

Legacy Wharf Stratford

Unit 1, 2 Cooks Road, London E15 2PW

Attractive London Office
Investment Opportunity



Investment Summary

Single let office investment opportunity located in the heart of Stratford.

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Excellent transport connections with the DLR within very close proximity (3-minute walk) to the property.

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New, highly specified Grade A office accommodation comprising 12,265 sq ft NIA over Ground and 1st floors

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Excellent ESG credentials – EPC rating of B(26) and BREEAM rating of 'Very Good'

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The Property is let to Instant Managed Offices Limited on a 5 year lease expiring 6th December 2026 on FRI lease terms. Instant Managed Offices sublet the property to The Secretary of State for Levelling Up, Housing and Communities.

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Total income of £410,656 per annum reflecting £33.48 per sq ft overall and below prime Stratford rents of £40.00 per sq ft offering good prospects for rental growth at future lease events.

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Virtual freehold ownership by way of a 999 year long lease commencing 1st August 2017 at a peppercorn rent.

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We are instructed to seek offers in the region of £5,300,000 subject to contract and exclusive of VAT. Pricing at this level would reflect **a net initial yield of 7.27%** and a low capital value of **£432 per sq ft** assuming purchaser's costs of 6.60%

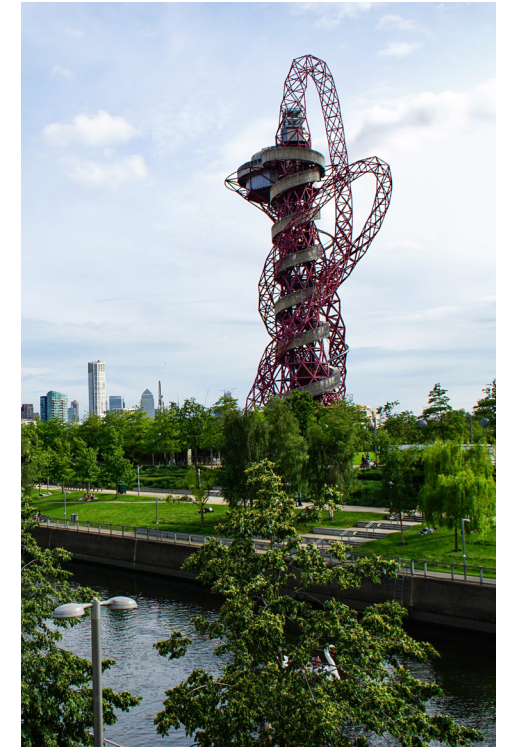
Location

Legacy Wharf is located on Cooks Road which sits in a strategic location to the southwest of Stratford town centre and adjacent to the A11 (Stratford High Street) and is three miles from Canary Wharf and six miles from central London. The Olympic Park is just moments from the site. The 560-acre park features both 2km and 5km running routes, showcasing the Olympic Rings and the Paralympic Agitos among other landmarks.

Also nearby is Victoria Park, which holds the crown as London's oldest park, and boasts a Green Flag award. This historic open space hosts a variety of events and festivals throughout the year and welcomes around nine million visitors annually.

The city is in close proximity, with Liverpool Street station accessed in just 16 minutes by tube. The city offers a range of high-quality bars and restaurants such as Sushi Samba, Duck & Waffle, Blacklock and the Ned.

Westfield Stratford is a c. 15-minute walk (1.1 miles) from the site, home to a plethora of popular retailers and restaurateurs alike. Occupiers include Apple, Charles Tyrwhitt, Coach, John Lewis, Ask Italian, Caffè Concerto, Nando's, Pizza Express and Zizzi's.



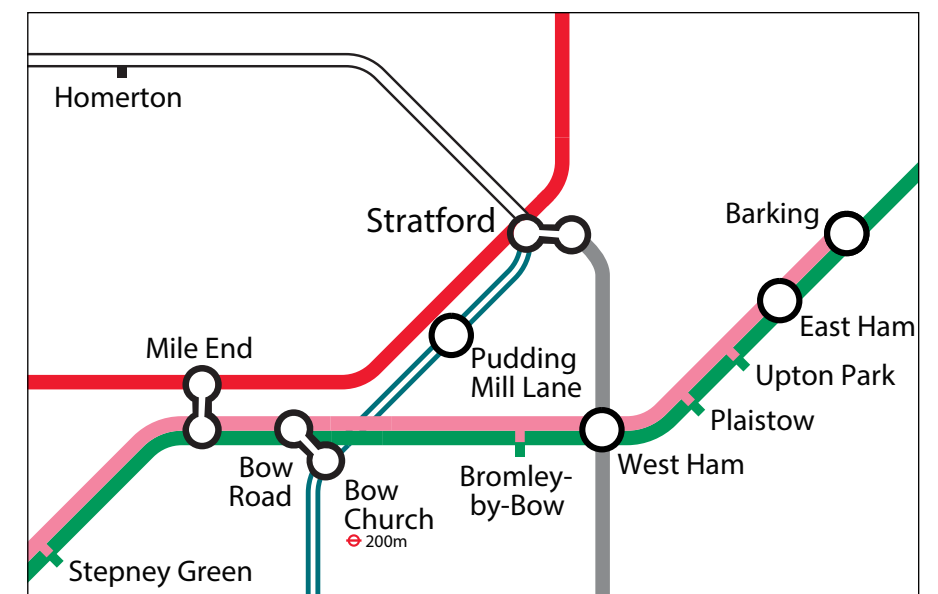


Connectivity

Stratford is one of London's best-connected areas to reach the heart of London and beyond.

The property is located within a 3-minute walk of Pudding Mill Lane station, which provides links via the DLR to Stratford in 2 minutes and Canary Wharf in 15 minutes. Stratford underground station is a c.15-minute walk from the site, and provides access to the Central, Jubilee, DLR, TfL Rail and London Overground Lines.

Stratford's mainline station has national rail, underground (Central and Jubilee lines), overground and DLR trains. London airports are easily accessible via train from Stratford, with City Airport the closest, just 12 minutes away.



Journey Times

Stratford



North Greenwich	7 minutes
Canary Wharf	9 minutes
Bank	1 minutes
St Pauls	13 minutes
London Bridge	15 minutes
Liverpool Street	16 minutes
Piccadilly Circus	24 minutes
Covent Garden	26 minutes
Embankment	26 minutes

Pudding Lane



City Airport	18 minutes
Bank	19 minutes
Stratford	2 minutes
Canary Wharf	15 minutes

London City Airport



Paris	1 hr 15 minutes
Milan	1 hr 55 minutes



The Property

The property for sale, Unit 1, comprises part of the Bellway residential led (194 new units) scheme, Legacy Wharf, which completed in 2021. The property was completed to shell and core condition and has since been fitted out by the current tenant, Instant Managed Offices.

The office accommodation is arranged over ground and first floors totalling 12,265 sq ft net internal area. In addition, there are 15 car parking spaces included as part of this lease.

The current specification includes:

- VRV air conditioning system
- LED Lighting
- Fully accessed raised floors
- Clear floor to ceiling heights of 2.80 metres
- Full height floor to ceiling glazing
- Passenger lift

Accommodation

We understand that the net internal areas are as follows.

Unit	Description	Sq Ft	Sq M
Unit 1	Ground Floor	7,561	702
	First Floor	4,704	437
Total		12,265	1,139

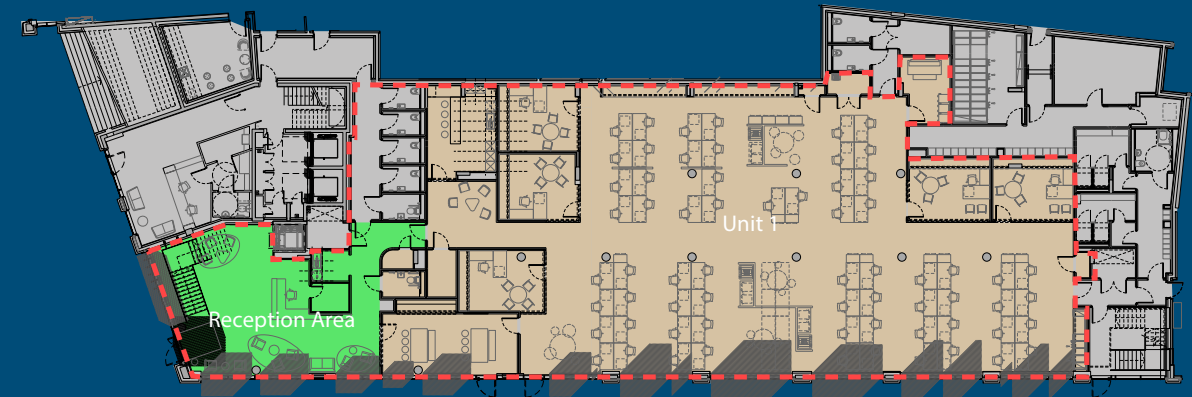
The landlord is undertaking an independent measured survey which will be available upon request.

Floor Plans

Not to scale, indicative only.

The red dotted line outlines the demise of Unit 1.

Ground Floor



First Floor



Tenancy

Unit 1 has been let in its entirety to Instant Managed Offices Limited on a 5 year lease commencing on 7th December 2021, expiring on 6th December 2026 on full repairing and insuring lease terms. There is a tenant only break option on 6th December 2024 subject to the tenant providing 6 months' prior written notice. The lease is contracted outside the security of tenure provisions afforded by the Landlord and Tenant Act 1954.

The current rent is £410,656 per annum exclusive, reflecting a rent of £33.48 per sq ft overall. The tenant was granted an initial rent free period of 7 months which expires on 6th July 2024. There is a further 5 months' rent free payable to the tenant if the break option is not exercised.

Subtenancy

The property is sublet to The Secretary of State for Levelling Up, Housing and Communities. This lease is dated 8th March 2022 and was made between Instant Managed Offices and The Secretary of State for Levelling Up, Housing and Communities. The commencement of the sublease is 2nd March 2022 and expires 29th November 2026. The Tenant may end the Contractual Term on the 30th November 2024, by giving the landlord 7 months' prior written notice.

Tenure

The property is held by way of a virtual freehold interest (Title Number: EGL220827) via a 999 year lease, commencing on 1st August 2017 at a peppercorn rent.



Covenant

Instant Managed Offices Limited is part of The Instant Group.

Established in 1999, The Instant Group is a workspace innovation company that acts on behalf of its clients injecting flexibility, reducing cost and driving enterprise performance within their workspace requirements. The Instant Group places more than 11,000 companies a year in flexible workspace such as coworking, serviced or managed offices including Barclays, Prudential, Capita, Jaguar Land Rover, Amex, Booking.com and Worldpay making it the market leader in flexible workspace.

With offices in London, Newcastle, Berlin, Budapest, Haifa, Istanbul, Paris, Dallas, New York, San Francisco, Hong Kong, Kuala Lumpur, Singapore and Sydney, The Instant Group employs over 300 experts and has clients in more than 150 countries. It is currently ranked #28 in the 2019 Sunday Times' HSBC International Track 200.

The Instant Group's portfolio of services include:

- Global coworking and serviced office brokerage
- Commercial consulting
- Benchmarking and insight
- Portfolio management
- Bespoke managed office solutions

The financial performance of the business is highlighted below:

Instant Managed Offices Limited	FY Ending 31st July 2018	FY Ending 31st July 2019	FY Ending 31st July 2020
Turnover	£67.787m	£71.701m	£52.132m
Pre-Tax Profit	£5.801m	£8.098m	£8.757m
Total Net Worth	£17.648m	£27.716m	£38.069m

Further information on the Instant Group can be found on their website, <https://www.theinstantgroup.com/en-gb/>

The subject property has been sublet to the undoubted covenant of The Secretary of State for Levelling Up, Housing and Communities, which supports communities across the UK to thrive, making them great places to live and work. The DLUHC is a ministerial department, supported by 15 agencies and public bodies.

Local Market

The Stratford masterplan is one of the largest urban regeneration projects the world has ever seen. It has been envisioned and designed to revitalise a brownfield site and transform it into something innovative, sustainable, and built for the challenges of modern urban life.

Stratford has seen an upward trend since the 2012 Olympics and is now a self-sustaining area providing new green & sustainable places to sleep, work and eat with the neighbourhood becoming increasingly gentrified. Developments in East Village, International Quarter, Sugar House Island, Legacy Wharf, Eastwick and Sweetwater, Here East, Twelvetrees Park, Bow Quarter, Chobham Manor and Westfield Shopping Centre has transformed the area from a rundown forgotten part of London to a very successful Olympic Games & Park to a destination for locals and tourists to enjoy the now thriving area full of culture, mixed diversity, with thousands of new homes, shops, restaurants, and workspaces.

All these new developments have brought new public realms and improved connectivity to the stations around the locality which makes Stratford's station one of the most connected and well linked parts of London, with the Jubilee line providing direct access to Central London.

Recent commercial deals have included large educational users looking to relocate to the area because of the excellent transport links. With limited supply and increased demand following Covid-19, coupled with the exodus from the City and the West End, Stratford has provided an excellent opportunity for companies to thrive, and add value to the area.

Due to the lack of modern office space within the Stratford area, headline rents of £40.00 per sq ft are being achieved on various schemes on Stratford High Street, as well as Sugar House Island.



Investment Market

Covid-19 had a material impact on investment, but 2022 has seen a huge increase in global demand, particularly for high quality property within Greater London with secure income fundamentals. This flight to quality is expected to continue both from an occupier perspective, as employers try to create the most attractive working environment possible, and from an investment perspective in light of this occupier demand and the potential growth prospects. Legacy Wharf presents a high quality, attractive and unique workplace environment and is well placed to benefit accordingly.

Greater London continues to be a key investment destination for domestic and overseas capital due to its transparent and mature market, liquidity, excellent growth prospects and attractive yields compared to other asset classes.



Investment Rationale

- Opportunity to acquire a Central London Property underpinned by secure UK Government income.
- The rent is currently passing of a low rent of £33.48 per sq ft offering good prospects for rental growth in the future.
- The property is well connected within close proximity to train, DLR and underground transport.
- Exceptional quality office accommodation which has been fitted out to a very high standard by the tenant, Instant Offices Ltd.
- The property has excellent ESG credentials with an EPC rating of B(26) and a BREEAM rating of 'Very Good'.

Planning

The property is situated in the London Borough of Newham, is not listed and does not lie within a conservation area.

VAT

The property is elected for VAT. It is intended the transaction will be treated as a transfer of a going concern.

EPC & BREEAM

The property has an EPC rating of B (26).
The BREEAM rating is Very Good.

Further Information & Viewing

For further information or to arrange an inspection please contact:

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