



GATE GOURMET

VIKING HOUSE / PERIMETER ROAD SOUTH / GATWICK / RH6 0PE

**Mission Critical Airside
Food Production Distribution Unit**

Kimmre



INVESTMENT SUMMARY

- **Strategic airside logistics location**, which provides excellent access to Gatwick Airport.
- **Purpose built food production distribution warehouse totalling 62,796 sq ft (5,834 sq m) GIA** on a site area of **3.91 acres** providing a **very low site cover of 30%**.
- **Let to Gate Gourmet London Ltd (Low Risk Experian rating)** expiring on 23rd June 2026 providing an **unexpired lease term of 2.3 years to expiry**. The tenant has been in occupation since construction in 1992.
- **Current passing rent of £620,129 per annum reflecting a low £9.88 per sq ft.**
- The building serves as **Gate Gourmet's main food preparation unit for Gatwick and Heathrow Airport** supplying major airlines such as Wizz Air, Scoot Air, WestJet Airlines and train company LNER.
- **Prime Crawley industrial rents are in the region of £17.50 psf** providing an opportunity to capture significant reversion upon renewal with an **ERV of £13.50 psf**.

We are instructed to seek offers in excess of **£9,350,000** subject to contract and exclusive of VAT.

A purchase at this level reflects a **Net Initial Yield of 6.23%**, and a **Reversionary Yield of 8.50%** assuming purchaser's cost of 6.69%.

Strategic airside distribution unit with excellent access to Gatwick Airport the second busiest airport in the UK

Gatwick Airport Northern Runway

The proposed Northern Runway is currently limited to acting as a taxiway when the Main Runway is not in use. London Gatwick Airport's proposal is to reposition the centre line of the current Northern Runway 12 metres north to allow a dual runway operation.

The plan aims to use the airport's existing infrastructure to unlock new capacity and improve airport resilience, in line with government policy. It is believed that the plan will play a crucial role in creating around 14,000 new jobs and injecting £1 billion into the region's economy every year.

London Gatwick airport could serve 75 million passengers a year by 2038. Construction could start in 2025 and be completed and ready for operational use by the end of 2030.



Location

Crawley is an established South East commercial hub, which provides a strategic position providing easy access to major towns and cities in London, the South East and South West.



The town enjoys excellent road connectivity due to its proximity to:

- Junction 10 of the M23 (3 miles)
- Junction 7 of the M25 (12 miles)
- Junction 2 of the M3 (35 miles)



Crawley benefits from convenient access to three railway stations:

- Crawley (2 miles)
- Three Bridges (2 miles)
- Gatwick Airport (2 miles)

All stations offer direct train services to London Victoria, London Bridge and Brighton.



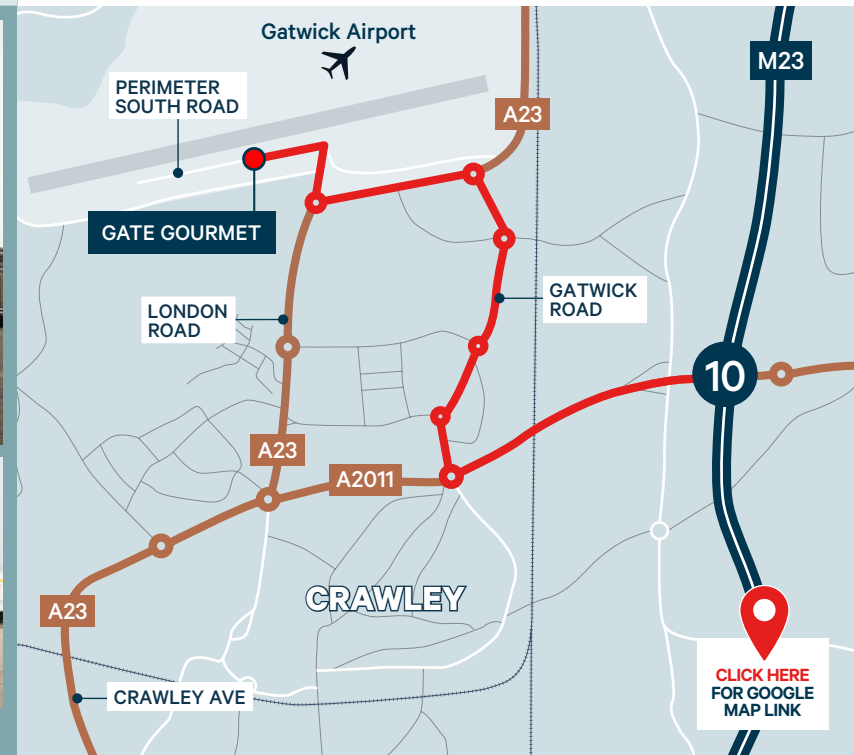
- Gatwick Airport (2 miles)
- Heathrow Airport (40 miles)
- London City Airport (54 miles)



Situation

The property is situated to the south of Gatwick Airport, with access via Perimeter Road South. Perimeter Road South, links up with Old Brighton Road South, which provides access to the London Road/A23. Junction 10 of the M23 is 4 miles to the east via the A2011.

The property benefits from a strategic location located adjacent to Gatwick Airport Perimeter fence, and furthermore has strong transportation links. Crawley has an excellent base of national occupiers including Tesco, Mercedes-Benz, Royal Mail, World Duty Free, Ocado, Boeing and Virgin Atlantic.





Description

Completed in 1992 the property provides a purpose built food production distribution warehouse extending to approximately 62,796 sq ft (5,834 sq m) GIA over two floors. The building serves as the food preparation unit for Gate Gourmet and is mission critical to the business servicing Gatwick and Heathrow Airport.

The tenant has heavily fitted out the premises for food production and storage including boilers, chillers, kitchen areas and mezzanine areas. Externally, the tenant has constructed two temporary storage areas for dry goods.

The specification includes the following:

- Steel portal frame construction
- 1 dock level door (South elevation)
- 7 dock level loading bays (East elevation)
- Clear internal height of 6.5 metres
- 2 vehicular access points to the site with yard depths varying from circa 25m to 30m
- Office and welfare accommodation over first floor
- Secure staff and visitor car parking



Accommodation

The property provides the following approximately Gross Internal Floor Areas measured in accordance with the RICS Property Measurement (2nd Edition):

Accommodation	GIA sq ft	GIA sq m
Ground Floor - Warehouse	50,676	4,708
First Floor - Offices	12,120	1,126
Total	62,796	5,834

Site

The site has a total area of approximately 3.91 acres (1.58 hectares), providing a site coverage of 30%.

Tenure

The property is held Long Leasehold from Gatwick Airport Limited for 999 years from 7th July 2000 (975 years remaining). Title Number WSX216159.



OS Plan shown for illustrative purposes. Please consult the title plan for verification.



Tenancy

KEY TERMS

Tenant:	Gate Gourmet London Ltd (guaranteed by Gate Gourmet Holdings UK Ltd)
Passing Rent:	£620,129 (£9.88 psf) per annum payable quarterly in advance
Lease Term:	5 years from 24th June 2021 and expiring 23rd June 2026
Repairing Obligations:	Full Repairing & Insuring
L&T Act 1954:	Outside

Full occupational documentation available for review in the data room.



Covenant

Gate Gourmet was founded in Switzerland in 1992 to cater for Swissair. They are a global company with one of the most comprehensive catering networks in the aviation industry with presence in 33 countries with over 135 units.

Gate Gourmet London Ltd (company number 03452689) has an Experian rating of 86 out of 100, indicating “Low Risk” covenant strength. We have set out the previous three years accounts below:

Gate Gourmet London Ltd	31st Dec 2020	31st Dec 2021	31st Dec 2022
Turnover	£63,687,000	£32,346,000	£97,128,000
Pre-Tax Profit	(£15,792,000)	(£11,547,000)	(£11,859,000)
Total Net Worth	£28,482,000	£17,446,000	£36,469,000

Gate Gourmet Holdings UK Ltd (company number 02049346) has an Experian rating of 88 out of 100 indicating “Low Risk” covenant strength. We have set out the previous three years accounts below:

Gate Gourmet Holdings UK Ltd	31st Dec 2020	31st Dec 2021	31st Dec 2022
Turnover	-	-	-
Pre-Tax Profit	(£951,000)	(£268,000)	(£354,000)
Total Net Worth	£4,499,000	£4,231,000	£3,877,000

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Occupational Market

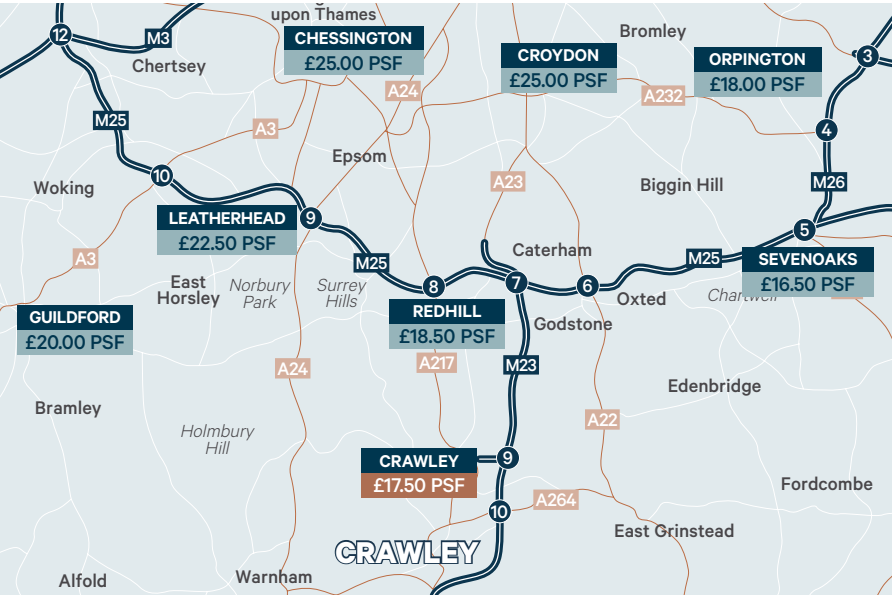
The occupational market continues to see strong demand albeit slowed slightly compared to previous years. The South East occupational market is showing signs of resilience with many occupiers migrating to areas such as Crawley due to it being a more economical location than inner M25. This suggests that the area is bound for moderate income growth over the coming years.

Crawley has shown headline quoting rents increase at an average of 5.7% per annum over a 10 year period for units over 50,000 sq ft (Costar data).

We have set out some of the latest occupational transactions:

Date	Address	Area (sq ft)	Tenant	Rent (psf)	Term (years)
Q1 2024	Unit 2 Arrow Point, Gatwick Road, Crawley, RH10 9LU	18,764	Leo Cancer Care Ltd	£16.50	10
Q4 2023	Unit 1 Arrow Point, Gatwick Road, Crawley, RH10 9LU	65,000	Blueleaf Care Ltd	£16.50	10
Q3 2022	Gatwick 33, Crawley, RH10 9SR	33,258	Jet Masterclass Ltd	£16.50	10

Prime Headline Rents: 50k - 100k sq ft



Investment Market

Investor sentiment over the previous few months has been cautious due to the ongoing disruption in the Middle East and the expectation of the Bank of England Base Rate drop. Nevertheless, the UK industrial and logistics sector is the sector of choice for investors due to the resilience shown in the occupational market.

Recent investment comparables are listed below:

Date	Address	Size (sq ft)	UXP Term	Rent psf	Tenant	Purchaser	Price/NIY/ CV psf
Mar-24	Unit H, Statton Business Park, Biggleswade, SG18 8QB	56,518	5.3	£3.99	Sherwin-Williams UK Ltd	St Johns High Income Property Fund	£5,750,000 5.96% £102
Jan-24	GXO Logistics, Alchemi, Crick, NN6 7SL	195,741	4.8	£6.27	GXO Logistics UK II Ltd	LBA Realty	£27,800,000 4.14% £142
Dec-23	GP1, Grange Park, Northampton, NN4 5FB	161,255	1.8	£6.36	Yusen Logistics (UK) Ltd	ARA Dunedin	£19,800,000 4.85% £123
Aug-23	Tesco Distribution, Didcot, OX11 7HR	70,359	7.7	£7.73	Tesco Distribution Ltd	Brydell Partners	£9,000,000 5.75% £128
Jun-23	Great Bear Distribution, Deer Park Road, Hatton Close, Northampton, NN3 6SU	102,778	2.7	£6.08	Great Bear Distribution Ltd	Kennedy Wilson	£12,275,000 4.78% £119
Jun-23	GXO, Flex Meadow, Westwide Business Park, Harlow, CM19 5TX	76,040	5.0	£12.52	GXO Logistics UK II Ltd	Kennedy Wilson	£15,650,000 5.70% £206
Jan-23	Unit 2, County Oak Way, Crawley, RH11 7ST	41,506	1.0	£12.00	Yodel Delivery Network Ltd	Realterm	£7,180,000 6.50% £173



Proposal

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MISREPRESENTATION ACT 1967

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VAT

The property will be treated as a Transfer of Going Concern (TOGC) for VAT purposes.

EPC

The property has an EPC rating of D (82). A copy of the available Energy Performance Certificate is in the data room.

Data Room

Access to the marketing data room will be restricted to approved parties and provided only upon request.

Kimmre

Contact

For further information and to arrange an inspection, please contact the team below:

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