

Easter Park Phases 1 & 2

INDUSTRIAL ESTATE

LENTON LANE | NOTTINGHAM | NG7 2PX

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MULTI-LET FREEHOLD INDUSTRIAL ESTATE

INVESTMENT SUMMARY

- Well specified modern industrial estate comprising **15 units**.
- Prominent location on the west side of Nottingham with easy access onto the main A52 which links with the M1 motorway, Junction 25 approximately 7 miles to the west.
- **145,114 sq ft** GIA in total.
- Total income of **£918,180 per annum / £6.33 per sq ft** overall.
- Diverse income spread with no single occupier accounting for more than 18.8% of the overall income.
- **AWULT of 3.1 years to expiries and 2.4 years to breaks.**
- Offers in excess of **£13,000,000** subject to contract and exclusive of VAT, which reflects a **Net Initial Yield of 6.62%** after allowing for acquisition costs of 6.72%, a **Reversionary Yield of 7.05%** and a **Capital Value of £90 per sq ft**.



Easter Park

PHASES 1 & 2

INVESTMENT SUMMARY

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OCCUPIERS

Nottingham is the Economic Capital of the East Midlands boasting a £12.1 billion economy that is recognised within business and government policy as a critical economy for the UK.

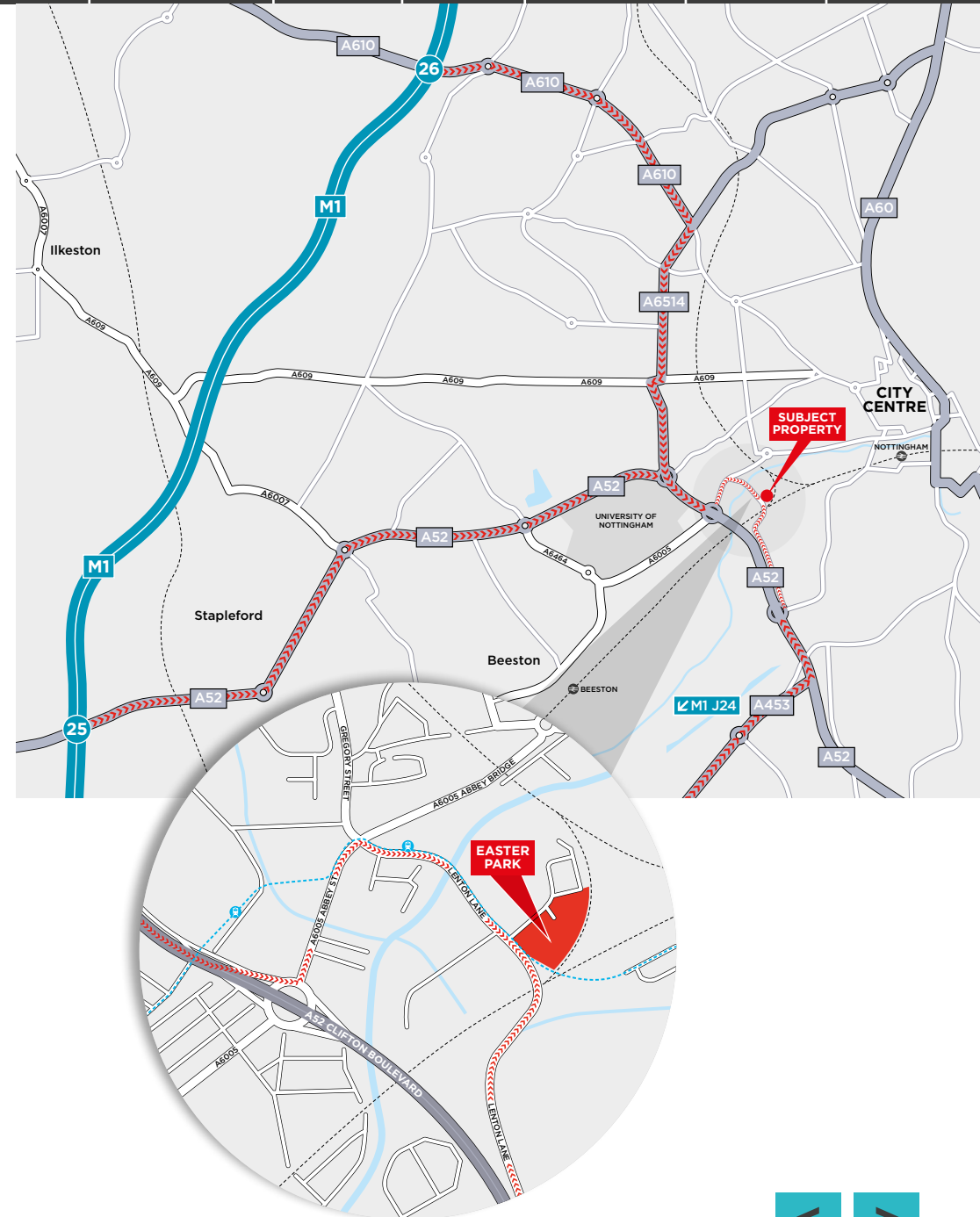
Nottingham's strategic UK location has attracted major retailers and third party logistics companies such as M&S, Co-operative, ASDA and UDG. The aggregation of warehouses and manufacturing businesses has driven the supply of skilled workers including pickers, packers, warehouse operatives and administrative staff.

The Alliance Boots site is home to several thousand people engaged in manufacturing branded health & beauty goods. Another major corporation, GSK are re-investing into Nottingham with a £12M laboratory due to complete in 2016. Nottingham is also home to aerospace and car manufacturing companies including Rolls Royce, Toyota, Bombardier, ZF, Avingtrans and Bulwell Precision Engineers and as well as specialist engineering companies including Greene Tweed, Romax Technologies and Changan Automotive.

SITUATION

Easter Park is located on the west side of Nottingham which affords easy access to Junctions 24, 25 and 26 of the M1 motorway. The main A52 is located close by which links directly with Junction 25 on the M1. The immediate surrounding area is predominantly industrial/commercial with surrounding occupiers along Lenton Lane including Games Workshop, Brooks Brothers, Nottingham Textile Group, Bampton Packaging, Big Yellow Self Storage, Kuehne & Nagel, Screwfix, Tile Giant and Formula One Autocentres. There are a number of car showrooms along Lenton Lane to include BMW/Mini, Honda, Sytner and Ferrari, together with the University of Nottingham King's Meadow Campus.

There is a new tramline along Lenton Lane which has significantly improved the public transport network around the immediate vicinity to Easter Park.



DESCRIPTION

Easter Park comprises a modern well specified multilet industrial estate of **15 units** with associated servicing yard areas and car parking. The estate was constructed in **2000** and extends to a site area of approximately **8.3 acres** equating to a **site cover of only 40.2%** (excl. Units 1/2 and 18 which have been sold off to the occupiers). The units provide the following specification:

- Steel portal frames with metal sheet cladding under profiled metal roofs
- Integral 2 storey offices within each unit
- Roller Shutter loading doors
- **Eaves heights** of between **6.2m - 8.0m**
- Suspended hot air blowers/strip heaters

Units 9-12 and 13-15





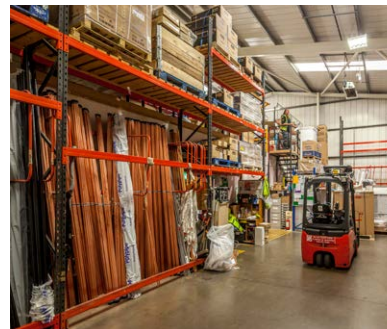
Units 5-8

ACCOMMODATION

The estate has been measured in accordance with the RICS Code of Measuring Practice and provides a Gross Internal Area of **145,114 sq ft** overall across a variety of unit sizes ranging from **5,000 sq ft** - **30,100 sq ft**, which caters for a wide variety of occupier requirements.

TENURE

Freehold Interest. Units 1/2 and 18 have been sold off to the occupiers on 999 year interests, both of these units are situated on the edge of the estate and so do not break up the rest of the estate.



TENANCIES

The estate is **fully let to 13 different occupiers** on standard **Full Repairing & Insuring terms** as set out below. There is a service charge in place which covers all common items of expenditure and this is currently running at a budget of £108,050 per annum / £0.74 per sq ft.

The **Average Weighted Unexpired Lease Term (AWULT)** is **3.1 years to expiries** and **2.4 years to breaks**.

Unit	Tenant	GIA Sq Ft	Lease Start	Lease Expiry	Break Option	Next Review	Rent pa	Rent per Sq Ft	% of Income	1954 Act	EPC Rating	Schedule of Condition	Comments
1 & 2	Trent Vineyard	-	7/2/2003	6/2/3002			£0		0%	Yes	C56	No	Unit sold off.
3	NSAF Ltd	14,690	29/9/2001	28/9/2016			£87,000	£5.92	9.5%	Yes	D84	No	Lease renewal in solicitors' hands - 10 years with 5 year break, £110,000 pa/£7.49 psf, rent review in year 5, 4 months at half rent.
4	The University of Nottingham	12,575	24/6/2015	23/6/2021	24/6/2018	24/6/2020	£81,235	£6.46	8.8%	No	D84	No	New lease in 2015 - no rent free.
5	THUS Group Holdings Ltd	10,362	24/6/2000	23/6/2025		24/6/2020	£64,500	£6.22	7.0%	Yes	C51	No	
6	Holmatro UK Ltd	7,622	22/12/2014	21/12/2019			£52,000	£6.82	5.7%	Yes	D76	No	Guarantor - Holmatro NV
7	Andrew Page Ltd	7,712	2/2/2009	1/2/2019			£47,375	£6.14	5.2%	Yes	D77	Yes	
8	Vacant - Vendor Guarantee	10,211					£71,480	£7.00	7.8%		B42	No	Previous tenancy expired 24/6/2016. Unit being marketed by Fisher Hargreaves Proctor. Vendor will provide a full guarantee for 12 months - rent, rates and service charge. The unit will be fully refurbished.
9	Sky Telecommunications Services Ltd	7,609	25/1/2001	24/3/2030	24/3/2025	25/3/2021	£52,500	£6.90	5.7%	Yes	C70	No	Current lease expiry 24/3/2021, reversionary lease from then which expires 24/3/2030, 3 months rent free from 25/3/2021. Tenant Break option after 4 years. Day 1 upwards only rent review, 3 months rent free if break not operated. As part of the reversionary lease agreement Sky received 4 months rent free from March 2016, and there was a rent review in March 2016 where an uplift was agreed from £44,900 pa / £5.90 psf to the current rent.
10	General All Purpose Plastics Ltd	4,954	28/3/2014	27/3/2024	28/3/2019	28/3/2019	£32,000	£6.45	3.5%	Yes	D86	No	
11	Furniture Village Ltd	5,071	24/6/2002	23/6/2017			£31,320	£6.17	3.4%	Yes	C67	No	
12	Ipsol Ltd	7,797	14/2/2016	13/2/2021			£51,410	£6.59	5.6%	Yes	C57	No	Lease renewal in 2016 - 3 months rent free. Rent deposit - £27,007
13	MB - East Midlands Ltd	6,110	25/11/2015	24/11/2021		25/11/2020	£41,550	£6.80	4.5%	Yes	C60	No	Lease renewal in 2015 - 4 months rent free. Rent deposit - £23,974.
14	City Plumbing Supplies Holdings Ltd	5,068	28/9/2015	27/9/2025	28/9/2021	28/9/2020	£34,500	£6.80	3.8%	Yes	C59	No	Lease renewal in 2015 - 3 months rent free.
17	Reydon Sports Plc	30,135	29/9/2002	28/9/2017			£172,500	£5.72	18.8%	Yes	C54	No	
18	Trustee Visual Packaging	-	30/10/2002	29/10/3001			£10		0%	Yes	C70	No	Unit sold off.
15 & 19	GAP Group Ltd	15,198	2/6/2014	1/6/2024	2/6/2019	2/6/2019	£98,800	£6.50	10.8%	Yes	C65+C57	No	3 months rent free if break option is not operated
	Totals	145,114					£918,180	£6.33	100%				

COVENANT STATUS

Tenant	% of Income	Year Ending	Turnover	Pre-Tax Profit	Total Assets less Current Liabilities	Shareholders' Funds
NSAF Limited (4314268)	9.5%	31/12/2014 31/12/2013	£14,521,000 £16,608,000	£590,000 £398,000	£2,969,000 £2,462,000	£2,673,000 £2,223,000
The University of Nottingham	8.8%	No Accounts available				
THUS Group Holdings Ltd (SC192666)	7.0%	31/03/2015 31/03/2014				£248,864,000 £248,864,000
Holmatro UK Limited (07064876)	5.7%	31/12/2015 31/12/2014			£665,296 £470,484	£638,635 £445,487
Andrew Page Limited (1502616)	5.2%	30/09/2015 30/09/2014	£192,006,000 £213,855,000	(£3,146,000) (£42,375,000)	£67,319,000 £39,014,000	£20,022,000 £22,041,000
SKY Telecommunications Services Ltd (02883980)	5.7%	30/06/2015 30/06/2014	£1,162,448,000 £1,090,915,000	£208,095,000 £172,814,000		(£610,841,000) (£445,179,000)
General All Purpose Plastics Ltd (02767596)	3.5%	31/05/2015 31/05/2014	£56,878,475 £50,188,968	£2,613,992 £781,437	£10,589,575 £9,286,694	£9,756,170 £8,312,176
Furniture Village Limited (02307708)	3.4%	29/03/2015 29/03/2014	£197,979,000 £185,699,000	£4,367,000 £1,909,000	£21,093,000 £18,951,000	£16,892,000 £14,591,000
Ipsol Limited (09308072)	5.6%	Last Annual Return 12/11/2015, but no accounting figures provided.				
MB - East Midlands Limited (04936032)	4.5%	31/12/2014 31/12/2013			£80,065 £42,627	£57,381 £39,675
City Plumbing Supplies Holdings Ltd (02489546)	3.8%	31/12/2014 31/12/2013	£351,357,000 £330,313,000	£4,139,000 £4,555,000	£191,009,000 £186,104,000	£184,118,000 £180,305,000
Reydon Sports Plc (02833782)	18.8%	31/12/2014 31/12/2013	£8,377,060 £10,466,019	£25,774 £18,251	£3,411,468 £3,526,700	£3,258,738 £3,232,964
GAP Group Limited (198823)	10.8%	31/03/2015 31/03/2014	£143,309,000 £118,400,000	£18,597,000 £13,492,000	£126,697,000 £104,464,000	£68,673,000 £57,406,000

Source: Company Accounts

Units 3 and 4



OCCUPATIONAL MARKET

- Local agents in Nottingham consider Easter Park to be the best estate in one of the best locations in Nottingham. The quality of specification and location means Easter Park continues to set benchmark rental levels.
- In terms of competition there is very limited available stock on the market. In terms of quality of space everything else in Nottingham is inferior to Easter Park.
- Easter Park creates its own market and the recent evidence on the estate is as follows:

Unit 3 - Lease renewal in solicitors' hands, 10 years with 5 year break at £7.49 psf, 4 months at half rent.

Unit 4 - New lease agreed in 2015 at £6.46 psf, no rent free.

Unit 5 - June 2015 rent review agreed at £6.22 psf.

Unit 8 - FHP instructed to market once refurbishment works completed, quoting £7.50 psf.

Unit 9 - March 2016 rent review agreed at £6.90 psf.

Unit 12 - Lease renewal in 2016 at £6.59 psf, 3 months rent free.

Unit 13 - Lease renewal in 2015 at £6.80 psf, 4 months rent free.

Unit 14 - Lease renewal in 2015 at £6.80 psf, 3 months rent free.

Units 13 - 15



Units 9-12



INVESTMENT MARKET

Industrial Estate transactions of note this year which provide a helpful guide on recent investor activity include the following:

Property	No. of Units	Size (Sq Ft)	AWULT to breaks	Price	NIY	Price per sq ft	Date
Voyager Park, Portsmouth		86,000	2.8 years	£12.1m	5.8%	£140 psf	Jan 2016
Manfield Park Industrial Estate, Cranleigh	13	55,600	5.1 years	£7.3m	6.06%	£131 psf	Jan 2016
Units 1-17 Eldonwall Trading Estate, Bristol	17	100,418	3.4 years	£7.45m	6.42%	£74 psf	Jan 2016
Blakelands Industrial Estate, Milton Keynes	74	565,000	5.5 years	£38.79m	6.37%	£69 psf	March 2016
Bedford Business Centre, Bedford	19	50,000	1.5 years	£4.96m	6.6%	£99 psf	April 2016
Taurus Park, Warrington	13	133,940	3.4 years	£11.495m	6.5%	£85 psf	May 2016
Gatwick International Distribution Centre, Crawley	29	222,550	3.9 years	£31m	5.3%	£140 psf	June 2016
Brackmills Industrial Estate, Northampton	21	216,118	3.74 years	Circa £13m	Circa 6.75%	£60 psf	Under Offer

Unit 17



Units 13-15



ENERGY PERFORMANCE CERTIFICATES

Energy Performance Certificates are available in the Dataroom.

VAT

The property is elected for VAT and we understand the disposal will be structured by way of a Transfer of a Going Concern (TOGC).

PROPOSAL

We have been instructed to seek offers for our client's Freehold interest in excess of **£13,000,000**, subject to contract and exclusive of VAT, which reflects a **Net Initial Yield of 6.62%** after acquisition costs of 6.72%, a **Reversionary Yield of 7.05%** and a **Capital Value of £90 per sq ft**.

FURTHER INFORMATION

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