



PARK ROYAL TOUR 12 JUNE 2019

PARK ROYAL - THEN



- In 1903 the 1,200 acres which forms Park Royal was the exhibition site for the annual show organised by the Royal Agricultural Society. It was opened by the Prince of Wales, thus giving it's name as Park Royal.
- Heinz had it's main headquarters in Waxlow Road from 1925 until 2005 and at it's peak in the 1960's it employed 3,500 people producing a million cans of baked beans every day. The site has since been redeveloped as SEGRO's Premier Park.
- Allnatt London Properties developed a large area of Park Royal known as the Chase Estate during the 1930's and at it's peak the company was completing a new factory every two weeks.
- Guinness built a substantial brewery complex between 1933 and 1936 and by 1949 was the largest brewery in the UK employing 1,400 workers. Today this has been redeveloped as SEGRO's Origin Business Park
- During the 1948 Olympics, field hockey events were held on the Guinness Sports Grounds
- Wilkinson Sword manufactured up to 8,000 swords a year between 1972 and 2005 on SEGRO's Westway Estate, employing around 40 craftsmen
- Queen's Park Rangers played their football at two stadiums on Park Royal before moving to their current ground at Loftus Road in 1917
- The central roads in Park Royal (Minerva, Sunbeam and Standard) are named after classic cars which were being manufactured locally, reflecting the types of industry which were established at that time

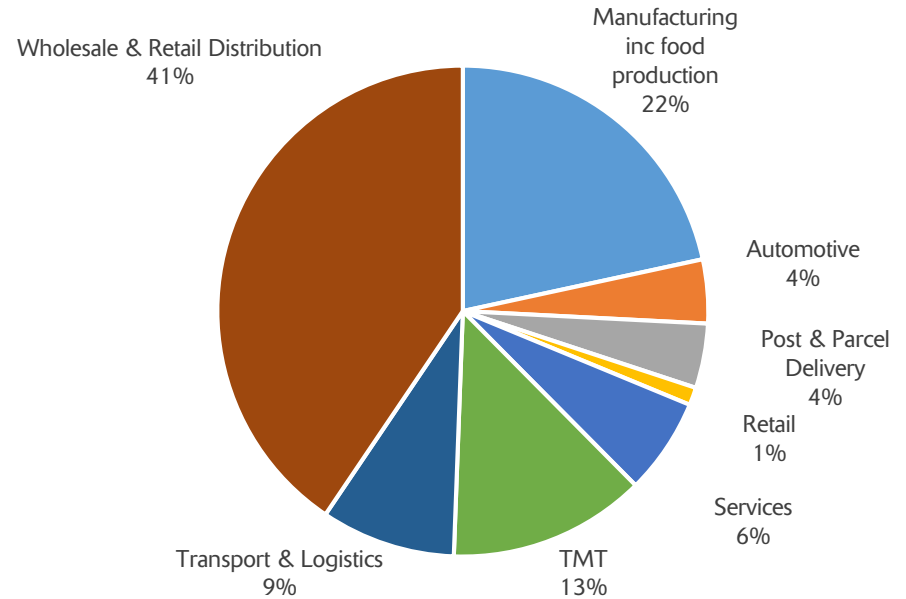
PARK ROYAL - NOW

- Park Royal has over 2,000 businesses, employing around 40,000 people.
- It is a major economic contributor to London and the wider UK economy, producing GVA/capita £67,100 and ££3.5 bn GVA pa.
- Over 500 food companies operate in Park Royal to provide a third of all food consumed in London, giving it the name of 'London's bread basket'
- In Park Royal today you can find
 - A £6.5 million Pagani Huayra being serviced on a carpet floor
 - Del & Rodney's chandelier from 'Only Fools and Horses'
 - Nicotine flavour e-cigarettes being manufactured
 - English strawberries, raspberries, asparagus and wild garlic being distributed to London hotel restaurants such as Claridge's, The Ritz and the Savoy
 - TV Celebrities such as Steve Pemberton, Kim Cattrall and David Tennant recording Radio 4 and audio programmes
 - A replica theatre constructed inside a standard grey warehouse Unit for training lighting engineers for the film, theatre and TV industry
 - Umbrellas designed under Royal Warrant for delivery to Buckingham Palace
 - False teeth manufactured and couriered around the UK
 - DJ and musical equipment hired out and distributed 24/7 to festivals and music events around the country



The Central Park Royal Portfolio Today

Portfolio in figures (at Dec-18)	
Floor space	2.0 million sq ft
No. of estates	7
No. of customers	88
Valuation – completed assets	£754.2 million
Yields	
• Net initial	3.2%
• True equivalent	3.9%
Rents	
• Passing	£26.4m
• ERV	£32.1m
Land Holding	
• Area of Developed Estates	106 acres
Vacancy rate (by ERV)	2.9%
WAULT (to earlier of break or expiry)	6.8yrs



The Central Park Royal Portfolio

Estate	Customers	Size (sq ft)	Passing Rent, £m	Value, £m	Vacancy Rate	WAULT
Westway	19	327,152	£3.8	£107.3	1.9% (1 Unit due for demolition)	5.7
Victoria	22	232,842	£3.1	£92.0	15.1% (3 Units = 2 U/O)	9.0
Origin	6	365,593	£5.2	£133.5	0%	13.7
Premier Park	20	844,191	£10.9	£319.3	0%	4.3
Tudor	16	127,150	£1.8	£56.9	4.3% (2 Units both U/O)	4.9
Prophouse	1	96,690	£1.2	£28.8	0%	1.6
Oakwood	4	49,681	£0.4	£16.5	34.4% (2 Units)	3.1
Total	88	2,025,015	£26.4	£754.3	2.9%	

PARK ROYAL ASSETS



Park Royal Customers



Park Royal Customers



WE CREATE THE SPACE THAT ENABLES EXTRAORDINARY THINGS TO HAPPEN

SEGRO



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210 WAYS TO EAT NOODLES

Founded and run by serial entrepreneur Tak Tokumine, the Japan Centre is one of the UK's biggest retailers of Japanese foods and other authentic goods.

Supplying his supermarkets and a comprehensive online business, Tak imports and sells over 4,000 products, including rice, tofu, miso, seaweed, sauces, condiments, sweets, sake and a vast variety of noodles. Today, the company occupies 35,000 sq ft, but, back in 2009, Tak had just one small unit. Even then, we saw the potential of a great business, and we helped Tak by providing him with the space and support he needed.

When brilliant businesses find outstanding spaces, extraordinary things happen.

SEGRO

JAPAN  CENTRE



Park Royal – Developing for the future



- FORMER GUINNESS BREWERY SITE
- 365,000 SQ FT
- BUILT OUT IN TWO YEARS
- PRELETS TO
 - OCADO 66,000 SQ FT
 - MASH 53,000 SQ FT
 - JOHN LEWIS 107,000 SQ FT
 - WASABI 55,000 SQ FT



Origin Business Park

Asset Description	
Address	Origin Business Park, Rainsford Road, London NW10
Description	Six Unit fully accessed Warehouse/Logistics facility
Size	365,593 sq ft
Value	£133.5m
<ul style="list-style-type: none"> • NIY • NEY 	3.4% 4.0%
Current income	£5.2m pa
ERV	£5.6m pa
Void	0%
WAULT to break/expiry	13.7 years



Strategy

- Rental tone £15.00 - £16.00 psf
- Prepare for first round of rent reviews December 2019 on Phase 1 (Units 1 & 3) using evidence from rent review settlements at Premier Park

Premier Park

Asset Description	
Address	Premier Park, Premier Park Road, London NW10
Description	29 Unit multi-occupied Estate developed over the past 20 years, providing industrial/warehouse accommodation of various sizes
Size	844,191 sq ft
Value	£319.3m
<ul style="list-style-type: none"> • NIY • NEY 	3.2% 3.9%
Current income	£10.9m pa
ERV	£13.3m pa
Void	0%
WAULT to break/expiry	4.3 years



Strategy	
<ul style="list-style-type: none"> • Rental tone £13.25 - £21.00 psf • Settle remaining outstanding rent reviews from 2018 & 2019 • Ascertain the intentions of Sofology (Unit E = 42,646 sq ft) regarding renewal or vacation at expiry December 2019. Refurbishment and re-marketing campaign to be commenced if void is confirmed. 	

Tudor Estate

Asset Description	
Address	Tudor Estate, Abbey Road, London NW10
Description	22 Unit industrial/warehouse scheme developed over a number of years, of various sizes. Latest development (Tudor Quad) now fully let.
Size	127,150 sq ft
Value	£56.9 m
<ul style="list-style-type: none"> • NIY • NEY 	3.0% 3.9%
Current income	£1.8m pa
ERV	£2.4m pa
Void	6.8%
WAULT to break/expiry	4.9 years



Strategy

- Rental tone £14.50 - £23.00 psf
- Complete letting of vacant Unit 733 (Under offer) at agreed rent of £21.90 per sq ft and secure a new tenant for the other vacant Unit 708C (1,754 sq ft)
- Conclude lease surrender negotiations on 731 once alternative premises have been identified in order to refurbish and re-let.

Westway Estate

Asset Description	
Address	Westway Estate, Old Oak Common Lane, London W3
Description	1930's industrial/warehouse scheme redeveloped over a number of years, of various sizes. Latest development in 2015 (5 Units) now fully let.
Size	327,152 sq ft
Value	£107.2 m
<ul style="list-style-type: none"> • NIY • NEY 	3.3% 3.9%
Current income	£3.8m pa
ERV	£4.7m pa
Void	1.5%
WAULT to break/expiry	5.7 years



Strategy

- Rental tone £10.50 - £19.00 psf
- Obtain planning consent for infill redevelopment of 3 older buildings once VP obtained October 2019, and construct new 16,600 sq ft Unit.
- Conclude de-adoption of Estate roads, let bus standing area/welfare block to TfL, and construct security gatehouse to privatise the Estate

Victoria Industrial Estate

Asset Description	
Address	Victoria Industrial Estate, Victoria Road, London W3
Description	1980's industrial/warehouse scheme. Front office building now converted to Travelodge Hotel (PC March 2018)
Size	232,842 sq ft (inc Hotel)
Value	£92.0m (inc Hotel)
<ul style="list-style-type: none"> • NIY • NEY 	2.7% (2.3% for Hotel) 4.0% (5.2% for Hotel)
Current income	£3.1m pa
ERV	£4.0m pa
Void	10.8%
WAULT to break/expiry	9.0 yrs



Strategy

- Rental tone £16.50 - £22.50 psf
- Complete lettings of Units 2 & 25, both under offer. Secure a tenant for last remaining vacant Unit 20 (2,821 sq ft).
- Complete surrenders of Leases of last two Units occupied by Japan Centre in July 2019, refurbish and re-let on short term tenancies.
- Finalise negotiations with other occupiers to secure vacant possession by April 2022.

Oakwood Business Park

Asset Description	
Address	Oakwood Business Park, Standard Road, London NW10
Description	1980's industrial/warehouse scheme comprising 6 Units in two terraces.
Size	49,681 sq ft
Value	£16.5 m
<ul style="list-style-type: none"> • NIY • NEY 	1.5% 4.0%
Current income	£0.4m pa
ERV	£0.8m pa
Void	34.5%
WAULT to break/expiry	3.1 years



Strategy

- Rental tone £18.50- £20.00 psf
- Secure tenants for last two remaining refurbished Units 1A & 5.
- Ascertain intentions of Unit 3 occupier regarding expiry July 2020 and prepare refurbishment/re-marketing campaign for potential void

Prohouse (formerly D-Link Building)

Asset Description	
Address	Prohouse, Abbey Road, London NW10
Description	Single let warehouse constructed circa 2005
Size	96,690 sq ft
Value	£28.8 m
<ul style="list-style-type: none"> • NIY • NEY 	3.9% 4.2%
Current income	£1.2m pa
ERV	£1.4m pa
Void	0%
WAULT to break/expiry	1.6 years



Strategy

- Rental tone £14.00-£15.00 psf
- Ascertain intentions of Tenant regarding renewal after expiry December 2020. Undertake refurbishment and re-marketing project if it will be vacated.
- Pursue potential installation of PV solar panels on roof to improve energy and reduce costs for occupier.