

ARION HOUSE

FAIRVIEW INDUSTRIAL PARK
RAINHAM | RM13 8UH

FIRETHORN DEVELOPMENT PC 2024

PRIME GREATER LONDON LAST MILE
INDUSTRIAL OPPORTUNITY TO LET/MAY SELL

 M1
AGENCY

EXECUTIVE SUMMARY

- A rare opportunity to acquire a last-mile inner M25 distribution warehouse, **located 500m south of the A13** within **Rainham**, a **prime Greater London industrial location**;
- High bay warehouse with eaves height rising from 13m to 15m, providing exceptional cubic capacity;
- Purpose built distribution facility extending to **39,744 sq ft**;
- **39%** let to **CAMA Group Limited** on a Full Repairing and Insuring Lease for a term expiring **31st December 2025** with a mutual break option on **1st January 2023**;
- The landlord is ready to exercise the mutual break option, the site will there for be available with **full vacant possession on 1st July 2023**;
- **Prime rents** in Rainham and the surrounds have now reached **£20 per sq ft**;
- **Freehold**;
- Secure site extending to **2.05 acres**, providing a **site cover of 45%**;
- The surrounding area is **ten times more densely populated** than anywhere else in the UK, and is easily reached by the M25 Motorway and the A406 main road (ONS.gov.uk).





LOCATION

Rainham is a prime and well established Greater London industrial location in the London Borough of Havering. The area benefits from excellent transport links, with immediate access to the A13 which leads to inner London and the M25.

The Property offers excellent connectivity to its customer base in the City of London and Canary Wharf.

SITUATION

The subject Property has dual access. Primary access is via Creek Way, which adjoins to Marsh Way and secondary access via Fairview Industrial estate main road, both provides direct access to the A13. Hereafter, Central London is gained easily via the A13 to the west. To the east lies the well-established East Industrial Park. Notable occupiers within Fairview include Renewi, Kream Developments, Forest Freight Ltd, FMC Logistics (UK) Ltd to name a few.

CONNECTIVITY

Road



The primary estate road, Marsh Way, provides immediate access to the A13, which in turn leads to Junction 13 of the M25 (5 miles to the east) providing connectivity to London. M20 (15 miles to the south) providing a link to the Channel Tunnel and the ports at Dover. The M1 Motorway can be accessed via the A13 (24 miles to the north) which links the site to the wider national motorway network. The A406 North Circular lies 5 miles to the west.

Air



The subject Property is served by three international airports, all being within a 65 mile radius. London City is 9 miles west via the A13. London Stansted is 36 miles north via the M25 and M11. London Heathrow is 40 miles south west via the A13 and M25. Heathrow Airport, the UK's premier international airport and the seventh busiest aviation hub in the world is located 31 miles west of the Property. Heathrow caters for approximately 72 million passengers a year, travelling on 82 airlines to over 200 destinations.

Rail

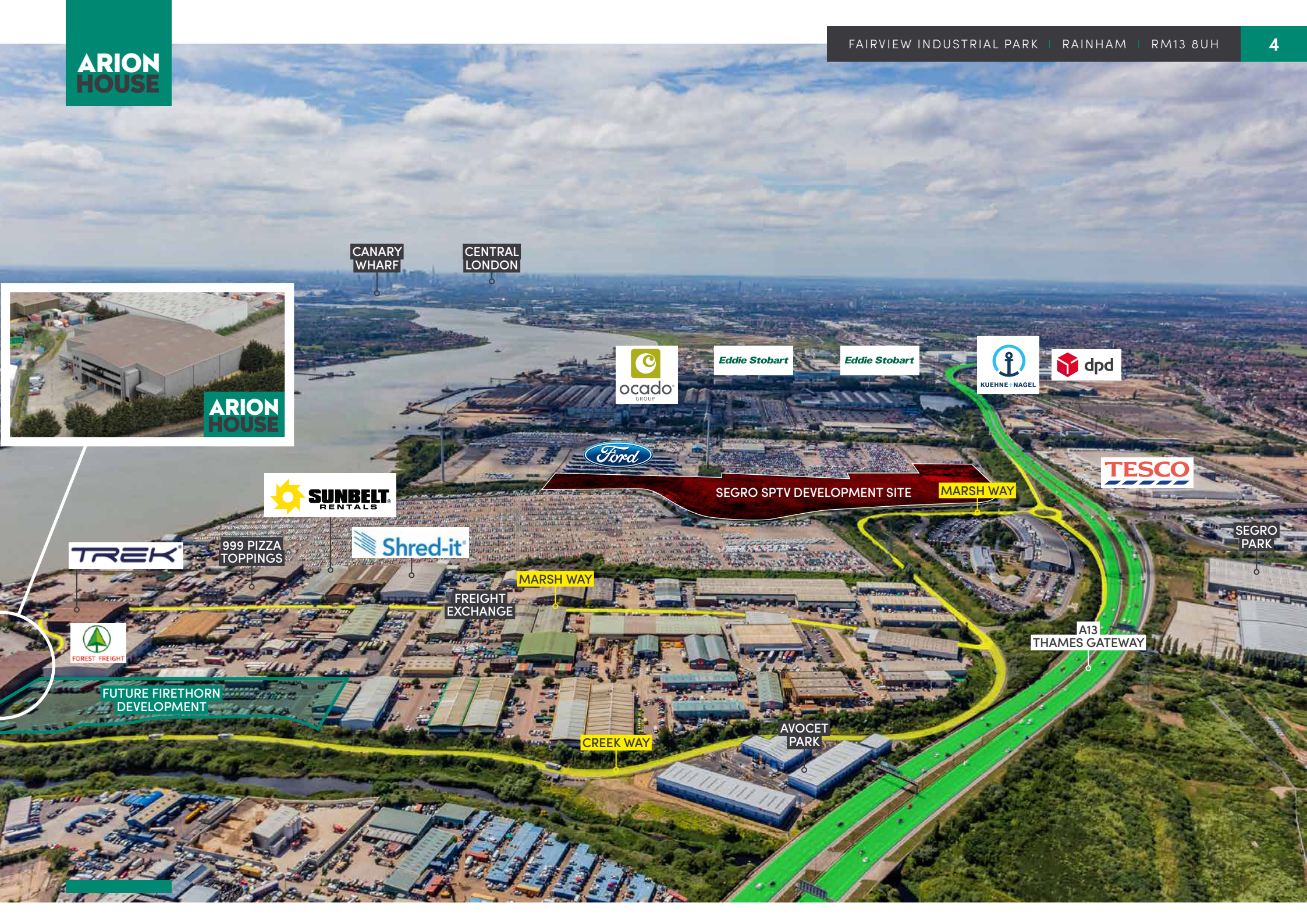


Rainham railway station is the nearest rail access point and is located just 15 minutes' drive away. From here, trains run half hourly to London Fenchurch Street with a journey time of under 30 minutes.

Sea



Tilbury port is 13 miles to the east and is accessed via the A13 and M25 Motorway. Tilbury is the largest multi-modal port in the South East, and is perfectly placed to handle cargo for London, with easy access to the M25 and 18 million people within a 75 mile radius. The Port of Tilbury is located within the Thames Port, which also includes London Gateway and has been granted Freeport status in 2021.



DESCRIPTION

The Property comprises a highly specified, modern distribution warehouse extending to 39,744 sq ft incorporating two storey ancillary office accommodation, on a site of 2.05 acres. Providing a 45% site cover. The high bay warehouse is of steel portal frame construction enclosed by brick block profiled steel cladding and benefits from the following specification:



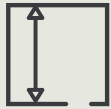
Eaves height
13m rising to 15m



5 ground level access loading doors



1 dock level loading door



Up to 37m yard depth



3 x canopy loading areas



c.10% roof lights



Dual access

ACCOMMODATION

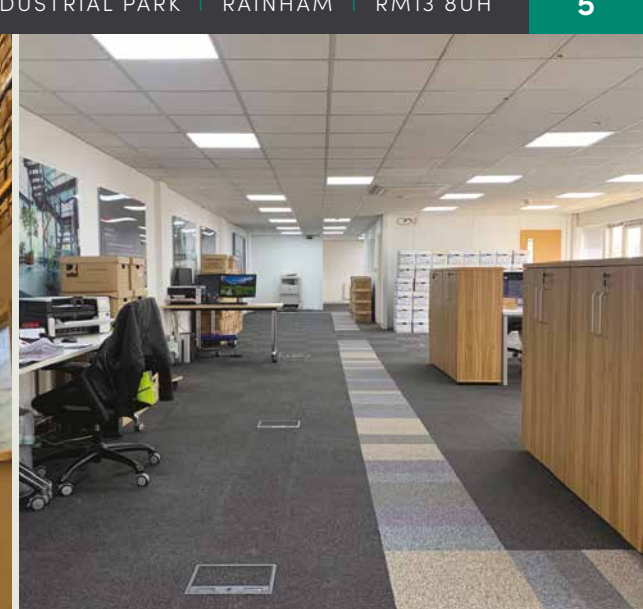
The Property has been measured in accordance with the RICS Code of Measuring Practise (6th Edition) on a Gross Internal Area (GIA) basis and will provide the following areas:

GIA	Sq Ft	Sq M
Main Warehouse	34,836	3,236
Ground Floor Office	2,357	219
First Floor Office	2,357	219
Mezzanine Store	194	18
Total	39,744	3,692
Canopy Loading Areas	3,412	317



TENURE

Freehold.



SITE

The site extends to 2.05 acres (0.86 ha), providing a site density of 45%.



DEMOGRAPHICS



10X higher

The population density of Greater London is 10 times higher than anywhere else in the UK



66%

Of shoppers want e-commerce websites to offer 1 hour delivery options



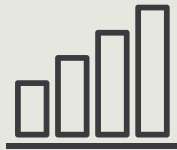
+47.2%

Increase in the number of online deliveries in the UK for 2022



+115%

Growth in online grocery spend in the last year



0.9% pa growth

London's population is forecast to grow faster than any other region in the UK at 0.9%



27%

Of shoppers have abandoned an order because same-day delivery wasn't available



36%

Of online spend as a proportion of total retail spend in January 2021, the highest total ever



7.1%

Projected population growth by 2031



9.3 million people

London has the 4th largest population of all European cities



50%

Of consumers are more likely to shop online if same/next day delivery is an option



450 million parcels

Were delivered to Londoners in 2022, one per week per person. This is forecast to double by 2030



70%

Of items ordered on ASOS are returned

OCCUPATIONAL MARKET

The inner M25 industrial and logistics property market performance reflects an exaggerated version of the wider UK market as a whole, characterised by tightening yields, record rents and higher capital values. These trends have persisted over the past 15 years and been catalysed over the last 5 years in particular.

These changes have primarily been driven by the well documented shift of consumer preferences to e-commerce, and the knock-on effect to associated sectors, such as 3PL logistics providers. Demand for warehouse space has soared, which has driven the rental tones rapidly. As illustrated by Segro Park Rainham, where Unit 8, a 16,155 sq ft unit, was let in Q2 2021 at £14.50 and only 6 months later, Unit 10 on the same scheme went under offer to TfL at c.£21.50 psf.

Adding pressure to rents, the supply fundamentals within the M25 suggest there is no respite on the horizon. Locally, the east London employment land bank is decreasing. More and more land goes to higher value uses, particularly residential as the government and local authorities work to deliver more housing. The period 2010 to 2015, saw 7.1% of London's industrial land switch to non-industrial uses. To the west of Arion House, the former Ford Stamping Plant has outline consent for the development of over 3500 new dwellings. Evidence demonstrates that over the last 10 years, there has been a population migration from west to east. ONS figures show that from Tower Hamlets to Dartford, population has increased by over 300,000 people since 2011, equivalent to the total population of Southend-on-sea.

The vacancy rate in the Havering submarket currently stands at 2.1%. which aptly reflects the supply and demand fundamentals detailed above.

CAPITAL VALUES

The table below outlines a schedule of comparable sale transactions:

Date	Property	Price	Cap Val (psf)	Area (sqft)	Purchaser
Feb-22	Zephyr Park, Rainham Road, Dagenham, RM10 8SX	£85,000,000	£494	172,207	Blackrock
Jan-22	DNL House, 17 Hickman Avenue E4	£15,636,000	£672	23,268	Citigroup
Oct-21	15/16 Hickman Avenue, Highams Park, Chingford E4 9JR	£14,000,000	£375	37,416	Kennedy Wilson Europe
Jun-21	Unit B Circular 13, Gascoigne Road, Barking IG11 7HP	£36,100,000	£367	95,528	Mlrastar

Date	Property	Tenant	Area (sq ft)	Rent (psf)	Term	Specification
Jun-22	Unit 10 Segro Park, Rainham	TfL	15,921	£21.00	10 years	New Build
Jun-20	Unit 7, DataPoint, Cody Road, Canning Town	Medexpress	6,198	£23.00	10 years	Refurbished

COMPETING BUILDINGS

Property	Size / Units	Quoting	Spec.
Unit 9, Segro Park, Rainham	11,375	c. £25.00	New Build 10-12m eaves
Unit B, Circular 13, BarkingTown	98,528	c. £19.00	Second hand 10.3m to eaves
Unit 15/16, Highams Park, Chingford	38,341	c. £20-22.00	Under refurbishment 7.3m eaves



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VAT

The Property will be elected for VAT and therefore it is envisaged that the sale will be treated as a Transfer of a Going Concern (TOGC).

EPC

The building has an EPC rating of C-59.

DATA SITE

Access to the data room will be available on request.

SUBJECT TO CONTRACT & EXCLUSIVE OF VAT – July 2022

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