

2-4 THANE VILLAS, LONDON, N7 7PA

THANE STUDIOS

Levitt Bernstein

Striking architecturally designed single-let headquarter office investment with future development potential situated within the thriving London Borough of Islington

INVESTMENT SUMMARY



- A former warehouse building which was converted in 2016 to provide Grade A media style offices arranged over three floors under a pitched roof with a total NIA of 10,293 sq ft (956.25 sq m) and GIA of 12,258 sq ft (1,138.81 sq m).
- Located in the heart of Finsbury Park, North London (Zone 2), an increasingly popular mixed commercial and residential location, and a short distance from neighbouring Islington, Highbury and Stoke Newington.
- Excellent transport links close-by with Finsbury Park, Holloway Road and Arsenal underground stations all within close proximity.
- Single let on a FR&I lease to award winning architects - Levitt Bernstein Associates Limited, for a term of 15 years from November 2018 subject to a tenant only break option in May 2026, thus providing 11.68 years to lease expiry and 4.18 years term certain.
- Low passing rent of £396,730 pax equating to £38.54 psf overall.
- This lease provides for 5-yearly upward only rent reviews with the next review in November 2023.
- Levitt Bernstein Associates Ltd was established in 1968 and has offices in London and Manchester. The company had a turnover of £9.47million and a tangible net worth of £3.23million for the year ending 30/4/2021 – this was up on the previous year.
- Freehold.
- The site offers the potential for redevelopment to a higher density scheme, subject to obtaining the necessary consents. Feasibility study carried out for a mixed-use scheme arranged over ground and 3 upper floors comprising 10,710 sq ft of offices and 8 apartments above totalling 7,104 sq ft.
- Seeking offers in excess of £6,975,000, subject to contract and exclusive of VAT, which reflects an attractive net initial yield of 5.33% based on standard purchaser's costs. This equates to a capital value of £678 psf based on the NIA and £569 psf on the GIA.



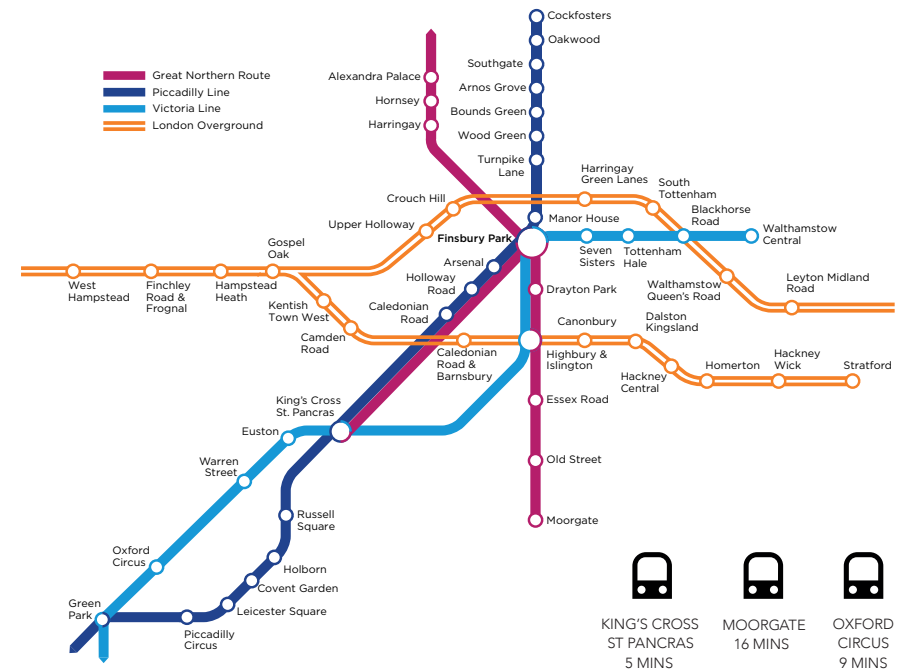
LOCATION

The subject property is situated within the Finsbury Park district of Highbury & Islington and within the thriving North London Borough of Islington. Located 4 miles to the north of the City of London, this established borough is home to a diverse population of 236,000 people.

The area benefits from excellent communications being within walking distance from Finsbury Park Rail Interchange & Underground Station which provides regular services to all parts of London and into the south-east (Victoria, Piccadilly, National Rail & London Overground Lines). Also close-by are Arsenal and Holloway Road Underground Stations (Piccadilly & Victoria Lines).

The A503 provides road access north-east to the A10, which provides onwards access to the A406 in a northerly direction and southwards to the City of London. Similarly, the A1 is just to the south of Finsbury Park which provides southerly access to the City of London and to the north provides access to the national motorway network.

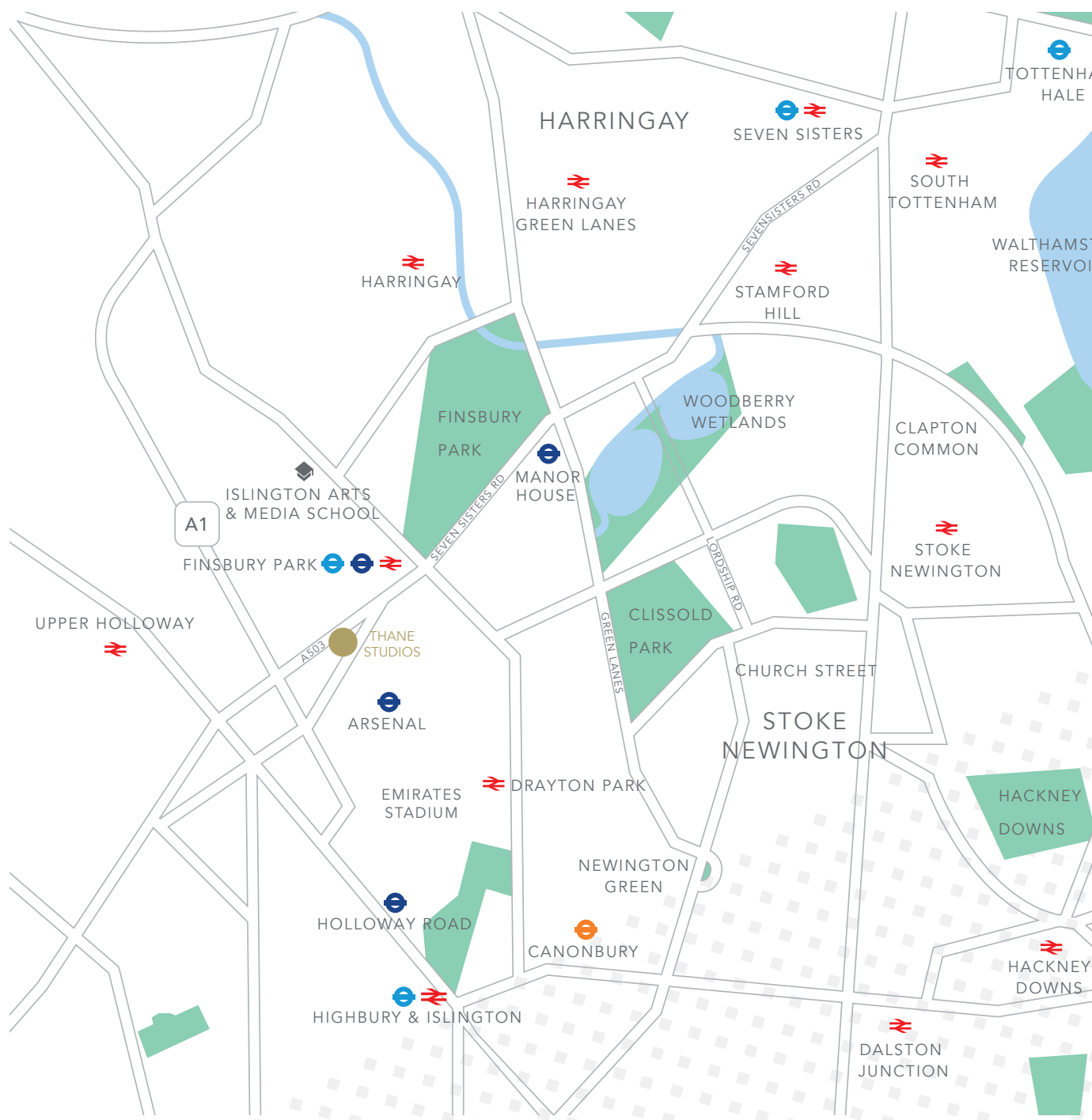
Heathrow Airport is located 17 miles to the west, Gatwick Airport is located 30 miles to the south, Luton Airport is located 30 miles to the north and London City Airport is located 10 miles to the east. All of these are easily accessible by the numerous road and rail links locally.



SITUATION

The subject property is located on the western side of Thane Villas, at the northern end of the road close to its junction with the A503 Seven Sisters Road, which provides access to Finsbury Park Rail Interchange & Underground Station being circa 500m to the east. The southern end of Thane Villas, links onto Berriman Road which provides access to the A503 Isledon Road and then onwards to the A1 Holloway Road.

The property is bounded by Thane Works to the north - an attractive collection of self-contained brick-built period style business units and studios, and period style residential accommodation to the south. Directly opposite is a high quality student accommodation scheme, whilst the Emirates Stadium, home of Arsenal Football Club is situated circa 500m to the south.





EMIRATES STADIUM
(ARSENAL FC)

FINSBURY PARK

FINSBURY PARK
TRANSPORT
INTERCHANGE

THANE STUDIOS

PARK THEATRE

UNIVERSITY OF THE ARTS
LONDON

THE BUILDING

The property is a former warehouse building which was converted in 2016 to provide Grade A specification "tech/media style" office accommodation arranged over three floors under a pitched roof. The accommodation is either accessed from Thane Villas at the front of the property via a self-contained forecourt, or to the side via Thane Works where there is an open plan reception leading into the main ground floor office. To the rear of the ground floor there are five WCs and three showers as well as further meeting rooms, a passenger lift and kitchenette.

The first floor mezzanine is accessed by a staircase at the front of the building which provides open plan office accommodation as well as a kitchenette and 2 further WCs. The first floor can also be accessed from the rear via a secondary staircase which also provides access to the second floor which has further meeting rooms and a kitchenette.

The building has been substantially refurbished to a Grade A specification to incorporate a tech/media finish with exposed service pipes, painted exposed brick walls and polished concrete flooring to the ground floor. The property at ground floor level provides excellent floor to ceiling height of 3.5m extending to 5.54m.

Construction works have recently completed to a new front extension which provides the building with a high-quality and contemporary main entrance and houses the tenant's reception area. Planning was obtained in August 2018 under Ref: P2018/1968/FUL.

The specification includes:

- Exposed services pipes
- Exposed painted steel structural beams
- LED strip lighting
- Air conditioning throughout
- Steel-framed staircase
- Large roof skylights throughout the building
- 5-person passenger lift
- Underfloor heating to ground floor only

There is a forecourt to the front of the property which houses bike storage for 30 bicycles and two car parking spaces.





ACCOMMODATION

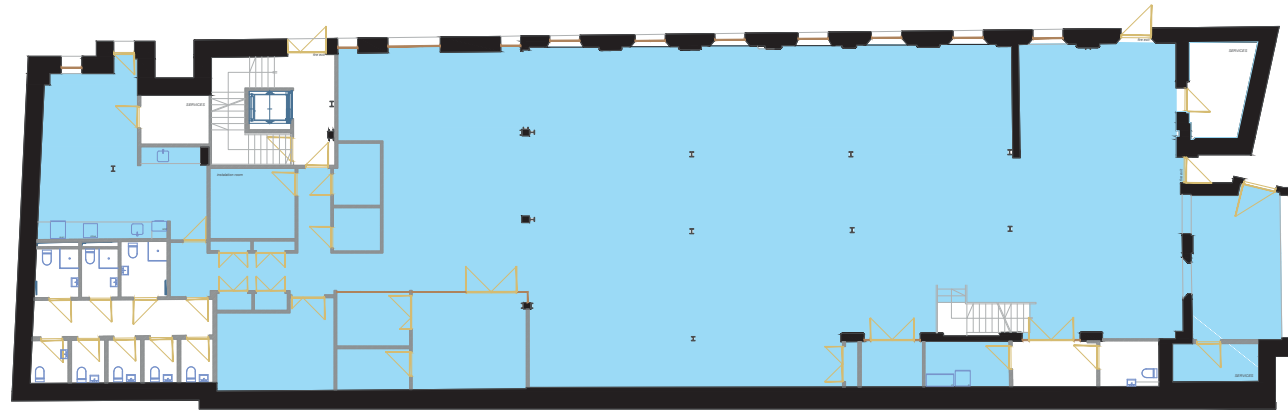
We have been provided with the following areas which has been measured by Sterling Temple in accordance with the RICS Measuring Code of Practice (6th Edition):

	NIA (SQ FT)	NIA (SQ M)	GIA (SQ FT)	GIA (SQ M)
Ground Floor	5,957	553.42	7,018	651.99
First Floor	3,450	320.52	4,145	385.08
Second Floor	886	82.31	1,095	101.73
Total	10,293	956.25	12,258	1,138.81

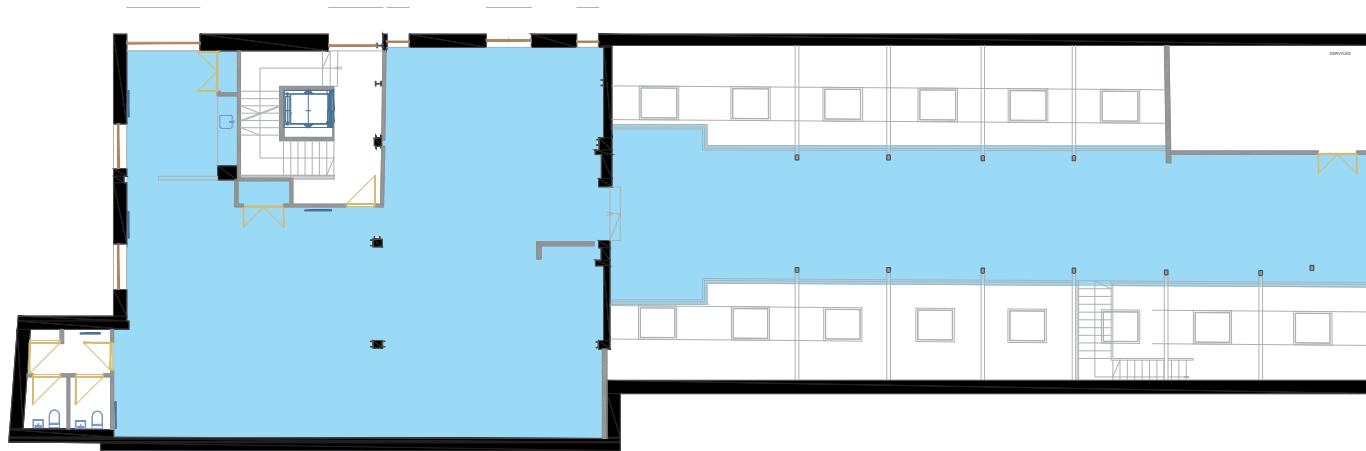




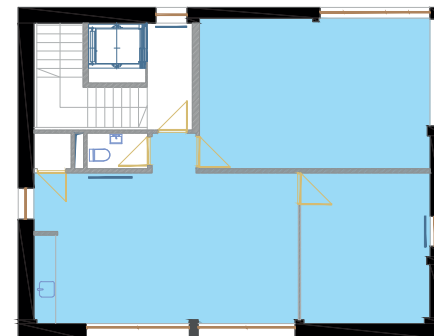
FLOOR PLANS



Ground Level



First Level



Second Level



TENANCY

The property is let in its entirety to Levitt Bernstein Associates Limited by way of a 15-year FR&I lease from 9 November 2018, thus providing a further 11.68 years to expiry, at a current passing rent of £396,730 per annum exclusive equating to a low overall rent of £38.54 per sq ft.

There is a tenant's only break clause on 9 May 2026, therefore providing 4.18 years unexpired term certain, providing not less than 6 months prior written notice. Should the tenant not exercise their break clause, they will be benefit from 3 month's rent free period.

The rent is reviewed 5-yearly on an upwards only basis with the next review due on 9 November 2023.



COVENANT

Levitt Bernstein People.Design

Levitt Bernstein Associates Limited (company number 01960584) was originally formed in 1968 after Messrs Levitt & Bernstein met whilst working on the ground-breaking Brunswick Centre in Bloomsbury, London. The practice is focussed on urban regeneration and have two design studios in London and Manchester. The company have grown to over 120 staff and work on projects across the housing, arts, education, health and commercial sectors.

Further information can be found on their website www.levittbernstein.co.uk

Levitt Bernstein had a turnover of £9,469,646 and a tangible net worth of £3.23million for year ending 30/4/2021.

	30 April 2021	30 April 2020	30 April 2019
Turnover	£9,469,646	£9,414,526	£10,202,025
Tangible net worth	£3,228,301	£2,836,304	£2,523,376

CreditSafe allocate the business a rating of A - Very Low Risk.

TENURE

The property is held freehold under title number 144825 and occupies a site area of approximately 0.20 acres (0.08 ha).

PLANNING

Thane Studios is located within the London Borough of Islington.

The building is not listed, nor does it sit within a conservation area or within an area of defined flood risk.



Site boundary outlined in red

DEVELOPMENT POTENTIAL



The site offers the potential for redevelopment to a higher density scheme, subject to obtaining the necessary consents.

A feasibility study has been carried out for a mixed-use scheme arranged over ground and 3 upper floors comprising 10,710 sq ft of offices and 8 apartments above totalling 7,104 sq ft.

The office element has been arranged over ground and first floors, with the residential spread over second and third floors comprising of six 2-bedroom duplexes and two 3-bedroom units, all with outside space.

A full set of plans are contained within the data room.

MARKET COMMENTARY

Investment Market

Investment activity has surged in the Northern Fringe submarket in recent quarters, where office demand has been driven by the TMT and creative industries. Many investors looked past the impact of the pandemic, with several standout transactions bolstering 2021 with £350 million trading, the second strongest volume since the financial crisis.

The most notable deal of 2021 was New York-based developer Tishman Speyer's £86.5 million acquisition of Angel Square on Islington High Street from Derwent London in September.

The surge in demand for life science-led assets has continued in recent quarters with Life Science REIT's acquisition of Rolling Stock Yard on York Way in December 2021 reflecting a low yield of 4.4%.

Development sales have been popular in the submarket of late, with one notable deal being that of Big Yellow Self Storage's acquisition of Alpha House on Regis Road in Kentish Town, for £16.5 million in April 2021 - set to be redeveloped into a new 68,000 sq ft self-storage facility.

Equally, as the submarket is primarily a popular residential location, the area has lost a considerable amount of office stock to residential since regulations on such conversions were relaxed.

Occupational Market

The northern fringe occupational market is mainly driven by the TMT and creative sectors meaning vacancy has fallen to 3.3% within a market totalling over 17 million sq ft of space making it the largest of London's submarkets outside of the City and Docklands.

With many buildings being converted to residential use as well, the fundamentals remain favourable creating an upward pressure on rents.

The northern fringe market as such is beginning to see new occupiers moving in and Landlords refurbishing schemes as rental increases support such projects being undertaken.

Examples of this include the Billiard Factory on Holloway Road where rents of £39.50 psf for non air-conditioned space is being quoted and the more established Highgate Studios where rents of £45 psf on the best quality space is being achieved. Finsbury Park has excellent communications and is likely to benefit from an upwards movement in rental levels in the future.

PROPERTY	DATE	AREA (SQ FT)	TENANT	RENT ACHIEVED (PSF)	LEASE TERM
Laszlo, Elthorne Road, Archway, London N19	Sept-21	33,411	Rapha Racing	£41.90	New 15 year term, break at Year 10.
Unit 9b Cally Yard, Sterling Way, London N7	July-21	2,547	Quantum Motion Ltd	£42.50	New 5 year term.
The Arts Building, Morris Place, London N7	July-21	2,858	The Behavioural Architects	£42.50	
Building 1, Cally Yard, Caledonian Road, London N7	May-21	13,983	The Dept. of Work & Pensions	£47.50	New 5 year term.
Unit 6, Carriage House, Fonthill Road, London N4	Feb-21	9,450	MS Society	£41.00	New 10 year term, break at Year 5.

VAT

The property is elected for VAT and it is envisaged that the transaction will be treated as a TOGC.

EPC

The property has an EPC rating of B (39).

DATA ROOM

Full access to the data room is available upon request.

PROPOSAL

Seeking offers in excess of £6,975,000, subject to contract and exclusive of VAT, which reflects an attractive net initial yield of 5.33% based on standard purchaser's costs. This equates to a capital value of £678 psf based on the NIA and £569 psf on the GIA.

Misrepresentation Act: 1. Burlington Green Partners Limited on its own behalf and on behalf of the vendor/lessor of this property whose agent Burlington Green Partners Limited is, gives notice that: (a) these particulars do not constitute in whole or in part an offer or contract for sale or lease; (b) none of the statements contained in these particulars as to the property are to be relied on as statements or representations of fact; and (c) the vendor/lessor does not make or give, and neither Burlington Green Partners Limited nor any of its members or any person in its employment has any authority to make or give, any representation or warranty whatsoever in relation to the property. The only representations, warranties, undertakings and contractual obligations to be given or undertaken by the vendor/lessor are those contained and expressly referred to in the written contract for sale or agreement for lease between the vendor/lessor and a purchaser or tenant. 2. Prospective purchasers or tenants are strongly advised to: (a) satisfy themselves as to the correctness of each statement contained in these particulars; (b) inspect the property and the neighbouring area; (c) ensure that any items expressed to be included are available and in working order; (d) arrange a full structural (and where appropriate environmental) survey of the property; and (e) carry out all necessary searches and enquiries. April 2022.

FURTHER INFORMATION

For further information or to make arrangements to inspect, please contact:

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