

REVERSIONARY RPI LINKED, LONG INCOME LONDON INVESTMENT  
UNDERPINNED BY RESIDENTIAL & VACANT POSSESSION VALUES



# The Organ Factory

ST PETER'S SQUARE • BETHNAL GREEN • LONDON E2 7AF



ADS RE



# Investment Summary



- The Organ Factory is a commercial **film & photography studio** and **3-bed mews house** in **Bethnal Green**, East London.
- Situated within close proximity to the famous **Columbia Road Market**.
- Excellent **transport communications**.
- A **characterful building**, offering a unique proposition for a film & photography user.
- Total accommodation of **10,815 sq ft**.
- **Extensive parking provision** for a Greater London site.
- Let to **Film & Photographic Ltd**, trading as **Hackney Studios**.
- Long unexpired term of **13.8 years**.

- Passing rent of **£300,000 per annum**, reflecting a **low level of only £27.74 per sq ft**.
- Highly reversionary with an **ERV of £40.00 per sq ft**.
- Reviewed 5 yearly upwards only to **uncapped RPI**.
- The next rent review is **25 January 2028**.
- The rent is forecast to increase to **£350,737 per annum in 2028**.
- Hackney Studios have **invested significantly** in the site and **have further planned investment**.
- **Use Class E and C3 to part**, offering **scope for various alternative uses**.
- Low capital value **underpinned by owner occupier values**.

**Offers in excess of £4,170,000** subject to contract and exclusive of VAT.

A purchase at this level reflects:

Net Initial Yield	6.75%
Running Yield 2028*	7.90%
Reversionary Yield	9.75%
Capital Value	£385 per sq ft

\*Based on RPI Forecasts

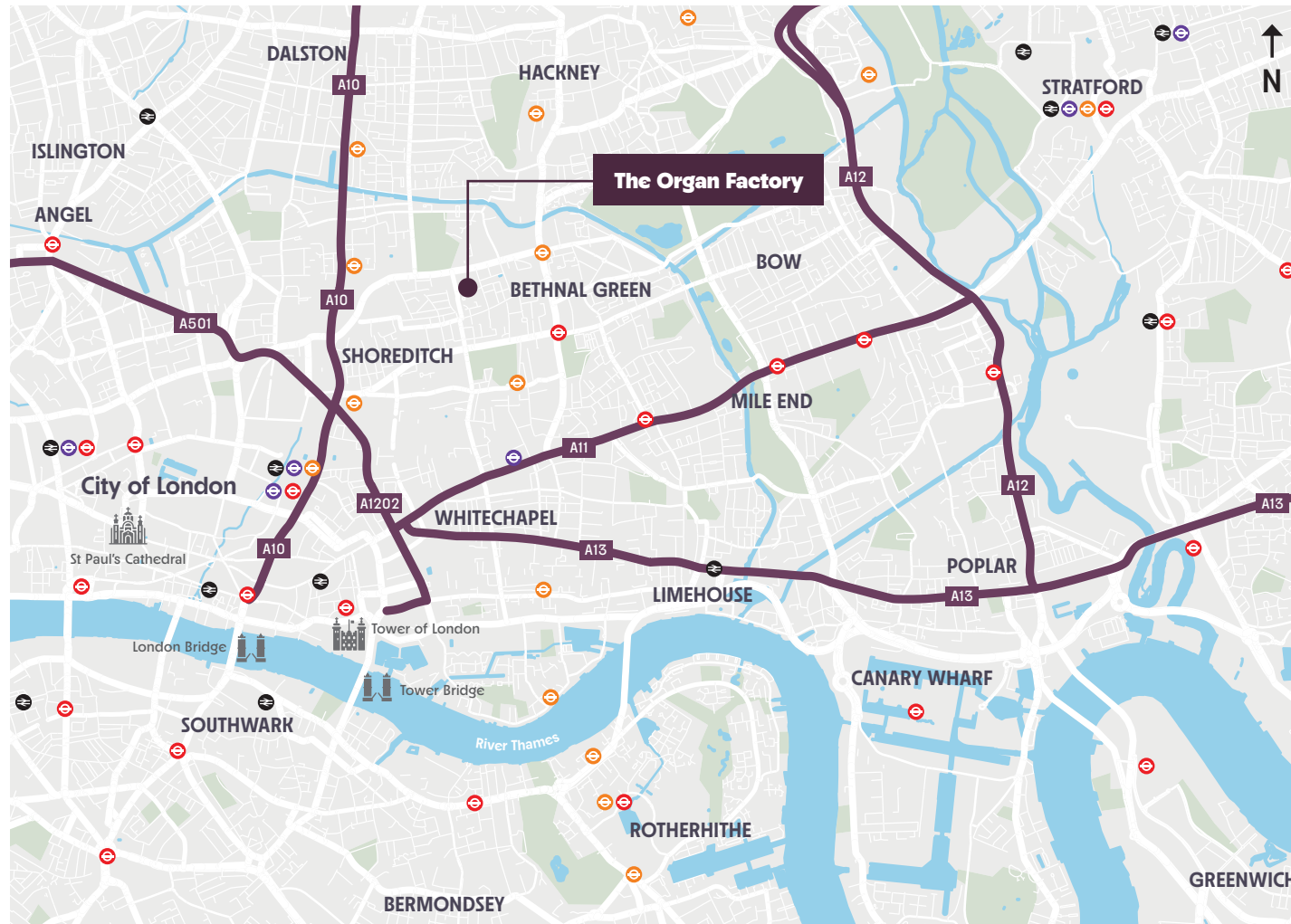


# London

Bethnal Green has become one of London's most diverse and fashionable commercial districts. Known for its iconic mixture of original Victorian warehouses, modern developments and unique leisure and amenity offerings, East London has attracted a wide range of occupiers, from exciting startups and global businesses.

Bethnal Green is located in East London within the London Borough of Tower Hamlets and lies approximately 4 miles east of Central London.

Bethnal Green borders Shoreditch to the West, Hackney to the North and Whitechapel to the South.







# Bethnal Green

The Organ Factory occupies a discreet position on St Peter's Square in Bethnal Green, adjacent to St Peter's Church. St Peter's Square sits to the south of Hackney Road (A1208), which leads to Shoreditch and Central London to the west, via Kingsland Road (A10).

The famous Columbia Road is only 350 metres to the west, renowned for its weekly flower market and boutique shops. Columbia Road and its surrounds are a popular creative district and a well established high value residential suburb.

Local occupiers can benefit from some of East London's well known shops, restaurants and green spaces, to include Haggerston Park and London Fields, situated 0.2 miles and 0.7 miles from the Property respectively.



# Local Developments

An increasingly sought-after location, there are a number of current and pipeline developments within close proximity to The Organ Factory. This is an active demonstration of the inward investment into the area, as well as residential and occupier demand.



**Marian Place Gasholders**

- **Developer** – Berkeley Group
- **Scheme** – Residential led mixed-use
- **Residential Units** – 555 (45,000 sq ft of commercial)
- **Status** – Under construction



**Peterley Business Centre**

- **Developer** – IPE Developments
- **Scheme** – Residential led mixed-use
- **Residential Units** – 218 (16,300 sq ft of commercial)
- **Status** – Planning Approved



**319-337 Cambridge Heath Road**

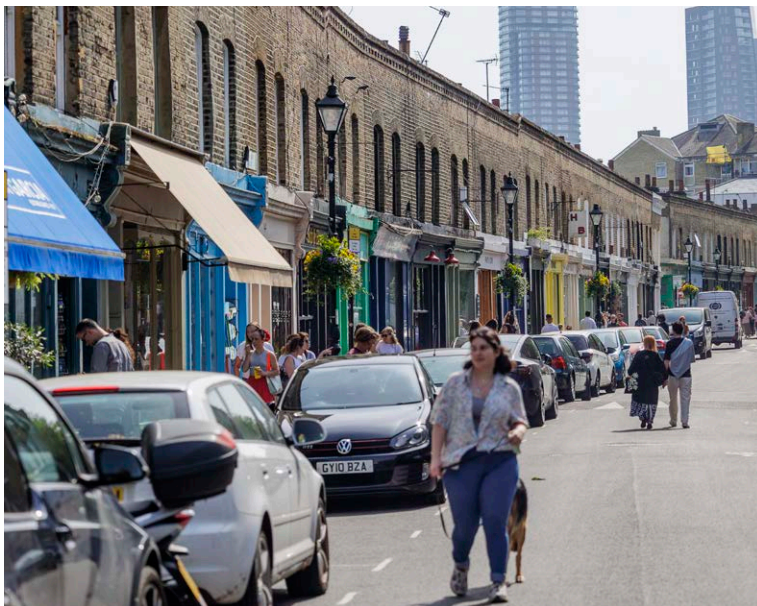
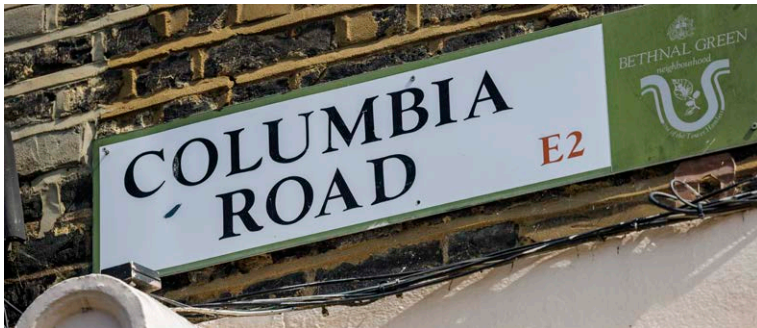
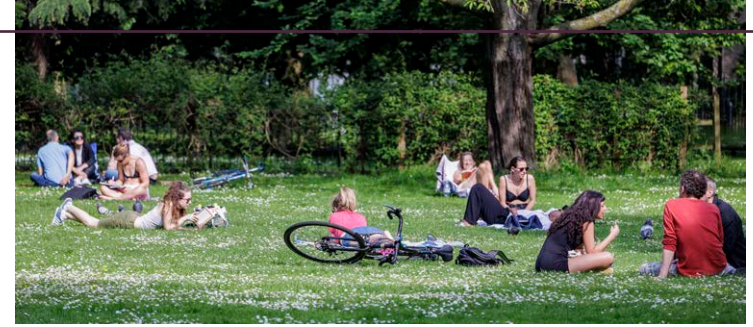
- **Developer** – Trevellyn Developments
- **Scheme** – Hotel
- **Hotel Beds** – 157 (6,220 sq ft of commercial)
- **Status** – Planning Approved



**The Galvanized Building**

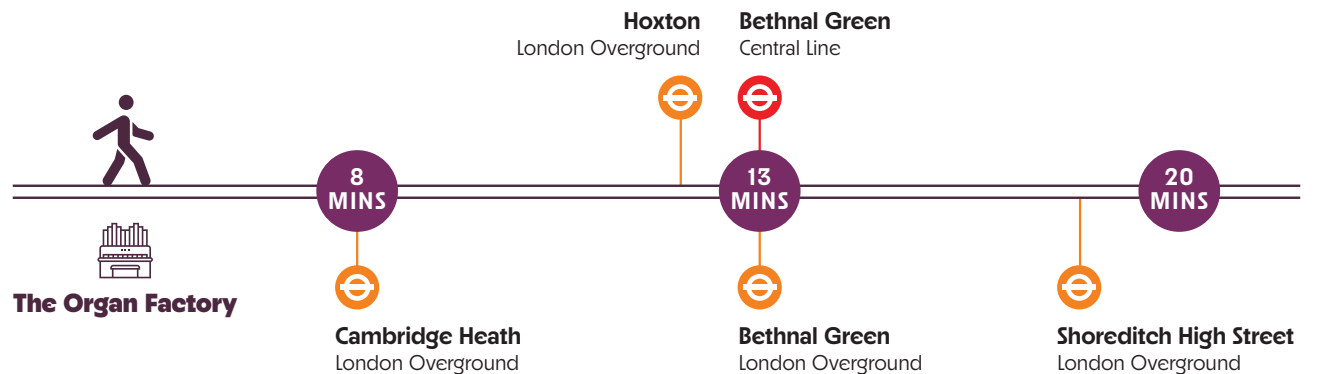
- **Developer** – Unity Land
- **Scheme** – Offices
- **Floor Area** – 21,099 sq ft
- **Status** – Under Construction





## Connectivity

The Organ Factory is well served by the London Underground and Overground network with five stations in close proximity, providing easy access to Central London.





# History

## 1840 SCHOOL

Built in circa 1840, the Property was originally constructed as a National School by the local diocese. The school was evacuated before the Second World War and subsequently used by the military.

## 1947 ORGAN FACTORY

In 1947, organ builder Noel Mander took over the building, to repair bomb damaged church organs including the Willis Organ in St Paul's Cathedral. In 1978, Her Majesty the Queen awarded Noel Mander membership of the Order of the British Empire in recognition of his services to organ building for over 50 years. Manders Organs remained in occupation of the building until the business closed in 2023.

## 2023 HACKNEY STUDIOS

Hackney Studios took occupation of the building in 2023. Matthew Peberdy, the founder of Hackney Studios developed a close working relationship with John Mander, to help understand the history of the building, with the aim of sympathetically restoring the buildings outstanding Victorian features.



## Organ Factory's Unique Characteristics for Film & Production:



East London is an  
in-demand film location



Extremely well-  
connected by road and  
public transport



Discreet and  
secluded site



Its residential and church  
surrounds, significantly  
limit noise pollution



Expansive private courtyard  
capable of accommodating  
film vehicles and large  
cast and crew teams



South facing site  
providing exceptional  
natural light



Inspiring 18th century  
property with  
outstanding original  
façade.



Highly characterful  
space with numerous  
preserved period  
features



Exceptional ceiling  
heights, perfectly suited  
to the film industry



Variety of spaces  
appealing to major budget  
shoots or smaller  
productions



## Description

The Organ Factory comprises a 10,815 sq ft Victorian warehouse property and 3-bedroom mews house, occupied as a film and photographic studio.

The accommodation is split across two elements, the main building and the Lodge.

The Lodge comprises 1,106 sq ft, 3-bedroom mews house which benefits from C3 Use. We understand that this was originally used as a headmasters residence.

The Organ Factory is accessed via a gated entrance leading to a large car park.

### The Property benefits from the following specification:



5 x filming rooms



3 x VIP Suites



Main Hall ceiling height 4.61m



Chapel Studio ceiling height 3.42m



The Mill ceiling height 3.68m



Café



Office Reception



Commercial Kitchen



WCs



3 Phase Power

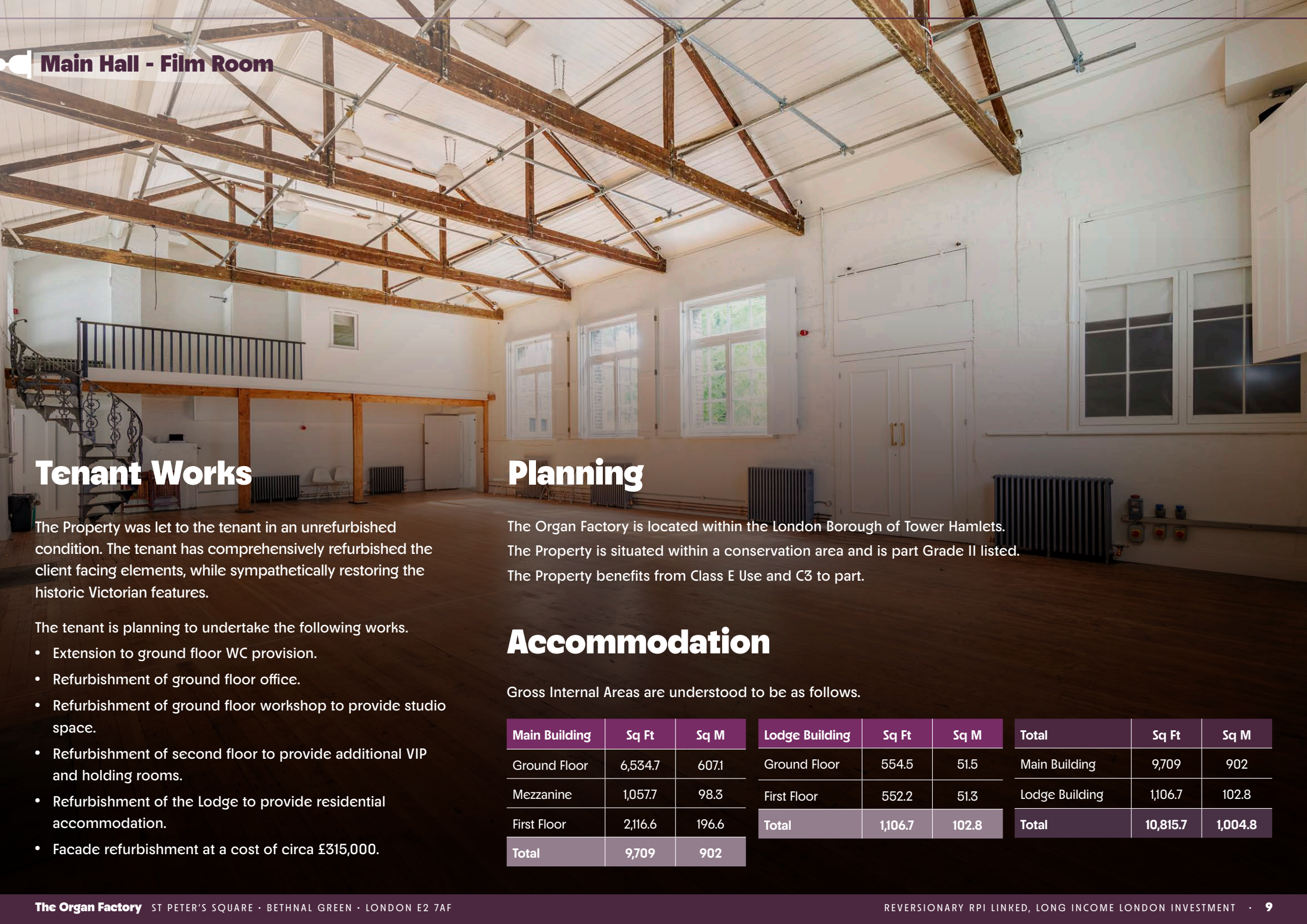


Loading bay for filming equipment



Extensive Parking





## Tenant Works

The Property was let to the tenant in an unrefurbished condition. The tenant has comprehensively refurbished the client facing elements, while sympathetically restoring the historic Victorian features.

The tenant is planning to undertake the following works.

- Extension to ground floor WC provision.
- Refurbishment of ground floor office.
- Refurbishment of ground floor workshop to provide studio space.
- Refurbishment of second floor to provide additional VIP and holding rooms.
- Refurbishment of the Lodge to provide residential accommodation.
- Facade refurbishment at a cost of circa £315,000.

## Planning

The Organ Factory is located within the London Borough of Tower Hamlets. The Property is situated within a conservation area and is part Grade II listed. The Property benefits from Class E Use and C3 to part.

## Accommodation

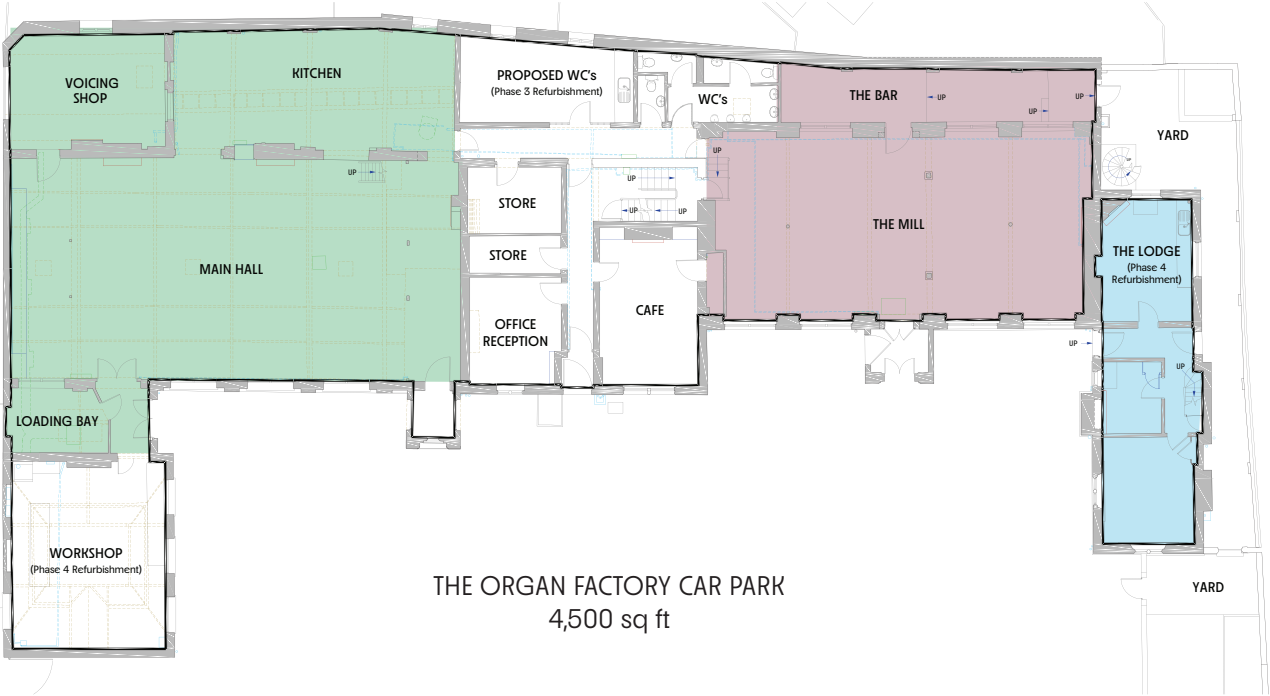
Gross Internal Areas are understood to be as follows.

Main Building	Sq Ft	Sq M	Lodge Building	Sq Ft	Sq M	Total	Sq Ft	Sq M
Ground Floor	6,534.7	607.1	Ground Floor	554.5	51.5	Main Building	9,709	902
Mezzanine	1,057.7	98.3	First Floor	552.2	51.3	Lodge Building	1,106.7	102.8
First Floor	2,116.6	196.6	Total	1,106.7	102.8	Total	10,815.7	1,004.8
Total	9,709	902						

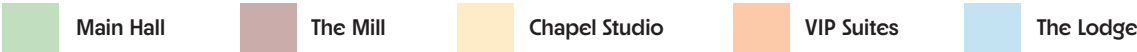


# Existing Floor Plans

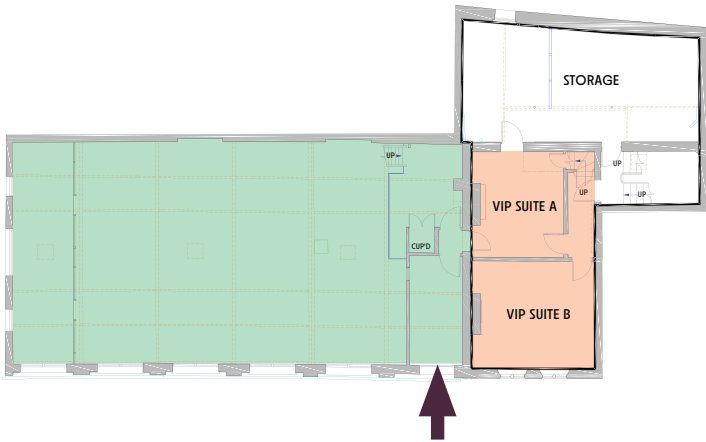
## Ground Floor



CHURCH CAR PARK

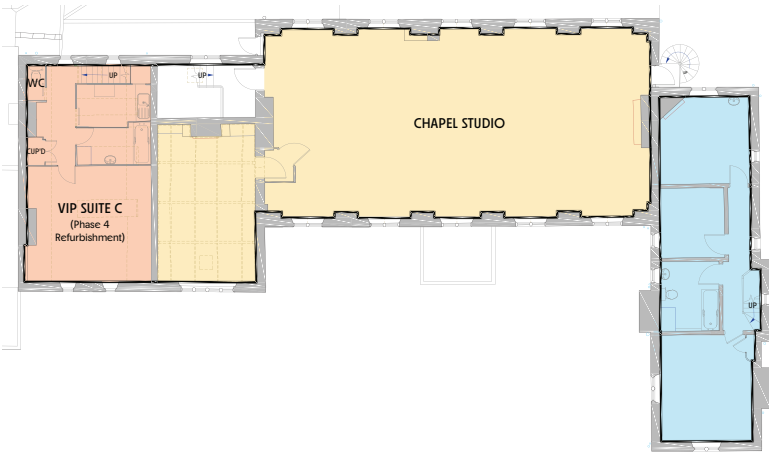


## Mezzanine Floor



Mezzanine Balcony over Main Hall

## First Floor





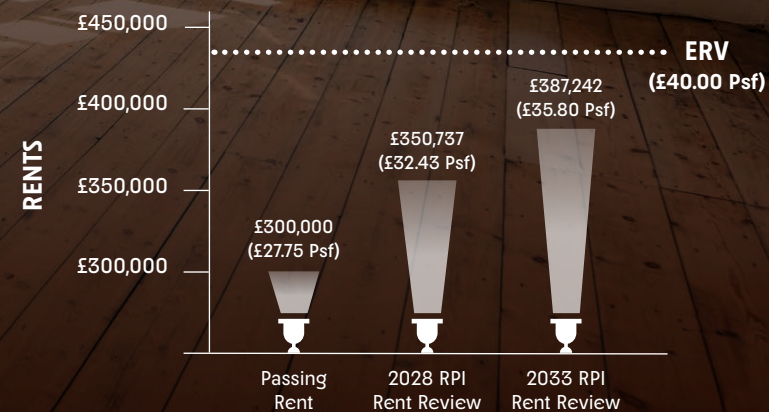
## Tenancy

- **Tenant** - Film & Photographic Ltd (T/A Hackney Studios).
- **Lease Start** - 25 January 2023.
- **Lease Expiry** - 24 January 2038.
- **Unexpired Term** - 13.8 Years.
- **Rent** - £300,000 per annum.
- **Rent** - Only £27.75 Per Sq Ft.
- **Rent Review Pattern** - 5 yearly.
- **Rent Review Basis** - Uncapped RPI.
- **Next Rent Review** - 25 January 2028.
- **Forecast Rent (2028)** - £350,737 per annum.\*
- **Forecast Rent (2033)** - £387,242 per annum.\*

\* Based upon independent RPI Forecasts published by Statista.

The passing rent was agreed at this low level as it reflected a dilapidated condition at the point of letting, prior to the tenant's significant refurbishment works.

## Rent Reversion



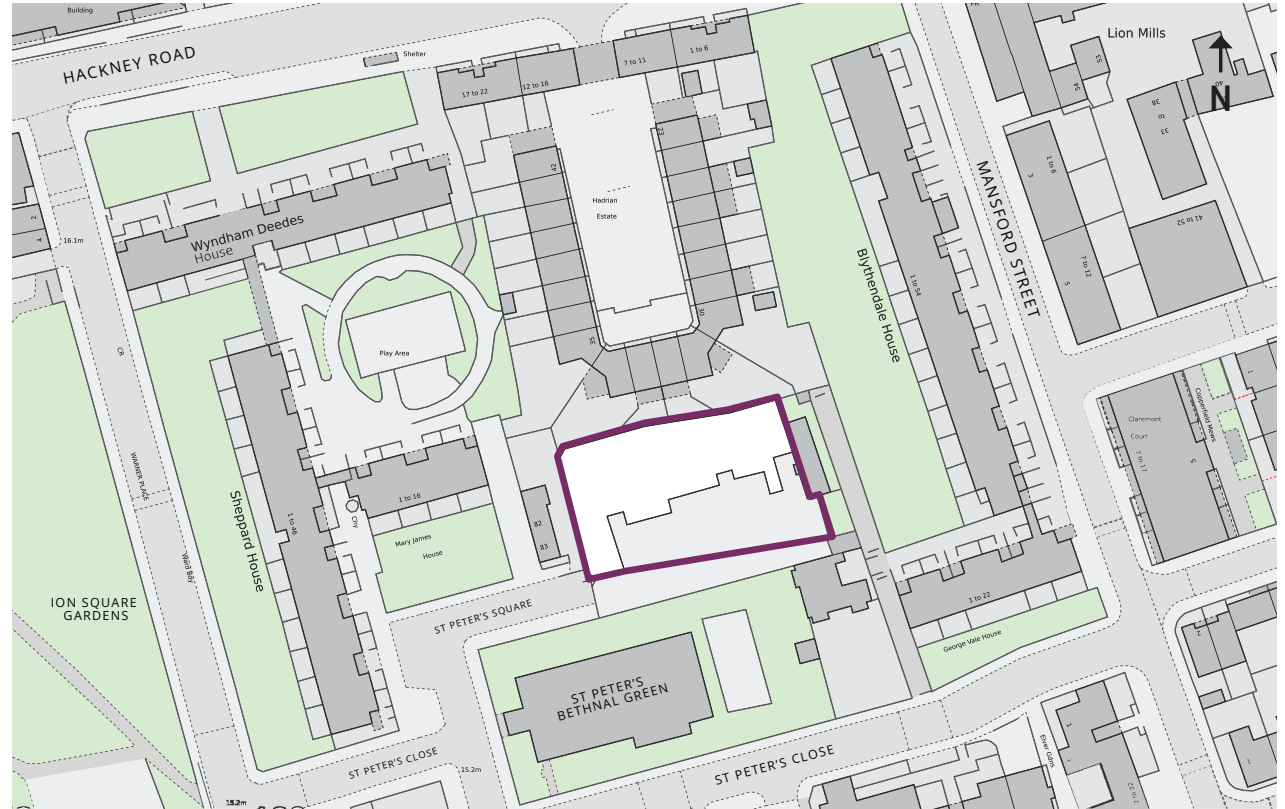


# Tenure

Freehold. The Property occupies a large site of approximately 0.29 acres.



For indicative purposes only.



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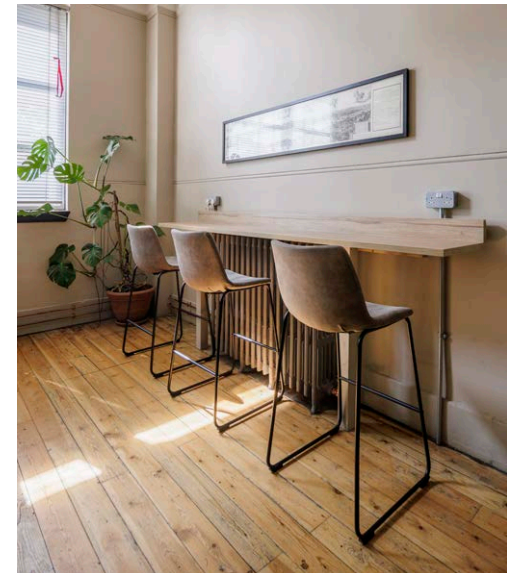
## Hackney Studios

Film & Photographic Ltd are part of the Hackney Studios Group. The Group provide studio spaces for film, television, photography shoots and corporate events. The Organ Factory is Hackney Studios' most significant location within East London, alongside the Tram Depot in Clapton.

The business is owned and managed by Matt Peberdy who had an extensive career in film prior to founding Hackney Studios. The Group has experienced a successful opening following completion of the refurbishment works in Q4 2023, with space to date let to clients including **Netflix**, **M&S** and **Alexander McQueen**, among a number of other national companies.

Creditsafe ascribe Film & Photographic Ltd (Company No. 05939152) a rating of 57B, reflecting Very Low risk of business failure.

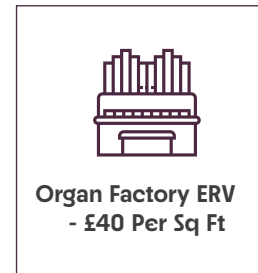
### Organ Factory clients:





# Occupational Market

The Organ Factory was let to Hackney Studios in an unrefurbished condition, which depressed the rental level to only £27.75 per sq ft, a discount to both studio and office rents in the location. Following the extensive refurbishment undertaken, we consider the ERV of the Organ Factory to be £40 per sq ft.



## Studio Rents

We outline below recent studio rental transactions within close proximity. We consider all of the below properties to be significantly inferior to the Organ Factory for film and photography use.



### Stone Studios, Hackney Wick

- Q2 2024.
- Rent - £33.00 per sq ft (assuming half rate on basement).
- 11,700 sq ft across lower ground, ground and two upper floors.
- Let to Artistic Studios.



### 238-240 Bethnal Green Road, Bethnal Green

- Q1 2024.
- Rent - £30.00 per sq ft.
- 3,750 sq ft over ground and first floors.
- Self-contained building with a small private courtyard (or limited parking).



### Bayford Street Business Centre, Hackney

- Q1 2024.
- Rent - £28.00 per sq ft.
- 1,800 sq ft of ground floor space.
- Secondary accommodation.

	Stone Studios	The Organ Factory
Rent	£33.00*	£27.74
Noise	↑	↓
Parking	✗	✓
Ceiling Heights	↓	↑
Specification	↓	↑
Natural Light	↓	↑

	Bethnal Green Road	The Organ Factory
Rent	£30.00	£27.74
Noise	↑	↓
Parking	↓	↑
Ceiling Heights	↓	↑
Specification	↓	↑
Natural Light	↓	↑

	Bayford Street BC	The Organ Factory
Rent	£28.00	£27.74
Noise	↓	↓
Parking	✗	✓
Ceiling Heights	↓	↑
Specification	↓	↑
Natural Light	↓	↑

## Office Rents

We outline below prime office quoting rents within close proximity. The Organ Factory passing rent is a 35-50% discount to these prime office rents.



### Galvanise, Hollybush Gardens, Bethnal Green

- New office development.
- 21,099 sq ft.
- Quoting £55.00 per sq ft.



### 18 Victoria Park Square, Bethnal Green

- Comprehensively refurbished.
- 11,615 sq ft.
- Quoting £42.50 per sq ft.



# Alternative Use

The Property benefits from unrestricted E Use Class and part C3 Use Class (Lodge Building), offering a variety of potential alternative uses, including but not limited to the following. A number of these uses also benefit from the Property not being elected for VAT.



Office



Medical



Educational



Nursery



Leisure

## Residential Potential

The Lodge Building (3-bed mews house) benefits from C3 consent. There may be a future opportunity subject to planning to convert the remainder of the Property to C3.

A feasibility study has been commissioned for a residential scheme comprising 8 apartments, including 5 x 1-beds, 1 x 2-bed, 1 x 3-bed and 1 x 4 bed apartments.

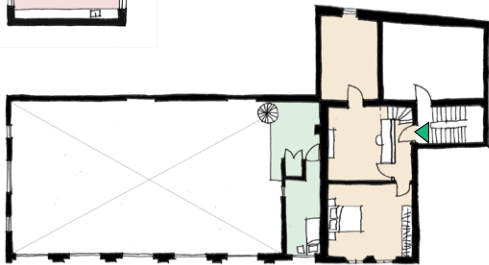
Apartment	Beds	Area (Sq M)	Area (Sq Ft)
G01	1B2P	62	667
G02	4B7P	274	2,949
G03	2B3P	77	829
G04	1B2P	91	980
G05	1B2P	90	969
G06	3B5P	103	1,109
M01	1B2P	102	1,098
F01	1B2P	140	1,507
Sub-Total		939	10,108
Plant		27.8	299
Corridor		31.5	339
Total		998.3	10,746

Further information is available upon request.

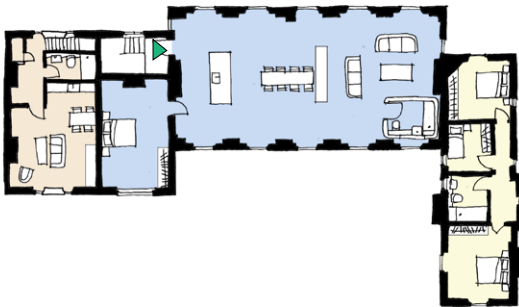
GROUND FLOOR



MEZZANINE FLOOR



FIRST FLOOR



## Residential Values

Residential capital values in Bethnal Green are in the region of £850 - £1,000 per sq ft as illustrated by the following comparables.



Cyprus Street, E2

- May 2024 - Under offer
- 3 bed terraced house
- 1,000 sq ft
- No Parking
- £1,075,000
- £1,075 per sq ft



Goldsmiths Row, E2

- May 2024 - Under Offer
- 3 bed flat
- 1,370 sq ft
- 1 Parking Space
- £1,250,000
- £912 per sq ft



Temple Street, E2

- March 2024 - Sold
- 3 bed flat
- 1,072 sq ft
- No Parking
- £930,000
- £867 per sq ft



Durant Street, E2

- Oct 2023 - Sold
- 3 bed terraced house
- 1,057 sq ft
- No Parking
- £1,180,000
- £1,116 per sq ft



Derbyshire Street, E2

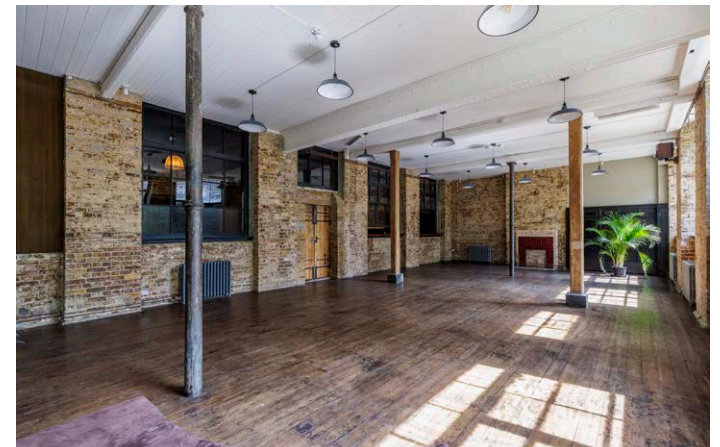
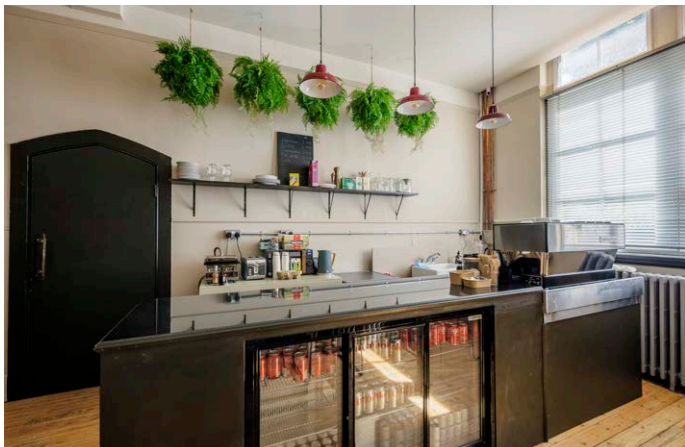
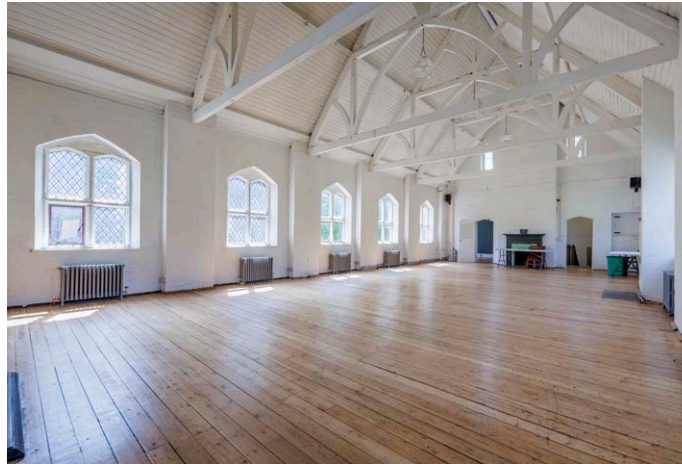
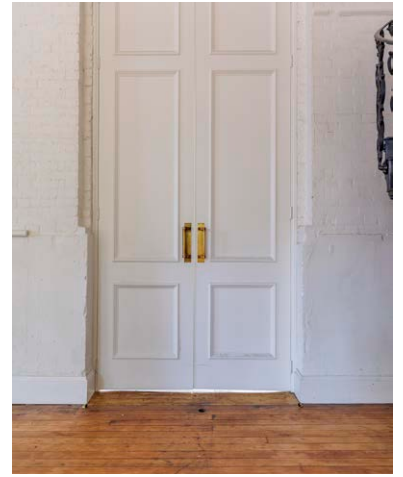
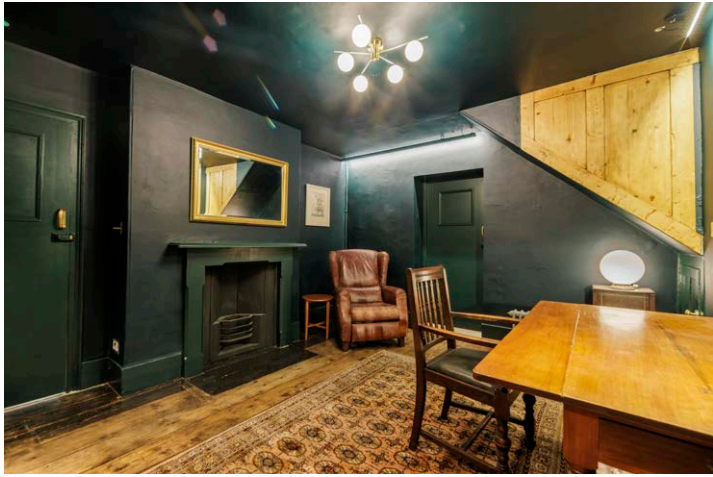
- Sept 2023 - Sold
- 3 bed terraced house
- 1,141 sq ft
- No Parking
- £1,125,000
- £985 per sq ft



Cyprus Street, E2

- Sep 2023 - Sold
- 3 bed terraced house
- 1,139 sq ft
- No Parking
- £1,325,000
- £1,163 per sq ft







## VAT

The Property is not elected for VAT.

## EPC

Available upon request.

## Anti Money Laundering

In accordance with Anti Money Laundering Regulations, the successful purchaser will be required to provide and satisfy the Vendor and their agents on the source of funds used to acquire the Property in advance of an exchange of contracts.

## Dataroom

A Dataroom has been set up for prospective purchasers' due diligence. Further information is available upon request.

## Further Information

Inspections are strictly by appointment only.  
For further information, please contact:

## Proposal

Offers in excess of **£4,170,000** subject to contract and exclusive of VAT.

A purchase at this level reflects:

Net Initial Yield	6.75%
Running Yield	7.90%
Reversionary Yield	9.75%
Capital Value	£385 per sq ft

## Apportioned Pricing

If apportioning pricing between the residential and commercial elements, the profile would reflect the following.

- Lodge Building £885,000 (£800 per sq ft)
- Main Building £3,285,000 (£338 per sq ft)
- Commercial NIY 7.68%
- Commercial RY 11.08%

This assumes anticipated refurbishment of the Lodge Building which the tenant has planned & £40.00 per sq ft ERV.

Inspections are strictly by appointment only.

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