

17 August 2020

Orchard Street acquires multi-let South East industrial estate for £15 million

Orchard Street Investment Management ('Orchard Street'), the specialist commercial property investment manager, has completed the acquisition of a prime, multi-let industrial estate in Hemel Hempstead, Hertfordshire for £14.9 million. The asset was acquired from DTZi on behalf of St James's Place Property Unit Trust.

Centro Industrial Estate is a freehold self-contained estate totalling approximately 63,000 sq ft and comprising of four modern units. Fully-let to four high-quality tenants including Virgin Media, NTT, the Ambulance Service and DHL, the property has a WAULT of 9.5 years to expiries and reflects a low passing rent of £10.00 per sq ft overall, offering strong prospects for rental growth compared to prime rents in the area in excess of £13.00 per sq ft.

The property is located within the established Maylands Industrial Estate in Hemel Hempstead, a strategic industrial location one mile west of the M1 motorway, four miles north of the M25 motorway and 24 miles north west of Central London. Industrial supply within Hemel Hempstead is particularly low when compared to the wider South East market and is well-positioned as a last mile location to benefit from the displacement of industrial occupiers from Central London.

Harry Buxton, Acquisitions Manager at Orchard Street, commented: "Given the scarcity of good quality, well-let opportunities at present, this acquisition represents an excellent addition to our Client's portfolio and demonstrates our strong appetite for the industrial sector. In a volatile environment, the property provides secure income from a robust tenant line-up and, with occupational demand remaining buoyant in Hemel Hempstead and the wider South East market, the rental growth prospects for this property are positive."

Orchard Street was advised on the acquisition by Gerald Eve, while the vendor was advised by DTRE.

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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 worldwide to advise on investing in and the active management of property assets, including industrial, offices and retail.