

BEAMPARK[®]

RAINBOW ANGELS NURSERY

DEARBORN HOUSE, 4 FAIRMONT ROAD, RAINHAM, ESSEX RM13 8TG

**Long Let Index Linked
Greater London
Nursery Investment**

A DEVELOPMENT BY:



COUNTRYSIDE
Places People Love



Investment Summary

- Newly developed, Greater London day nursery investment;
- Beam Park is a joint venture mixed-use development between Countryside and L&Q which will deliver 3,900 homes upon completion;
- Attractive new build unit arranged over ground floor totalling 7,022 sq ft with the benefit of an additional 1,860 sq ft private external courtyard and 4 car park spaces;
- Single let to Rainbow Angels Nurseries & Learning Centres Ltd for 30 years without break;
- Five yearly index linked rent reviews to RPI compounded annually, capped at 4.0% per annum and collared at 1.0% per annum;
- Income of £130,000 per annum which equates to a low rental base of only £18.51 per sq ft;
- Virtual freehold interest for a term of 999 years at a peppercorn rent.

THE VENDOR
IS SEEKING OFFERS
IN EXCESS OF
£1,950,000

(One Million Nine Hundred and Fifty Thousand Pounds), exclusive of VAT and subject to contract. A purchase at this level would reflect a **net initial yield of 6.27%** assuming graduated purchaser's costs of 6.26% and an extremely **low capital value of £278 per sq ft**.





Retail Hub

The retail hub of Beam Park to include a new local centre with a foodstore, cafe and retail accommodation.



Medical Centre



Primary School



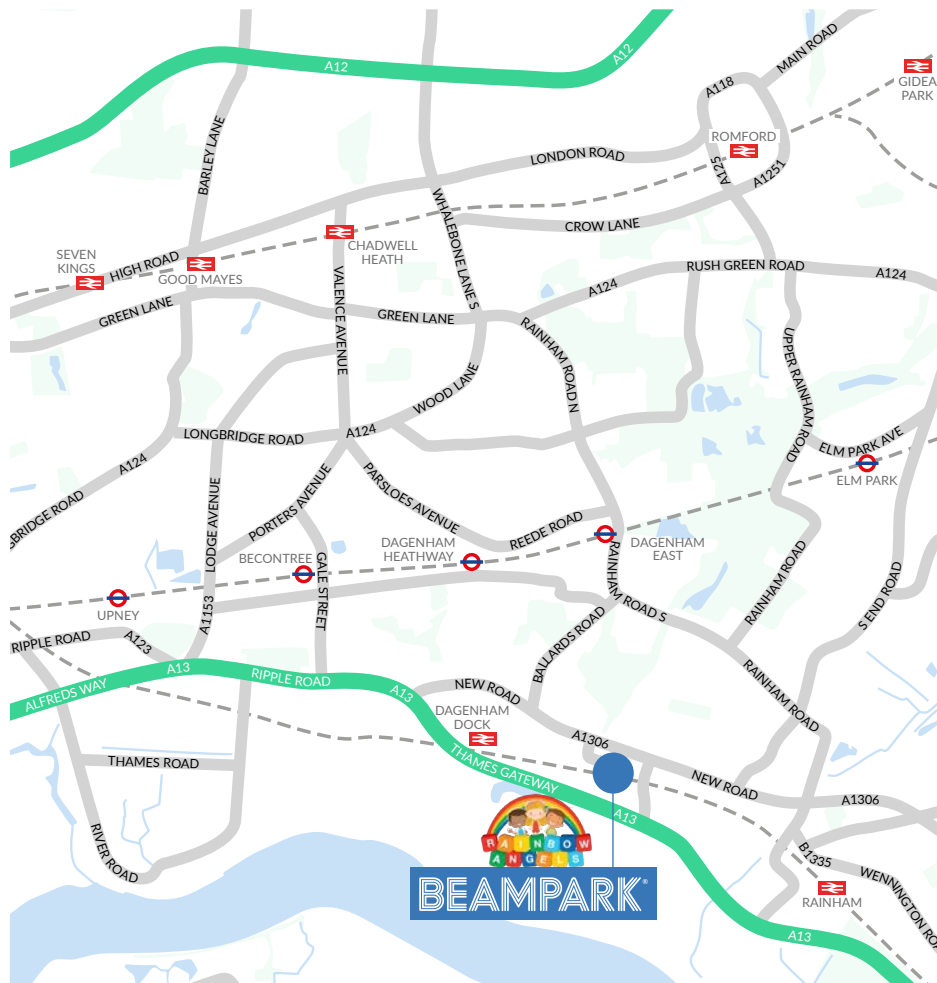
Linear Park

A boulevard style green corridor and linear park with pedestrian and cycling routes, creating a new strategic route along Beam Parkway to connect Beam Park and Rainham Village.



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A new Greater London mixed-use community located in Rainham, Dagenham.



3,900



NEW
HOMES

21
MIN



FENCHURCH
STREET STATION

The development secured planning consent in September 2018 and will create 3,000 new homes (rising to 3,900 subject to planning), 50% of which are affordable, on a derelict former factory site in the London Boroughs of Barking and Dagenham and Havering.

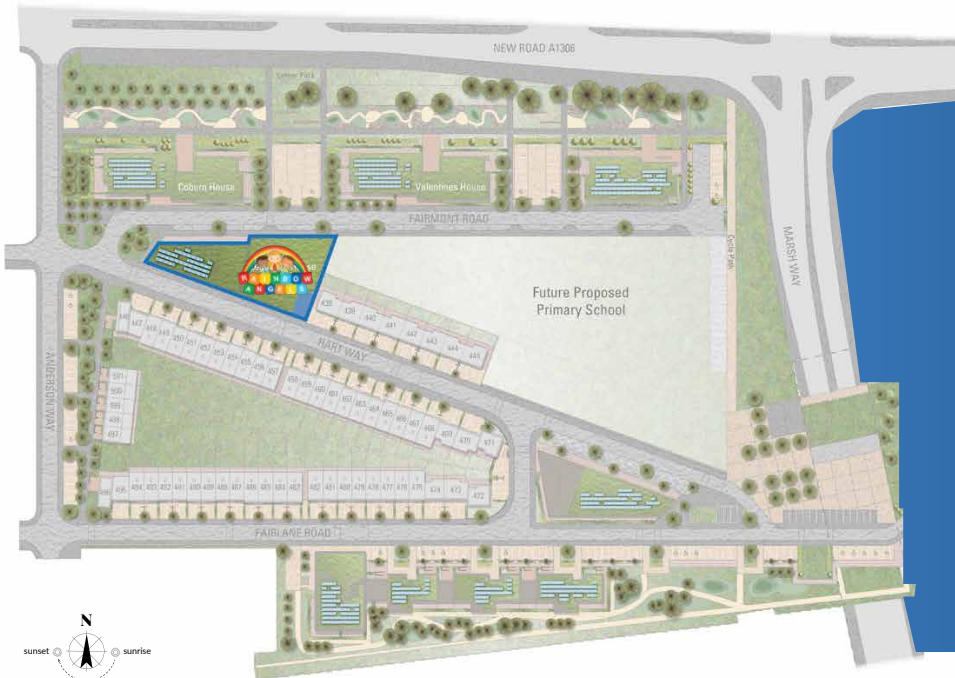
The scheme will also feature a high-quality public square, a medical centre, two schools, retail spaces, a gym, nursery, community facilities and a multi-faith space.

Beam Park is located between Dagenham Dock and Rainham stations on the London, Tilbury and Southend railway line; which is operated by C2C. London Fenchurch Street Station is a 21 minute train journey from Dagenham Dock and 24 minutes from Rainham Station. Dagenham Heathway & Dagenham East (District Line) are approximately 1.5 miles away from Beam Park and there are also numerous bus routes serving the area.

Description

The property comprises a new build nursery beneath residential apartments. The unit is currently being fitted out by Rainbow Angels Group as a contemporary flagship nursery at a cost of circa £450,000.

The nursery will provide interactive play areas, a parent's waiting area and will benefit from access to a secure outdoor play area plus 4 car parking spaces. The upper floors which do not form part of the sale, contain 17 contemporary 2 bedroom apartments sold separately via private treaty.



Situation

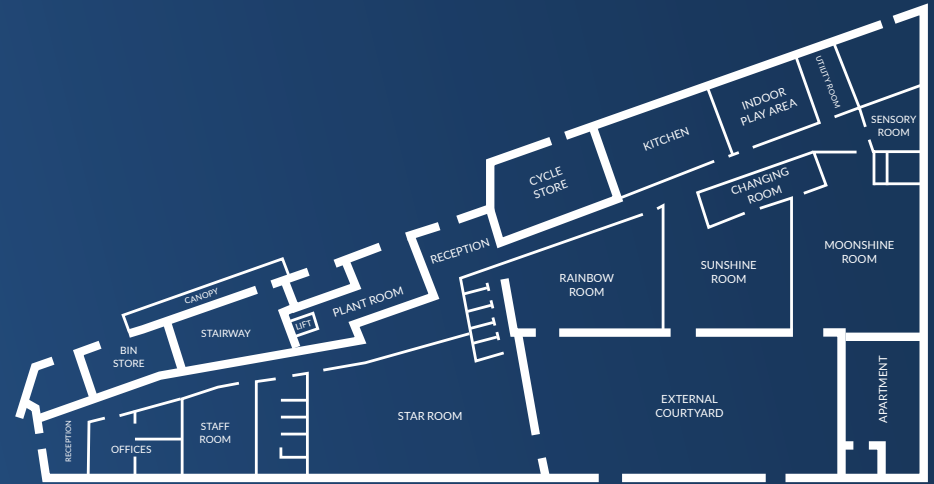
The nursery is prominently positioned on the corner of Fairmont Road and Hart Way, benefitting from extensive return frontages. The property comes with a large courtyard at the rear, totalling some 1,860 sq ft.

The Nursery will form part of the new Beam Park community, close to an array of other essential services and amenities that add to the neighbourhood feel, from the on-site medical centre and shops, to the nearby proposed school.

Accommodation

Arranged as per the enclosed approximate GIA areas:

Floor	Area (Sq M)	Area (Sq Ft)
Ground Floor Nursery	652.4	7,022
Ground Floor Refuse Area	10.1	109
Total Ground Floor	662.5	7,131
External Courtyard	172.8	1,860



For indicative purposes only.



Tenancy

The property is let to Rainbow Angels Nurseries & Learning Centres Limited on a full repairing and insuring lease for an unbroken term of 30 years at £130,000 pa from 25th February 2022, subject to five yearly rent reviews to RPI compounded annually, capped at 4.0% per annum and collared at 1.0% per annum. The tenant received a 24 month rent free incentive which will be topped up by the vendor upon sale.

Planning

The property is located within the London Borough of Barking and Dagenham. The property was developed by Countryside in partnership with L&Q as part of planning consent reference 17/01307/OUT granted on 7 Feb 2019.

The property is not listed and does not sit within a conservation area. The current planning use for the property is E(f) (formerly D1).

Tenure

The property is available by way of a virtual freehold interest for a term of 999 years at a peppercorn rent.

Investment Comparables

The nursery market continues to perform strongly with investors attracted to long unexpired lease terms, index linked review structures, strong occupational demand and ESG credentials. The subject property compares favourably against recent transactional evidence:-

Town	Street	Tenants	Price	NIY	Date	Unexpired lease term
Park Royal	Regency Heights	Little Tigers	£2.00m	5.65%	Feb-22	25 years
Charlton	Victoria Way	Monkey Puzzle	£2.25m	5.10%	Feb-22	25 years
North Chiswick	Larden Road	Busy Bees	£1.75m	6.17%	Dec-21	6 years
Acton	Corbet Gardens	Cybertots	£1.78m	6.00%	Oct-21	20 years
East Finchley	East End Road	Learning Experience Nursery	£5.85m	5.41%	Dec-20	15 years
Crouch End	Elder Avenue	Kido Nursery	£3.10m	5.10%	Nov-20	24 years
Purley	Whytecliffe Road	Bright Horizons	£2.40m	4.70%	Feb-20	15 years
Bristol	Willowherb Road	Happy Days Nursery	£1.90m	6.30%	Jan-20	25 years
Surbiton	Ewell Road	Bright Horizons	£3.06m	4.89%	Sep-19	15 years
Haywards Heath	Southdowns Park	Busy Bees	£2.17m	4.95%	Mar-19	18 years

Covenant

Rainbow Angels Nurseries & Learning Centres Limited (Company number 10086644)

www.rainbowangels.co.uk

Rainbow Angels is an established nursery and educational operator who run three centres across London including the subject property and sites in Fitzrovia and Whitechapel. They provide full or part-time childcare and education for children aged 3 months to 11 years.

Rainbow Angels benefit from an Experian credit rating of 78/100 and highlights from their latest accounts are summarised as follows:-

Year Ending	31st March 2021	31st March 2020	31st March 2019
Turnover	£510,327	£751,587	£282,337
Pre-Tax Profit	£38,172	£194,120	(£11,534)
Net Assets	£94,987	£126,340	(£39,270)

By way of additional security, the vendor holds a £50,000 rental deposit from the tenant.



Countryside in Partnership with L&Q



Countryside Partnerships is a leading mixed-tenure developer, creating places where people love to live, with sustainable communities built to last. It was again awarded the 5 Star Rating by the Home Builders Federation.

With over 40 years track record of collaborative working with partners in public and private sectors, Countryside delivers mixed tenure developments, including affordable homes, homes for the institutional private rental sector and homes for private sale.

Place-making is at the heart of everything we do, designing places people love and helping to build successful communities. We are committed to high quality design, construction and management, creating a positive legacy for future generations.



L&Q is one of the UK's leading housing associations, owning or managing over 90,000 homes in London and the South East.

It is the largest landlord in the capital, and one of the largest residential property developers, with a reputation for commitment, integrity, and ability to proactively address housing issues in a city with a massive undersupply of homes.

It has gained the respect of everyone from those who live in its home to government, recently being selected to be part of the London Development Panel procurement process set up by the Mayor to accelerate delivery of housing in London.

EPC

An EPC is available upon request.

VAT

The property has been elected for VAT and it is assumed the sale will be conducted via a Transfer of a Going Concern (TOGC).

AML

In accordance with Anti-Money Laundering Regulations, two forms of identification and confirmation of the source of funding will be required from the successful purchaser.

Investment Rationale

Newly developed Greater London nursery

Modern building with bespoke tenant fit out

Sought after asset class

Buoyant investment and occupier demand

Low passing rent of only £18.51 per sq ft

Unexpired lease term of approximately 30 years

Index linked RPI reviews (4% & 1%)

Extremely low capital value of £278 per sq ft

Attractive yield profile



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Proposal

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Contact

For further information or to arrange an inspection, please contact:-

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