



**ARTISTIC
SPACES**
LONDON.



SALE & LEASEBACK

ARTISTIC SPACES LIMITED

52-56 STANDARD ROAD
PARK ROYAL • NW10 6EU

COMMERCIAL BUSINESS CENTRE INVESTMENT
WITH POTENTIAL FOR FURTHER
DEVELOPMENT EXPANSION.

ARTISTIC
SPACES

INVESTMENT SUMMARY

- A prime West London Commercial Serviced Business Centre investment and development opportunity in the heart of Park Royal.
- Excellent road connections with access to the A40 connecting Park Royal to Central London to the east and the M25/M40 interchange to the west.
- Serviced Business Centre totalling 42,756 sq ft (3,972 sqm) Gross External Area (GEA).
- Entirely let to Artistic Spaces Limited on fully repairing & insuring terms on a new **15 year leaseback** guaranteed by Artistic Spaces Group Limited, with **Retail Price Index (RPI) linked** rent reviews compounding 5 yearly with collar and cap at **1.5% to 4%**.
- Landlord only option to break on 25/3/2028 and 25/3/2033 subject to 6 months notice, for future development optionality.
- Initial leaseback rent of **£750,000** per annum, reflecting a reversionary rent of £17.54 per sq ft, with prime industrial rents in Park Royal in excess of £30.00 psf.
- Trading with 98.7% passing occupancy with 6yr track record onsite, with no rental arrears from sub-tenants.
- Vendor recently installed 84 KWP solar photovoltaic system to the roof, boosting the building's energy efficiency and ESG credentials.
- The site extends to approximately 0.76 acres (0.38 hectares) with a further 0.141 acres (0.057 hectares) available for further development.
- Freehold.
- Artistic Spaces Limited has a Net Worth of £12.65m & Total Assets of £39.1m. Artistic Spaces Group has Net Assets of £19.2m & Total Assets of £70m. Artistic Spaces have a wider estate of 16 properties, with a combined footprint of over 500,000 sq ft.
- Option to develop a further 13,950 sq ft of workshop studios (GIA) on the existing car park, with pre-let to Artistic Spaces on mirror lease terms to the main building. Artistic Spaces have a desire to commit to a rental of £250,000 per annum to forward commit this development, subject to final planning approvals and side agreement.

Offers invited in excess of **£11,650,000 (Eleven Million Six Hundred Fifty Thousand Pounds)**, representing a **Net Initial Yield of 6.0%** assuming purchaser's costs of 7.5% on the core leaseback.

Potential car park development forward commitment to be agreed by further negotiation (STPP).

ELEVEN
MILLION
SIX
HUNDRED
FIFTY
THOUSAND
POUNDS.

NET YIELD 6.0%

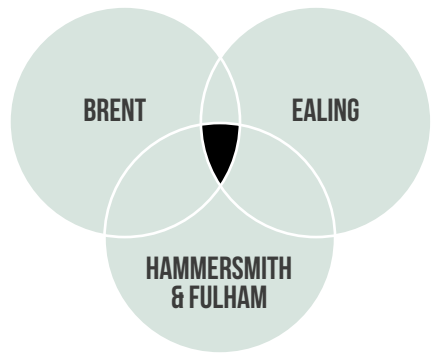
**PARK ROYAL IS THE
UK'S PREMIER
INDUSTRIAL LOCATION
COVERING
1,800 ACRES**



**ARTISTIC
SPACES**

LOCATION

Park Royal is the UK's premier industrial location, covering 1,800 acres across the London Boroughs of Hammersmith & Fulham, Ealing and Brent.



The park is located 8 miles north west of Central London, equidistant between Wembley 4 miles to the north and Ealing to the south. Currently Park Royal currently supports around 1,700 businesses that employ 43,100 people, across a range of sectors including: food manufacturing, logistics, film and prop houses, car repair and vehicle maintenance.

1,700 BUSINESSES



EMPLOYING 43,100 PEOPLE

CONNECTIVITY

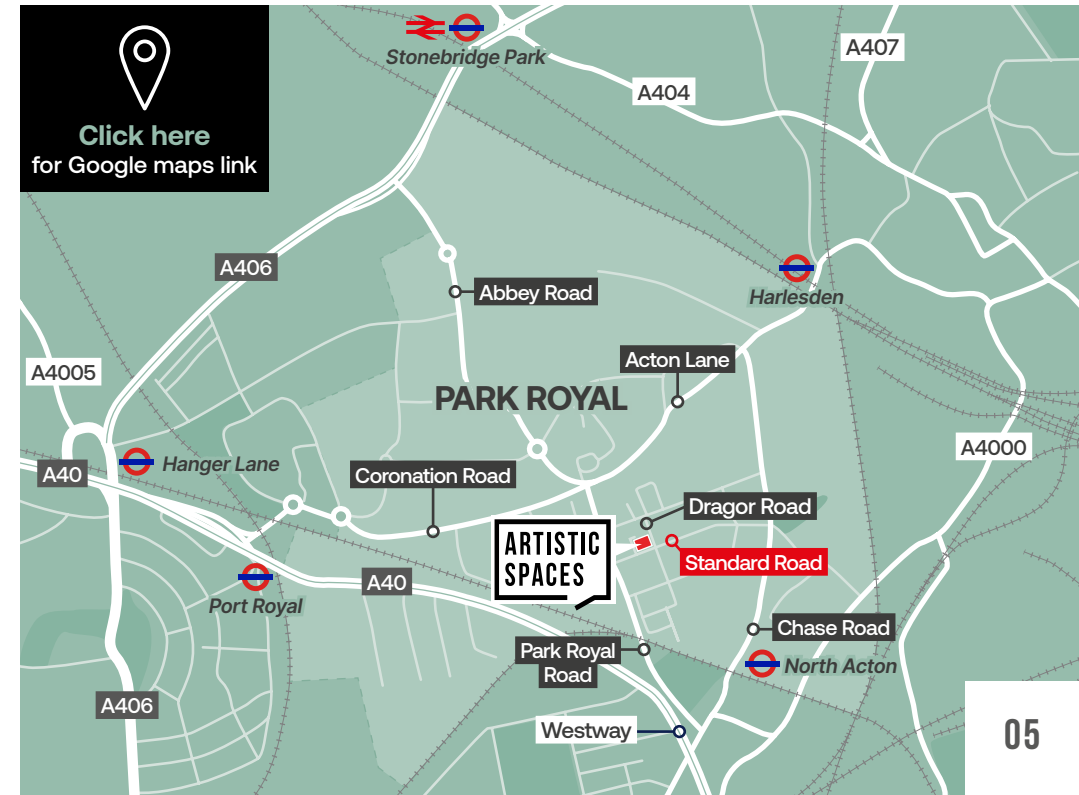
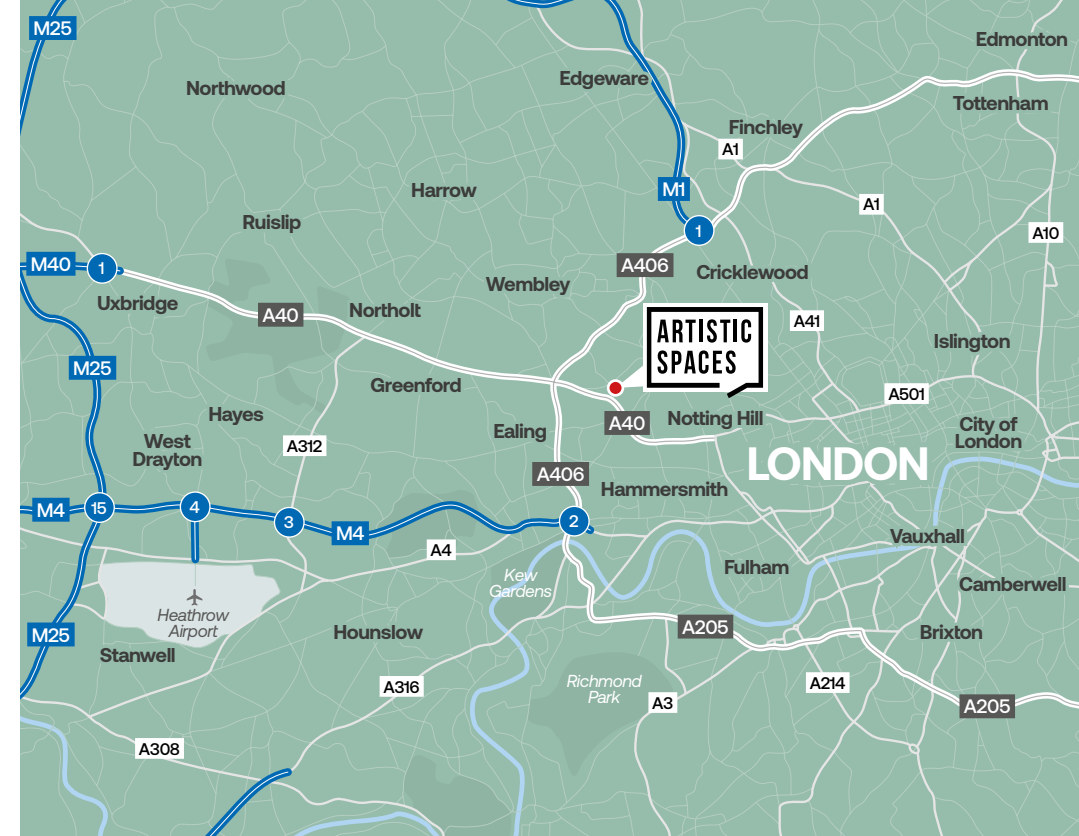
	Central London	8 miles
	A40	0.5 miles
	M1	4 miles
	M25 / M40	14 miles
	M4	18 miles
	Heathrow Airport	9.5 miles

SITUATION

The subject property is situated on the north side of Standard Road and the west side of Dragor Road. Park Royal is the largest business park in London (comprising approximately 1,200 acres) and one of the country's leading industrial locations. As such, the immediate area is heavily commercialised, with industrial uses across a range of workshop, distribution, manufacturing, storage and office uses.

Tenants include a range of local, regional and national covenants. Occupiers in the immediate vicinity include Asda, Sherry's Wholesale, Carrara Marble, Laxzo, Speedy, West London Superstore and PCA 1er.

The Park Royal area is situated to the immediate north of the A40 (leading in turn to the M40 and the M25) and east of the A406 (leading in turn to the A1 and the M1). The road network is accessed via junction/roundabout approximately 1.2 miles from the property.



BARCLAYS

PREMIER BUSINESS CENTRE

EDMUNDSON ELECTRICAL

VICTORIA CARE CENTRE

PRINCESS ROYAL DIST. CENTRE

CROZIER

STUART

GARDEN STUDIOS

ASDA

MATRIX PARK

MASTER AUTOGLASS

CENTRAL MIDDLESEX HOSPITAL

NOVA OF LONDON

APC COURIERS

ACTON WORKS

WEMBLEY STADIUM

CADOGAN TATE

SAINSBURY'S ARGOS

ECCENTRIC TRADING

MAGNET TRADE

THE LARGEST BUSINESS PARK IN LONDON.

ABBEEY ROAD

ACTON LANE

PARK ROYAL ROAD

ARTISTIC SPACES

ARTISTIC SPACES



DESCRIPTION

The subject property comprises a part-one part-two storey quasi office-industrial style building of steel portal frame construction under a pitched roof with rear carpark/yard area, in use as a commercial serviced business centre.

The vendor purchased the property in 2016, following which they spent in excess of £1,000,000 in CapEx to refurbish the building including recladding works, installing a new roof and creating the individual sub units.

The property is currently arranged as 76 self-contained units (unit numbers run from 1 – 83 however including double units and units set aside for management purposes) let out to individual tenants for a range of mixed commercial purposes across general multiple uses including B1/2/8, D2 and A1.

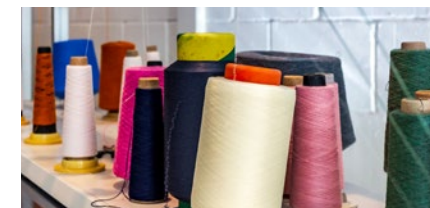
The individual units range in size from 190 sq ft to 3,700 sq ft, with the most common size being 190 sq ft. Each unit is let as a vacant shell and then any fit out that the tenant wishes to install is agreed individually with Artistic Spaces. As such, units include artist studios, recording studios, photography studios, general workshops, offices, trade sellers, retail units and a gym.

Boasting 76 studios split between two floors with an onsite cafe and mailroom. Other benefits of this complex include the latest in high speed 5G wifi throughout. The typical use of studios in this building range from small crafts to tech start-up, administration and more large scale operations.

To the rear of the property is a hard standing open yard area that is currently used for parking under a management agreement to third-party car parking management company (ANPR). The yard accommodates up to 38 parking spaces. See car park development section for further information.

The vendors recently spent £110,000 in September 2022 installing a brand new 84 KWP solar photovoltaic system to the roof for the energy efficiency of the investment boosting its ESG credentials.

The vendors plan to redecorate communal areas, external facade of building, planting, new front entrance, along with a budget for new branding and tenant signage. Works to be conducted within 3 months of deal completion at circa £100,000.

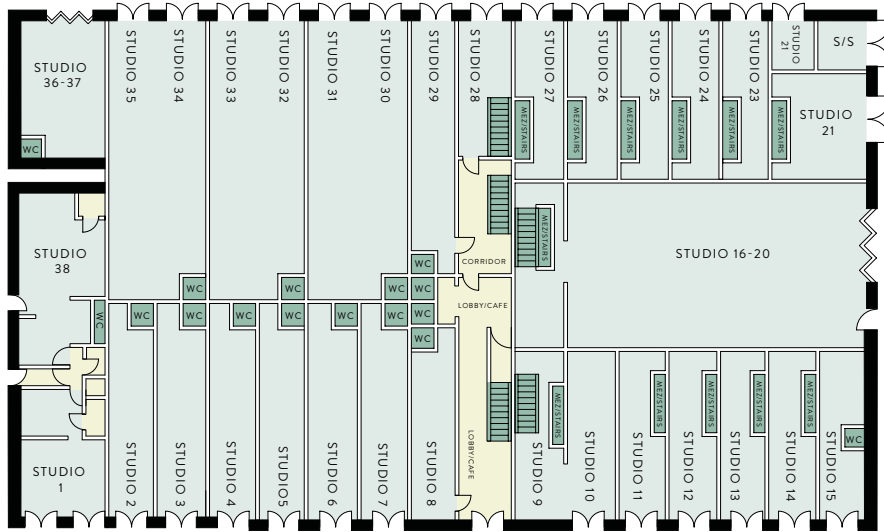


76 SELF-CONTAINED UNITS.

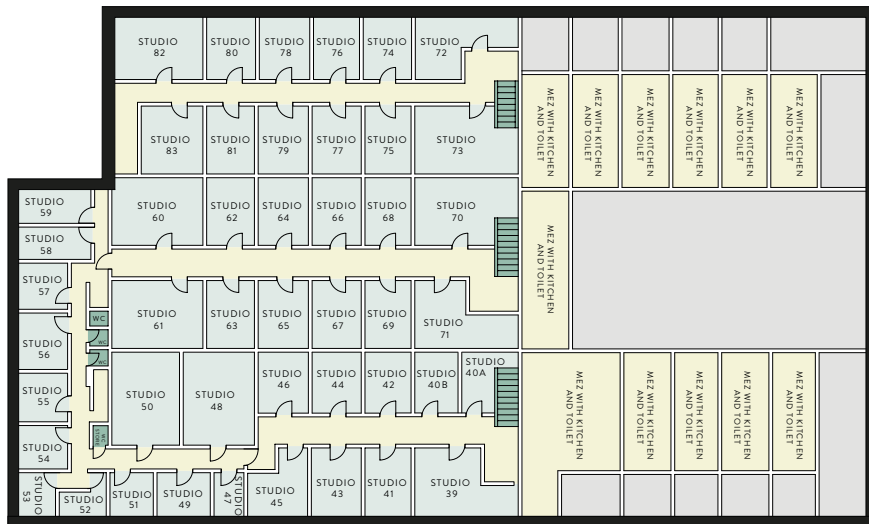


FLOOR PLANS

GROUND FLOOR



FIRST FLOOR



SCHEDULE OF ACCOMMODATION

The property has been measured by Plowman Craven Associates in accordance with the RICS Code of Measuring Practice (6th Edition). The measured survey report is available in the dataroom (assignable).

Floor	Use	Sqm	Sq Ft
First Floor	Studios	1706.6	18,370
Ground Floor	Studios	2265.5	24,386
Overall Total		3972.1	42,756



SPECIFICATION



NATURAL LIGHT



CAFE



HIGH CEILINGS



MEZZANINE



TOILET / SINK / DRAINAGE



HIGH SPEED WIFI



ROLLER SHUTTERS



DOUBLE DOORS



SECURE OFF STREET PARKING



PV SOLAR ENERGY



CCTV



24 HR ACCESS

A PRIME WEST LONDON COMMERCIAL SERVICED BUSINESS CENTRE INVESTMENT.



52-56 STANDARD ROAD - PARK ROYAL - W3 7JF



ARTISTIC SPACES

OCCUPANCY STATUS SNAPSHOT

95.48 %	93.44 %	95.14 %	97.65 %
JAN - DEC 2019	JAN - DEC 2020	JAN - DEC 2021	JAN - DEC 2022

Artistic Spaces sub-divide all of the accommodation & let it to a diverse selection of small business occupiers. Artistic Spaces handle all direct management issues and rent collection.

The individual units/studios are let on 1 year licenses drafted outside of the 1954 Landlord and Tenant Act without security of tenure.

The subject property has no outstanding Covid-related rent arrears.



COVENANTS

Artistic Spaces Limited (Occupational Tenant)

Company Number: UK06791660.

Established Feb 2010.

Creditsafe Score 63B.

Year	31/03/2022	28/02/2021	29/02/2020
Total Assets	£39,135,748	£17,004,943	£11,174,819
Net Assets	£12,649,373	£6,934,424	£4,342,769
Capital Deployed	£43,088,606	£17,210,404	£10,821,424

Working Capital as of March 2023 of £3,952,858. We have Management Accounts to 31 Dec 2022 showing continued strong growth within the available dataroom.

Artistic Spaces Group Limited (Guarantor)

Company Number: **UK19626683**

Creditsafe Score: **47C**

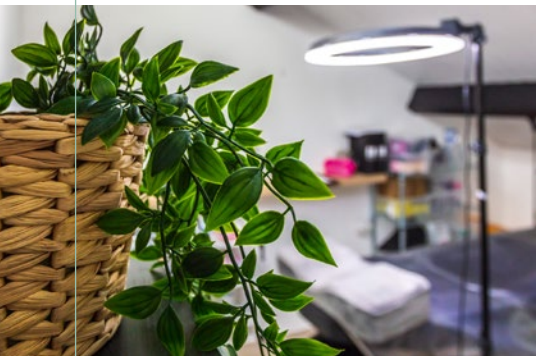
Newly Incorporated structure from: **13th December 2021**

Management Accounts (available in dataroom) as of: **31st December 2022**

Total Assets: **£70,032,389**

Net Assets: **£19,218,310**





TENANCY

The subject property to be entirely let to Artistic Spaces Limited on fully repairing & insuring terms at **£750,000 per annum** on a new **15 year leaseback** guaranteed by Artistic Spaces Group Limited, with **Retail Price Index (RPI) linked rent reviews compounding 5 yearly with collar and cap at 1.5% to 4%**.

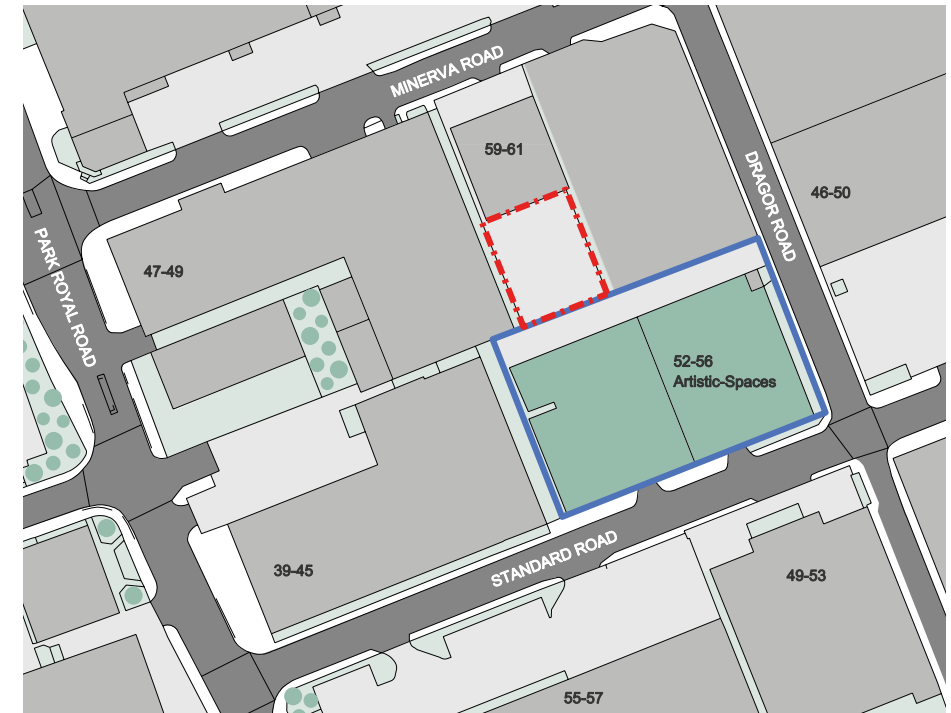
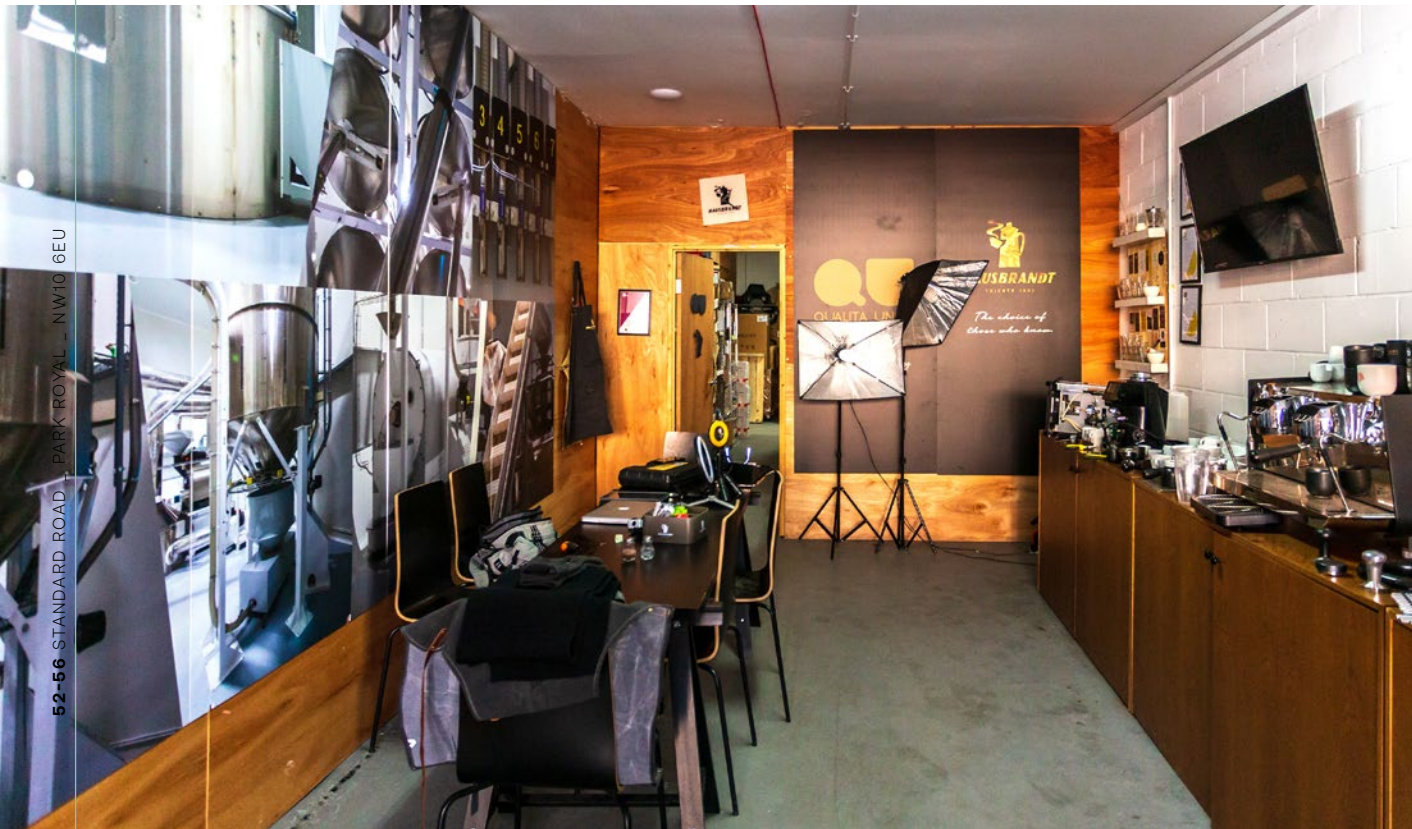
Landlord only option to break on 25/3/2028 and 25/3/2033 subject to 6 months' notice, for future development optionality.

TENURE

The subject property is held freehold across two titles:

no. MX48963
(relating to the main building)
Site Area: 0.760 acres (**Blue**)

no.MX169717
(relating to the rear car park)
Available by side negotiation.
Site Area: 0.141 acres (**Red**)



ARTISTIC SPACES

ABOUT ARTISTIC SPACES

Back in 2010, George Garnier and Joseph Lowe set up Artistic Spaces with the sole aim of making workspace affordable. Two St Martins Fine Art Graduates, they aspired to be able to operate their arts practice from a space that was not just inspiring but sustainable and affordable as well.

By adopting the simple model of chopping up their studio, they were able to reduce their overheads whilst also creating an environment that was conducive not just to the arts but to enterprising individuals and companies.

As their focus shifted from their own art and more into creating these types of environments, Artistic Spaces Limited (the “Company”) was established.

Year on year, the company has grown and now operates across a large part of London with some 655 units ranging from 100 sq ft to 10,000 sq ft in 16 locations.

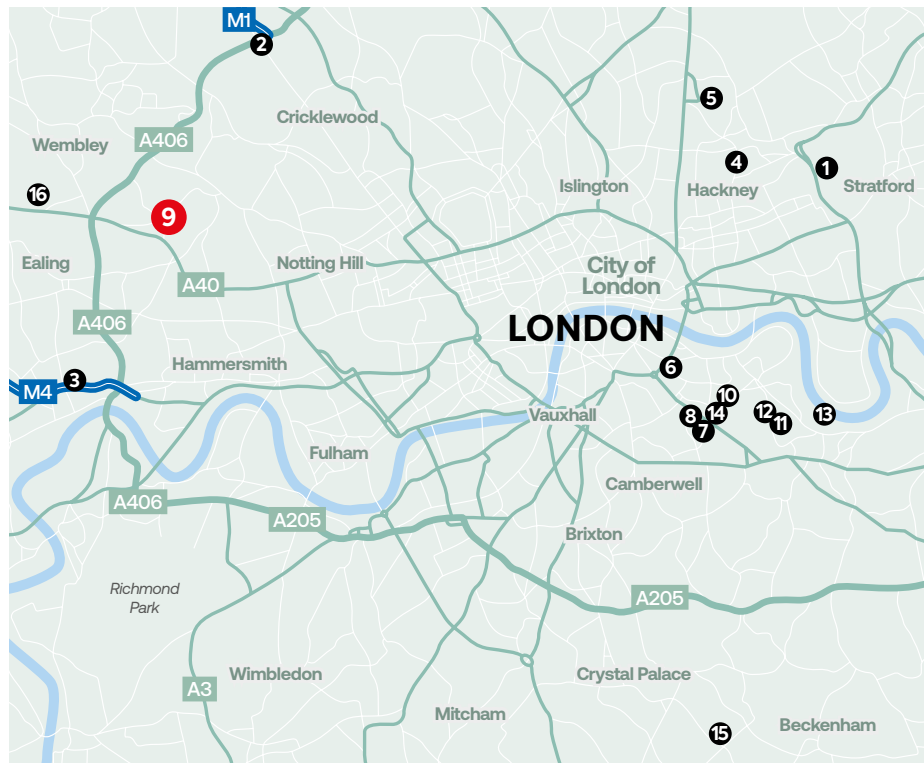
The Company supports regeneration by activating unused spaces and enlivening neighbourhoods, offsetting budget cuts with business rates, and bringing in cultural or leisure activity. The Company is a natural fit for unmodernised and mixed use developments in well-connected areas throughout London.

As of February 2023, Artistic Spaces operates from 16 locations across London.

Further information available at: artistic-spaces.co.uk

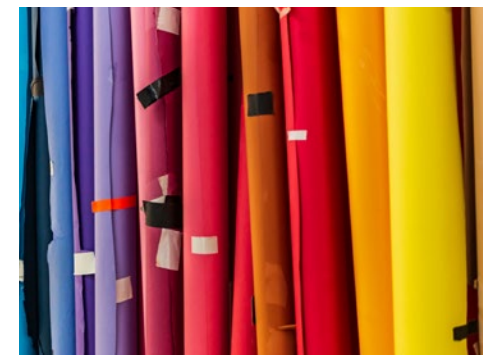


PARK ROYAL LONDON



Artistic Spaces Locations

1. Monier Works
2. Oxgate House
3. Wallis House
4. Gransden Works
5. Warwick Works
6. Page's Walk
7. 3-5 Latona Road
8. 7-17 Latona Road
9. **STANDARD ROAD**
10. Action House
11. Unit 10 SE14 6NB
12. Unit 13 SE14 5RW
13. Phoenix Works
14. Action House Containers
15. Anderley Works
16. Perfume Works



500,000 SQ FT of workspace currently under management

OVER 655 commercial units

96% OCCUPANCY on matured assets

POTENTIAL CAR PARK DEVELOPMENT

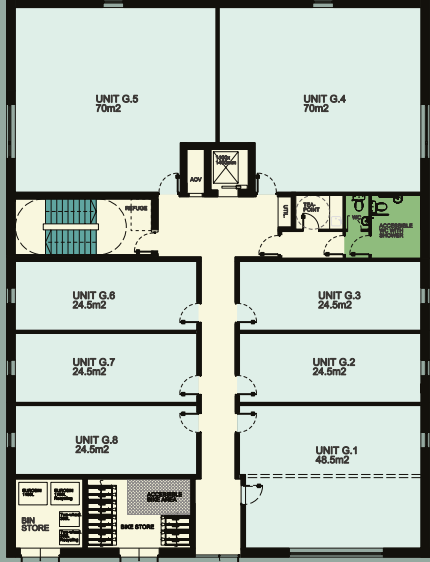
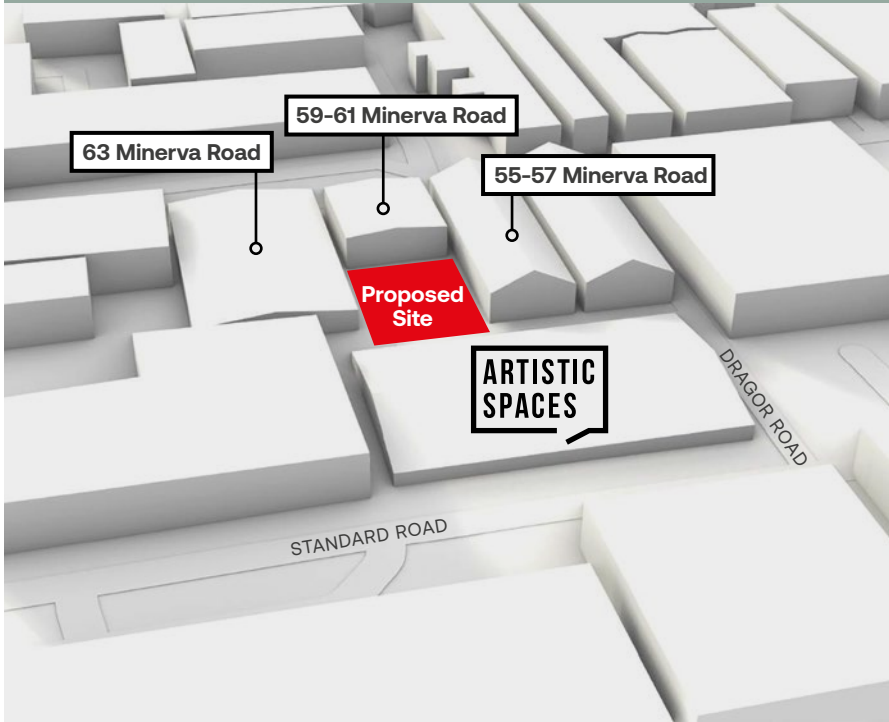
Available by side agreement:

Artistic Spaces are seeking planning permission for the following development but are currently at Pre-App stage.

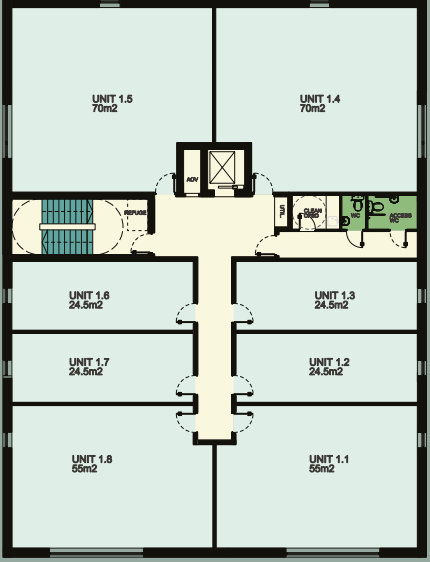
Proposed Development of a commercial building for workshop studios (Use Class E(g)), with associated car parking, cycle parking, and refuse storage.

The proposed development seeks to build a new light industrial building (1,296 sqm / 13,950 sq ft (GIA) which will be sub divided into 24 units to be used as workshops/studios for artists and other creative industries. Floor areas of the studios range from 24.5 sqm up to 70 sqm, which will all have individual entrances. Each unit is provided with an individual entrance door, a loading door and fully accessible WC and kitchenettes. The studios are accessed off a central corridor with a single stair and lift providing access to the upper floors.

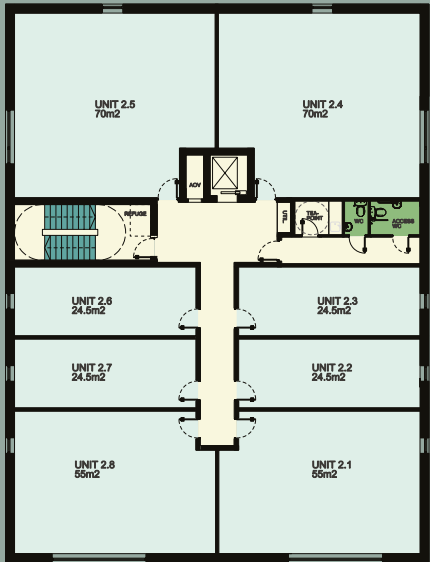
Artistic Spaces would Pre-Let this building at **£250,000 per annum** on mirror lease terms to the existing building under the sale & leaseback.



GROUND FLOOR PLAN



FIRST FLOOR PLAN



SECOND FLOOR PLAN

PROFESSIONAL TEAM

- Planning: Maddox Associates
- Fire Consultant: Magnus Opifex Ltd
- Transport Consultant: Icenj Projects
- Energy, Sustainability: The PES Ltd
- SUDS: Pitman Associates

A LEADING INDUSTRIAL LOCATION.



ARTISTIC SPACES



PARK ROYAL INVESTMENT COMPARABLES

Date	Address	Size (sq ft)	Price	NIY	Cap Val (£PSF)
Subject Property	52-56 Standard Road, Park Royal, London NW10	42,756	£11.65m	6.00%	£272
October 2022	Central Park Way, Park Royal, London NW10	162,000	£120.5m	2.53%	£743
September 2022	Staples Corner Business Park, London NW2	369,514	£180m	2.64%	£487
April 2022	Grand Union Trade Park, London NW10	100,105	£83m	1.90%	£829
April 2022	Nucleus, Park Royal, London NW10	130,441	£108m	1.83%	£828
March 2022	49-53 Standard Road, London NW10 (opposite subject property)	33,077	£17.05m	N/A	£515
December 2021	12 Waxlow Road, Park Royal, London NW10	41,781	£50.05m	1.05%	£1,198
December 2021	Rock and Roll, Waxlow Road, Park Royal, London NW10	58,684	£41.03m	2.49%	£699
December 2021	Imperial Studios, Hammersmith & Fulham, London SW6	30,645	£19.1m	2.51%	£623
May 2021	Park Royal Works, 9-23 Park Royal Road, London NW10	47,748	£19.5m	5.95%	£409
September 2020	1&2 Brent Crescent and 11&13 Brent Works, Park Royal, London NW10	63,371	£19.05m	3.82%	£301
June 2020	5-9 School Road, Park Royal, London NW10	42,722	£15.32m	2.8%	£359
Jan 2020	620 Western Avenue, Park Royal, London NW10	36,171	£9.8m	3.83%	£271

FURTHER INFORMATION

AML:

In accordance with the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 the Purchaser will be required to comply with our Anti Money Laundering policy. Further details on request.

VAT:

The building is not elected for VAT.

ENERGY PERFORMANCE CERTIFICATES:

Majority of space achieves "B" or "C" EPC ratings.

DATA ROOM:

A data room is available with all relevant information relating to the sale upon request. Including:

- Occupational Lease
- Title Information
- Floor Plans
- EPC's
- Plowman Craven Measured Survey (Assignable)
- Management Accounts up to December 2022
- Planning Pre App Documentation for Car Park Development
- Details of upcoming maintenance works schedule.

PROJECTED INCOME RETURNS:

Assuming RPI maintaining 3% average, the investment will provide the following income returns:

Day 1	6%
Year 5	6.94%
Year 10 to expiry	8.05%

All the time underpinned by very strong residual industrial values.

PROPOSAL

Offers invited in excess of **£11,650,000 (Eleven Million Six Hundred Fifty Thousand Pounds)**, representing a **Net Initial Yield of 6.0%** assuming purchaser's costs of **7.5%** on the **core leaseback.**

Potential car park development forward commitment to be agreed by further negotiation (STPP).

ENQUIRIES

For further information, please contact:

Jonny Doulton

07866 075879

jonny.doulton@strettons.co.uk

Neal Matthews

07803 850227

neal.matthews@strettons.co.uk



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