

17 January 2020

Orchard Street completes acquisition of prime Greater London industrial estate for £40 million

Orchard Street Investment Management ('Orchard Street'), the specialist commercial property investment manager, has completed the acquisition of a prime industrial estate in Chessington, Greater London for £40.25 million. The asset was acquired from Aberdeen Standard Investments on behalf of St James's Place UK Plc.

Located within Chessington's established industrial estate on Cox Lane, the modern, purpose-built estate comprises of four units totalling 138,486 sq ft across a seven-acre site. The industrial estate is fully-let to three tenants with a WAULT of 6.5 years to breaks and 8.4 years to expiries. With recent industrial lettings in the area achieving in excess of £15.00 psf, the asset's low passing rent of £11.80 psf overall offers strong rental growth prospects.

The estate benefits from excellent connectivity, with quick access to Central London and the M25 motorway via the A3 one mile to the north. It is also well positioned for air travel, just 11.4 miles south east of Heathrow Airport and 23 miles from Gatwick. The local area is well-served by public transport, with Chessington's two railway stations both located within walking distance of the estate.

Harry Buxton, Acquisitions Manager at Orchard Street, commented: "The industrial occupational market in Chessington and its surrounds is characterised by an acute lack of supply, which continues to drive rental growth. With robust occupier demand and the continued loss of industrial land within the M25, this latest addition to our client's portfolio presented a compelling opportunity to acquire a well-connected, prime industrial estate with strong reversionary potential and longer-term asset management opportunities."

Orchard Street was advised on the acquisition by DTRE, whilst the Vendor, Aberdeen Standard Investments, was advised by JLL.

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Notes to Editors:

Orchard Street Investment Management

Established in 2004, Orchard Street Investment Management LLP is a leading specialist commercial property investment manager focused on the UK market, with assets under management in excess of £4 billion. It acts on behalf of institutional clients world-wide to advise on investing in and the active management of property assets, including industrial, retail warehouses, offices and shopping centres.