

NHS HINTON ROAD BRIXTON

INVESTMENT OPPORTUNITY LET TO
THE NHS ON A LOW BASE RENT

Secured Income to the NHS



INVESTMENT SUMMARY

- Located in one of London's largest regeneration areas which includes Brixton Academy, Brixton Market, Electric Avenue and Pop Brixton.
- Extremely well connected with Loughborough Junction Station situated within 100m and Brixton Station within a 10 min walk.
- Comprising a total 14,531 sq ft over ground and first floors.
- Let in its entirety to the NHS (King's College Hospital NHS Foundation Trust) on a 15 year lease from 27 October 2022, with a tenant option to break at the 10th year.
- 5 yearly RPI rent reviews.
- Total passing rent of £279,721 per annum, reflecting low rent of £19.25 per sq ft.
- NHS to invest heavily on their fit out works which is to include offices, state of the art simulation wards and training facilities.
- Freehold (with a small virtual freehold element).
- We are seeking offers in excess of **£5.25M (Five Million Two Hundred and Fifty Thousand Pounds)** subject to contract and exclusive of VAT for our client's freehold interest in the above. A purchase at this level shows a **net initial yield of 5%** and a **guaranteed reversionary yield between 5.50% and 6% at the 2027 review**, after allowance for unadjusted purchaser's costs of 6.8%.
- **Low Capital Value of £325 per sq ft.**



LOCATION AND LOCAL ECONOMY

Brixton is world renowned for its extraordinary character, rich diversity and heritage. It is famed for its independent retail, hospitality, night time economy and rich cultural offering. Furthermore it is home to a number of famous landmarks such as Brixton Academy, Electric Avenue, Brixton Market, Ritzy Cinema and Pop Brixton, making it one of the most diverse and creative districts in London.

In addition, Brixton is experiencing an abundance of regeneration projects including the Higgs Industrial Estate, enhancements at Brixton Market, as well as the redevelopment works on Popes Road into a 200,000 sq ft mixed use scheme.



SITUATION AND CONNECTIVITY

The property is located on Hinton Road, SE24 at the junction of Coldharbour Lane, SW9. Loughborough Junction Station is within 100m providing Thameslink and National Rail services with access into Farringdon (15 minutes), Blackfriars (7 minutes) and St Pancras International (19 minutes). Loughborough Junction is located between Brixton to the West, Camberwell to the North East and Herne Hill / Dulwich to the South. Brixton Station is also 0.7 miles away providing access to the Victoria line and wider tube network.

King's College have taken on the subject property to free up space within the hospital campus at Denmark Hill. They have also recently taken over Coldharbour Works (formally the Shakespeare Business Centre) at 245a Coldharbour Lane which is adjacent to 1-5 Hinton Road and will provide over 45,000 sq ft of offices and workspace.

At the rear of the subject property, The Peabody Group are constructing 134 new homes and 45,000 square feet of commercial space. The space is to be called 'Higgs Yard' on the former Higgs Industrial Estate. The rear of 1-5 Hinton Road opens into the Higgs Yard development, where the NHS will also occupy space.

'Extremely well connected location with Loughborough Junction Station within 100m providing Thameslink and National Rail services.'



DESCRIPTION

The property is arranged over ground and first floors and consists of a total of 14,531 sq ft. Internally, the property has been recently refurbished by the landlord and includes:

- Comfort cooling
- Wooden flooring
- LED lighting
- Double glazing
- Gas central heating
- Generous floor to ceiling heights

The tenant is carrying out further integral fit out works to the space (see following page).



ACCOMMODATION

The property provides a net internal area of 14,531 sq ft over ground and first floors.

FLOOR	AREA SQ M	AREA SQ FT
First	486	5,231
Ground	864	9,300
TOTAL	1,350	14,531

NHS

The property has been let in its entirety to the NHS on a new 15 year lease.

The landlord has fitted out the space to a Cat A specification, with the NHS to further invest in excess of £750,000 on their fit out works. The space is to include state of the art simulation wards, training facilities, conference rooms and office accommodation.

The accommodation is to be provided as non-clinical space, to be freed up from Kings Hospital, across three properties within the immediate vicinity.

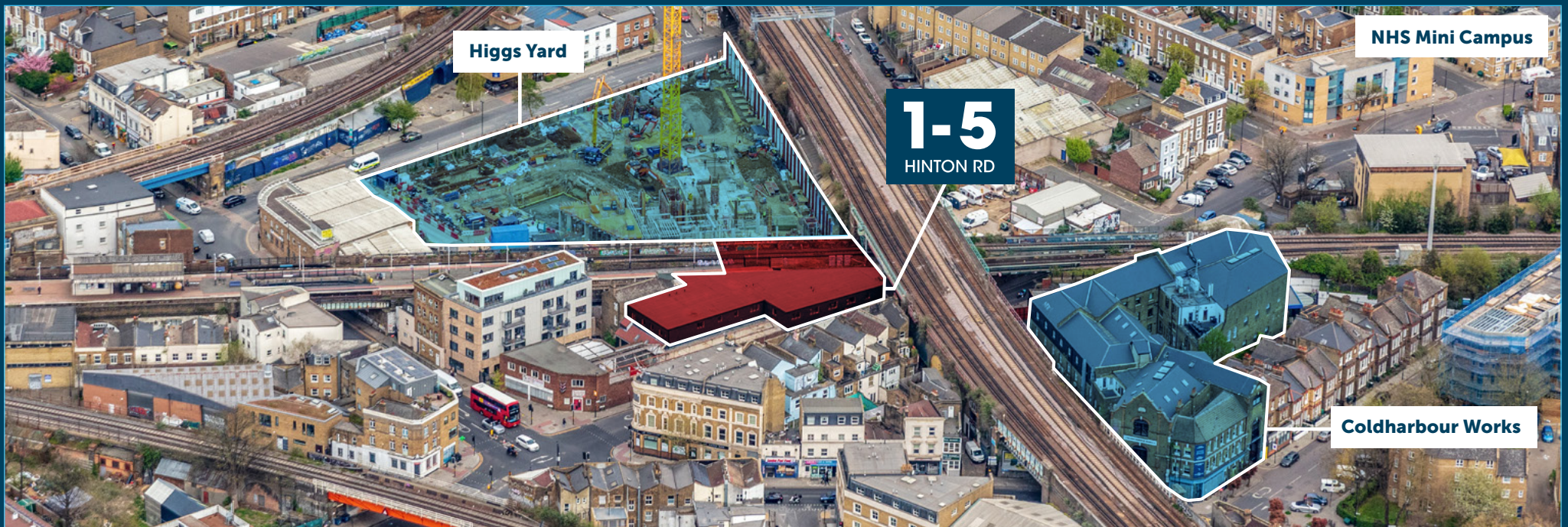
In addition, the NHS have taken space at Coldharbour Works, and in the new Higgs Yard development, creating a mini campus of specialist non clinical accommodation to service the main Kings College Hospital.

COVENANT

NHS Trusts are public sector bodies established by parliamentary order by the Secretary of State for Health to provide healthcare services to the NHS. They have a board of executive and non-executive directors, and are accountable to the Secretary of State. The financial obligations of these Trusts are ultimately met by the Department of Health and Social Care.

The NHS have a undeniable covenant.

King's College Hospital NHS Foundation Trust is renowned for its international reputation of specialty services and as a pioneer in medical research, with a record of innovation in a number of key fields.

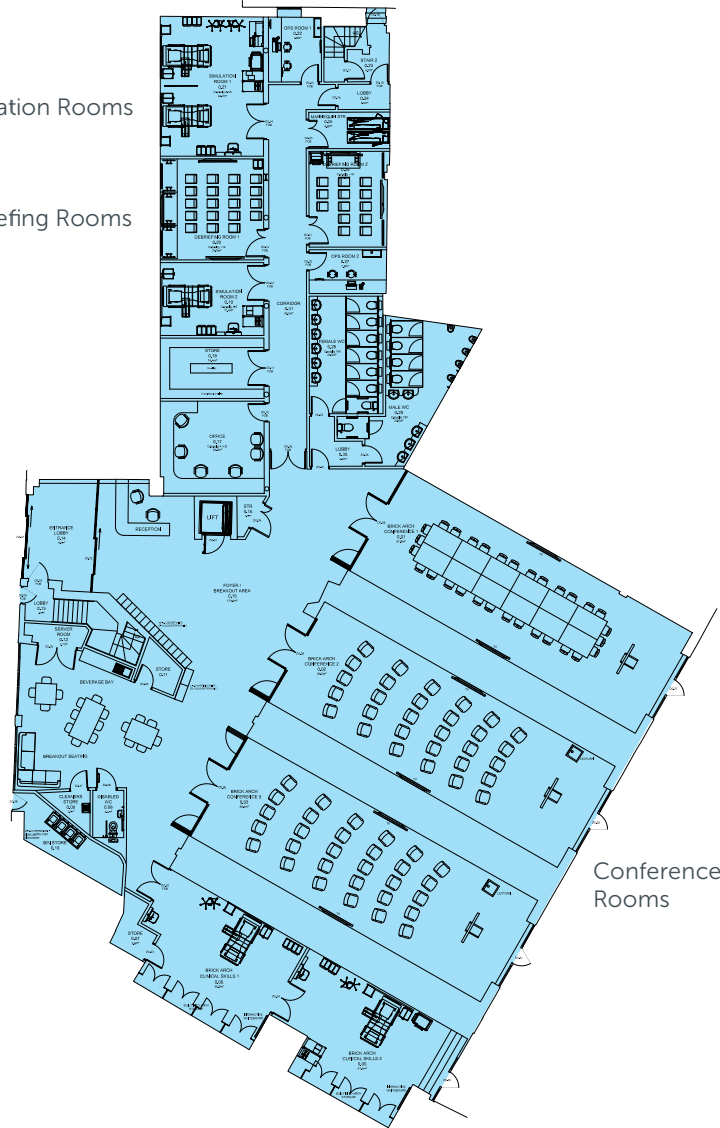


FLOORPLANS

GROUND FLOOR:
Proposed layout

Simulation Rooms

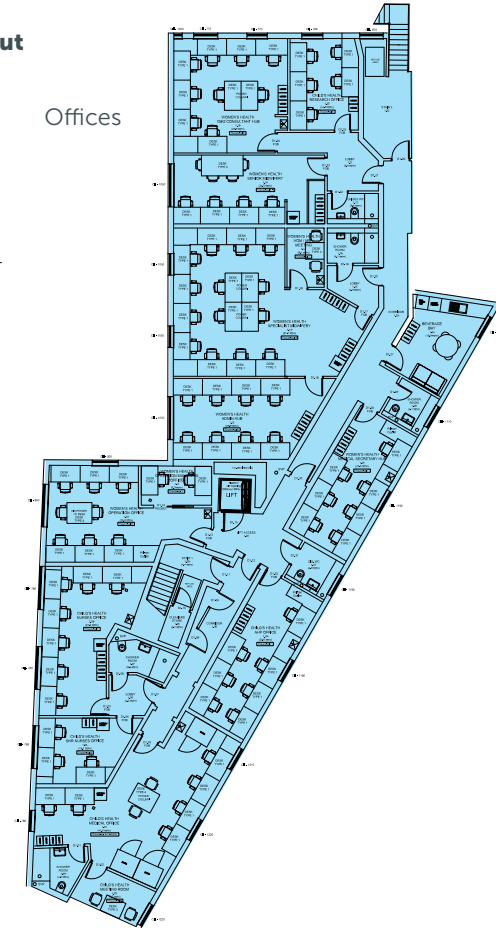
Debriefing Rooms



Conference Rooms

FIRST FLOOR:
Proposed layout

Offices



TENANCY

The property is let in its entirety to the NHS (King's College Hospital NHS Foundation Trust) on a new 15 year lease from 27th October 2022, with a tenant option to break at the 10th year.

The current passing rent is £279,721 per annum which reflects a low rent of £19.25 per sq ft.

There are five yearly RPI reviews, with a cap and collar of 10.41% to 21.67%. The next rent review to take place is on 27th October 2027.

TENURE

The property is held freehold (with a small element held virtual freehold).



EPC

The property has an EPC rating of B.

VALUE ADDED TAX

VAT is chargeable on rent and therefore chargeable on the sale of the property. The sale is likely to be by way of a transfer of going concern (TOGC).



PROPOSAL

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FURTHER INFORMATION

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