

South Coast Last Mile Freehold
Industrial Investment Opportunity.



CHAPEL ROAD SOUTHWICK



EDMUNDSON ELECTRICAL
UNITS 1-4 CHAPEL ROAD
SOUTHWICK, BN41 1PF

INVESTMENT CONSIDERATIONS



CHAPEL ROAD SOUTHWICK

- **Rare opportunity** to acquire a single let freehold industrial investment located on the south coast.
- Situated in an **established 'Last Mile' industrial location** in Southwick with good access to Brighton town centre (3 miles away) and major road networks.
- The property comprises **5 industrial / trade counter units** split across two terraces totalling **25,087 sq ft GIA (2,329 sq m)** on a secure site.
- Let on five separate FRI leases, three of which are **outside the act** providing asset management opportunities in the medium to longer term.
- **Future opportunity to subdivide** back to 5 individual units.
- Fully let to **Edmundson Electrical Ltd** on new five year leases at a **passing rent of £369,013 per annum** reflecting £14.71 psf.
- **Edmundson Electrical Ltd** have an Experian rating of **"Very Low Risk"** with a consistent turnover of £1.5bn and improving pre tax profits.
- Freehold.



THE PROPOSAL

£5,325,000

6.50% NIY

Offers are sought in excess of **£5,325,000 (Five Million, Three Hundred and Twenty Five Thousand Pounds)** subject to contract and inclusive of VAT.

A purchase at this level reflects a **net initial yield of 6.50%** after allowing for purchaser's cost of 6.60% and reflects a capital value of £212 psf.

**5
LEASES**

Let on 5 separate FRI leases.

**5
YEARS**

Fully let on new 5 year lease.

**5
UNITS**

5 Industrial units split across two terraces.

PROPERTY LOCATION



0.3 miles
Fishergate
Rail Station

UNITS 1-4
CHAPEL
ROAD

3 miles
BRIGHTON
TOWN
CENTRE

StorageMart
TPS Brighton
The Flour Pot Bakery
Fabric Godmother
Barlows MEP Services Ltd
Edmundson Electrical
Dreams

Johnsons Workwear
Dreams

Shoreham Port Solutions
Sussex Port Forwarding

A293

SHOREHAM
PORT

A259
COAST ROAD

CHAPEL ROAD

EDMUNDSON
ELECTRICAL

Bradbury Electrical Contractors
Grummit Wade Mason
Greg Stone Flooring and Carpets
Stuart Radley Associates
Vanmart
Blue Sky Fostering

HIQ Tyres and
Autocare

R & D Goatley

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LAST MILE CONNECTIONS

5.5M

5.5 million addresses within 50 miles



The property is located in Southwick which is a small town situated between Shoreham by Sea (2.6 miles west) and Brighton (3 miles east).

The local area comprises a mix of commercial and residential accommodation with adjacent occupiers including a retail park and self storage unit let to StorageMart.

It is set back from the A259 coastal road by a few hundred yards providing easy access to Southwick town centre (1 mile west) and Brighton (3 miles east).

The A293 offers quick access to both the A23 and A27 allowing occupiers swift links to the South Coast market and north to Central London.

DRIVE TIMES 		
Shoreham	2.6 miles	9 mins
Brighton	3 miles	11 mins
Worthing	7 miles	20 mins
A27	2.5 miles	8 mins
A23	5 miles	11 mins
M23	22 miles	29 mins
M25	40 miles	53 mins

STATIONS 	
Fishergate Station	0.3 miles
Southwick Station	1 mile
Hove Station	2.5 miles
Brighton Station	3 miles
BRIGHTON TO CLAPHAM JUNCTION	51 mins

AIRPORTS 	
Brighton	3.5 miles
Gatwick	30 miles
Heathrow	65 miles
PORTS 	
Shoreham	1 mile
Southampton	58 miles
Portsmouth	47 miles

PROPERTY DESCRIPTION



21 Dedicated
Parking Spaces



5 Loading
Doors



1 Electric
Vehicle Point



5.27m
5.27m Eaves
Height



Securely Gated Site
with Dedicated
Parking



Freehold
Property



Site plan for illustrative purposes. Not to scale



The property comprises two industrial terraces across 5 units on a secure site. The units are separated by a large yard in the middle of the property.

The buildings are of steel portal frame construction with brick elevations under a pitched sheet roof.

To the front, units 1, 2 and 3 contain ancillary office accommodation along with a ground floor trade counter in unit 1.



Incorporated in 1991 Edmundson Electrical Ltd (Co Number: 02667012) is a privately held electrical distribution company and is the UK's largest electrical wholesaler, distributing an extensive range of top branded products from the world's leading manufacturers.

Operating daily from over 240 locations across the UK, the company provides access to over 800,000 items and same-day delivery. The tenant has been in occupation at the property since 2007.

Edmundson Electrical Ltd has an experian rating of 100/100 indicating a 'Very Low Risk' covenant strength, we have set out the previous three years accounts below;

	31 Dec 2021	31 Dec 2022	31 Dec 2023
Turnover	£1,415,460,000	£1,664,557,000	£1,751,262,000
Pre Tax Profit	£111,501,000	£150,663,000	£125,193,000
Total Net Worth <i>(excludes intangible fixed assets)</i>	£408,078,000	£409,920,000	£425,012,000



COVENANT & TENANCY ANALYSIS

TENANCY SCHEDULE

The property is let to Edmundson Electrical Limited on 5 separate new leases, expiring on 28th September 2029 at a current passing rent of £369,013 reflecting £14.71 psf. Three of the five leases (1, 4E & 4W Units) are outside of the 1954 act.

*E E Ltd: Edmundson Electrical Limited

UNIT	TENANT	SIZE GIA (sq ft)	START DATE	LEASE EXPIRY	L&T ACT	PASSING RENT (£pa)	PASSING RENT (£psf)	COMMENTS
1	E E Ltd	7,708	29 Sept 24	28 Sept 29	Out	£115,772	£15.02	FRI Lease
2	E E Ltd	5,250	29 Sept 24	28 Sept 29	In	£73,705	£14.04	FRI Lease
3	E E Ltd	6,987	29 Sept 24	28 Sept 29	In	£103,500	£14.81	FRI Lease
4E	E E Ltd	2,676	29 Sept 24	28 Sept 29	Out	£40,238	£15.04	FRI Lease
4W	E E Ltd	2,466	29 Sept 24	28 Sept 29	Out	£35,798	£14.52	FRI Lease
TOTAL		25,087				£369,013	£14.71	

N.B. There are no schedule of conditions attached to the leases.

OCCUPATIONAL & INVESTMENT MARKET

INVESTMENT MARKET

The ongoing strength of the south coast's occupational market is likely to continue to fuel investment demand, particularly on assets where there will be continued rental growth and future asset management opportunities to drive performance.

OCCUPATIONAL MARKET

On the Sussex Coast, rental levels have remained strong due to the continuing low levels of availability and no new development. In Brighton and Hove, rents are between **£17 per sq ft and £28 per sq ft** for units of sub 5,000 sq ft.

Within the micro locations of **Shoreham, Lancing and Southwick** rents are achieving **£15.00 per sq ft**. Just 28,500 sq ft is available (**1.2% vacancy**) and logged demand is significantly higher than this, totalling 620,000 sq ft. Given the discount in rent compared with Brighton more occupiers are looking down the coast for cheaper accommodation.

We anticipate rents for the immediate location to continue to rise in line with the five year forecast of 5.5% due to the lack of supply and increased demand.

Some recent comparable evidence is set out below:



ADDRESS	DATE	SIZE (sq ft)	PRICE	NIY	£ PSF
Clarks Trading Estate, Hove	Jul 24	40,034	£12,250,000	4.4%	£305
Hambridge Ind Est, Worthing	Jun 24	59,000	£8,650,000	6.6%	£147
Units 29-30 Solent Ind Est, Southampton	Dec 23	39,562	£5,700,000	6.25%	£144
Clayton Drive, Burgess Hill	May 23	21,494	£2,506,000	6.20%	£116

DATE	ADDRESS	TENANT	SIZE (sq ft)	RENT (psf)
Q1 2024	Former Ambulance Station, Hove	Howdens Joinery	4,092	£28.00
DEC 2023	11-15 St Josephs Business Pk, Hove	Fields Tyres	3,693	£20.00
AUG 2023	Units 4-6, Victoria Road, Brighton	Organic Zoo	4,835	£15.00
JUL 2023	15-17 Albion Street, Brighton	Smidsy Ltd	2,347	£17.00
MAY 2023	Unit 1, Clarks Trading Estate, Hove	Nottingham Rehab Ltd	11,809	£17.80



EPC: These are available to download from the data room.

SERVICE CHARGE: The information regarding the service charge is available in the dataroom.

VAT: The property has been elected for VAT and it is expected that the transaction will be treated as a TOGC.

AML: A successful bidder will be required to provide information to satisfy the AML requirements when Heads of Terms are agreed.

DATAROOM: For access to the dataroom please contact directly.

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