

Islington Studios

159-163 MARLBOROUGH ROAD, ARCHWAY, N19 4NF





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Beautiful Studios & Offices To Rent
Call Emily 0203 641 4022
www.islingtonstudios.com

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HAND CAR WASH



Investment Summary

- ▶ Prominent **North London, multi-let office investment** opportunity
- ▶ Situated between **Finsbury Park and Archway**, an attractive and vibrant district within the **affluent London Borough of Islington**
- ▶ The asset benefits from excellent transport connectivity, strategically positioned in close proximity to both **Archway and Finsbury Park stations** enabling excellent accessibility into Central London and across the city
- ▶ Islington Studios consist of **an attractive multi-let office** arranged around a **central, landscaped courtyard** over ground and two upper floors
- ▶ **Freehold**
- ▶ Comprises **54 flexible units totalling 33,651 sq ft**
- ▶ **45% let**, including units under offer
- ▶ **30 units, reflecting c.58% (by floor area) have been comprehensively refurbished** during the Vendor's ownership providing the opportunity to enhance the rental tone
- ▶ **Current contracted rent of £695,771 per annum**, reflecting a low average passing rent of £45.11 psf
- ▶ Attractive **WAULT of 1.7 years to breaks and 2.1 years to expiry**
- ▶ Myriad of **short, medium and longer term asset management opportunities**, including **letting the vacant space**, further **refurbishment works** and exploring potentially **higher value alternative uses** (subject to necessary consents)

PROPOSAL

We have been instructed to seek offers for the **freehold interest in excess of £15,500,000 (Fifteen million and five hundred thousand pounds)**, subject to contract and exclusive of VAT.

A purchase at this level reflects a **net initial yield of 4.20%**, a potential **reversionary yield of 9.20%**, and a **low capital value of £461 psf**, assuming standard purchaser's costs of 6.71%.

Situation

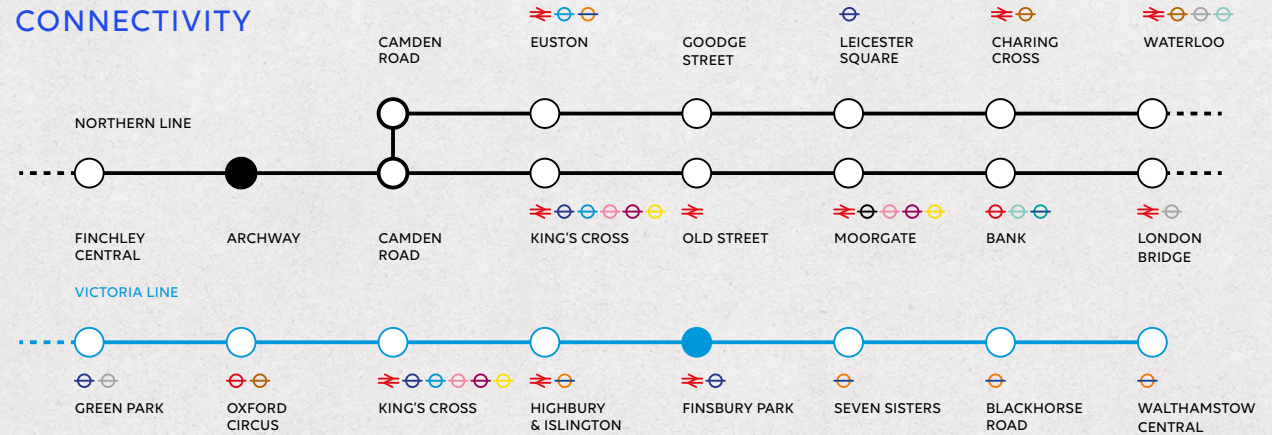
Archway is an attractive and vibrant district in the affluent London Borough of Islington, approximately a mile west of Finsbury Park and south of Crouch End, and 3 miles north of Central London. Archway has profited from significant regeneration and gentrification via multiple projects which have considerably improved its transport connectivity and the diversity of its amenity offering.

The property is situated in close proximity to a number of transport hubs including Upper Holloway Overground station (0.3 miles west), Archway Underground (0.5 miles west) and Finsbury Park Underground station (1 mile south east). As detailed below, these hubs are serviced by both underground and overground links which provide excellent accessibility into Central London and across the capital.

Islington Studios is situated on Malborough Road which is accessed off Hornsey Road (A103) which in turn connects with Seven Sisters Road.



CONNECTIVITY



Islington Studios

THE CITY

THE SHARD

Highbury & Islington
London Underground icon

EMIRATES STADIUM

Caledonian Road
London Underground icon

ARSENAL
London Underground icon

Finsbury Park
London Underground icon

FINSBURY PARK

SEVEN SISTERS ROAD

HORNSEY ROAD



Description

The property comprises an attractive warehouse style building, built around a central courtyard and arranged over ground and two upper floors. In total it provides 33,651 sq ft of 'workshop' style office units. Islington Studios provides flexible accommodation with units ranging from 214 sq ft to 1,591 sq ft. This enables the property to attract a diverse range of local occupiers from start-ups to established businesses as the building can accommodate their expansion and growth.

The majority of the ground floor units have been comprehensively refurbished and benefit from large glass frontages onto the internal courtyard. The glazing combined with their high ceilings provides excellent natural light and attractive accommodation. The second and third floors are accessed via a steel gantry, and benefit from high ceilings and in places exposed wooden beams and rooflights.

The Vendor has comprehensively refurbished 30 units (c. 19,443 sq ft) during their ownership. Units have been renovated to an exceptionally high specification including new glazing, exposed services, air handling units, new suspended lighting and a mixture of exposed and finished timber floors.

The upper floors are served via two goods lifts and a central staircase situated in the middle of the courtyard. Additional stairways are located at each of the four corners of the building, off of which refurbished, communal WC facilities are positioned.

A new external aggregate finish has been laid in the courtyard and provides parking facilities and electrical charging points.



Metal perimeter trunking



Air conditioning



Keyless, fob access



New LED Lighting



Secure bike storage



Communal kitchenettes and showers

SITE AREA

The property occupies a site area of 0.50 acres (0.20 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



Newly refurbished, Islington Studios offers occupiers flexible and highly specified units

Accommodation

Islington Studios 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. An assignable measured survey is also available in the dataroom.

FLOOR	USE	UNITS	NIA (SQ FT)	NIA (SQ M)	GIA (SQ FT)	GIA (SQ M)	
Second	Office	15	11,558	1,073.6	12,842	1,193.1	
First	Office	20	10,650	989.5	12,641	1,174.4	
Ground	Office	18	10,123	940.4	12,201	1,133.5	
Basement	Storage	1	1,320	122.6	1,391	129.2	
Car parking		9 spaces					
TOTAL		54	33,651	3,126.1	39,075	3,630.2	

2ND FLOOR



Not to scale. Indicative only.



GROUND FLOOR



VIRTUAL TOUR
GROUND



1ST FLOOR



VIRTUAL TOUR
1ST AND 2ND



Islington Studios provides light, vibrant and flexible office space within minutes of Archway and Finsbury Park



Summary of Contracted Income

45%

OCCUPIED

BY 22 TENANTS
INCL UNITS U/O

3,122

SQ FT

U/O ACROSS
8 UNITS

100%

OF INCOME

CONTRACTED OUTSIDE
THE 1954 ACT

18

MONTHS

RATES / SC / INSURANCE
GUARANTEE ON VACANCY**

Unit	Tenant	Area (sq ft)	Lease Dates		1954 Act?	Contracted Rent		Comments
			Start	End		(£ per Annum)	(£ PSF)	
G1	Vinci Construction UK Limited	1,172	27/08/2021	26/08/2025	Out	£47,270	£40.33	Current rent £42,975pa, stepped increase to £47,270pa on 27/08/2023.*
G3	Stasya Cakes Ltd	284	28/09/2021	27/09/2024	Out	£12,492	£43.99	Current rent £6,246pa, stepped increase to £12,492pa from 28/09/2022.*
G4	U/O	589	29/12/2022	29/12/2032	Out	£27,600	£46.86	Under offer. Lease terms/dates to be confirmed. Tenant to benefit from 10 months' rent free, given as 5 months' half rent. Rent to be reviewed on fifth anniversary of the Term (29/12/2027).*
G5	U/O	587	01/10/2022	01/10/2024	Out	£27,600	£47.02	Under offer. Lease terms/dates to be confirmed. Tenant to benefit from 4 months' half rent. Tenant has moved from G17.*
G6	E J Interiors Limited	282	01/08/2020	31/07/2022	Out	£14,100	£50.00	Tenant in discussions to regear for an additional year. Rent to remain at £14,100 pa. Tenant to benefit from two months' half rent.*
G7	U/O	290	29/12/2022	29/12/2024	Out	£13,800	£47.59	Under offer. Lease terms/dates to be confirmed.*
G8	UKMusicGroup Ltd	288	03/11/2020	02/11/2022	Out	£13,105	£45.50	
G9, G10, G11, G12 and 2.1	City of London Academies Trust	4,513	27/06/2022	31/08/2024	Out	£212,111	£47.00	Tenant-only break option on 31/08/2023 subject to giving not less than 3 months written notice. Additional mutual break option on 31/01/2024 subject to giving not less than 3 months written notice.
G13	SORSO.XYZ Ltd	302	03/02/2022	29/12/2023	Out	£14,496	£48.00	
G14	Abalta Limited	287	01/03/2022	29/02/2024	Out	£13,776	£48.00	Landlord-only rolling break option on 4 weeks' prior written notice.
G16	Identity Party Ltd	282	05/01/2022	04/01/2023	Out	£13,680	£48.51	
G19	U/O	603	29/12/2022	29/12/2032	Out	£18,000	£29.85	Under Offer. Lease terms/dates to be confirmed. Tenant to benefit from 10 months' rent free, given as 20 months' at half rent.*
1.4	Central Recruitment Services Limited	279	20/07/2021	19/07/2024	Out	£12,600	£45.16	Current rent £11,550pa, fixed stepped increase to £12,600 pa on 20/07/2023.*
1.6	Lucky Number Music Limited	277	01/03/2022	28/02/2023	Out	£12,180	£43.97	
2.3	U/O	284	29/12/2022	29/12/2024	Out	£13,080	£46.06	Under Offer. Lease terms/dates to be confirmed. Tenant to benefit from 6 months' half rent.*
2.4	U/O	285	29/12/2022	29/12/2023		£13,872	£48.67	Under Offer. Lease terms/dates to be confirmed. Tenant to benefit from 1.5 months' rent free.*
2.6	U/O	284	29/12/2022	29/12/2024		£11,400	£40.14	Under Offer. Lease terms/dates to be confirmed. Tenant to benefit from 3 months' rent free, given as 6 months' half rent.*
3.2	Gary Martin Butler	244	04/05/2021	03/05/2026	Out	£10,005	£41.00	Current rent £8,340pa, stepped increase to £10,005pa on 04/05/2023. Mutual break option (04/05/2024) subject to 6 months' notice.*
3.5	Mihomecare Limited	889	31/01/2020	30/01/2023	Out	£39,440	£44.36	
3.6	Mihomecare Limited	1,277	31/01/2020	30/01/2023	Out	£59,560	£46.64	
4.2	Better Universal Grub Limited	560	13/05/2021	12/05/2024	Out	£26,320	£47.00	Current rent £24,130pa, stepped increase to £26,320 pa on 13/05/2023.*
4.3	Creative Styling Limited	583	01/06/2021	31/05/2026	Out	£26,820	£46.00	Current rent £24,585pa, stepped increase to £26,820 pa on 01/06/2023.*
4.4	Comns 8 Ltd	573	25/07/2022	24/07/2025	Out	£26,364	£46.01	Current rent £13,182 pa, stepped increase to £26,364 pa on 25/11/2022.* Mutual break option (24/01/2024) subject to 3 months' prior written notice.
CPS 1-8	Various	8				£9,500		8 spaces let on licence agreements to 5 tenants within the building. All licences contain a mutual option to terminate at anytime subject to at least 1 months' written notice. Further details available.
Basement (Part)	U/O	200	19/09/2022	18/09/2032	Out	£6,600	£33.00	Under Offer. Lease terms to be confirmed. £3,300 pa for first 10 months' and then fixed increase to £6,600pa.* Mutual break option at year 5 (19/09/2027) subject to 3 months' written notice.
Total		15,214				£695,771	£45.11	

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

** The Vendor proposes to offer a rates, service charge and insurance guarantee for 18 months' across the vacant accommodation.

The Opportunity

The Property offers a prospective purchaser immediate, short term opportunities to enhance net operating income by securing tenants across the currently vacant accommodation. The Vendor proposes to provide a **rates, service charge, and insurance guarantee on the vacant space for 18 months.**

27

VACANT UNITS

17,021

SQ FT

OF AVAILABLE
ACCOMMODATION

£47.00

PSF

HEADLINE ERV

The Property provides a diverse range of available unit sizes from 214 - 1,1212 sq ft, offering flexibility and the ability to accommodate tenants with growth ambitions.

7

UNITS

<500 SQ FT

15

UNITS

500 - 1,000 SQ FT

5

UNITS

>1,000 SQ FT

c.42% of the vacant accommodation has been refurbished and provides plug and play space ready for immediate occupation.

7,082

SQ FT

REFURBISHED
VACANT SPACE

9,939

SQ FT

UNREFURBISHED
VACANT SPACE

18

MONTHS

RATES, SERVICE CHARGE, AND
INSURANCE GUARANTEE ON
VACANT SPACE



Asset Management

Having undergone significant refurbishment Islington Studios is now perfectly positioned to capitalise on this investment through active asset management:

- ▶ Continuation of the existing leasing strategy which is gathering pace following completion of the refurbishment works. A number of recent leases have now cemented the rental tone ahead of pre-pandemic levels. A sign of the resilience of the occupational market and a testament to the quality of the refurbishment
- ▶ A number of units are yet to be refurbished owing to continued occupation. The relocation of some existing tenants to newly refurbished space, on enhanced terms, could allow for a rolling refurbishment of the remaining space
- ▶ Longer term asset management strategies could include the exploration of enhanced massing on the site for either the current use or conversion/redevelopment to higher value alternative uses such as residential, student or hotel (STP)



EPC

A full suite of EPCs are available within the dataroom.

PLANNING

The property benefits from planning permission for use as workshops within Class B1 of the Town and Country Planning (Use Classes) Order 1987 and has been in use for this purpose since the late 1980's, save for a small number of the units which were later granted planning permission for uses within Classes A3 and D1/Sui Generis.

The Property is not listed nor is it situated within a Conservation Area. It is subject to an Article 4 direction.

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).

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

Contact

For further information or to make arrangements for a viewing please contact:



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