



Claygate Distribution Limited,
Pattenden Lane, Marden, TN12 9QT

**SINGLE LET
SOUTH EAST**
**HQ LOGISTICS
INVESTMENT**
**WITH 15 YEARS
TERM CERTAIN
AND INDEX -
LINKED RENT
REVIEWS**



EXECUTIVE SUMMARY

- Modern purpose built HQ logistics facility, with a further modern high bay warehouse & two business units totalling 148,811 sq ft GIA of Grade A accommodation
- Strategic South East logistics location in Marden, c.8 miles south of Maidstone and 45 miles south east of central London with excellent access to key motorway junctions, the railway network and Kent based ports
- 7.89 acres site area and site coverage of 32%
- Freehold
- The property will be let to Claygate Distribution Limited (D&B 4A1) on a new 20 year FRI lease subject to a tenants only break clause at the 15th year at a rent of £910,000 p.a. reflecting a low rent of £6.12 psf overall
- The rent will be subject to 5 yearly upward only rent reviews, linked to RPI capped and collared between 1-4% pa compounded

PROPOSAL

OFFERS ARE SOUGHT IN EXCESS OF **£17,075,000 (SEVENTEEN MILLION AND SEVENTY FIVE THOUSAND POUNDS)** SUBJECT TO CONTRACT AND EXCLUSIVE OF VAT EQUATING TO A LOW CAPITAL VALUE OF £115 PSF OVERALL. A PURCHASE AT THIS PRICE REFLECTS THE FOLLOWING YIELD PROFILE:

Net Initial Yield	4.95%
Reversionary Yield – 2026 – 1% collar	5.20%
Reversionary Yield – 2026 – 4% cap	6.02%
Reversionary Yield – 2036 – 1% collar	5.74%
Reversionary Yield – 2036 – 4% cap	8.91%

THIS IS BASED ON PURCHASER'S COSTS OF 7.74%.



SOUTH EAST LOCATION

LOCATION, TN12 9QT

Marden is a town located c.8 miles south of Maidstone and 13 miles by road to the east of Royal Tunbridge Wells and 45 miles south east of Central London.

Marden has a very strong strategic location within Kent and benefits from good access to residential centres, key ports, the motorway network and rail links to Ashford International.

Marden Rail Station provides regular connections to Eurostar via Ashford International (26 minutes journey time) and regular direct services London Charing Cross (58 minutes).

DISTANCES AND DRIVE TIMES



TOWNS	MILES	TIME
Marden Rail Station	0.5	2 mins
Maidstone	8	15 mins
Dartford	28	45 mins
Central London	45	1hr 5 mins



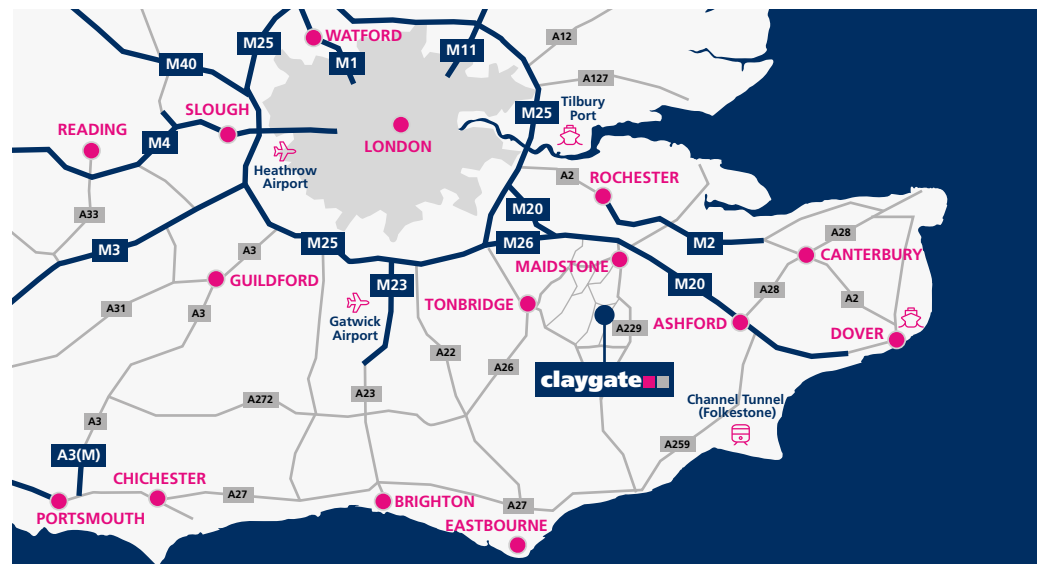
AIRPORTS	MILES	TIME
Gatwick	44	55 mins
Stanstead	64	1hr 10 mins
Heathrow	66	1hr 20 mins
Luton	84	1hr 30 mins



MOTORWAYS	MILES	TIME
M20 (Junction 6)	10	20 mins
M25 (Junction 5)	25	30 mins
Dartford Crossing	28	45 mins
M1	70	1hr 20 mins



PORTS	MILES	TIME
Channel Tunnel (Folkestone)	37	50 mins
Tilbury	38	50 mins
Port of Dover	49	60 mins



MARDEN, KENT SITUATION

PATTENDEN LANE, MARDEN

The property is located within an established industrial estate on the northern side of Marden, close to the centre of the town. It is accessed off Pattenden Lane.

Marden rail station is located c. 200m south from the property and it can be reached by foot in under ten minutes from the subject property.

Countryside Homes are in discussions with the Maidstone Borough Council regarding a proposed masterplan for up to 2,000 homes in a garden village directly east of the subject property.

2,000

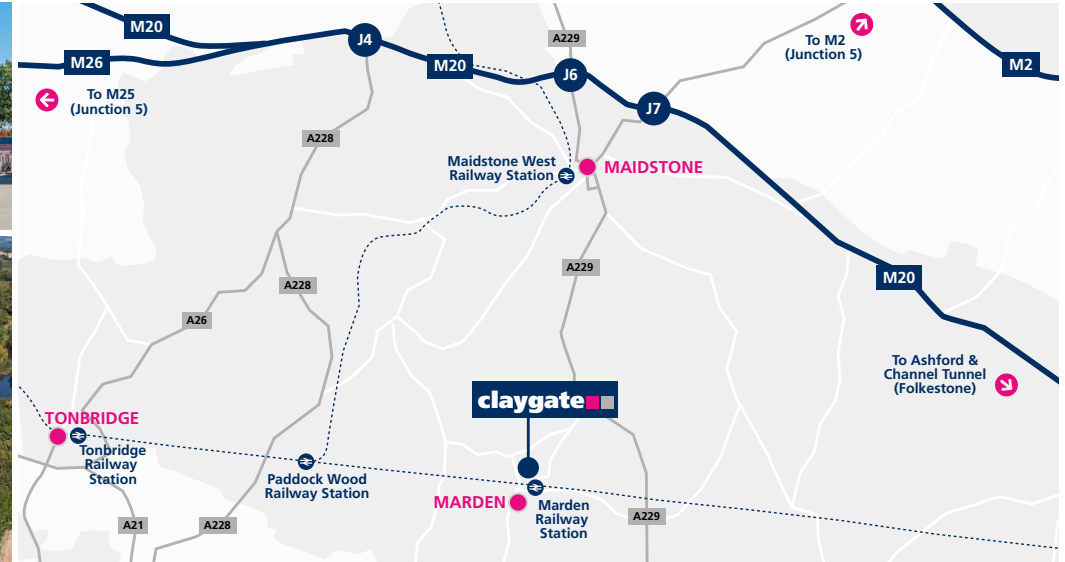
proposed homes alongside
commercial and community
uses adjacent to the
subject property

c.200M

from Marden
railway station

LOCAL OCCUPIERS

- | | |
|---------------------|------------------------------------|
| 1 Crest Engineering | 7 Adaro Optics Ltd |
| 2 Epic Engineering | 8 OSC/Burtens |
| 3 Alpha Wholesale | 9 Aeon Sportscars |
| 4 Go-Group | 10 Boddingtons Plastics |
| 5 Thermosphere | 11 English National Ballet & Opera |
| 6 Scarab Sweepers | 12 Proposed development land |



PROPERTY DESCRIPTION

WAREHOUSE 1



2008 built HQ logistics warehouse totalling 110,501 sq ft GIA



Minimum eaves height of 8.42m to underside of haunch



13 dock level loading doors



Sodium lighting

OFFICES

Offices are fitted to a Grade A specification benefitting from:

- Suspended Ceilings
- Raised floors
- Cat VII lighting & LED lighting (being upgraded)
- Air conditioning
- Metal framed double glazed windows
- Fully fitted reception area
- Staff facilities

Further 3,135 sq ft GIA of showroom and workshop accommodation.

WAREHOUSE 2



2013 built ancillary warehouse totalling 35,175 sq ft GIA



Minimum eaves height of 11.61m to underside of haunch



2 surface loading doors and 3 dock level doors



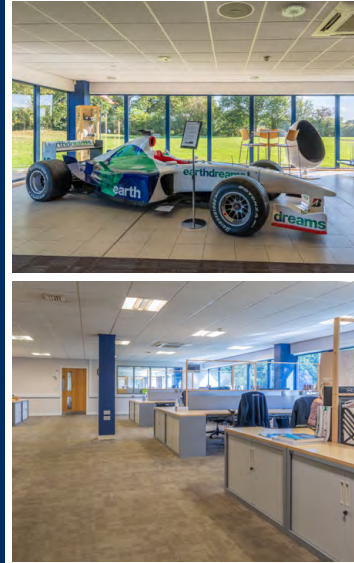
Sodium lighting

ENERGY EFFICIENCY

Warehouse 2 has been built to incorporate a 50 kwatts solar panel system on the roof.

This not only helps to provide the premises with clean electricity each year but also means that the company's CO2 emissions are significantly reduced from their carbon footprint.

The specification includes a heat exchanger which helps to maximise the efficiency of the energy used to heat and cool the buildings as well as a water recycling system.



PROPERTY ACCOMMODATION

The property provides the following accommodation:



WAREHOUSE 1

Warehouse including warehouse offices	62,727
Semi-Permanent Mezzanine	2,732
Mezzanine	22,902
Covered Storage	8,539
Ground Floor Offices	6,829
First Floor Offices	6,772
Total	110,501



WAREHOUSE 2

Warehouse	29,719
Mezzanine	5,456
Total	35,175



OTHER AREAS

Showroom	1,710
Workshop	1,425
Total	3,135
Grand Total	148,811

A measured survey undertaken by BKR floorplans is available in the dataroom and a letter of reliance can be provided to the purchaser.



ON-SITE PARKING

108 SPACES

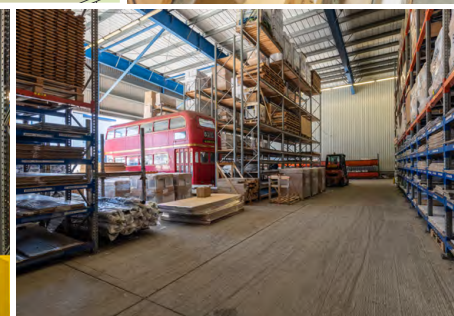


SITE PLAN

The site extends to approximately 7.89 acres which provides a low site coverage of 32%.

TENURE

The property is held Freehold.



CLAYGATE TENANCY



TENANCY

The property will be let to Claygate Distribution Limited upon completion on the following terms:

Tenant	Claygate Distribution Limited (01371982)
Lease Term	FRI lease for a term of 20 years from completion subject to a tenants only break clause at the 15th year subject to 6 months prior written notice
Rent	£910,000 p.a.x reflecting a low rent of £6.12 psf overall
1954 Act	Lease to be within the provisions of the 1954 Landlord and Tenant Act
Rent Review	5 yearly RPI linked reviews with collar and cap of 1% and 4%
Repairing Obligation	Let on Fully Repairing and Insuring Terms
Alienation	Ability to assign the whole (not part) subject to provision of AGA. Tenant to have right to sublet designated external parts for short term storage by way of licence
Insurance	Landlord to insure premises and recover insurance premium from the tenant

A draft lease will be available to prospective purchasers on the data room.



TENANT COVENANT

CLAYGATE DISTRIBUTION LIMITED

Claygate Distribution Ltd provides quality bathroom products to the trade including premium brands, accessories and own design product.

The company founded in 1990 moved to its premium warehouse and head office building in Marden in 2008 and is the largest employer locally. The business owns it's own truck fleet and supports local businesses and charities.

It distributes across the whole of the south of England to large customers like Travis Perkins as well as smaller clients. It is well located to dominant the southeastern bathroom sector and has grown it's reach to target wider geographical markets.

The company successfully completed an Employee Ownership Trust on 21 October 2021 - further details available upon request. The new management team have a number of years experience within the business and are wedded to the property where they have all worked since the company took occupation.

The previous owners will remain within the business providing stewardship to the new management team.

Claygate Distribution Limited has a D&B rating of 4A1 for the year ending 30 September 2020 based on a tangible net worth of £23.45 million.

Accounts have been filed for the year ending 30 September 2021 - further details available upon request.



CLAYGATE DISTRIBUTION LIMITED

	YEAR END SEPT 2020	YEAR END SEPT 2019	YEAR END SEPT 2018
Turnover	£21,176,411	£22,969,897	£24,102,134
Profit Before Tax	£2,367,529	£2,778,296	£3,087,956
Tangible Net Worth	£23,451,564	£22,219,317	£2,778,296

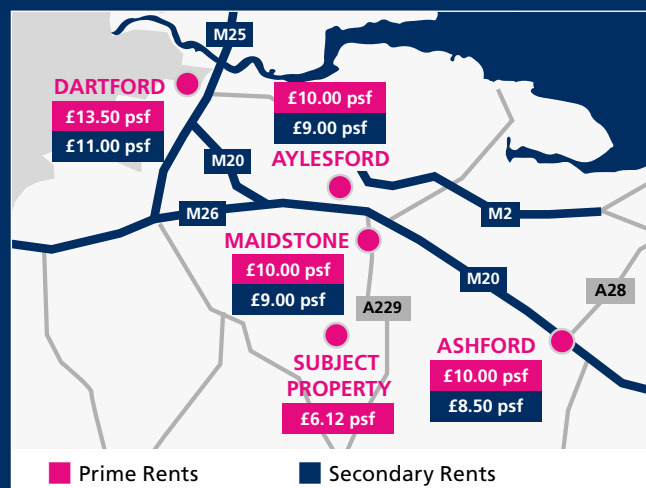


KENT MARKET COMMENTARY

RENTAL COMMENTARY

The industrial occupational market has been particularly active in recent years. Rental growth has outpaced the national average for the last seven years and is currently at 4.3% for 2021.

The subject property will be let off an overall rent of £6.12 psf. Units at the adjacent Cedars scheme have achieved headline rents at a c.£8 psf demonstrating a low overall rent at the subject property which compares favourable with prime and secondary rents in the nearby industrial centres.



INVESTMENT MARKET COMMENTARY

The industrial sector has continuously outperformed all other commercial sectors, sustained by a limited supply of good investment opportunities and upward pressure on rental values from high demand.

Competition within the sector remains strong, offering compelling fundamentals as availability rates hit a record low of 5.2% in Q2 2021 and prospects of substantial rental growth and income security increase. In London and the Southeast vacancy rates remained at 3.95% in Q2 2021.

Industrial property has now become the superior asset of choice for investors, with investment in 2021 reaching a

surplus of £12 billion, accounting for 29% of the total market, its highest proportion ever. Showing an increase of 48% from the 2019 figures (£5.8bn).

Investor activity remains focused on where rental growth prospects remain strongest, in London and the South-East, the most valuable and dense market in the UK.

Despite the disruption caused by Covid-19 the industrial investment and long income markets have remained resilient, particularly in south east England. In 2020 more than £200m of industrial investments were traded in Kent alone, which is ahead of the five year average of £158m.

Address	Tenant	Size (sq ft GIA)	Unexpired Term	NIY	Price	Cap Value psf	Purchaser	Date
Pattenden Lane, Marden	Claygate Distribution Limited	148,811	20 years	4.95%	£17.075m	£115	-	-
Festival 57, Basildon	Xpand Logistics Ltd	56,953	7.8 years	4.50%	£10.95m	£192	On Market	-
1 Watkins Close, Basildon	Yodel	57,314	2.1 years	3.79%	£11.35m	£198	Mirastar	Aug-21
Unit 1 Aylesford Commercial Park, Aylesford	Kent County Council	110,000	17.3 years	2.85%	£26.55m	£241	Confidential	Aug-21
Bainton Close, Bicester	Fresh Direct	11,907	10.5 years	3.75%	£18.15m	£162	Kennedy Wilson	Aug-21
Easter Park, Rainham	Restore plc	116,026	18.4 years	3.07%	£31.90m	£275	CBREGI	Jun-21
Basildon 117, Basildon	Swan Housing Association	116,841	14.5 years	4.35%	£23.28M	£199	Aberdeen Standard	Dec-20
1B London Medway, Rochester	Noatum Maritime	150,000	15.0 years	4.25%	£26.2M	£175	CBREGI	Dec-20
Thurrock 162, West Thurrock	London City Bond	162,056	9.5 years	4.55%	£30.05m	£185	Blue Viper	Dec-20

FURTHER INFORMATION

VAT

The property is elected for VAT but will not be a Transfer of a Going Concern (TOGC) and as such stamp duty will be due on the VAT.

EPC

The property has an EPC rating of:
C-57 (HQ building)
C-71 (Ancillary warehouse)
A copy of this certificate is available on request.

MONEY LAUNDERING

In order to comply with anti-money laundering legislation, the preferred purchaser will be required to provide acceptable identification documents.



CONTACTS



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