
SPECTRUM HOUSE

32-34 GORDON HOUSE ROAD, GOSPEL OAK, NW5 1LP







INVESTMENT SUMMARY

- A **rare North London, multi-let office/studio investment opportunity** in Gospel Oak
- **Prominently situated 100m from Gospel Oak station** and adjacent to Hampstead Heath
- Provides **excellent connectivity and accessibility into Central London** and across London via underground and overground networks at Gospel Oak and Kentish Town stations
- **Freehold**
- Comprises **46,044 sq ft** of multi-let office accommodation arranged across 34 units over ground, two upper floors and an attractive internal courtyard
- Vendor has **comprehensively refurbished the communal areas and 23 units** which have established the ERV and offer the opportunity to enhance this tone further
- Including under offer units, **the asset is 81% occupied**
- **Current contracted rent of £1,513,120 per annum** reflecting a **low average rent of £40.16 per sq ft**
- Attractive **WAULT of 3.7 years to break and 4.3 years to expiries**
- **5,172 sq ft under offer** across 5 units
- **8,741 sq ft of vacant accommodation** across 7 units offering an immediate opportunity to increase net operating income. **Vendor proposes to offer 18 months service charge, rates and insurance cover over the vacancy**

PROPOSAL

We have been instructed to seek offers for the **freehold interest in excess of £25,500,000** (twenty-five million and five hundred thousand pounds), subject to contract and exclusive of VAT.

A purchase at this level reflects a **net initial yield of 5.56%**, a potential **reversionary yield of 7.90%**, and a **low capital value of £554 psf**, assuming standard purchaser's costs of 6.76%.

SITUATION

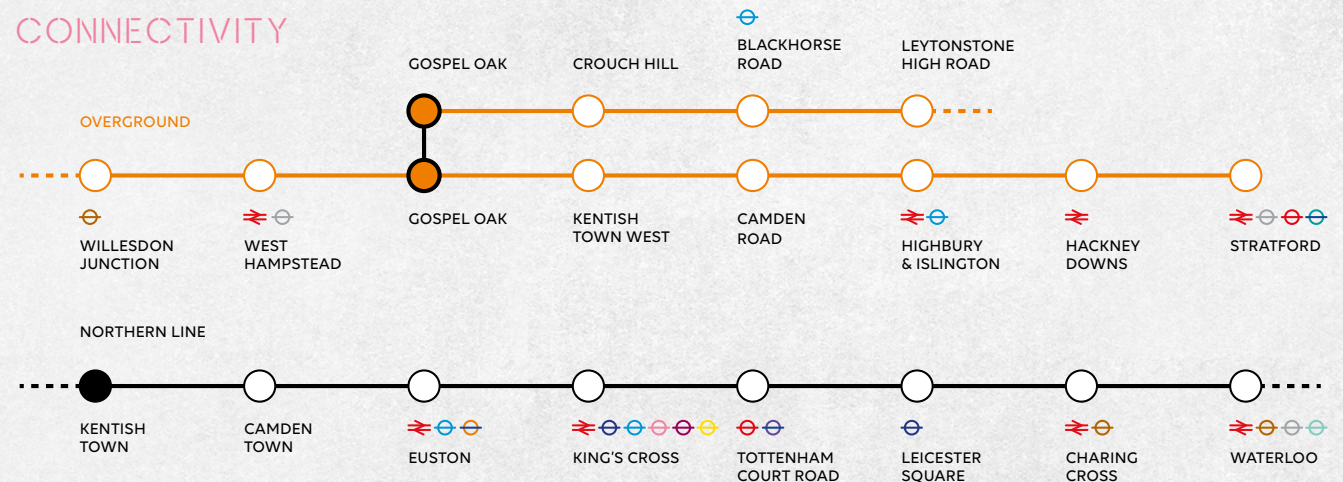
The property is located in one of London's most vibrant districts, the Borough of Camden, 0.5 miles north west of Kentish Town, 1.2 miles north of Camden and adjacent to Hampstead Heath. Kentish town is a bustling area in North London which has benefitted from significant regeneration through numerous new developments whilst maintaining its heritage.

The property is located in close proximity to numerous transport hubs which provide excellent accessibility into Central London and across the capital. Gospel Oak national rail station (100m west), Kentish Town Underground and National Rail Station (0.5 miles south east) and Tufnell Park Underground Station (0.5 miles east) are all in walking distance and serviced by a combination of overground and underground services.

Situated on Gordon House Road, the property is accessed off Highgate Road (B518). Access to the courtyard is via a secure, gated entrance fronting Gordon House Road.



CONNECTIVITY



EMIRATES
STADIUM

SPECTRUM
HOUSE

CANARY
WHARF

KENTISH
TOWN

THE CITY

THE SHARD

KING'S CROSS /
ST PANCRAS

CAMDEN
TOWN

TUFNELL PARK

HIGHGATE
ROAD

GORDON HOUSE
ROAD

PARLIAMENT HILL
FIELDS LIDO

HAMPSTEAD
HEATH

GOSPEL OAK



DESCRIPTION

Spectrum House comprises an attractive multi-let office building which provides 46,044 sq ft of accommodation. The front and west wing of the property fronting Gordon House Road comprises office/studio accommodation over ground and two upper floors. To the rear of the property, arranged over ground and first floors are a variety of self-contained offices set around the courtyard. Two of the units have been granted planning consent to provide gym offerings.

Internally, the common parts and communal WC facilities to the main building have been comprehensively refurbished to include new services, lighting and flooring. Works also included the introduction of shared break out areas, showers, and a new main entrance with communal, glazed meeting rooms which tenants can book to use.

The Vendor has comprehensively refurbished 23 units totalling 23,617 sq ft during their ownership. Refurbished units generally benefit from the following specification:



Exposed services



A/C - Comfort cooling



Suspended lighting



Shower facilities



Parquet / wooden flooring



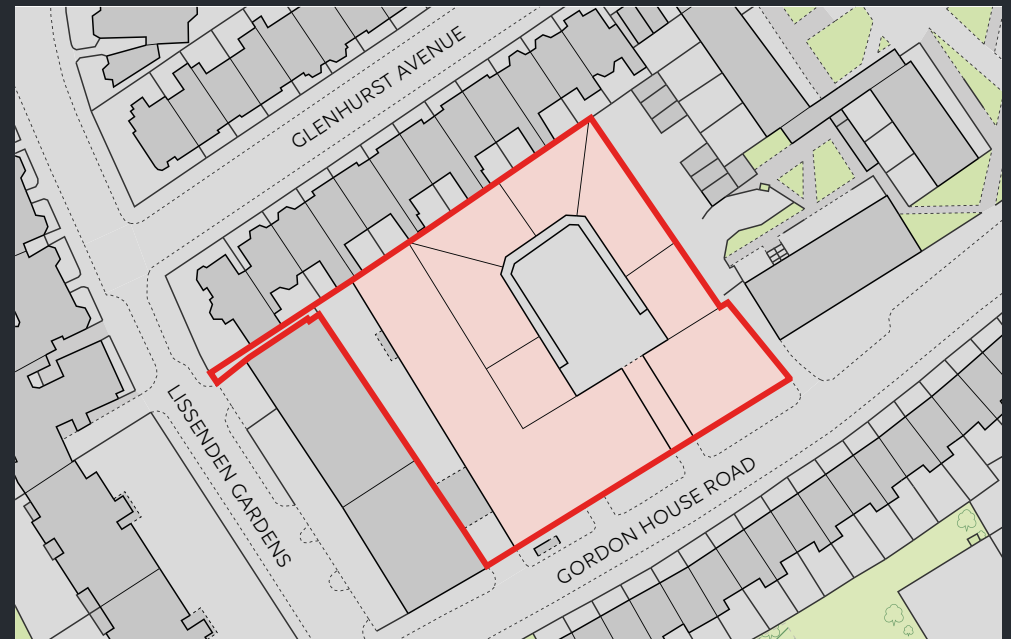
Kitchenettes



17 car parking spaces



Super-fast fibre internet connected



SITE AREA

The property occupies a site area of 0.75 acres (0.30 ha).



Not to scale. For identification purposes only. This plan is based upon the Ordnance Survey Map with the sanction of the controller of H.M. Stationery Office. Crown Copyright reserved



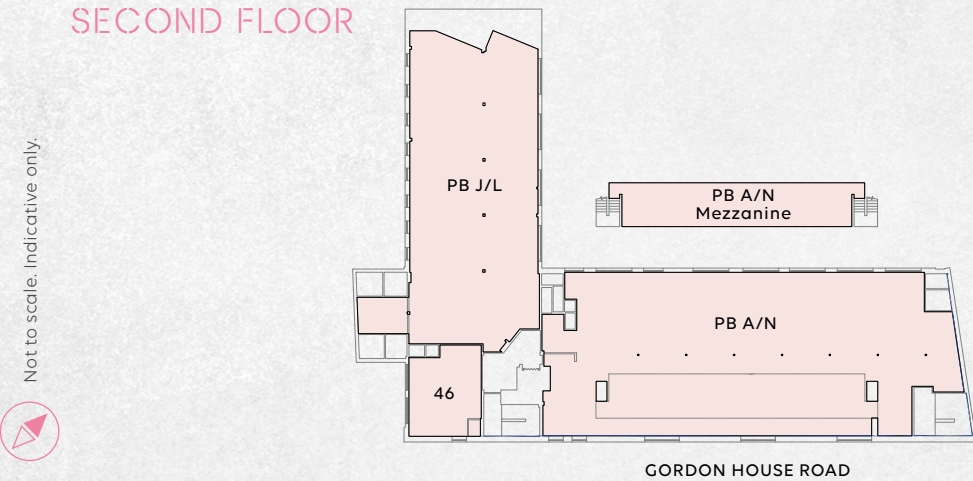
Spectrum House offers attractive and flexible workspace benefitting from excellent natural light

ACCOMMODATION

Spectrum House has been measured in accordance with the RICS Code of Measuring Practice (6th Edition) and comprises the following Gross and Net Internal Areas. A detailed breakdown of the individual suite areas is provided in the tenancy schedule and an assignable measured survey is available in the dataroom.

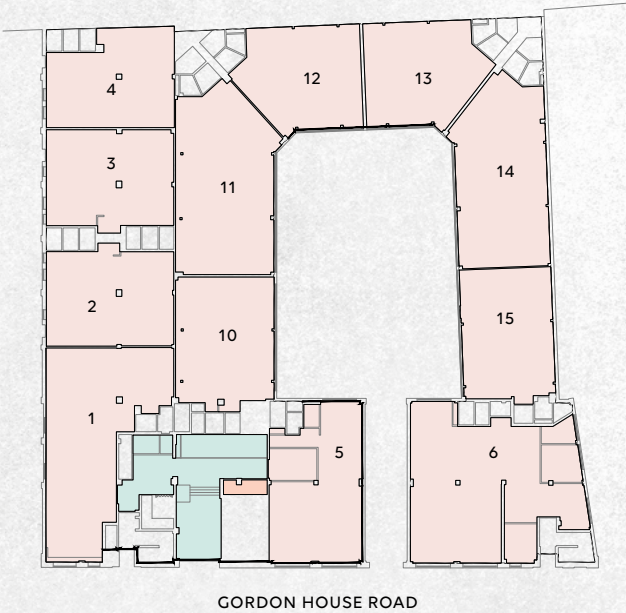
FLOOR	USE	UNITS	NIA (SQ FT)	NIA (SQ M)	GIA (SQ FT)	GIA (SQ M)
Mezzanine	Office	1	982	91.2	1,051	97.7
Second	Office	3	10,259	953.1	11,658	1,083.0
First	Office	19	17,775	1,651.7	21,938	2,038.1
Ground	Office	12	17,028	1,581.9	21,381	1,986.4
TOTAL		34*	46,044	4,277.9		
Reception / Storage			1,042	102.4		
Basement	Storage		1,175	109.2	1,387	128.8
TOTAL			48,321	4,489.5	57,415	5,334.0
Parking Spaces		17				

*The mezzanine floor forms part of Unit PBA/N and is not counted as a separate unit in this total. The reception, storage and basement are also excluded from this total.

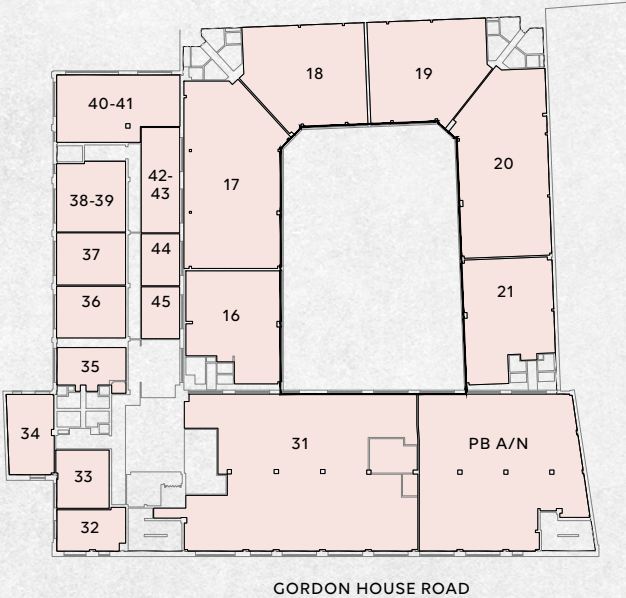


VIRTUAL TOUR

GROUND FLOOR



FIRST FLOOR





Headline rental tones of £50.00 per sq ft are being achieved across the asset, providing a reversionary yield of 7.90%

TENANCY SCHEDULE

81% OCCUPIED

 BY 24 TENANTS
INCL UNITS U/O

£40.16 PER SQ FT

 LOW AVERAGE
PASSING RENT

5,172 SQ FT

 U/O ACROSS
5 UNITS

£50.00 PER SQ FT

 HEADLINE RENT
ON U/O UNITS

Unit	Tenant	Area (sq ft)	Lease Dates			Rent Review	1954 Act?	Contracted Rent		Comments
			Start	End	Break			(£ per Annum)	(£ PSF)	
1	Guardspara Limited	1,814	24/04/2021	23/04/2031		24/04/2026	Out	£78,000	£43.00	Current rent £45,500pa, stepped increase to £78,000pa on 24/04/2023.* Further rent review on 24/04/2026.
2	Future Health Works Ltd	1,198	01/12/2019	30/11/2022			Out	£57,510	£48.01	
3	The Picky Lady Limited (t/a F45)	1,214	01/03/2020	28/02/2035	01/03/2030	01/03/2025	Out	£54,788	£45.13	Mutual break option subject to 6 months' notice. Further rent review on 01/03/2030.
4	The Picky Lady Limited (t/a F45)	1,135	01/03/2020	28/02/2035	01/03/2030	01/03/2025	Out	£51,212	£45.12	Mutual break option subject to 6 months' notice. Further rent review on 01/03/2030.
5 (b)	Vacant	922						£0.00	£0.00	
5 (a) and 6	Under Offer	2,699	29/12/2022	29/12/2037	29/12/2032	29/12/2027	In	£75,000	£27.79	Under offer, subject to planning. Lease terms/dates to be confirmed. 15 year term, subject to CPI linked, 5 yearly, rent reviews. Tenant to benefit from 9 months' rent free.*
10	Second Skin PTY Limited	1,236	08/11/2019	07/11/2024			Out	£59,500	£48.14	
11	Ubitricity Distributed Energy Systems UK Limited	1,727	01/12/2019	30/11/2024			Out	£83,000	£48.06	
12	Vacant	1,160						£0.00	£0.00	
13	Vacant	1,129						£0.00	£0.00	
14	Under Offer	1,614	31/07/2022	23/07/2028			Out	£80,700	£50.00	Under offer. Lease terms/dates to be confirmed. Tenant to benefit from 20 months' half rent.*
15	Shoot The Moon Limited	1,180	17/12/2019	16/12/2024			Out	£59,650	£50.55	
16	Vacant	962						£0.00	£0.00	
17	Vacant	1,766						£0.00	£0.00	
18	Picrow Streaming UK Limited	1,188	14/09/2022	13/03/2023	14/12/2022		Out	£66,000	£55.56	Mutual break option subject to 1 month notice.
19	Vacant	1,152						£0.00	£0.00	
20	Vacant	1,650						£0.00	£0.00	
21	January Group Ltd	1,021	07/09/2021	06/09/2024			Out	£45,950	£45.00	
31	The Shadow Robot Company Limited	3,509	01/12/2019	30/11/2029		01/12/2024	Out	£168,500	£48.02	RPI indexed, annual rent reviews with 01/12/2024 being first review.
32	Under Offer	290	30/10/2022	29/10/2024			Out	£14,500	£50.00	Under offer. Lease terms/dates to be confirmed. Tenant benefits from 1 month rent free.*

TENANCY SCHEDULE

Unit	Tenant	Area (sq ft)	Lease Dates			Rent Review	1954 Act?	Contracted Rent		Comments
			Start	End	Break			(£ per Annum)	(£ PSF)	
33	Rheenergise Limited	313	18/05/2021	17/05/2024			Out	£15,650	£50.00	Current rent £14,350pa, stepped increase to £15,650pa on 18/05/2023.*
34	Hasscon Limited	379	22/04/2020	21/04/2023			Out	£22,800	£60.16	
35	Madame Inikikto Limited	287	04/03/2022	03/03/2025			Out	£14,500	£50.52	
36	Under Offer	366	14/10/2022	13/10/2025	13/10/2024		Out	£18,300	£50.00	Under offer. Lease terms/dates to be confirmed. Tenant benefits from 6 months' rent free.*
37	ARTArchitects Ltd	369	01/03/2020	28/02/2025			Out	£22,200	£60.16	
38-39	Makosch Limited	493	08/09/2022	07/09/2024	31/12/2023		Out	£24,650	£50.00	Current rent £12,325pa, stepped increase to £24,650pa on 08/01/2023. Mutual break option subject to 6 month's notice.*
40-41	Meder Store Ltd	784	19/11/2020	18/11/2023			Out	£37,650	£48.02	Current rent £34,500pa stepped increase to £37,650pa on 19/11/2022.*
42	Allison Devers	205	03/12/2021	02/12/2023			Out	£12,300	£60.00	
43	Arta London Limited	205	30/04/2021	29/04/2024	30/04/2023		Out	£10,250	£50.00	Mutual break option subject to 6 months' notice.
44	Under Offer	203	25/08/2022	30/11/2024			Out	£10,150	£50.00	Under Offer. Lease terms/dates to be confirmed. No tenant incentive.
45	RE: Co Insights Ltd	203	17/03/2022	16/03/2024			Out	£10,000	£49.26	
46	Melrose and Morgan Limited	581	11/02/2021	10/02/2024			Out	£27,900	£48.02	Current rent £25,550pa stepped increase to £27,900pa on 11/02/2023.*
PBA/N	Jenny Packham (London) Limited	9,260	01/12/2013	30/11/2023		01/12/2022	Out	£257,650	£27.82	
PBJ-L	Warp Records Limited	3,830	15/12/2015	14/12/2025			In	£119,810	£31.28	
CP 1	Second Skin PTY Limited	1	08/11/2019	07/11/2024			n/a	£1,500		
CP 2/3/4/4A	Ubitricity Distributed Energy Systems UK Limited	4	01/12/2019	30/11/2024			n/a	£6,000		Separate licences on each space.
CP 5/6	Jenny Packham (London) Limited	2	01/12/2013	30/11/2023			n/a	£0.00		Right to use two spaces.
CP 7/8	Shoot The Moon Limited	2	17/12/2019	16/12/2024			n/a	£0.00		Right to use two spaces.
CP 8A/14	April Production Ltd	2	07/09/2021	06/09/2024			n/a	£3,000		Separate licences on each space.
CP 9	Warp Records Limited	1	15/12/2015	14/12/2025			n/a	£0.00		Exclusive right to park included in lease of units J, K, L.
CP 10	Arta London Limited	1	30/04/2021	29/04/2024			n/a	£1,500		
CP 11	Melrose and Morgan Limited	1	18/07/2021	10/02/2024			n/a	£1,500		
CP 12,13	Vacant	2					n/a	£0.00		The tenants of units 1, 2, 3, 4, 12, 31, 32, 40, 41, 33, 34, 35, 10, 37, 43, 45, 46, 11, 15, have a right to use the remaining spaces if available.
CP 15	The Picky Lady Limited (t/a F45)	1	16/10/2019	15/10/2034			n/a	£1,500		
TOTAL		46,044						£1,513,120	£40.16	

* The Vendor proposes to top up all outstanding rent free incentives and fixed stepped rents to the final contracted step.

ASSET MANAGEMENT

Spectrum House has benefitted from significant capital expenditure spent on the exterior, communal areas, entrance reception and individual units on an ad hoc basis. Subsequently, it benefits from a solid and stable basis from which to enhance income and drive occupancy through continued active asset management. There are immediate short-term and medium-term asset management initiatives for the prospective purchaser to implement.

- Let the remaining 7 vacant units within the property. The property is well positioned to provide modern, flexible, well specified plug and play type space which is proving increasingly popular with occupiers
- Continuation of the internal refurbishment programme on an ad hoc basis will continue to attract new lettings and retain existing tenants on improved terms
- The property has the ability to offer tenants flexibility and match their growth and expansion requirements. Developing tenant relationships and understanding occupiers' needs will facilitate tenants expanding within the building. Upsizing and reconfiguration of existing space can often lead to increased headline rents and longer lease commitments
- Continue to explore opportunity to change planning use of Unit 5(b) to a café

EPC

A full suite of EPCs are available within the dataroom.

PLANNING

The property has on the whole been in use for purposes within Class B1 of the Town and Country Planning (Use Classes) Order 1987 since the early 1990s, save for a small number of units which were later granted planning permission for uses within Classes D1 and D2.

The Property is not listed but is situated within the Dartmouth Park Conservation Area and is subject to Article 4 directions.

Further details available upon request.



FURTHER INFORMATION

CAPITAL ALLOWANCES

Further information available upon request.

DATAROOM

Further information can be found in the marketing dataroom, access is available upon request.

AML

The Purchaser will be required to provide information as requested in order to satisfy our Anti-Money Laundering Policy.

VAT

The Property has been elected for VAT and it is anticipated that the transaction will be treated as a transfer of a going concern (TOGC).

THE PROPOSAL

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A purchase at this level reflects a **net initial yield of 5.56%**, a **potential reversionary yield of 7.90%**, and a **low capital value of £554 psf**, assuming standard purchaser's costs of 6.76%.

A purchase of the corporate entity may be available via separate negotiation.

CONTACT

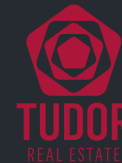
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