



**75A & 75B LOVEROCK ROAD  
READING RG30 1DZ**



## ■ Investment Summary

- Modern reversionary industrial investment located in Reading, the commercial capital of the Thames Valley.
- Situated in the popular and established Portman Road industrial area, less than one mile west of the town centre.
- Ongoing infrastructure projects will benefit the accessibility of the immediate area and the town as a whole.
- Well let to Parsons Peebles with an unbroken eight years remaining on the leases.
- Total rental income of £139,840 pa, reflecting a low average passing rent of just £7.98 psf offering good prospects for rental growth with Reading averaging 7% pa growth in the year to June 2018.
- We are instructed to seek offers in excess of **£2,000,000 (Two Million Pounds)**, subject to contract and exclusive of VAT, for our client's freehold interest. A purchase at this level reflects a net initial yield of 6.58% and an estimated reversionary yield of 7.42% after purchaser's costs of 6.28%.

## Location

Reading is the principal regional and commercial capital of the Thames Valley with a resident urban population of 162,700 (Source: ONS Population Estimates 2016).

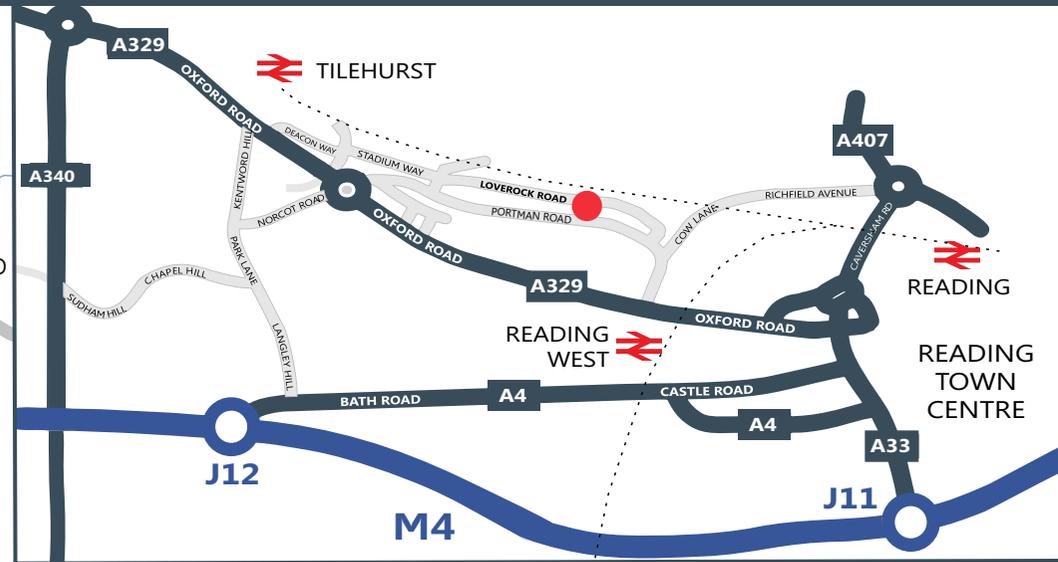
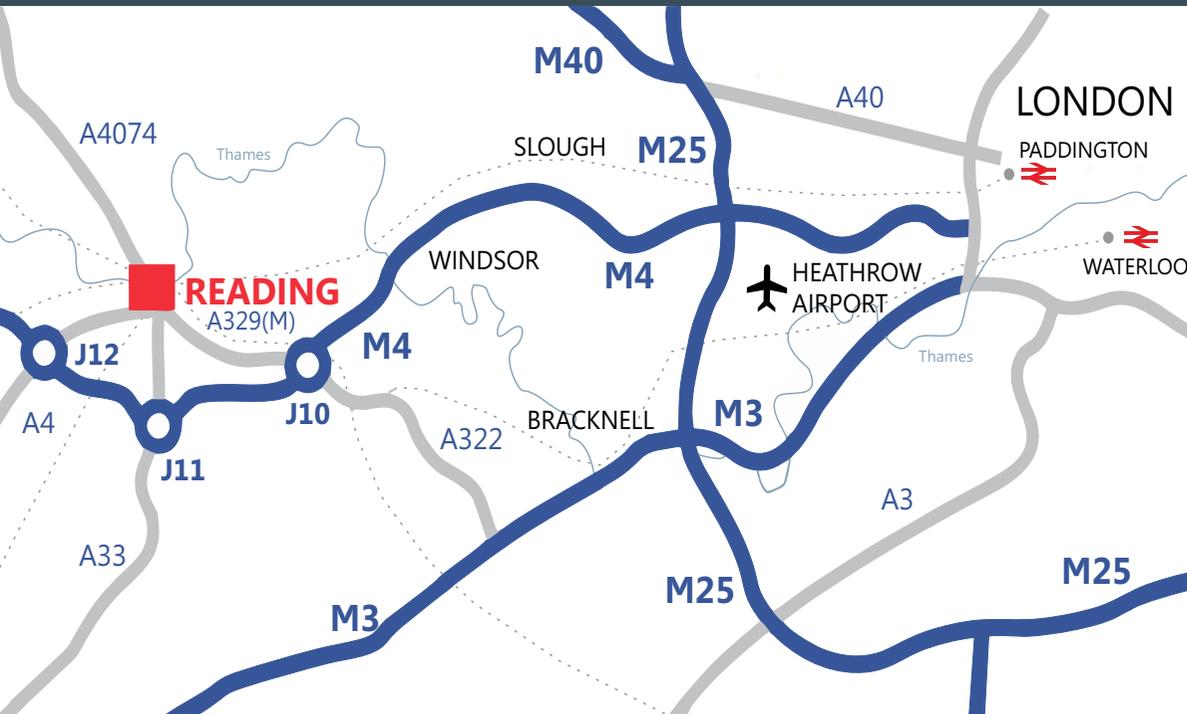
Situated in the capital of Berkshire the town is strategically located 41 miles west of London, 27 miles south east of Oxford and 70 miles east of Bristol.

Reading benefits from excellent transport links with three junctions of the M4 serving the town and providing access to Bristol to the west and London and the M25 to the east. Reading train station has undergone significant redevelopment and is now a major hub. Frequent direct services connect the town to London Paddington in under 30 minutes. The town will benefit further from the opening of Crossrail in late 2019 when services will take under one hour to reach central London and the City. Heathrow airport is just 28 miles to the east of the town.

## Situation

Loverock Road forms part of the well-established Portman Road industrial and commercial area approximately one mile to the west of Reading town centre. The location is home to a mix of local and national covenants with trade counter uses now forming a significant part of the immediate surrounding area. Loverock Road connects via the A329 (Oxford Road), a main arterial route through Reading, to the Inner Distribution Road and via the A33 to junction 11 of the M4 within a 10 minute drive. Road improvements to the nearby Cow Lane will further benefit the area allowing lorries and larger vehicles to cross under the main rail line and reduce traffic congestion in the Oxford Road area.

The property is situated in a prominent position to the front of a larger trading estate immediately adjacent to Loverock Road. Nearby occupiers include Selco Builders Warehouse, Hyperoptic, Access Self Storage and Heatrae Sadia.



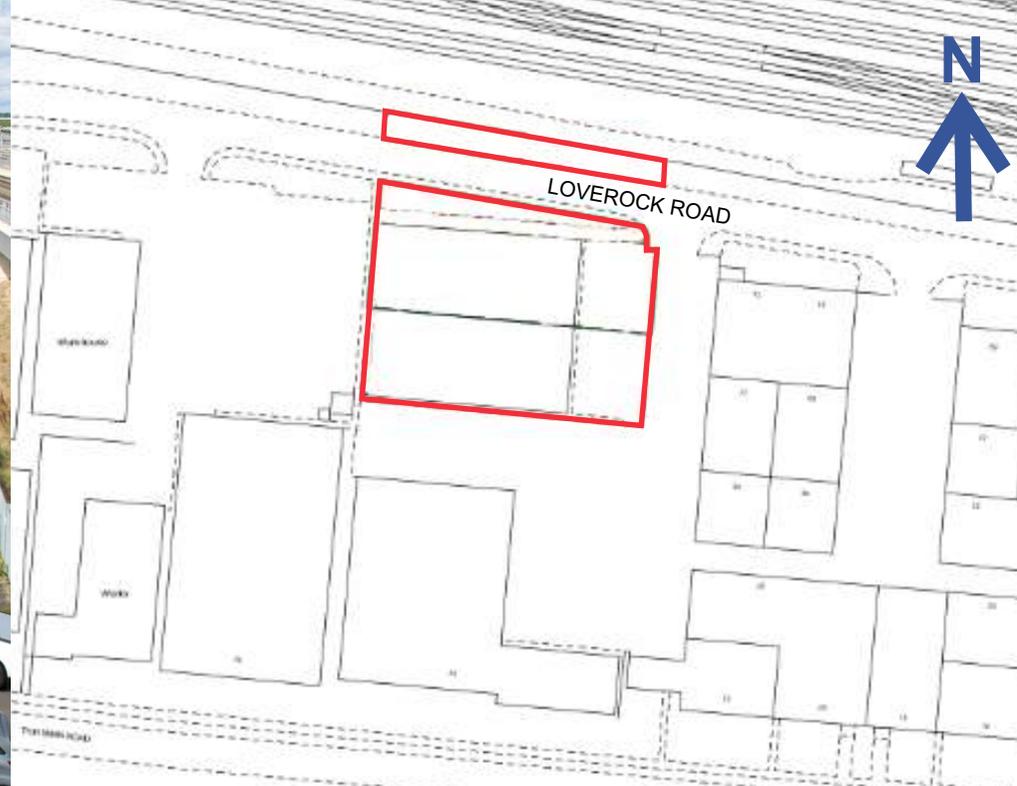
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From December 2019, Crossrail will enable even greater accessibility into Central London.



For Stansted



## ■ Description

The property comprises a pair of semi-detached warehouse units. Constructed in the mid 1980's from a steel portal frame clad in part brick, part profiled metal cladding under a pitched roof incorporating roof lights. Ground and first floor offices are incorporated within the unit and finished to a good standard.

The units benefit from a secure yard to the front, an eaves height of 5.5m, gas space heaters to the warehouses, air conditioning to the offices and a single roller shutter door to each unit. The property also benefits from 20 car parking spaces on the opposite side of Loverock Road.

## ■ Accommodation

The property provides a total gross internal area of 17,532 sq ft (1,629 sq m).

	<b>75A</b>	<b>75B</b>
Ground Warehouse	7,071	6,639
Ground Offices	740	1,171
First Offices	740	1,171
<b>Total sq ft</b>	<b>8,551</b>	<b>8,981</b>

## Tenure

The property is held freehold

## Tenancy

The units are let to Parsons Peebles Service (Reading) Ltd on two separate leases, producing a total current rent of £139,840 per annum in accordance with the tenancy schedule shown. A Schedule of Condition is attached to both leases. Further details are available on request.

Parsons Peebles is a global full service supplier of electromechanical products and services operating from 11 sites across the UK and part of the specialist industrial investment firm, Clyde Blowers Capital. In the year to December 2016 Parsons Peebles Service (Reading) Ltd posted sales of £6.396m and a net profit of £0.317m. They are awarded a 'Low Risk' (source: First Report)

Unit	Area	Tenant	Lease Start	Lease End	Next Review	Rent	Rent (PSF)	ERV	ERV (PSF)	
75A	8,551	Parsons Peebles Service (Reading) Ltd	01-Jul-17	30-Sep-26	30-Sep-21	£74,840	£8.75	£76,959	£9.00	
75B	8,981	Parsons Peebles Service (Reading) Ltd	31-Mar-16	30-Sep-26	30-Sep-21	£65,000	£7.24	£80,829	£9.00	
							<b>£139,840</b>	<b>£157,788</b>		



## ■ Thames Valley and Reading Industrial Market

The industrial market has seen one of its strongest performances over the last 24 months with both strong rental growth and yield compression. This has been particularly acute in the Thames Valley and south east markets.

In the Thames Valley, take up in 2017 stood at 2.3m sq ft, one of the highest recorded and some 6% above the five year average. In Reading alone, take up was over 500,000 sq ft in the year.

With the vacancy rate in Reading trending downwards since its peak in 2009 rental growth has been one of the highest in the Berkshire and North Hampshire Market and sat at around 7% in the year to June 2018. At an average of just under £10 psf it is well above the national average of £6.50 psf and modern space is achieving even better with between £12.50 psf and £15 psf being seen.

With limited new construction delivered in the last 12 months, and little speculative development planned, Reading is well placed to continue to see good rental growth in the industrial sector.

## ■ Occupational Evidence

Address	Date	Tenant	Area	Rent (psf)
Units 1-6 Oxford Road Industrial Estate	Jul-18	The German Baker	2,850	£9.00
Units 1-6 Trade City	Jul-18	In & Out	9,301	£15.00
Units 1-7 Micro Centre	May-18	Kalified Customs	980	£12.50
111-113 Loverock Road	Mar-18	South Central Ambulance Service	9,214	£8.75
47-57 Loverock Road	Mar-18	Star Super Store	2,200	£8.75
Units 20-34 Robert Court Industrial Estate	Feb-18	Inn Orbit	3,100	£9.00

*The properties listed above are all located in Reading.*

Based on the evidence available we are of the opinion the property has an estimated rental value of £157,788 per annum.

## ■ Investment Market

The industrial and logistics sector has performed strongly in recent years, underpinned by strong fundamentals such as historically low availability, little development pipeline and high levels of take up. As a result we have seen yields harden as the availability of stock for investors to purchase reaches historically low levels.

This has been particularly noticeable in the south east markets and with industrial and logistics expected to outperform the wider market, in terms of rental as well as capital growth, this is likely to continue to be the case for strong commercial centres such as Reading.

Address	Date	Area	WAULT (Break)	Price	Yield
Stroud Enterprise Centre, Bath Road, Slough	Jul-18	23,483	4.92 (2.72)	£2,500,000	6.16
1 Brunel Way, Sweet Briar Road Industrial Estate, Norwich	Jun-18	25,184	10.4 (5.4)	£2,250,000	5.29
Units 1-3 Junction 1 Trade Park, West Bromwich	Apr-18	22,523	4.75	£1,750,000	6.36
Units 1 & 2 Riverside, Omega Park, Alton	Feb-18	15,688	10	£1,730,000	5.99
Units 2-4 Molly Millars Bridge, Wokingham	Jan-18	21,868	4.6 (3.1)	£2,420,000	6.33

## ■ EPC

The property has an Energy Asset Rating of C (69). A full copy of the report is available on request.

## ■ VAT

The property has been elected for VAT. It is anticipated the sale can be structured as a Transfer of a Going Concern (TOGC)



## ■ Proposal

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## ■ Further Information

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