



Nuralite Industrial Estate

CANAL ROAD, ROCHESTER, KENT ME3 7JA

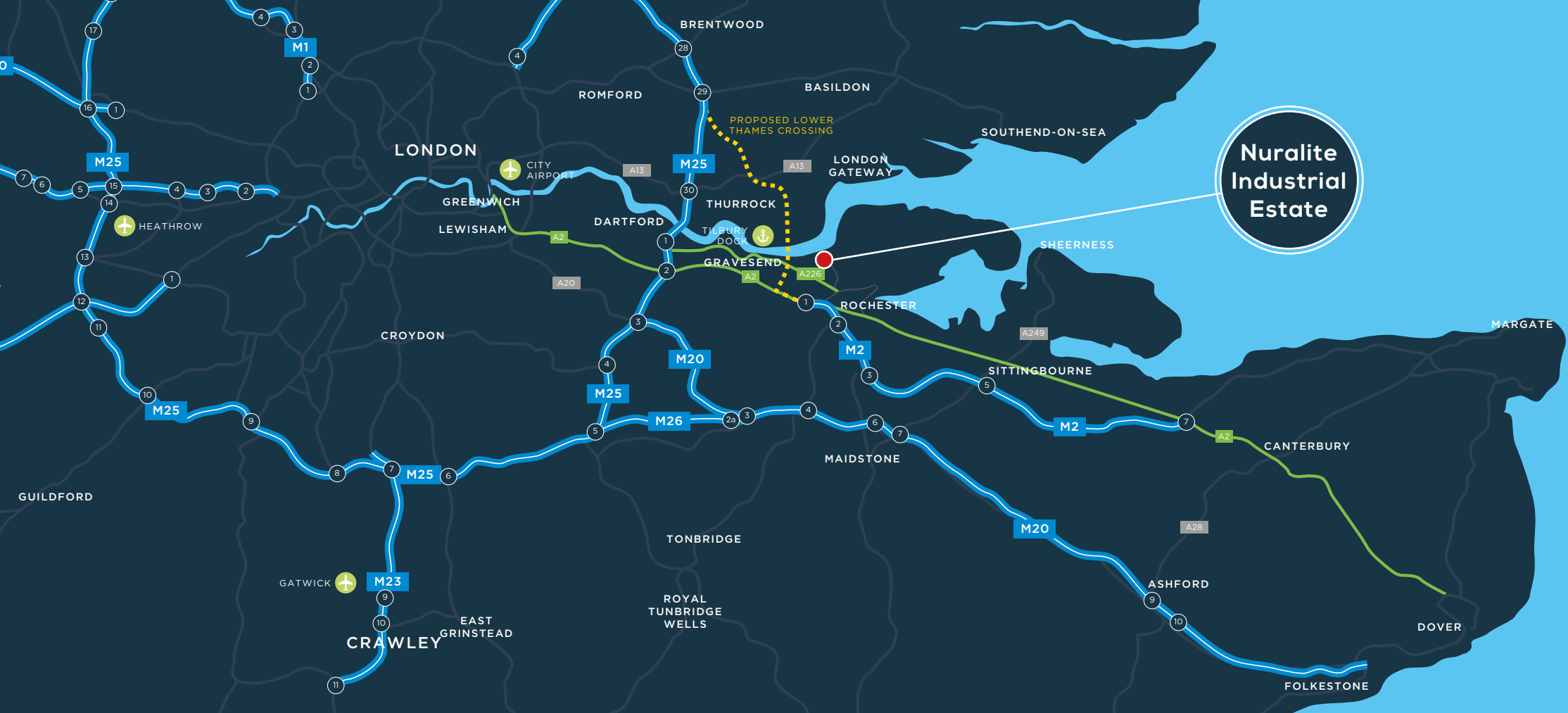
SOUTH EAST MULTI-LET INDUSTRIAL INVESTMENT AND DEVELOPMENT OPPORTUNITY

Investment Summary



* Photo taken prior to demolition

- A rare opportunity to acquire an **income producing multi-let industrial estate with significant development potential.**
- The property benefits from a **valuable detailed planning consent for 260,000 sq ft of light industrial** (subject to a Section 106 Agreement).
- Situated in the **South East industrial location** of Rochester.
- **Excellent access to Central London**, the M25 and the national motorway network.
- **Substantial site** totalling approximately 44.81 acres (circa 15 acres of net developable).
- The site provides light industrial units totalling **96,341 sq ft (8,950 sq m)** in addition to **extensive areas of open storage totalling 307,015 sq ft (7.05 acres).**
- The property is occupied by way of 71 licences allowing **vacant possession to be obtained in the short term.**
- The net rental income is approximately **£707,871 per annum.**
- **Freehold.**
- **Offers sought in excess of £12,000,000 (Twelve Million Pounds), subject to contract and exclusive of VAT. This price reflects a net initial yield of 5.53%, reversionary yield of 9.92% net of purchaser's costs of 6.71% and £800,000 per acre (net developable area).**



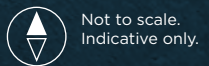
Location

Rochester is an established commercial centre in north Kent and is one of the principal Medway towns, which form the eastern end of the Thames Gateway, a strategic Government Priority Regeneration Area. The Medway conurbation includes the nearby towns of Strood, Chatham and Gillingham. Higham is located 3 miles to the north of Rochester and is large parish within Gravesham, approximately 30 miles south east of Central London and 45 miles north west of the cross-channel ports of Dover and Folkestone.

The property benefits from excellent transport links being situated just 3.8 miles from Junction 1 of the M2 motorway, which in turn provides access to Junction 2 of the M25 via A2, 12 miles to the west. To the south, the network of motorways enables excellent access to Canterbury, Dover and the South Coast. The A2 also provides direct access to South East London.

Higham railway station offers direct journeys to London Bridge within 50 minutes. London City Airport is located 29 miles to the west of the property and Stansted airport London is 50 miles to the south west.

Tilbury Docks are located just 7 miles to the north west of the property and all other major south east ports of Felixstowe, Dover, Southampton and Portsmouth are accessed within 120 miles.



Situation

Nuralite Industrial Estate is located on Canal Road, which follows the Thames and Medway Canal and leads to the estate entrance. Canal Road is accessed via the dual carriageway A289 approximately 2.8 miles to the south, providing quick access to Rochester and Dartford. The property is situated 3.2 miles east of Gravesend and 5.0 miles northwest of Rochester Town Centre.



Key Infrastructure Projects

Communications are set to improve significantly with the construction of the Lower Thames Crossing (LTC). The £6.8bn tunnel is scheduled to open in 2030 and will run from east of Gravesend to Tilbury in Essex. As shown by the map, this key national infrastructure project will provide the subject area with greater accessibility to West Thurrock, Tilbury and to M25 (N) without depending on the Dartford crossing.

Medway Council have secured funding for the 'Hoo Peninsula Development' for £170 million, which will enable 12,000 residential units, improved infrastructure and accessibility to London. This major project and the LTC will improve the road and rail infrastructure for the area surrounding industrial estate and will increase the population catchment benefiting the employment use of the area.

Driving distances/times:

M2 (J1) 4 miles / 11 minutes

ROCHESTER 5 miles / 17 minutes

PROPOSED LTC 6 miles / 19 minutes

M25 (J2) 13 miles / 21 minutes

DARTFORD 15 miles / 29 minutes

CITY OF LONDON 31 miles / 70 minutes

WEST END 32 miles / 72 minutes

Description

A multi-let income producing industrial estate site benefitting from outline planning permission for a 260,000 sq ft light industrial development. The site is characterised in two distinct areas, the eastern portion accommodating the industrial estate and the western portion, which includes a decommissioned landfill.

The site is bounded to the north and north east by a stretch of the old Thames and Medway Canal. The entire southern boundary of the site is the mainline rail line (Gravesend to Rochester). The Eastern edge of the site provides the sole vehicle access to the site along Canal road.

The Industrial estate comprises of approximately 30 buildings of mixed age and construction accommodating 58 industrial units (96,341 sq ft), as well as extensive hardstanding open storage land (7.05 acres) and 18 ISO Container units. The buildings are generally single storey and predominantly of brick and metal clad construction. The landfill located in the western portion was active under a number of licences but has been disused since 1999.



Tenure

Freehold.

Site

The entire site totals approximately 44.81 acres. The net developable area under the planning permission is 15 acres (6.07 hectares).

Tenancies

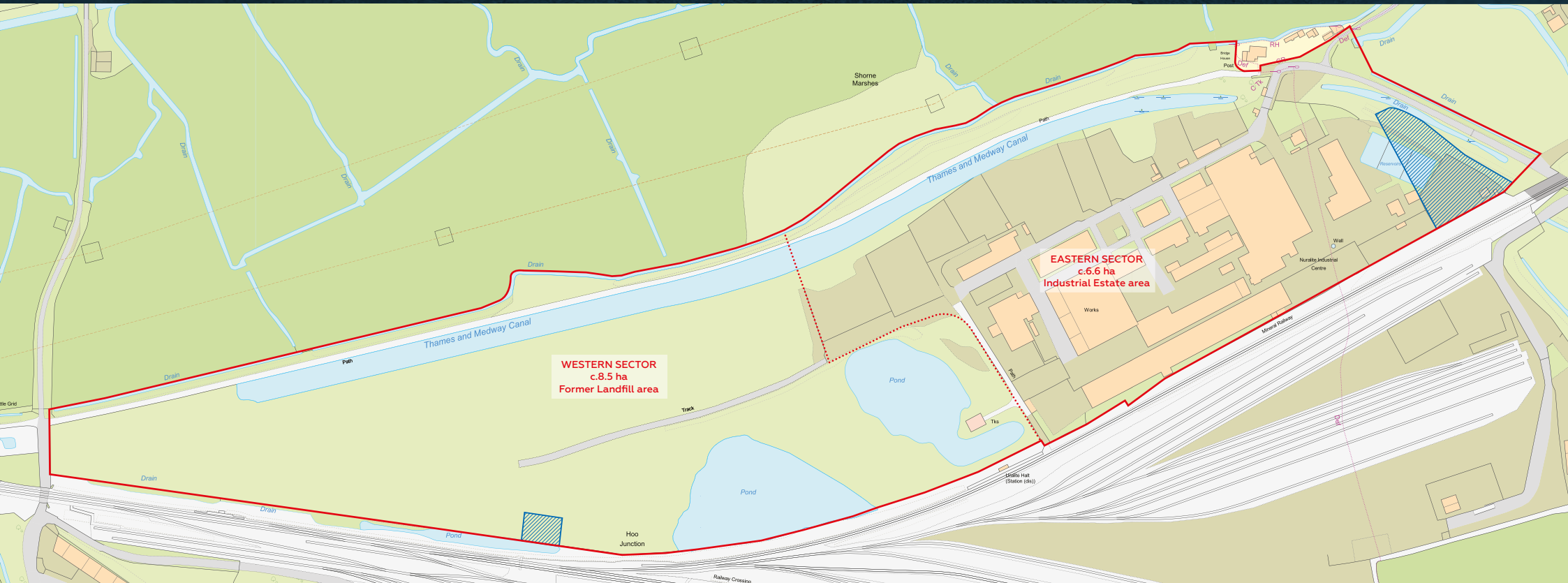
The industrial units and open storage land are currently occupied under licences to 56 tenants and licenced to 15 tenants of the ISO containers/ parking spaces.

The current total gross rental income received from the property is £1,064,863 per annum; derived as £727,652 from the units, £307,841 from the open storage land and £29,369 from the ISO Containers/

Parking. All rent is inclusive of service charge and business rates. We have analysed the current net income to be £707,871 per annum after running costs.

All tenancies are on license agreements, which can be terminated at short notice.

A full schedule of the existing income can be found on the data site.



Occupational Market

In spite of arguably the most challenging trading conditions of the past decade, Covid-19 has brought the importance of the industrial and logistics sector into sharp focus. A varied range of industrial occupiers have played a pivotal role during the crisis whether it be meeting the needs of consumers, ensuring the movement of essential goods, or adapting production lines to boost the availability of medical supplies.

Leasing activity has been particularly strong through 2021, culminating with the highest levels of take-up on record being achieved. This continued depth of demand is outstripping new-build supply, and as a result of this burgeoning supply/demand imbalance, rental growth continues to be evident across the South East.

This strong rental growth outlook, underpinned by continued occupational demand that is outstripping new-build supply has resulted in a significant increase in the number of investors and developers looking to secure assets within the industrial sector.

We have listed a schedule of leasing transactions in the region for reference to rental values for existing buildings and the rental levels that could be achieved upon redevelopment:

Address	Size (Sq ft)	Tenant	Rent (psf)	Terms (yrs)	Break Option	Rent Free (months)	Transaction date
Unit 1, M2 City Link, Rochester, ME2 4DW	30,000	Selco	£10.66	15	-	15	PC Q2 2021
Unit 1, Trade City, Cold Harbour Road, Gravesend, DA11 8AF	4,737	ScrewFix	£11.50	10	5	12	Jan-21
Unit B&C, ARC Aylesford, Snodland, ME6 5PJ	36,867	Must Have Ideas	£10.50	15	10	9	Dec-20
Unit B1/2, Knights Business Park, Rochester, ME2 2LS	18,427	Ideal Direct	£9.00	10	5	4	Nov-20
Unit 4, Aylesford Business Park, Aylesford, ME20 7US	7,171	Fire Table	£11.50	10	5	6	Sep-20
Units 4 &5, Meridian Business Park, Rochester, ME2 4LE	6,189	Rob Roy Park Homes	£11.00	6	3	2	Aug-20
Unit 3, Aylesford Business Park, Aylesford, ME20 7US	6,465	Sub-Zero	£11.50	10	5	6	Aug-20

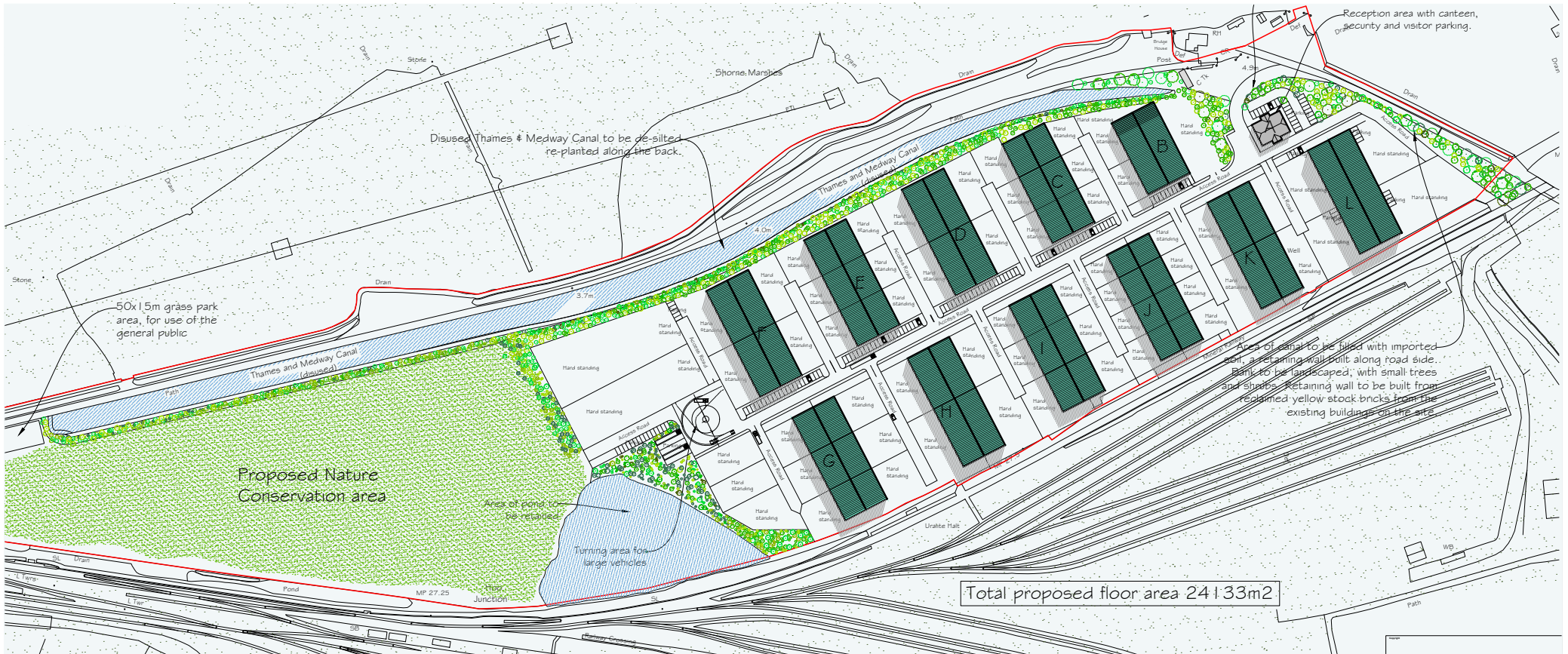
Investment Market

South East industrial investment demand remains extremely strong despite the global pandemic and economic headwinds. The industrial and logistics sector has continued to outperform other sub-sectors of the commercial property market. The relatively high returns being achieved in the Industrial and Logistics sector are a function of a strong occupational market and a huge increase in capital seeking investment opportunities in the sector.

Given the strong occupational market, security of income and sustained rental growth within the sector, investor demand has remained strong and has been compounded by a lack of available investment opportunities.

Outlined below are a number of relevant investment transactions:

Address	Size (Sq ft)	Rent (£ psf)	Unexpired Term Years (break)	Price (NIY)	CV (Psf)	Date
Crendon Industrial Park, Long Crendon	411,584	£3,289,139 (£7.99)	4.6 (3.6)	£64,000,000 (4.81%)	£155	Mar-21
Childerditch Industrial Park, Brentwood	173,386	£2,571,543 (£14.83)	(2.5)	£59,000,000 (4.08%)	£340	Mar-21
River Wharf Business Park, Belvedere	47,820	£346,226 (£7.24)	-	£12,250,000 (2.65%)	£256	Dec-20
Westgate 40, South Ruislip	130,362	£1,349,672 (£12.57)	6.0	£29,000,000 (4.04%)	£222	Mar-20
Sands10, High Wycombe	123,021	£1,088,374 (£8.22)	6.7 (6.1)	£21,650,000 (4.71%)	£175	Mar-20
Oliver Close Ind Estate, Grays	102,429	£857,720 (£8.37)	-	£15,500,000 (5.18%)	£151	Dec-19
Larkfield Mill Ind Estate, Aylesford	277,088	£1,967,213 (£7.10)	(3.0)	£33,500,000 (5.25%)	£121	Oct-19



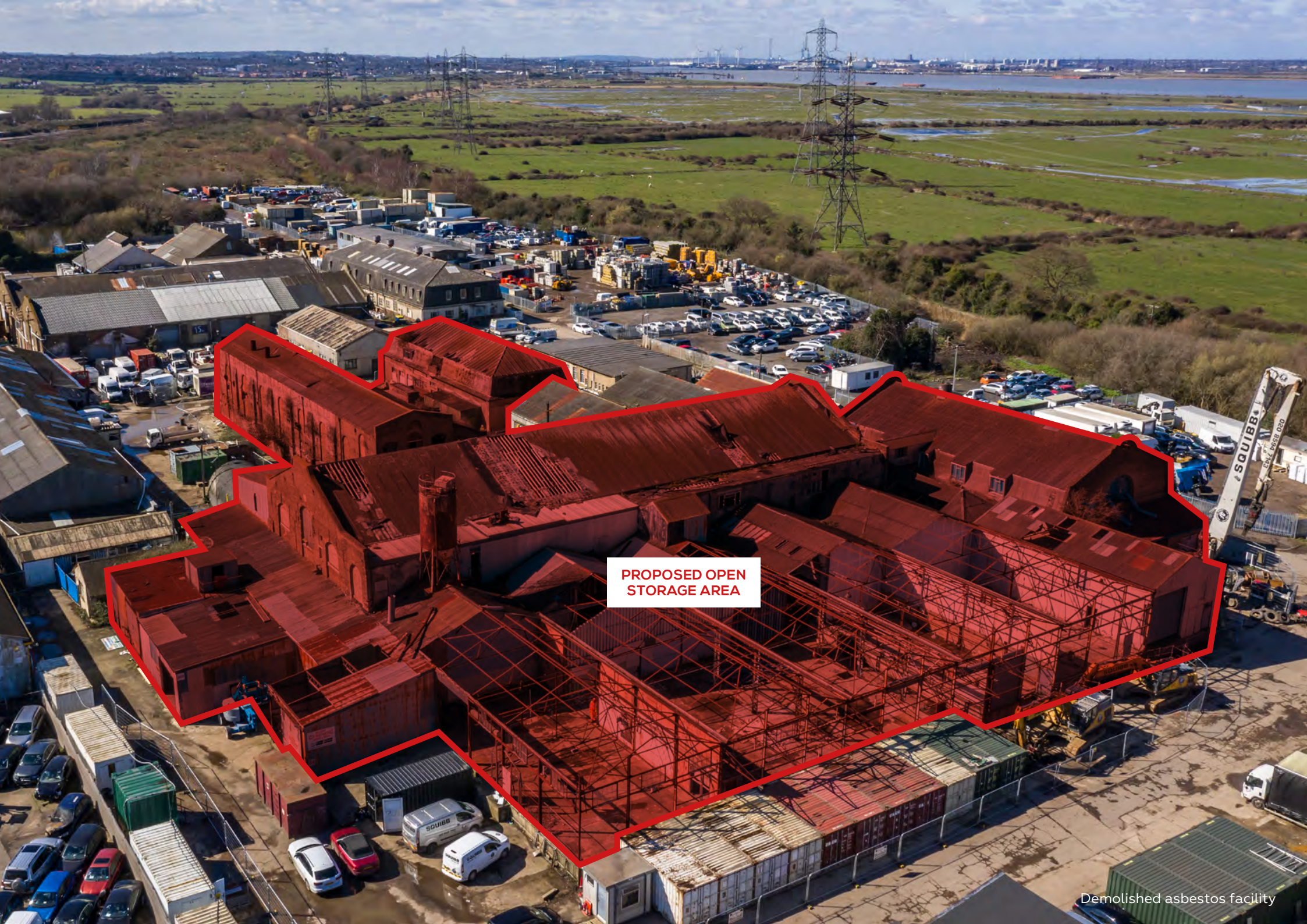
Redevelopment & Planning

The property benefits from detailed planning permission (REF:20190290) subject to a the Section 106 Agreement, which includes developing 11 light industrial units totalling approximately 24,133 sq m (c.260,000 sq ft) with associated surface car parking and yard areas. Nuralite Industrial Estate represents a rare southeast development opportunity comprising a 15 acre site. The property is also income producing and can also be developed in phases, affording the developer an opportunity to protect returns with the existing income.

The proposed development comprises the demolition of the existing industrial estate, remediation of the landfill and constructing the industrial units.

The current owner has already removed the largest two buildings at the entrance to create further open storage units in the short term.

Remediation of the landfill principally includes the importation of capping material to provide a separation layer. In order to limit the cost of capping the site, LEJ properties has applied for a permit to receive inert construction materials (c. 485,000 tonnes), with the owner benefiting from income payments for the materials. The site also has HMRC consent to Land Remediation Relief, to allow the owner to claim relief of 150% of the cost of remediating the site against their Corporation Tax bill.



**PROPOSED OPEN
STORAGE AREA**

Further Information

Datasite

Access to the data site containing relevant documentation including environmental reports, remediation strategy reports and planning documentation is available on request.

VAT

The property is elected for VAT. It is intended that the transaction will be treated as a TOGC.

Anti Money Laundering

The Purchaser will be required to provide information necessary to comply with Anti-Money Laundering legislation.

Drone Video Tour

A video tour of the property can be found here:



Proposal

Offers sought in excess of **£12,000,000 (Twelve Million Pounds)**, subject to contract and exclusive of VAT. This price reflects a net initial yield of **5.53%**, reversionary yield of 9.92% net of purchaser's costs of 6.71% and **£800,000 per acre** (net developable area).

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