

NEXT PLC

ARISDALE AVENUE • SOUTH OCKENDON • ESSEX • RM15 5SJ

Cross Docked M25 Urban
Logistics Warehouse Investment.



Kimmre

INVESTMENT SUMMARY

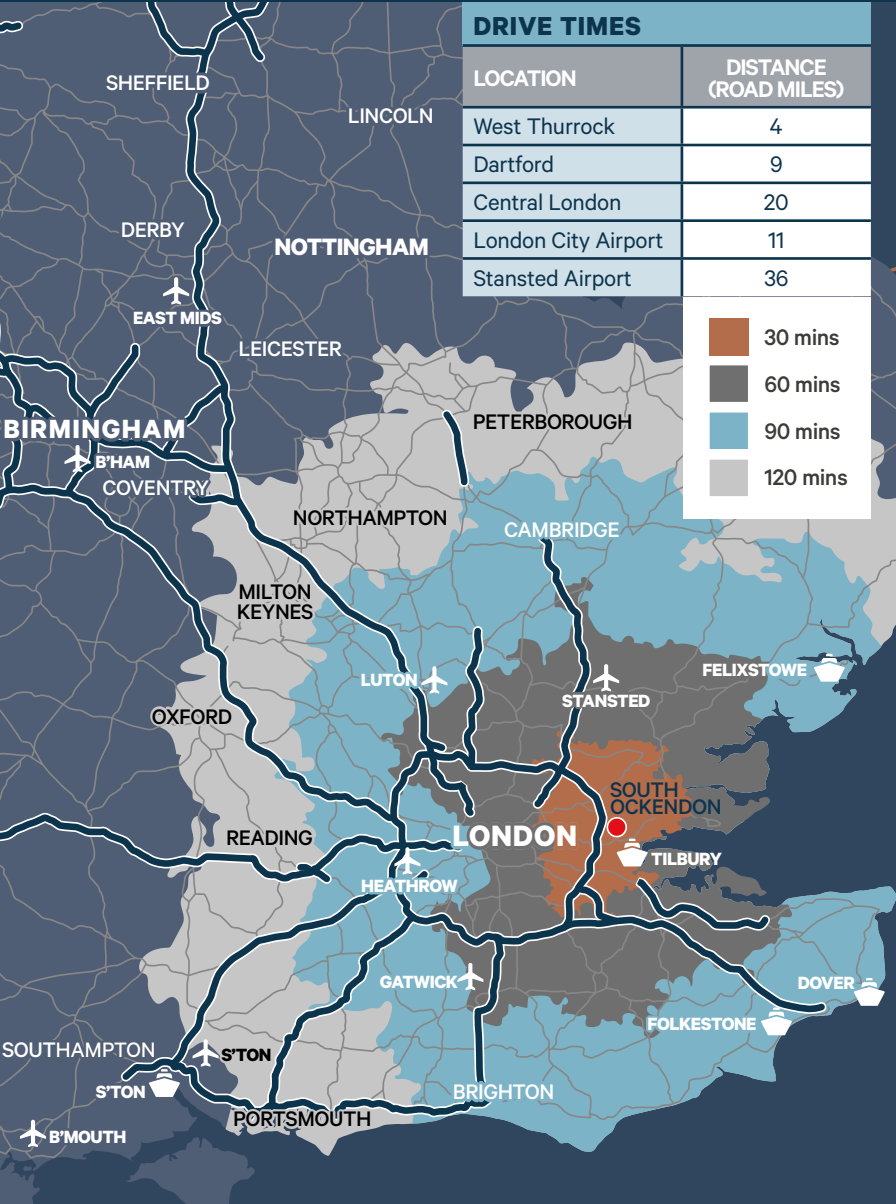
- South-East logistics location close to the M25 and 20 miles from Central London.
- **Cross Docked** distribution warehouse totalling approximately **169,147 sq ft** (15,714.25 sq m) GIA.
- Site area of **8.61 acres** providing a site cover of 44%.
- **Freehold.**
- Let to **Next Holdings Limited** (Very Low Risk Experian rating) from 10th April 2006 to 9th April 2026.
- Subject to the tenant having a rolling break option from the 29th September 2022 on giving the landlord not less than 6 months clear notice.
- Current passing rent from Next Holdings Limited of £1,846,580 pa (£10.92 psf).
- Further income of £6,068 pa from a small telecoms mast station leased to Vodafone Limited from the 6th April 1988 for a term of 25 years (tenant holding over).
- Total rent of **£1,852,648 pa.**
- The warehouse is one of three Next distribution warehouses which service the south of the UK being South Ockendon, Hemel Hempstead and Bristol.
- The tenant opened the facility in May 2006 and services 60 stores from this location.

We are instructed to seek offers in excess of **£32,000,000** subject to contract and exclusive of VAT. A purchase at this level reflects a **Net Initial Yield of 5.42%**, assuming purchaser's cost of 6.7%





Strategic South East
location with excellent
access to the M25 & A13
leading to Central London



LOWER THAMES CROSSING ROUTE

..... Crossing Route

THE LOWER THAMES CROSSING

The Lower Thames Crossing would be the longest road tunnel in the UK, stretching 2.6 miles, including 14.3 miles of new road connecting the M2/A2, A13 and M25 with around 50 new bridges and viaducts. The scheme is at pre-examination stage after the application was accepted by the Planning Inspectorate on the 28th November 2022. The scheme could commence construction in 2024 with a potential conclusion in circa 2029.

The route will take a huge amount of traffic away from the Dartford Crossing area which is constantly congested. The Lower Thames Crossing will provide a 70% additional road capacity across the river which will benefit the local industrial markets around South Ockendon, Thurrock, Dartford and Basildon.

The planned development could create 6,000 new jobs and is expected to boost the economy by more than £8 billion.

The Lower Thames Crossing is expected to carry 4.5 million heavy goods vehicles in its first year. The development will unlock the development of hundreds of new houses and improve links to Tilbury and new London Gateway Ports. Further south, the Port of Dover which handles circa 17% of the UK's trade in goods will also benefit from its freight traffic being able to navigate around Dartford and London more easily to reach the midlands and north.

LOCATION

South Ockendon is located in Essex and situated 4 miles (6.5 km) north of West Thurrock and 9 miles (14.5 km) north of Dartford. Central London is approximately 20 miles (32 km) to the west.



ROAD

- 2.5 miles to J30/J31 M25
- 31 miles to the A13 via the B1335



RAIL

- Ockendon Station provides easy access to Central London (Fenchurch Street) with a fastest journey time of 28 minutes.



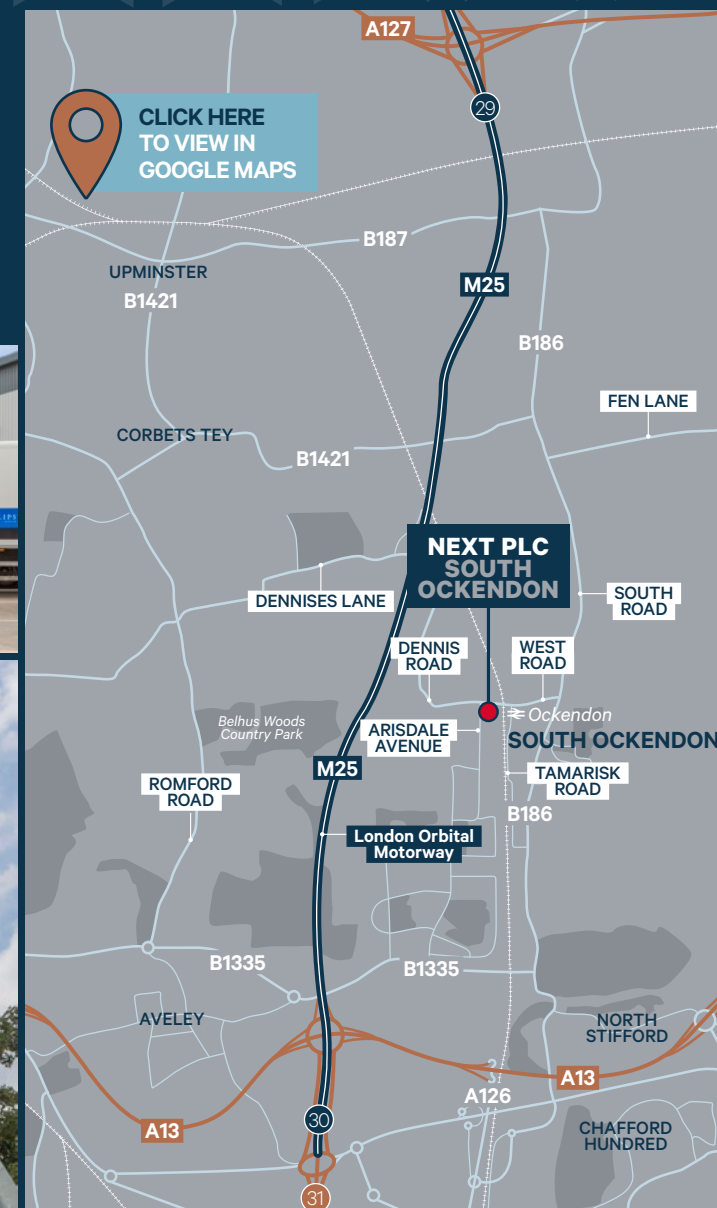
AIR

- 11 miles to London City Airport
- 23 miles to Southend Airport
- 36 miles to Stansted Airport
- 40 miles to Gatwick Airport
- 61 miles to Heathrow Airport



SITUATION

The property is situated in an area of mixed use with a large-scale residential development adjacent known as Bennett's Fields recently constructed by St Modwen Homes on a 31.35 acre site which was the former Ford Motor Company Plant. Ockendon Train Station sits adjacent to the property.



DESCRIPTION

The property is a purpose-built distribution warehouse constructed in the 1980's and substantially refurbished in 2005 to the tenant's specification requirements. The property provides 169,147 sq ft (15,714.25 sq m) GIA.

The specification includes the following:

- Steel frame construction arranged in 3 bays.
- Clear internal eaves height ranging from 9 metres (29ft 6 ins) to 11.5 metres (37ft 9 ins).
- 14 dock level doors (cross docked).
- 2 level access doors.
- The tenant has installed a substantial mezzanine and have over 3,000 pallet racking spaces.
- Office accommodation over ground & first floors.
- Secure service yard with manned security gate for a 24/7 operation.

- 360-degree HGV circulation around the warehouse with yard depths varying from circa 28m to 50m.
- 62 dedicated HGV parking spaces.
- Secure staff and visitor car park providing 91 spaces.

The tenant has recently carried out a refurbishment of the staff canteen and break out area.

Next use this facility as part of their Southern UK operations with their other facilities being in Hemel Hempstead and Bristol.

This warehouse operates a 24/7 operation with over 135 staff on site who service 60 stores across the South East daily. Next process over 3.5 million units at the site in peak weeks of the year. The unit operates 60 plus fleet vehicles and complete over 16,000 deliveries per year.



ACCOMMODATION

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

The tenant has installed a mezzanine in the warehouse which extends to approximately 55,374 sq ft (5,144.46 sq m) GIA.

ACCOMMODATION	GIA SQ FT	GIA SQ M
Warehouse	157,514	14,633.59
Office Ground Floor	8,499	789.62
Office First Floor	3,133	291.05
Total	169,147	15,714.25

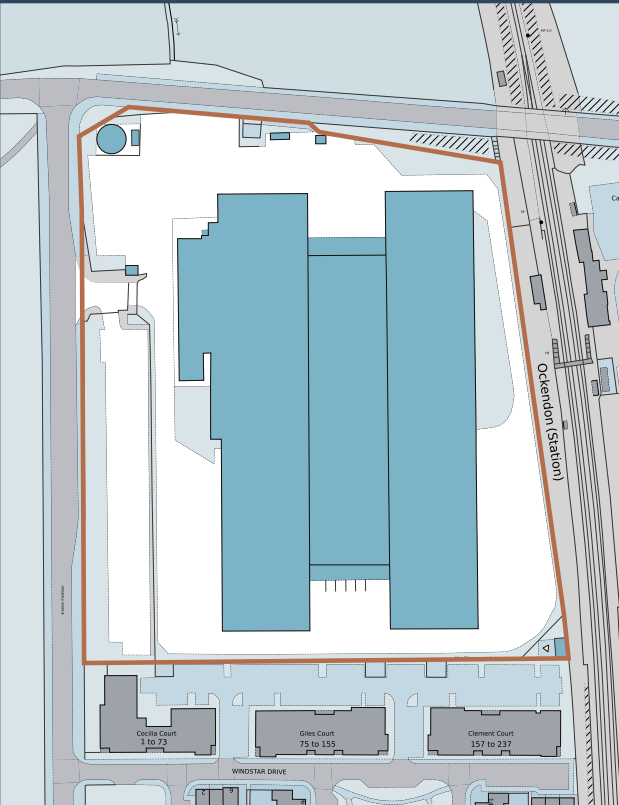


SITE

The site has a total area of 8.61 acres (3.48 hectares), with a site coverage of approximately 44%.

TENURE

The property is held Freehold.



TENANCY

KEY TERMS	
Tenant:	Next Group Plc (co No 35161) now renamed Next Holdings Limited.
Passing Rent:	£1,846,580 pa payable quarterly in advance.
Lease Term:	20 years from 10th April 2006 and expiring on the 9th April 2026.
Break Option:	Rolling tenant break option on or after the 29th September 2022 by giving the landlord not less than 6 months clear written notice.
Rent Review:	Every 5th year to a fixed rental uplift (no open market reviews).
Repairing	Full Repairing & Insuring.
L&T Act 1954:	Inside
Telecoms Mast:	£6,088 pa from Vodafone Ltd & tenant holding over.
Total Rent:	£1,852,648 pa

COVENANT

Next Plc are a FTSE 100 listed business and one of the UK’s most successful retail brands with 466 stores and an online customer base of nearly 7 million UK customers and 1.6 million overseas customers.

Next operates 9 million sq ft of highly automated warehousing in the UK for fashion and homeware products.

Next have developed their integrated logistics and e-commerce platform over a 30-year period and have now taken on the supply chain for other retailers in Reiss (now own 51%), GAP, Victoria’s Secret and Laura Ashley under their Total Platform brand. This includes a next-day delivery on orders before 11pm, fully integrated e-commerce and in-store stock systems, rapid customer refunds, international websites, returns through stores (including NEXT stores), unique item identification and website integration.

In 2022 the company purchased the brand Joules and the brand name, domain name and intellectual property of Made.com. Further information can be found at their website www.nextplc.co.uk

The tenant, Next Holdings Limited form part of Next Plc (parent company).

Next Holdings Limited (Co No. 00035161) has an Experian rating of 100 out of 100, indicating “Very Low Risk” covenant strength. We have set out the previous three years accounts below:

NEXT HOLDINGS LIMITED	25th Jan 2020	30th Jan 2021	29th Jan 2022
Turnover	£211,400,000	£196,200,000	£174,100,000
Pre-Tax Profit	£122,100,000	(£15,300,000)	£314,200,000
Total Net Worth	£856,700,000	£818,000,000	£871,300,000

Next Plc (Co No 04412362) reported the following results and also have an Experian rating of 100 out of 100, indicating “Very Low Risk” covenant strength. We have set out the previous three years accounts below:

NEXT PLC	30th Jan 2021	31st Jan 2022	28th Jan 2023
Turnover	£3,534,000,000	£4,625,900,000	£5,034,000,000
Pre-Tax Profit	£342,400,000	£823,100,000	£869,300,000
Total Net Worth	£600,400,000	£930,700,000	£1,028,000,000



OCCUPATIONAL MARKET

The industrial and logistics occupational market continues to see strong demand around the M25 London markets. The South East occupational market has proven to be resilient in the face of economic headwinds with rents having continued to rise and supply staying low.

South Ockendon lies close to the established industrial markets of West Thurrock, Dartford & Tilbury to the immediate south & Basildon to the east.

In Tilbury, Tevva leased 111,120 sq ft at London Distribution Park in Q3 2021 at a reported rent of £14.85 psf on a 15-year term.

In Thurrock, Amazon leased 111,831 sq ft at Proxima III on Central Avenue at an approximate rent of £10.50 psf in Q4 2021.

In Dartford, Albion Fine Foods leased 138,062 sq ft at Crossways 138 at a reported rent of £12.25 psf on a 15-year term in Q3 2022. Also in Dartford, Paack Logistics UK Ltd have leased 67,344 sq ft at Unit 12, Newtons Court at a reported rent of £13.99 psf in Q2 2022.

In Basildon, DHL have leased 57,382 sq ft at Bolt 57, Miles Gray Road at £14.50 psf in Q2 2023.

PRIME HEADLINE RENTS: 50K – 100K SQ FT



INVESTMENT MARKET

The UK Industrial Investment market has slowed in terms of deal volume since base rates started to increase sharply from mid-2022. However, it is still the sector of choice for global capital and the UK market is still seeing strong demand for well-located assets offering asset management angles. Recent investment comparables are listed below:

Date	Address	Size (sq ft)	UXP Term	Rent Psf	Tenant	Purchaser	Price / NIY / CV psf
Jun-23	Harlow – GXO, Flex Meadow, Westside Business Park	76,040	5 yrs	£12.52	GXO Logistics UK II Ltd	Kennedy Wilson	£15,650,000 5.70% £206 psf
May-23	Hatfield – Plot 9500, Hatfield Business Park	77,266	4.25 yrs	£14.66	Royal Mail	Abrdn / Tritax	£21,600,000 4.91% £280 psf
May-23	Solihull – Stirling Park	143,721	5.5 yrs	£6.32	DHL	CBRE IM	£20,500,000 4.15% £143 psf
May-23	Wembley – Wembley 180, 1 Hannah Close	186,455	6.5 yrs	£14.78	Amazon	Covenant Garden IP	£74,000,000 3.49% £397 psf
Mar-23	Canning Town – Etna House, 38 North Crescent	20,735	3 yrs	£25.00	The Post Office Ltd	Weybourne	£15,785,000 4.50% £761 psf
Jan-23	Corby – Midlands Logistics Park	249,055	8.5 yrs	£5.95	Smyths Toys UK Ltd	Leftfield Properties	£29,240,000 4.50% £117 psf
Dec-22	Milton Keynes – Unit A, Emerald Drive	103,847	3.5 yrs	£7.62	Westcoast Ltd	Boreal	£14,550,000 5.10% £140 psf
Dec-22	Corby – Eurohub 277	277,898	1.5 yrs	£5.50	Wincanton Ltd	ICG / Marchmont	£28,450,000 5.04% £102 psf
Oct-22	Hatfield – Plot 9000, Hatfield Business Park	172,381	5.2 yrs	£10.96	Yodel	St Modwen	£49,000,000 3.60% £284 psf

VAT

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

EPC

The Property has an EPC rating of E (112). 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.

CONTACT

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

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MISREPRESENTATION ACT 1967
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September 2023. carve-design.co.uk 16134/9

PROPOSAL

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