



## South East Industrial Sale & Leaseback Investment

Bilton Road, Cadwell Lane, HITCHIN SG4 0SB

**MH**  
MOORE HUNTER  
& PARTNERS

## ▶ Investment Summary

- ▶ Opportunity to acquire a 44,200 sq ft industrial warehouse in highly sought after South East location
- ▶ Hitchin industrial rents are significantly below surrounding key towns of Stevenage and Letchworth making it an attractive location for occupiers
- ▶ The property will be let to Royde & Tucker on a FR&I 10-year lease without break from completion
- ▶ Passing rent £360,000 per annum reflecting a low rent of £8.14 psf
- ▶ Upward only rent review in year five to the higher of OMV with annual CPI capped and collared 2%-4% compounded
- ▶ Total site area of 2.516 acres reflecting a low site density of 40%
- ▶ Low capital value of £109.47 psf with local Vacant Possession Values in the region of £150 psf
- ▶ Property serves as the Headquarters Building for an established tenant who have been in occupation for over 19 years

Offers in excess of **£4,500,000 (FOUR MILLION, FIVE HUNDRED THOUSAND POUNDS)** subject to contract. A purchase at this level reflects an attractive Net Initial Yield of **7.44%** (assuming enhanced purchaser's costs of 7.52%).





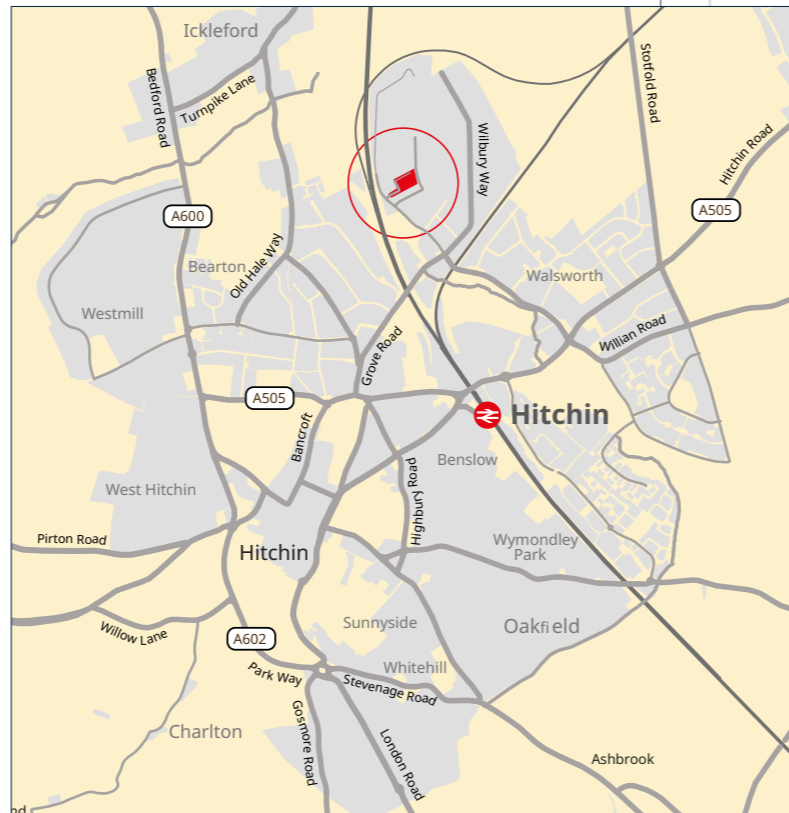
Indicative site view only

# ▶ Location

Hitchin is a Hertfordshire market town, approximately 38 miles north of Central London. It lies six miles north of Stevenage, 3 miles southwest of Letchworth, 9 miles northeast of Luton and it benefits from easy access to Cambridge.

The town is serviced by Junction 8 of the A1(M) motorway, and the A505 road links Hitchin to Cambridge, the A10, and M11 to the east, as well as Luton and the M1 to the west.

Hitchin railway station lies on the London King's Cross to Cambridge line, offering five trains per hour into London, with a fast journey of 33 minutes during peak times.



### By Road

Hitchin Town Centre	1.3 miles
Luton	11 miles
Bedford	19 miles
Cambridge	27 miles
Milton Keynes	29 miles
Huntingdon	33 miles
Central London	38 miles

### Airports

London Luton	10 miles
London Stansted	32 miles
London Heathrow	44 miles

Approximate mileage only.

# Situation

Cadwell Lane Estate and the Wilbury Way Estate form the largest industrial concentration within the town.

The subject property is situated to the north of Hitchin Town Centre on the south western side of Hitchin's established industrial estate.

Local occupiers include:



## ► Description

The property comprises a detached industrial building at the front of the site, fronting Bilton Road and the main building which is the original Royde & Tucker factory built in 2006.

To the rear of this unit there is a terrace of industrial units built in 2015. These were designed as four units including four entrances and four loading doors. The dividing walls have not however been erected and the units provide two equal size units.

There is parking for up to 77 cars at the front and a large yard to the rear currently used for vehicle parking.

Total area is circa **2.561 acres (1.04 hectares)**



7 Metre Eaves



8 Roller-shutter Doors



Air conditioned Offices



Steel Framed



8 Person Lift



Low 40% Site Cover



Solar Panels



LED Lighting



Parking for 77 Cars



# Accommodation

## MAIN BUILDING

	sq ft	sq m
Ground	20,172	1,874.02
Ground	3,092	287.28
Mezzanine	4,184	388.69
First Floor Offices	4,289	398.45
<b>Total</b>	<b>31,737</b>	<b>2,948.44</b>

## REAR TERRACE BUILDING

	sq ft	sq m
Ground	11,346	1,054.09
Mezzanine	1,117	103.79
<b>Total</b>	<b>12,463</b>	<b>1,157.88</b>

<b>Total</b>	<b>44,200</b>	<b>4,106.32</b>
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## Tenure

The property is held on a long lease for a term of 999 years (less 10 days) from May 2002 (circa 977 years unexpired term) at a ground rent of £100 per annum with no further reviews.

Further information on The Freehold upon request.

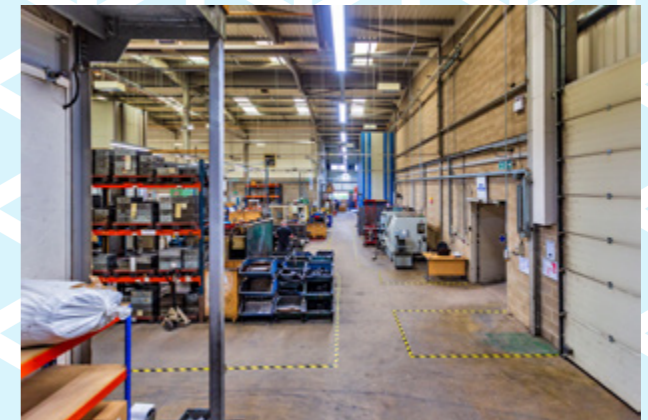
## Tenancy

The property will be let on a new Full Repairing & Insuring Lease for a term of 10-years without breaks to Royde & Tucker at a passing rent of £360,000 per annum.

There is to be a rent review at year 5, to the higher of open market value and CPI capped and collared at 2% and 4%.

The tenant has recently sub-let part of the rear terrace unit to Finishing Matters Limited at a rent £65,000 per annum outside the Landlord & Tenant Act reflecting £11.46 psf.

The large yard to the rear had previously been let to a local occupier on a licence but the tenant has recently taken this back and post improvements will look to let this out on improved terms.



# ▶ Royde & Tucker

Royde & Tucker (RT) is the leading UK manufacturer of high-performance architectural door hardware and pocket door systems. RT has been designing, manufacturing, and supplying products to customers for 100 years.

The product range includes hinges, door security hardware, door closers and a class leading range of pocket and sliding doors which trades under the brand name Portman.

RT is renowned for their exceptional quality and their ability to service client led design requirements. Both RT and Portman have strong brands and reputations in the UK and international markets. Example end customers include hotels (Corinthia), luxury residential developments (One Hyde Park), airports (Hong Kong Airport) and public sector buildings (schools, hospitals, care homes).

Royde & Tucker had an average turnover of £5.9m over the last three years and forecast a turnover of £6.5m in the forthcoming year. Further information available on request.



[ratman.co.uk](http://ratman.co.uk)



# Occupational Market

Hitchin, like other well connected locations in the UK, is characterised by an obvious demand and supply imbalance of industrial space. The lack of Grade A stock has put increased pressure on the demand for secondary accommodation which has resulted in low vacancy rates (sub 4% in Hertfordshire). Consequently, this has led to an increased demand from occupiers for space and as a result has forced an upward pressure on rental levels.

General supply of modern developments and land in Hitchin and Letchworth are limited and are unlikely to increase significantly in the near future. Green Belt land surrounding these towns will hinder this and the new Labour government is yet to make further comment on releasing this for further development.

Prime rents in Hitchin are significantly below rental levels achieved in nearby competing locations, offering considerable potential for additional rental growth.

## Occupational

Date	Address	Status	Rent	Size	PSF
Oct 2024	54 Wilbury Way, Hitchin	Available	£145,000	14,462	£10.03
Oct 20244	Unit 1 G-Park, Stevenage	Available	£1,103,895	73,593	£15.00
Sep 2024	Unit 29, Woodside Industrial Estate, Dunstable LU5 4LW	OML	£502,375	40,190	£12.50

## Hertfordshire

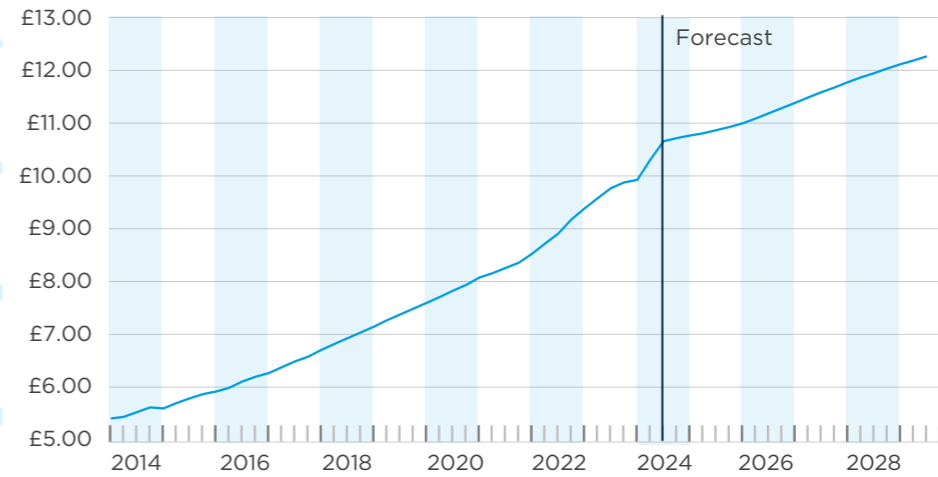
**5%**  
Vacancy Rates

**6.1%**  
Annual Rental Growth

**£14.50**  
PSF Average Warehouse Rent

**23.9%**  
Increase in past 3 years

Hitchin : Market Asking Rent per sq ft (Source: CoStar)



## ▶ Investment Market

The logistics and standard industrial sectors continue to outperform other areas of the commercial property market, presenting a strong investment opportunity. Investor demand for industrial and distribution assets remains robust, though there is limited stock available for investment. Higher interest rates, restricted development and a scarcity of sellers willing to part with assets are keeping supply tight, a trend seen across the UK.

Hertfordshire has vacancy rates around 5% and annual rental growth that has reached 6.1% that has pushed the average warehouse rents to approximately £14.50 per square foot. This 23.9% increase over the past three years has confirmed Hertford as a target area for many investors looking to secure assets with rental growth potential going forward.

This rental growth has come from flexible occupiers priced out of London and are increasingly attracted to locations outside the M25, where value for money can be found in properties that offer excellent access to both the national motorway network and the Greater London markets. This positions such locations as prime opportunities for investment in the growing industrial and logistics sectors.



### Investment

Date	Address	Price	NIY	Rent	Capital Value	Size	Lease Term	Purchaser
Available	Thatcham - Colthorpe Way HQ	£6,060,000	6.50%	£7.91	£115	53,085	10.5 yrs	TBC
Available	Dunstable - Lister House	£3,800,000	5.42%	£11.00	£204	19,900	12 yrs	TBC
Mar 2024	Biggleswade - Stratton Business Park	£5,750,000	5.95%	£6.46	£102	57,406	5.3 yrs	St Johns Property Income Fund
Jan 2024	Portsmouth - City Technology Building	£6,200,000	7.40%	£8.52	£108	56,518	2.25 yrs	Nuveen

## ▶ Vacant Possession Value

Vacant buildings are currently available circa £150 psf in the Hitchin and the surrounding areas.

## ▶ VAT

The property has been elected for VAT. As a sale and leaseback, the sale cannot be treated as a transfer of a going concern (TOGC) therefore VAT will be payable on the purchase price.

## ▶ EPC

The original manufacturing unit has a rating of B. The terrace to the rear a rating of D. These were issued in 2018. The terrace has had solar panels installed as per the EPC recommendations. Further information available..

## ▶ AML

In Accordance with Anti-Money Laundering Regulations, two forms of ID and confirmation of the source of funding will be required from the successful purchaser.



## ► Proposal

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## ► Contact

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