

# FOR SALE: FREEHOLD OFFICE SALE AND LEASEBACK OPPORTUNITY

Parker Building Supplies, Units J1-J2 Chaucer Business Park, Polegate, East Sussex, BN26 6JF



## INVESTMENT SUMMARY

- Freehold.
- Located on the established Chaucer Business Park in East Sussex.
- Modern open plan office set over ground and first floors with a net internal area of 4,309 sq ft (400.23 sq m).
- Sale and leaseback transaction to Parker Building Supplies on a FRI lease expiring on the 7th December 2031, producing approximately 13 years unexpired.
- Rent of £75,407.50 per annum; reflecting £17.50 per sq ft with 5 yearly annually compounded RPI reviews which are collared and capped at 1.00% and 4.00%.

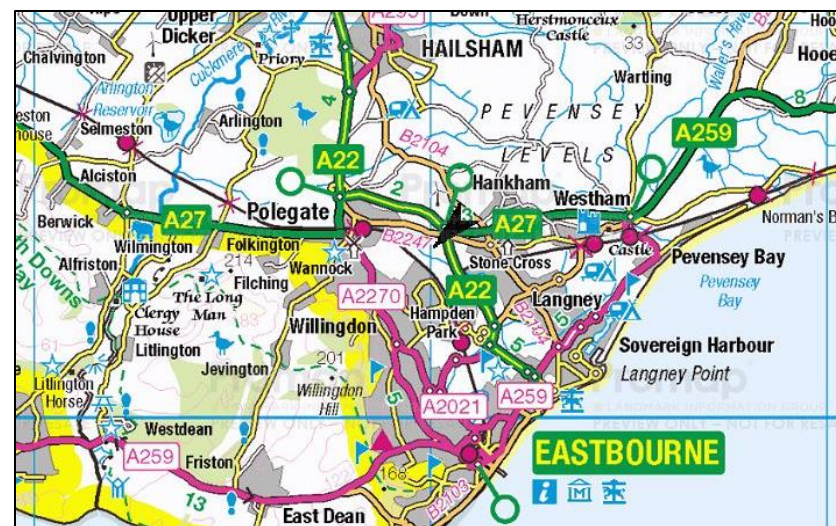
We are instructed to seek offers in excess of **£975,000 (Nine hundred and seventy-five thousand pounds)**, subject to contract and exclusive of VAT. A purchase at this level would reflect a **Net Initial Yield of 7.25%** assuming purchaser's costs of 6.72%, and a low capital value of £226 per sq ft.

## LOCATION

Polegate is located in East Sussex, 4 miles to the north of Eastbourne, 17 miles east of Brighton and 14 miles west of Hastings. London is located 50 miles to the north. The subject property is located on the Chaucer Business Park, approximately 1 mile to west of Polegate town centre.

Road access to the business park is good with the A22 providing access to the M23 and M25. While the A27 provides access to Hastings to the east and Brighton to the west.

Polegate railway station is circa 1 mile to the west and provides services to London Victoria and Brighton, with journey times of approximately 1 hour 25 minutes and 30 minutes respectively.

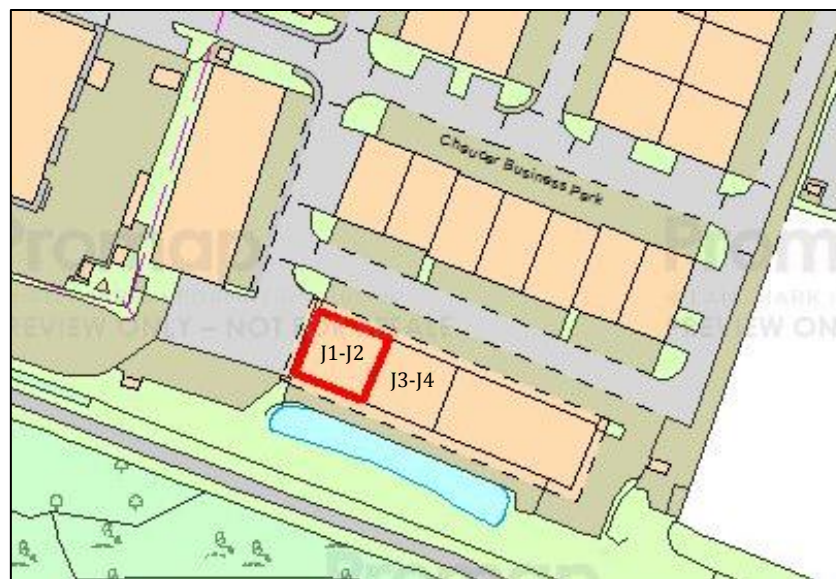


## SITUATION

Chaucer Business Park forms an established and popular business park location which comprises a mix of office and light industrial properties.

The Business Park is accessed off Dittons Road, close to the A27 and Polegate bypass. The subject property is situated on the southern boundary of the business park with Units J1-J2 located at the western end of a terrace of office units.

Other occupiers on the business park include Diaverum UK Limited operating a NHS dialysis clinic, Full Range Fitness Gym, Veritek Global Ltd, and BDS Electrical.





## DESCRIPTION

Units J1-J2 were constructed in 2017 as part of a terrace of 8 units. The property is of steel portal frame construction with part brick and part steel panel elevations. The windows comprise powder coated double glazed units.

Units J1-J2 provide modern open plan office accommodation over ground and first floors. A south facing terrace is accessible from the ground floor.

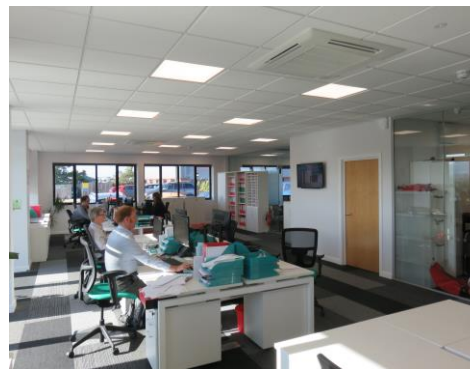
The office specification includes:

- Full access raised floors
- Suspended ceilings
- Fluorescent lighting
- Cassette air conditioning
- Kitchen
- WC and shower facilities

Parker Building Supplies Limited lease units J3 and J4 which are held under a separate title. All the units are interconnecting.

## TENURE

Freehold.



## ACCOMMODATION

The property has been measured using floor plans in accordance with the Royal Institution of Chartered Surveyors Code of Measuring Practice (6th Edition) and comprises the following Net Internal Areas:

Use	M <sup>2</sup>	Ft <sup>2</sup>
Ground Floor	200.87	2,162
First Floor	199.46	2,147
<b>Total NIA</b>	<b>400.33</b>	<b>4,309</b>

The tenant has fitted out the property to suit their operational needs by extending the space occupied by the WC and shower facilities in units J1-J2 and removed the party wall between units J2 and J3. These alterations will be documented under a license for alteration. The areas stated above include the additional WC and shower facilities that will be documented in the license for alterations.

## TENANCY DETAILS

The investment will be sold by way of a sale and leaseback transaction. The property will be let to Parker Building Supplies Limited on a full repairing and insuring lease expiring on the 7<sup>th</sup> December 2031, giving approximately 13 years unexpired. The lease is contracted inside the landlord and Tenant Act 1954. The lease will be co-terminus with the tenant's existing Unit J3 lease.

The initial passing rent will be £75,407.50 per annum reflecting a rent of £17.50 per sq ft, with 5 yearly annually compounded RPI reviews which are collared and capped at 1.00% and 4.00%.

The tenant's works to the property will be documented via a license for alterations. A copy of the draft lease is available within the data room.

## TENANT'S COVENANT

Parker Building Supplies Limited (Co.02045211) is a well-established independent builder's merchants, founded in 1984. The business provides trade and retail customers with building materials from its locations across Sussex and Kent. In 2018, Cairngorm Capital acquired Parker Building Supplies Limited with the goal of becoming the leading distributor of building products in the UK.

The company has a Dun and Bradstreet credit rating of 2A2. The company's previous 3 years financial accounts are summarised below:

	2017	2016	2015
Turnover	£66,642,803	£60,622,001	£54,111,562
Pre-Tax Profit	(£102,258)	£801,005	£884,046
Net Assets	£5,991,000	£6,235,300	£4,484,698

## EPC

Both units J1 and J2 have been separately assessed. Each have an EPC rating of A with a score of 15. Copies of the Energy Performance Certificates are available in the data room.

## BUSINESS RATES

The property is currently assessed as Units J1-J4 with a rateable value of £103,000. Interested parties are advised to make their own enquiries with the VOA as to the rateable value of units J1-J2.



## VAT

We understand the property is registered for VAT and therefore VAT will be payable on the purchase price. In this instance, the sale will not be treated as a Transfer of a Going Concern.

## PROPOSAL

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## CONTACT

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