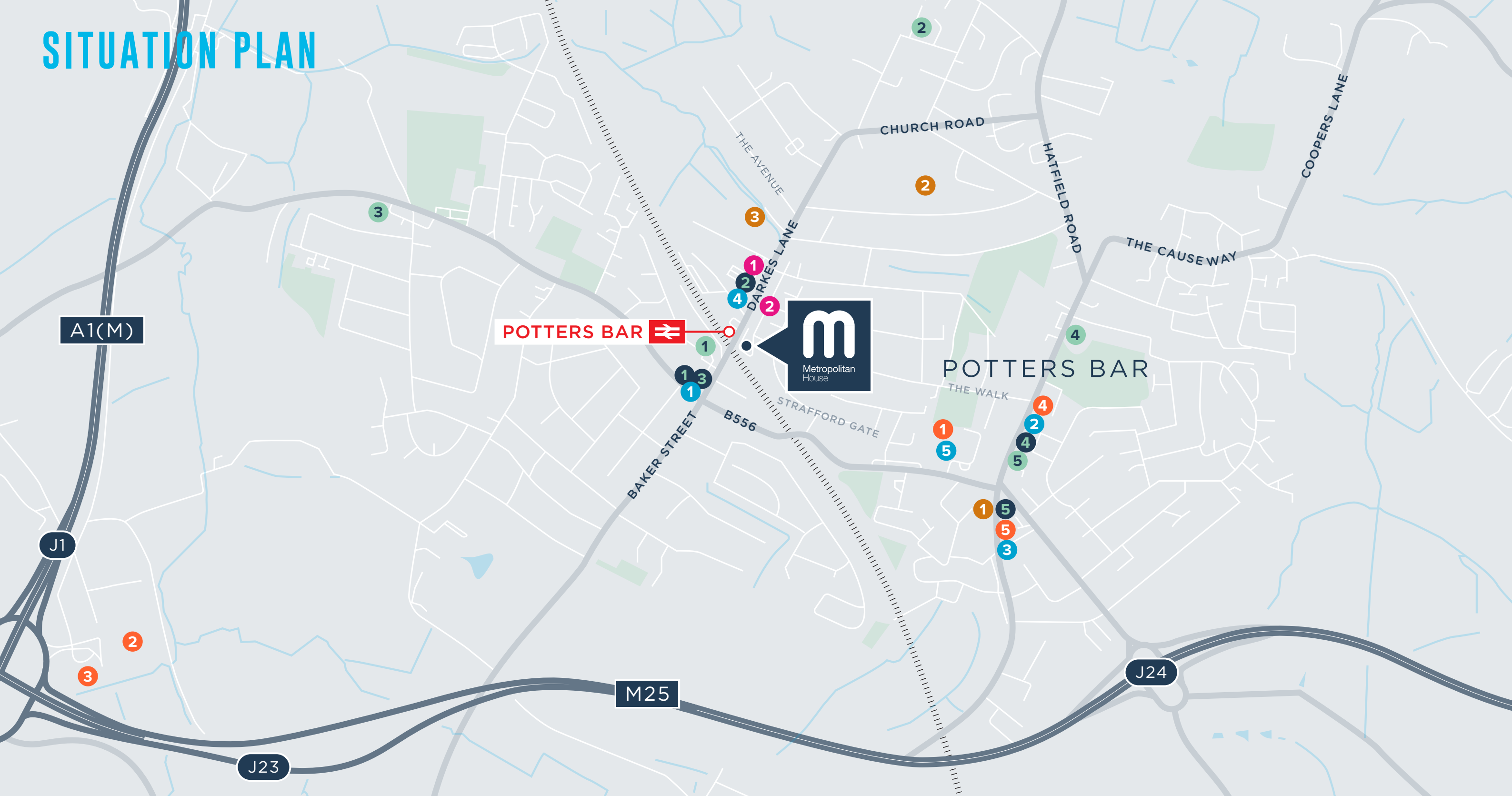


MULTI-MODAL CONNECTIVITY

RAIL/TUBE		ROAD		AIRPORT	
Hatfield	6 mins	M25	1.8 miles	London Luton Airport	28 mins
Welwyn Garden City	10 mins	A1	4.3 miles	London Stansted	35 mins
Kings Cross / St Pancras	20 mins	A10	7.0 miles	London Heathrow	35 mins
Stevenage	22 mins	M1	8.9 miles	London City Airport	45 mins
Moorgate	36 mins	M11	14.8 miles	London Gatwick	1 hr 25 mins
London Bridge	59 mins	M40	24.1 miles		



SITUATION PLAN



FOOD STORES

- 1 Tesco Superstore
- 2 Waitrose
- 3 M&S
- 4 Co-op
- 5 Londis

PUBS & BARS

- 1 The Old Manor
- 2 Builders Arms
- 3 The Trafford
- 4 Harvester
- 5 Cask & Stillage

RESTAURANT

- 1 Papa Johns Pizza
- 2 Aksular Restaurant
- 3 Macaroni Restaurant
- 4 Wood Oven BBQ
- 5 Tavernaki

CAFES

- 1 Potters Bar Café
- 2 Café One
- 3 Café Brunch
- 4 Caffè Nero
- 5 Costa Coffee

GYMS

- 1 Zero Gravity Pilates
- 2 Next Gen Fitness
- 3 Revive Health Fitness

PHARMACIES

- 1 Boots
- 2 Superdrug



ACCOMMODATION

Metropolitan House comprises a purpose-built mixed-use property of reinforced concrete frame construction. The property is arranged over 8 storeys within the main tower building and an adjoining 3-level podium building fronting Darkes Lane and the railway station.

The property provides a total NIA of 59,724 sq ft, configured into 52,210 sq ft of office accommodation on floors 1 to 7 (87%) and 7,514 sq ft of retail space on the ground floor (13%).

The office accommodation benefits from the following specification:



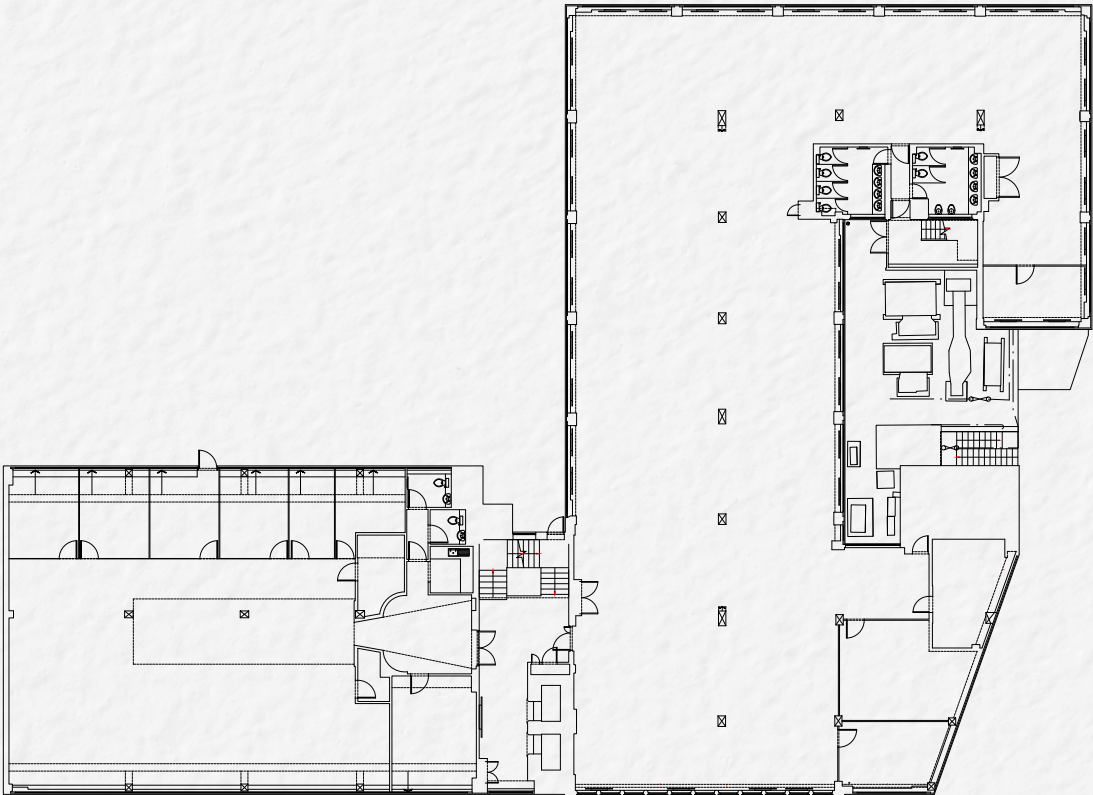
There is onsite surface parking for up to 131 cars on the site, including 103 spaces in the car park to the rear allocated to the office occupiers and 28 spaces allocated to the retail units. Access to the car park is via the Walk which runs along the northern boundary of the premises, with a one-way system circulating the building. Pedestrian access is via the main entrance fronting Darkes Lane.

SITE

The site area extends to approximately 1.40 acres (0.56 hectares).

TENURE

Freehold.



FIRST FLOOR



TENANCY SCHEDULE



FLOOR / SUITE	TENANT NAME	NIA	CONTRACTED RENT	RENT PSF	LEASE START DATE	LEASE EXPIRY DATE	REVIEW	BREAK DATE	HOLDING OVER	INSIDE 1954 ACT	EPC	COMMENTS
OFFICES												
7th Floor	Caretech Holdings PLC	6,152	£122,900	£19.98	01/09/2019	30/06/2027			No	Yes	D	Caretech Holdings PLC is majority owned by the Vendor and termination of the lease is therefore subject to negotiation by December 2024 or earlier.
6th Floor	Caretech Holdings PLC	6,183	£125,500	£20.30	01/07/2012	30/06/2027			No	Yes	D	Caretech Holdings PLC is majority owned by the Vendor and termination of the lease is therefore subject to negotiation by December 2024 or earlier.
5th Floor	Caretech Holdings PLC	6,184	£125,500	£20.29	01/07/2012	30/06/2027			No	Yes	D	Caretech Holdings PLC is majority owned by the Vendor and termination of the lease is therefore subject to negotiation by December 2024 or earlier.
4th Floor	Vacant	6,273	£0	£0.00	-	-					D	
3rd Floor	Caretech Holdings PLC	6,273	£84,686	£13.50	01/02/2021	30/06/2027			No	No	D	Caretech Holdings PLC is majority owned by the Vendor and termination of the lease is therefore subject to negotiation by December 2024 or earlier.
2nd Floor & Podium	Caretech Holdings PLC	10,572	£142,709	£13.50	01/02/2021	30/06/2027			No	No	D	Caretech Holdings PLC is majority owned by the Vendor and termination of the lease is therefore subject to negotiation by December 2024 or earlier.
First Floor (podium)	Vacant	3,414	£0	£0.00	-	-					D	
First Floor & Basement	Caretech Holdings PLC	7,159	£123,162	£17.20	01/02/2021	30/06/2027			No	No	D	Caretech Holdings PLC is majority owned by the Vendor and termination of the lease is therefore subject to negotiation by December 2024 or earlier.
SUBTOTAL		52,210	£724,457	£17.04								
RETAIL												
Ground Floor	McDonalds Restaurants Ltd	3,600	£85,000	£23.61	25/03/2021	24/03/2036	25/03/2026 25/03/2031	25/03/2031	No	Yes	C	Tenant only break option. Lease permits closure of drive-thru on redevelopment of uppers at discounted rent.
Unit 11	Raine and Co. (Potters Bar) Ltd	893	£20,000	£22.40	31/03/2021	31/03/2024			No	Yes	B	Lease renewal. Previous lease dated 11th May 2006.
Unit 9 (a)	DP Realty Limited t/a Dominos	1,107	£20,000	£18.07	09/07/2002	08/07/2022			Yes	Yes	C	Tenant is holding over. Renewal negotiations ongoing.
Unit 9	Subway Realty Limited	1,080	£20,500	£18.98	05/10/2007	04/10/2022			Yes	Yes	C	Tenant is holding over. Renewal negotiations ongoing.
Unit 7	Jonas Willem Viktor Witt	834	£16,200	£19.42	09/03/2021	08/03/2024			No	No	C	Lease renewal. Previous lease dated 18th January 2006.
Electricity substation	Eastern Group Plc	-	£0	£0.00	15/05/1963	20/02/2022			No	Yes	-	
SUBTOTAL		7,514	£161,700	£21.52								
TOTAL		59,724	£886,157									



OFFICE MARKET

The office market in Hertfordshire is well-established, with rents now in excess of £40psf. An affluent residential catchment, together with a unique village type amenity offer and strong connectivity has attracted a series of major occupiers in recent years, including KPMG, AECOM, TJX Europe, and ASOS. Across the wider Hertfordshire market, office take-up in 2022 amounted to 445,800 sq ft, demonstrating substantial occupier demand for the region.

Within these neighbouring towns and cities, Potters Bar represents significant value, with prime rents currently circa £22.50psf. Notably, locations such as Watford, St Albans and Borehamwood are achieving rents of £43.00psf, £42.50psf and £32.50psf respectively.

Conversion of offices to residential use via permitted development rights has resulted in a substantial loss of floorspace in Hertfordshire and across North London. This led to an acute lack of supply in many of these markets and a subsequent rise in prime rents. In this respect, there are currently no office schemes within the development pipeline in Potters Bar.





RESIDENTIAL MARKET

The area benefits from excellent connectivity and continues to offer substantial discounts to Central London proving appealing to first time buyers and downsizers alike. Subsequently, the area looks set to undergo significant residential market growth over the next few years. Overall, sale prices in Potters Bar over the last year were 11% up on the previous year and 20% up on the 2020 peak of £520,552 (Rightmove). Akin to office markets, within the residential sector nearby towns of Watford and Barnet have already undergone appreciable growth with vast investment being brought into the sector, from both typical private sale and Build to Rent models in recent times.

The below comparable evidence provides a view on approximate sales values of new build apartment schemes near the site. We have particularly focused on comparable commuter belt locations with good connectivity into London.



HOTEL

The domestic hotel market in 2023 has proven resilient, with profits now exceeding pre-pandemic levels across most markets. Revenue per average room (RevPAR) across regional markets and London has increased 14.9% and 36.7% (YOY) respectively, with positive trends such as a recovery in international corporate travel, growth in domestic, experience-led stays and sustained demand for corporate events, expected to drive hotel occupancy throughout 2024.

Metropolitan House is in a unique location in Hertfordshire by virtue of its extensive connectivity. With Central London being accessible within 20 minutes, and conurbations such as Watford, St Albans and Hatfield within a short drive, benefitting from a workforce of c.825,000 (within a 30 min drivetime) the building is well-positioned for a conversion to hotel. In this respect there is a dearth of hotels in the vicinity, with only two alternatives in Potters Bar, Ramada (74 rooms, 2*) and Premier Inn (179 rooms, 3*), situated out-of-town. Being adjacent to the Station places Metropolitan House in a preferable location for both workers and visitors seeking quick access into Luton Airport, Central London and nearby attractions such as Wembley Stadium, the Warner Bros.Studio Tour, Emirates Stadium and Elstree Studios.

RENTAL ALTERNATIVES

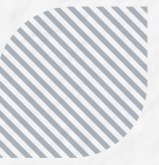
The inflation in residential property prices in recent years, coupled with interest rate rises and the current cost of living crisis have significantly affected affordability, particularly amongst younger generations.

As a result, demand for rented accommodation has grown substantially. With a deficit between demand and historic PRS stock, the market has seen a growing reliance on multi-family housing and shared living alternatives in the form of purpose built Build to Rent (BTR) and more recently the emergence of co-living.





DEVELOPMENT POTENTIAL AND PLANNING CONTEXT



EXTANT PRIOR APPROVAL

- The Site currently benefits from an Extant Prior Approval decision (Ref: 21/1448/PD56), permitting change of use of the 7 storeys above ground for residential use. The Extant Prior Approval would deliver 95 residential flats at the Site. To utilise this decision, these works should be completed by 25th August 2024.

POTENTIAL FOR FURTHER PRIOR APPROVAL APPLICATION

- There is also an opportunity to re-apply for a further Prior Approval (under Class MA of the GPDO). A fresh prior approval application under Class MA of the Town and Country Planning (General Permitted Development) (England) Order 2021 (“GPDO”) could allow for up to 1,500sqm of the existing building to be converted to residential use.
- The Government is also currently reviewing potential further updates to permitted development rights which could potentially allow for additional/all floorspace at the Site to be converted to residential use in the future (subject to relevant conditions and requirements being addressed).

PLANNING APPLICATION FOR CHANGE OF USE (RESIDENTIAL)

- The Site comprises an accessible brownfield, town-centre redevelopment opportunity. As such, the principle of residential use should be broadly acceptable subject to other key planning, design and environmental policy considerations being addressed.
- In accordance with Policy CS4 of the Council’s Core Strategy, it is likely that an element of affordable housing will be required on site, though this will be subject to a viability assessment to be undertaken by the purchaser.
- Given the Site’s town centre location, Council officers will likely require for a strong retail frontage and element of retail provision to be retained at ground floor.

ADDITIONAL FLOORS / INCREASED MASSING

- There is an opportunity to deliver additional massing/ floorspace at the Site for residential use either under permitted development rights (Class AA) or through applying for planning permission.
- If an application for planning permission is submitted, we consider there to be scope to increase the height of the existing building (potentially up to between 10-12 storeys at its tallest). This would be subject to design, townscape and daylight and sunlight matters being addressed in accordance with Policy SADM30 of the Council’s Site Allocations and Development Management Policies Document.
- We also consider there to be scope to deliver massing to the rear of the existing buildings (potentially up to 4-5 storeys). Again, design, planning and amenity considerations (i.e. such as overlooking and overshadowing) should be duly considered.

Further details on the planning context are provided within the Planning Briefing Note (prepared by Montagu Evans) included in the data room.



CGI for indicative purposes only.

INDICATIVE SCHEME PLANS AND ACCOMMODATION SCHEDULE

FLOOR	SQ M	SQ FT
Eleventh Floor	595	6,408
Tenth Floor	667	7,184
Ninth Floor	667	7,184
Eighth Floor	667	7,184
Seventh Floor	667	7,184
Sixth Floor	667	7,184
Fifth floor	667	7,184
Fourth Floor	1,839	19,794
Third Floor	1,957	21,066
Second Floor	1,957	21,066
First Floor	1,773	19,084
Ground Floor	1,188	12,787
TOTAL	13,314	143,309

All areas are stated as Gross Internal Areas.

UNIT MIX

1B1P	6
1B2P	75
2B3P	18
2B4P	47
3B4P	3
3B5P	8
3B6P	1
TOTAL	158



CGI for indicative purposes only.



VAT

We understand the property has been elected for VAT and therefore anticipate the sale will be undertaken as a transfer of a going concern (TOGC).

DATA ROOM

Available upon request.

EPC

Offices: D
Retail: B / C

PROPOSAL

Price on application.

VIEWINGS

Viewings strictly by prior appointment through the sole agents, Montagu Evans.



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