



# METRO APARTMENTS

CENTRAL SQUARE | LONDON | HA9 7FA



RESIDENTIAL INVESTMENT OPPORTUNITY

## INVESTMENT HIGHLIGHTS

**Stabilised leasehold portfolio comprising 38 units situated adjacent to Wembley Central Station (Travel Zone 4)**

- > 38 residential apartments and 9 surface car parking spaces
  - 2 spaces are reserved for Car Club use only
- > Term of 116 years unexpired
- > Residential net saleable area (NSA) of 2,178 sq m / 23,444 sq ft
- > Rent passing - £662,220 per annum, (97% occupancy)
- > Estimated rental value (ERV) - **£715,600 per annum** (incl. 7 car parking spaces)
- > NHBC Warranties
- > Adjacent to Wembley Central (Travel Zone 4 – Bakerloo Underground, Overground, Southern and West Midlands National Rail) providing access in to Oxford Circus and Liverpool Street in c. 30 and c. 45 minutes respectively
- > Opportunity to enhance the income stream with ongoing asset management opportunities



## KEY ASSET HIGHLIGHTS

### Prime Location

The Portfolio is ideally situated directly adjacent to Wembley Central Station, providing direct access into Central London. The station provides National Rail services on the following lines: Southern, West Midlands and Overground lines, and Bakerloo London Underground services (Travel Zone 4). The journey time to Oxford Circus is approximately 30 minutes.

### Rental Uplift Potential

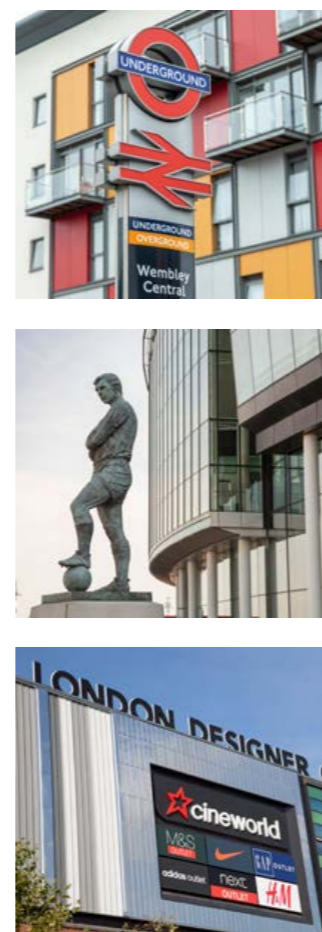
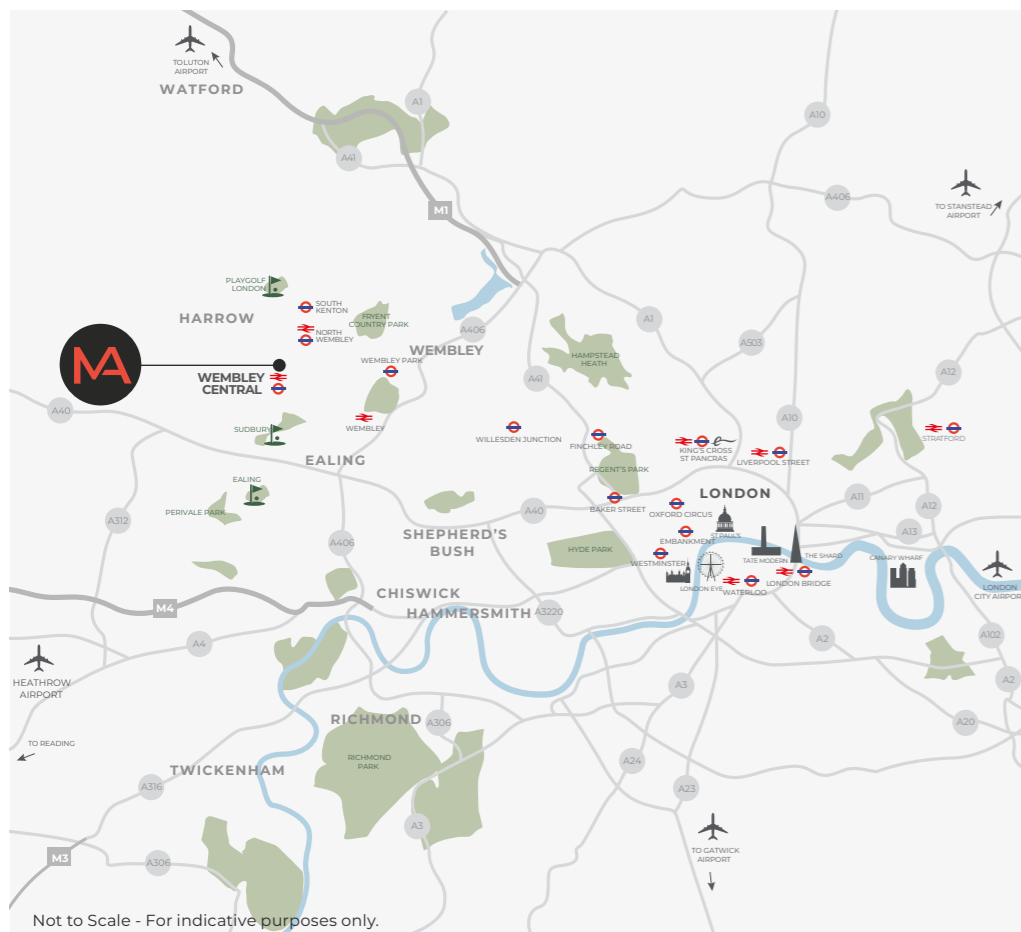
The existing rental position is reversionary as the current Landlord has not pursued an active lettings and asset management strategy. There is potential to increase rents either due to (i) a lack of recent rent reviews, (ii) the condition of the property, (iii) by utilising the car parking spaces. There is also an opportunity to negotiate renting further spaces in Park Jockey underground car park and raising rents as a result. Park Jockey charge £100 pcm per space, however if multiple spaces were rented there is potential for a negotiation of price.

### Affordable Price Point

Compared to new build schemes in the immediate area, Metro Apartments provides one of the best located schemes at a comparatively more affordable price point, providing an opportunity to increase rents without increasing voids.

Scheme	1 Bed £pcm	2 bed £pcm	£ per sq ft
Metro Apartments (Subject)	£1,265 – £1,380	£1,500 – £1,650	£29
The Assembly – Liv London / M&G	Starting at £1,495	Starting at £1,665	£32
Alto*	£1,300 – £1,950	£1,768 – £2,600	£37
Montana*	£1,668 – £1,842	£1,833 – £2,674	£38
Dakota*	£1,573 – £1,950	£1,733 – £2,301	£37

\*These schemes are let and managed by Quintain, and are an all-inclusive rent.



## DESCRIPTION

Metro Apartments is situated in Building 2, which was developed in March 2015 by St Modwen Properties plc as part of the £90m redevelopment of the town centre, which included a new public square, shops, cafes and leisure facilities, a fully refurbished car park and 273 new homes.

Metro Apartments comprises the third and fourth floor of a purpose-built building which also comprises a hotel, currently occupied by Travelodge, to the first and second floor and a range of shops comprising the Wembley Central Shopping Centre. There are nineteen apartments on each floor, all of which are let on ASTs aside from one which is currently vacant. The apartment mix comprises 12 x one bedroom and 26 x two bedroom apartments, ranging in size from 452 sq ft (43 sq m) to 869 sq ft (80.7 sq m). Access to the apartments is provided through two private entrances; one at ground floor level to the south of the building on the shopping parade; and the second at -3 level the car park. Both doors are accessed with use of a security tag, which also provides lift access to the third and fourth floors.

The units have been let since practical completion. Each of the apartments and common parts are within rentable condition, however along with reviewing the current lettings and management strategy there is opportunity to enhance the current income stream through refurbishment and active asset management.

### Energy system

The leaseholder currently pays for the gas and maintains a central boiler system that serves all the apartments. The tenants pay for the heat used based on heat meter readings in each apartment. Evinov administer those charges.

The current contract is available in the Dataroom.

## LOCATION

Metro Apartments are located in Wembley Central, within the London Borough of Brent. Wembley is bordered by Ealing to the south, Northolt to the west, Harrow to the north and Brent Park to the east. The property is situated to the south side of the High Road, adjacent to Wembley Central station and Wembley Central Shopping Centre. The immediate locality is predominately commercial and retail uses, with the surrounding area characterised by residential uses.

The Property is situated within the Wembley Central Shopping Centre, adjacent to Wembley Central Station and benefitting from access to a range of shops and restaurants including Tesco Metro, Sport Direct, The Gym and TK Maxx, helping to drive occupational demand.

Transport links are excellent with Wembley Central Underground Station (Zone 4 – Bakerloo line) situated adjacent to the property. Wembley Central also offers Overground, West Midlands and Southern services both into Central London and out of London. The A40 road is situated 1.6 miles (2.6km) to the south of the Property, which is one of the main arterial routes through London. It provides access through London to the east and merges into the M40 motorway to the west by Uxbridge, which provides direct access to Birmingham.



Wembley Central	Into London	Out from London
Bakerloo Underground	Oxford Circus - c. 30 mins Liverpool Street - c. 45 mins	Harrow & Wealdstone - c. 8 mins
Southern	Clapham Junction - c. 30 mins	n/a
West Midlands	London Euston - c. 28 mins	Birmingham New Street - c. 2h10 mins
Overground	London Euston - c. 25 mins	Watford Junction - c. 10 mins



## INCOME

The apartments are let on ASTs and currently produce a total rent passing rent of £662,220 per annum.

There is scope to increase the rents through re-letting all vacant units, improving the internal condition, utilising rent reviews and maximising the rent of the car parking spaces. There is currently one parking licence generating income, but we do note that Enterprise Car use two spaces as part of the original construction agreement to provide a car club.

There is scope to use car parking within the multi-storey car park, Park Jockey, which offers parking at £100 pcm. The parking outside the scheme is more convenient and as a result we are of the opinion that the spaces will rent for a similar amount. We consider the ERV to be in the order of £715,600 per annum, this includes 7 car parking spaces and excludes the 2 Car Club spaces.

Unit Type	Count	Min Area Sq Ft	Average Area Sq Ft	Max Area Sq Ft	Passing Rent p.a.	ERV p.a.
1 Bed	12	452	460	494	£174,240	£197,400
2 Bed	26	679	713	869	£487,380	£509,100
Parking	9	-	-	-	£600	£9,100
<b>Total</b>	<b>38</b>	<b>452</b>	<b>633</b>	<b>869</b>	<b>£662,220</b>	<b>£715,600</b>

## ASSET MANAGEMENT OPPORTUNITIES

- > Offering furnished packages, including for example a TV, bedding and kitchen utensils.
- > Redecoration and repair, the property is approximately four years old and would benefit from updating.
- > The car parking provision is highly reversionary due to currently only generating income from one of the nine spaces. Further to this, there is potential for offering additional parking by separate negotiation with Park Jockey.
- > Rent reviews can be utilised to ensure the apartments are let at market rent level.
- > Scope to agree a discounted gym rate for tenants at The Gym

## TENURE

The Property is owned leasehold, under title number AGL353896. The premises comprises:

Level	Accommodation
-3	Refuse room, plant room, 9 parking spaces, stairs and lift
-3, -2, -1	Staircases
Ground	Entrance / Foyer, staircase and lift
+1, +2	Staircases
+3	19 Apartments
+4	19 Apartments

The lease demises only the internal parts of the apartments, which represents the extent of the tenant's repairing obligation. All the structural and external parts of the building are the responsibility of the Landlord, subject to the tenant paying the service charge.

## SERVICE CHARGE

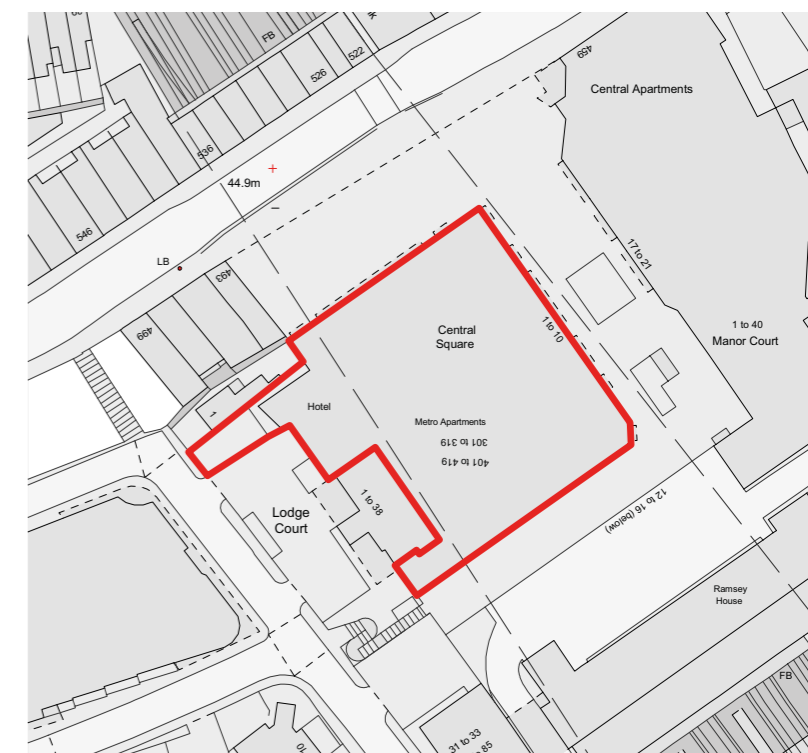
There are two tiers of charge. Firstly a contribution towards the landlord's costs of maintaining the structural and external parts and facilities of the shopping centre which benefit the building. The estimates below have been calculated in line with the deed of rectification agreed with the current owner of the Shopping Centre, this rises only by reference to RPI:

Year	Service Charge	£PSF
March 2018 – March 2019	£7,469.47	£0.31
March 2017 – March 2018	£7,206.73	£0.30
March 2016 – March 2017	£6,962.75	£0.29
March 2015 – March 2016	£6,868.91	£0.29

Secondly, a fair and reasonable proportion of the landlord's costs of maintaining the structural and external parts of the building. Confirmation of current charges for this tier are awaited from Fidum, the managing agents, and will be provided in due course.

The tenant deals with the operation and maintenance of the internal parts and facilities (including plant, lifts, corridors and stairs) within its own demise at its own cost.

The tenant's ground rent to the landlord is a peppercorn.



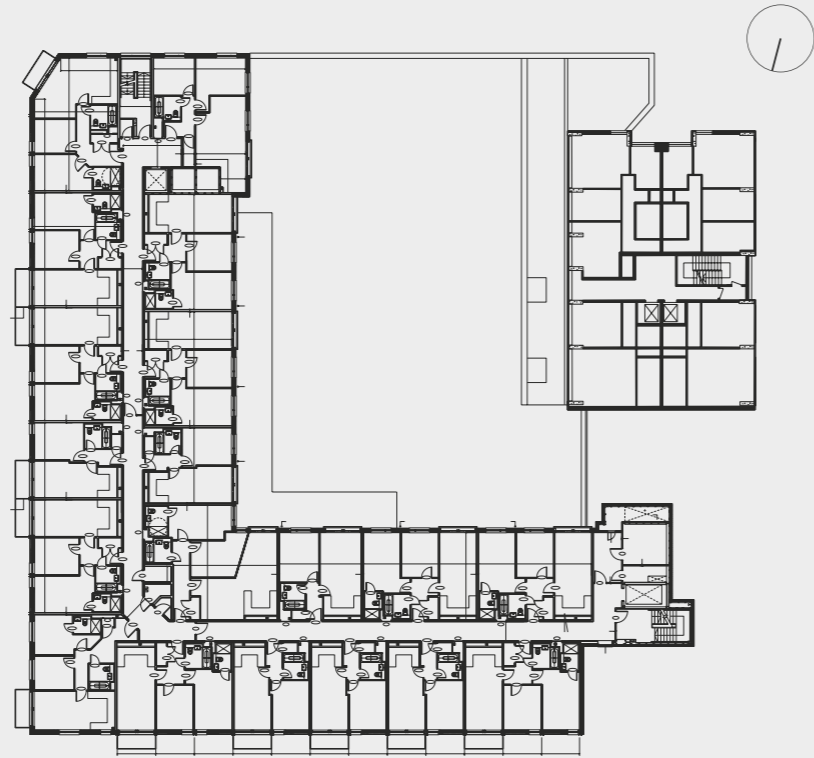
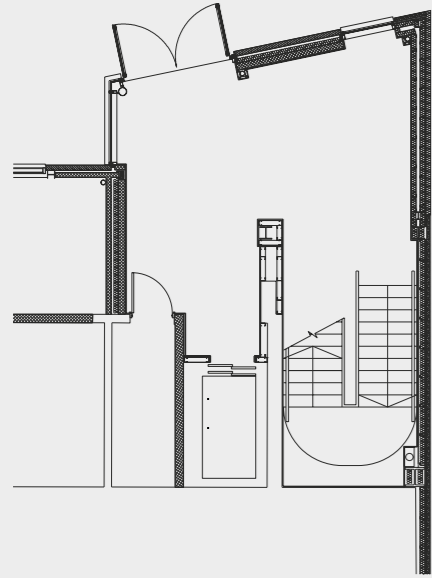
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Note:- Published for the purposes of identification only and although believed to correct accuracy is not guaranteed.

# FLOOR PLANS

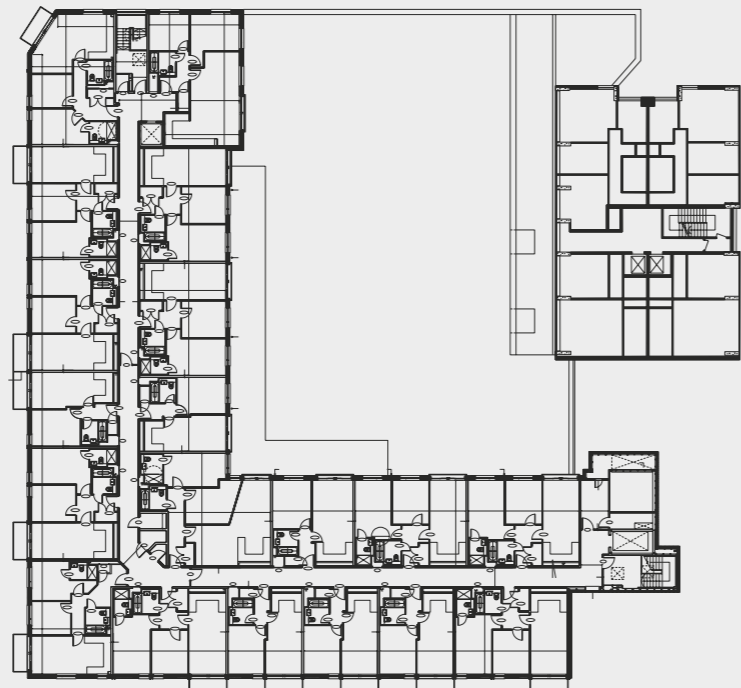
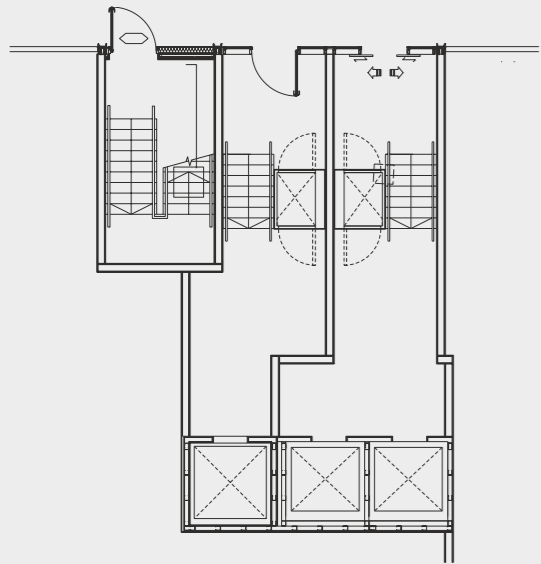
Entrance at -3 Level

+3 Level



Entrance at Ground Level

+4 Level



Not to Scale - For indicative purposes only.



## FURTHER INFORMATION

### Build Warranties

A full suite of individual unit NHBC warranties are available on the Dataroom.

### Building Survey

A building survey is available on the Dataroom

### EPCs

A full suite of EPCs are available on the Dataroom.

### Viewings

There will be strict viewing block dates to be arranged by Savills.

## METHOD OF SALE

The Property is for sale by way of private treaty, if a bid deadline is set those parties who have engaged with the sales process will be informed. Offers are sought for the leasehold interest subject to contract.

St Modwen Residential Living Limited comprises Metro Apartments and 'Edison Place, Rugby' which is also available for sale. Offers will be considered for the portfolio on an asset basis as well as for the company 'St Modwen Residential Living Limited'.

## PROPOSAL

Offers in excess of **£12,000,000 (£499 psf)**, are invited for the Leasehold interest, reflecting a gross reversionary yield of 5.96%, subject to contract.

## DATAROOM

For further information and a full suite of property data, please register for access:

<https://sites.savills.com/MetroApartmentsWembley/>

## CONTACTS

For further information please contact:

**Davina Clowes MRICS**  
Associate Director  
Residential Capital Markets  
020 7016 3838  
dclowes@savills.com

**James Nicholls MRICS**  
Surveyor  
Residential Capital Markets  
020 7409 8070  
james.nicholls@savills.com

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