



SHW

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STRATEGY REPORT INDUSTRIAL

04 MAY 2022

Prepared for:

Contact Geoff Turner
Trustee of Turner Enterprises Limited Retirement
Benefit Plan

e. geoff@lifecomfort.co.uk

Property

Unit 8 Stockwell Centre, Stephenson Way, Crawley, West Sussex RH10 1TN

Prepared by:

Tim Hardwicke BSc (Hons) MRICS
e. thardwicke@shw.co.uk

BRIEF

SHW have been asked to report on the potential disposal price as both an investment or as vacant possession.

We therefore report as follows.

EXECUTIVE SUMMARY

- Unit totalling 2,282 sq ft (212 sq m)
- Currently let to Fergusons Auto Services (Surrey Ltd) on a lease expiring 13th November 2028
- Current passing rent of £19,000 as per the 2018 rent review.

PREMISES

The unit is located on the Stockwell Centre, an established warehouse/light industrial estate located just off Stephenson Way approximately 1 mile from Crawley town centre. The M23 (J10) is approximately 2 miles and London Gatwick Airport is also approximately 2 miles.

The unit is one of 11 units on this multi occupied estate and comprises a ground floor warehouse with first floor offices.

From our files we understand that the floor areas are as follows (GIA):

	SQ FT	SQ M
Warehouse	1,763	164
First Floor Office	519	48
TOTAL	2,282	212

The unit has a maximum eaves height of 6.72m (3.24m minimum) and has an up and over loading door, 3 phase power and 6 car parking spaces.

We understand that the unit is owned by yourselves in a retirement benefit plan on a freehold basis and is currently let to Fergusson Auto Services (Surrey) Limited on a lease expiring on 13 November 2028 with a tenant only break option and a rent review in November 2023 at a current rent of £19,000 pax following the November 2018 rent review.



THE LOCAL INDUSTRIAL MARKET

Current industrial & warehouse stock availability across the whole of the South East including Crawley remains limited with a current vacancy rate in Crawley sitting around 4.5%. Due to this restricted level of supply and a continued good level of demand we have seen rents and freehold figures increase over the last few years however these increases seem to be levelling off during 2022.

Attached is a copy of our Q1 2022 Industrial Focus which provides an overview of the market in general.

KEY TRANSACTIONS

Please find below a selection of recent transactions in the local area with quoting figures, likely rental levels and price expectations.

DATE	ADDRESS	SIZE (SQ FT)	TENANT/OCCUPIER	TRANSACTION
2022	4a+4b Gatwick Metro Centre, Balcombe Road, Horley A 1980's unit requiring re-decoration / refurbishment. Good location within walking distance to Horley Station and generous parking/loading at both front and rear	4,326	UNDER OFFER	Under offer on a sale of both units at £190.00 psf
2022	14A& 14B, Lloyds Court, Manor Royal, Crawley, West Sussex Refurbished 1960/70 unit	2,075	HHV Ltd	Let at £10.60 psf. 5 year lease, 3 year break.
2022	9 Forgewood Industrial Estate, Crawley A refurbished unit with 9 allocated spaces and loading area.	3,300	Selecta UK	Let at £13.25 psf. 5-year lease & 5 months rent free taken as reduced rent in year one.
2021	5 Forgewood Trade Park, Crawley Refurbished 1980s unit in prominent location on the Manor Royal Crawley. 9 allocated parking spaces and loading area.	3,268	Class Technology	Let at a rent of £12.75 psf. 10 year lease, 5 year break. 6 months rent free.
2021	Merriewood Barn, Herons Lea, off Copthorne Road, Crawley, West Sussex Basic unit with 9 car spaces	2,541	Plain Sailing	Let at a rent of £11.00 psf

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DATE	ADDRESS	SIZE (SQ FT)	TENANT/OCCUPIER	TRANSACTION
2021	Merriewood Barn, Herons Lea, off Copthorne Road, Crawley, West Sussex Basic unit with 2 car parking spaces	1,291	Eco Investment and Leisure Group Ltd	Let at a rent of £11.50 psf
	Unit 3, Oakwood Trade Park, Gatwick Road, Crawley, RH10 9AZ Trade counter unit on one of the best trade estates	3,620	Available on a new lease	£17.00 psf
	Unit 10 Oakwood Trade Park, Gatwick Road, Crawley, West Sussex, RH10 9AZ Trade counter unit on one of the best trade estates	3,371	Available on a new lease	£17.00 psf

GUIDE PRICE/RENTAL RECOMMENDATION

We understand that the current passing rent is £19,000 per annum following the rent review in November 2028.

If the unit was to become available on the market at today's date we would be suggesting quoting a rent of between £28,000 to £30,000 per annum and look to achieve close to these figures on the basis of a minimum 3 year term certain however would push for 5 years.

In respect of a sale if the premises was available freehold with vacant possession at today's date we would be suggesting quoting a freehold sale price of £400,000 and look to achieve close to this figure.

If the unit was available for sale at today's date with the current lease in place we would be guiding a freehold sale price of between £350,000 and £375,000.

RECOMMENDED STRATEGY

Assuming that the current tenant remains in place and you are looking to sell the unit as an investment, we would suggest putting the premises on the market at a guide price of £375,000 pa.

With this in mind we would contact all of our applicants seeking an investment of this nature and send details out to them.

WHY SHW?

SHW are one of the largest independent firms of commercial property consultants in the South East with seven offices in our core area.

The Sussex Business Space agency team consists of ten surveyors in Sussex alone, which is unrivalled by any other firm. As a result we have more staff to deal with your property and give you a more personal service.

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SHW are involved in approximately 60% of all commercial transactions in our core area and because of this our transactional data base is unrivalled and we can start targeting occupiers in advance of their lease events.

With our network of offices in Sussex we are able to target occupiers from within Burgess Hill/Haywards Heath, Gatwick/London to the north, Brighton and Hove/Eastbourne to the east and Worthing / Bognor / Southampton to the west. This means we can pick up key regional requirements before they come to the wider market.

YOUR TEAM

This instruction would be driven forward by myself, Laura Miles and James Griffiths:-



Tim Hardwicke

DDi 01293 441305

M: 07989 420989

thardwicke@shw.co.uk



Laura Miles

DDi 01293 441339

M: 07947 373275

lmiles@shw.co.uk



James Griffiths

DDi 01293 441321

M: 07867 232653

jgriffiths@shw.co.uk

LEGAL REQUIREMENTS/CERTIFICATES/SURVEYS

There are a number of requirements that a tenant will require you to produce before or at the point of completion of lease documents.

VARIOUS CERTIFICATES/SURVEYS

Energy Performance Certificate (EPC)

As you are aware, there is a legal requirement to have an EPC prior to commencement of marketing. Certificate number 9312-3025-0105-0700-1991 is listed against this property on the non-domestic energy performance register; this gives an E-106 rating.

Gas & Electrical Test Certificates

Many occupiers will request these and if one is available this can be very useful and can save time.

If there is a health and safety file for the building, this would also be very useful to retain.

Asbestos Report

A tenant will likely request an asbestos survey to be made available. If you do not have one already on file, please do let me know and I will obtain a quote if required.

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FEES

Our fees for a disposal would be based on 10% of the agreed annual rent in the case of a letting ignoring any incentives and 1% in the case of a sale. Fees are exclusive of any previously agreed marketing expenditure and are subject to VAT at the prevailing rate.

A copy of our standard Terms and Conditions of Engagement have been included.

CONCLUSION

We believe that the unit will prove attractive to the market, especially considering the limited number of options of this size currently available in the immediate locality. We are already aware of a number of local occupiers with unsatisfied requirements who we believe would be keen to view as soon as internal viewings are possible.

We look forward to receiving your instructions to begin marketing the unit.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Tim Hardwicke', is written over a light blue horizontal line.

Tim Hardwicke BSc (Hons) MRICS
Partner
For and on behalf of
Stiles Harold Williams Partnership LLP

Direct Line: 01293 441305
Mobile: 07989 420989
Email: thardwicke@shw.co.uk

This report is for the sole purpose of marketing the unit and is not a valuation. If a valuation is required please let me know and I will put you in touch with one of my registered valuers.