



Brunel Park

CHIPPENHAM



Prime Multi-Let
INDUSTRIAL
INVESTMENT



INVESTMENT SUMMARY

- Prime multi-let industrial estate
- Strategic location with excellent transport links only 4 miles from junction 17 of the M4
- Within an established park on Chippenham's western bypass
- Well presented industrial estate with a site area of approximately 2.2 acres
- Six buildings comprising 48,800 sq ft
- Five tenants on six leases with an attractive 4.9 year WAULT to break
- Fully let, the estate is demonstrating significant rental growth
- Limited local supply of similar accommodation
- Passing rent £322,745 per annum
- Reversionary
- **Proposal: Offers in excess of £4,660,000 (subject to contract) reflecting a net initial yield of 6.50%, a reversionary yield of 6.84% and a capital value of £95 per sq ft.**



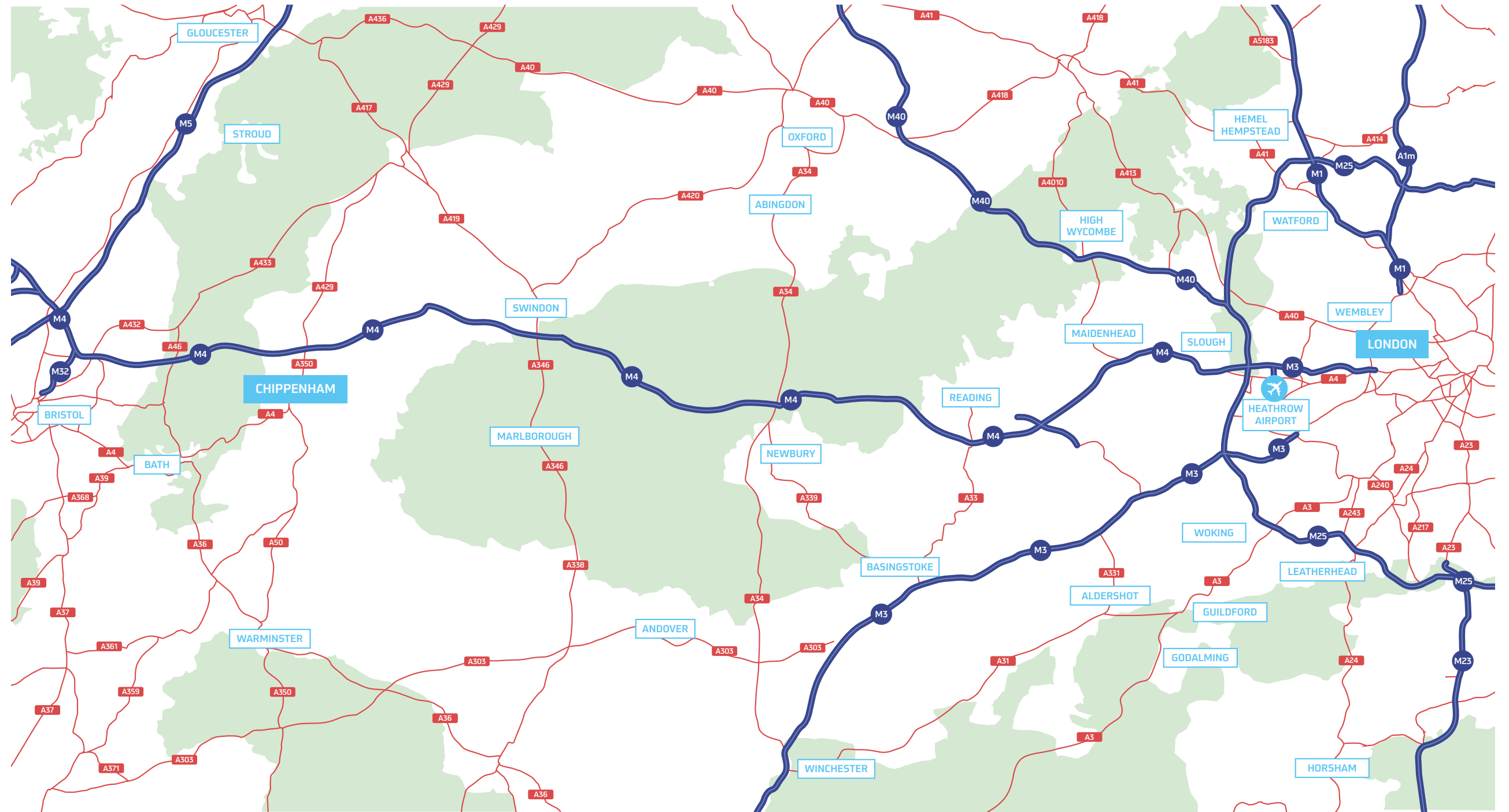


LOCATION

Chippenham is located approximately 86 miles west of London, 28 miles east of Bristol and 14 miles north east of Bath.

The town is only four miles south of Junction 17 of the M4. Chippenham railway station is situated on the main Paddington to West Country line providing regular services to London Paddington (70 minutes) and Bristol (30 minutes).

Chippenham is one of the major towns within North Wiltshire providing a strategic location for a range of manufacturing and engineering businesses. The town serves an affluent catchment population with 85,000 people living within a five mile radius and 285,000 within 12 miles.



“Chippenham is four miles from the M4 and serves an affluent population of 85,000.”



SITUATION

The property is situated on Bumpers Farm Industrial Estate, Chippenham's premier industrial estate, approximately one mile west of the town centre.

The Estate is accessed from Vincients Road, one of the two principal estate roads.

Road communications are excellent lying adjacent to the A350 Chippenham Western bypass dual carriageway providing direct access to the M4 only 4 miles to the north.

The estate is a popular and well established industrial area. Other occupiers on the estate include, Toolstation, Howdens, City Plumbing Supplies, Wolseley Centres, Plumbase, Screwfix, Rexel, Meyer, Royal Mail and many others.





ADJACENT OCCUPIERS

- 1 MEYER
- 2 PEAK-RYZEX
- 3 TOOLSTATION
- 4 CITY PLUMBING
- 5 WOLSELEY
- 6 HOWDENS
- 7 Beck & Pollitzer
- 8 Royal Mail
- 9 SCREWFIX
- 10 apd Automotive Parts Distribution Ltd
- 11 REXEL
- 12 Wickes
- 13 bm
- 14 pets at home
- 15 KEW ELECTRICAL





DESCRIPTION

The property comprises an attractive estate of six light industrial units of steel portal frame construction. The total built area is 48,824 sq ft on a site area of approximately 2.2 acres.

The units are fully let to five tenants as per the tenancy schedule. The two larger units (A-B and C-D) could be subdivided further, providing flexibility in terms of future letting. The property benefits from a well maintained tarmacadam gated yard including 110 parking spaces.

The estate benefits from two access points to Vincients road, bounded by attractive landscaping.

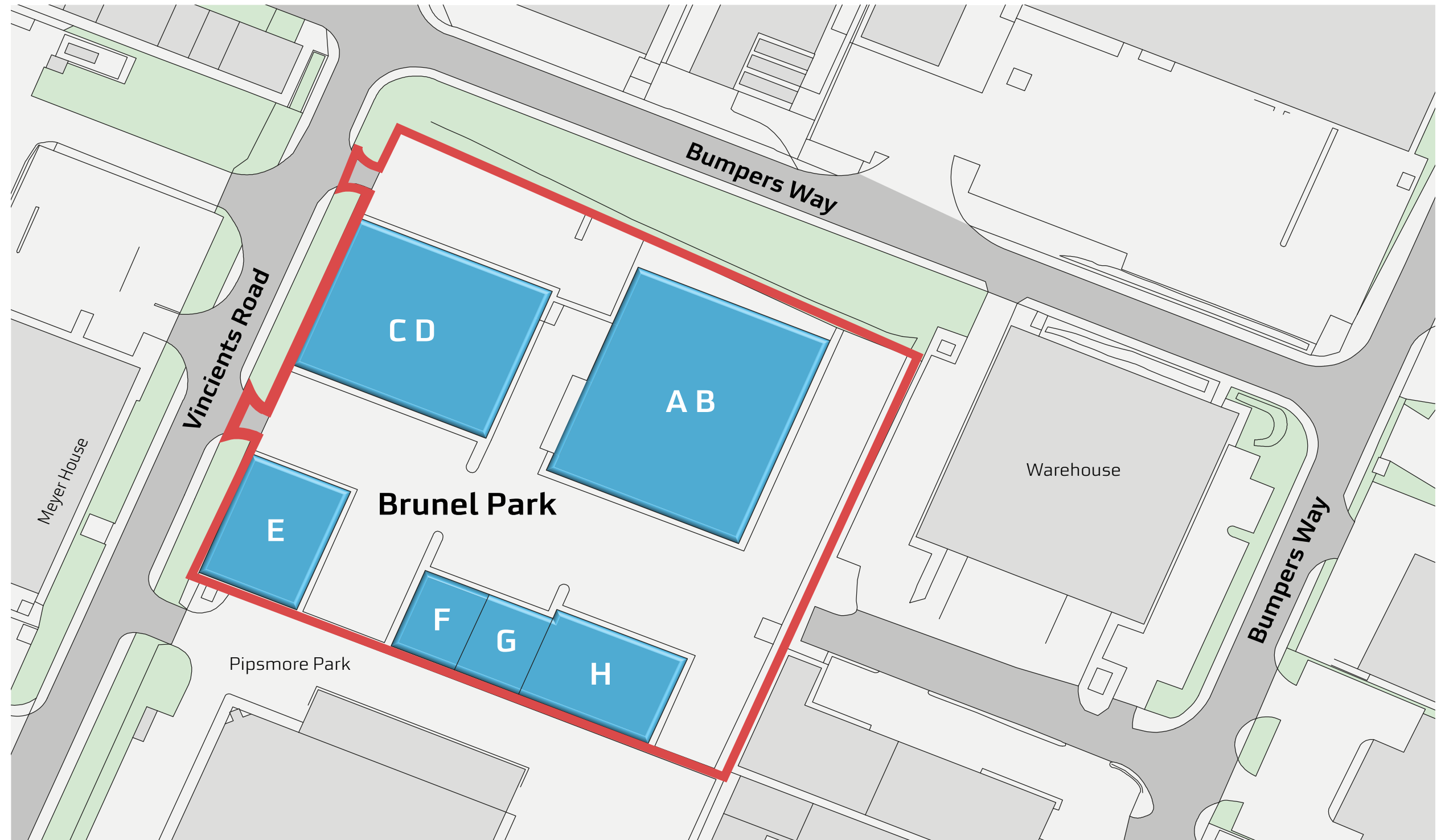




TENURE

The property is held long leasehold by virtue of two coterminous head leases from Wiltshire Council expiring 23rd June 2139 and therefore have 119 years unexpired. The rent is fixed at one peppercorn.

The head leases allow for subdivision of the estate into smaller parcels limited to >0.4 acres, enabling the potential future partial break-up of the estate.



For indicative purposes only



TENANCY

The units are let to five tenants on six leases.
Five out of the six leases are on effective FRI terms.

The property has a WAULT to break of 4.9 years
and a WAULT to expiry of 6.9 years.

Unit	Tenant	Lease Start	Rent Review	Lease Expiry	Tenant Breaks	Warehouse (sqft)	Offices (sqft)	Total Area (sqft)	Rent pa	Rent (psf)	ERV (psf)	ERV pa	Comments
A/B	Dymag Group Ltd	29-Jul-19	29-Jul-24	28-Jul-29	29-Jul-24	14,596	4,383	18,979	£115,000	£6.06	£6.25	£118,619	6 months deposit. 12 months rent free to be topped up by vendor. Outside L&T 1954 Act. Schedule of Condition on Warehouse only. 2nd floor store 691 sq ft not included in areas.
C/D	Rotamat Limited trading as Huber	1-Jul-12	18-Jun-24	30-Jun-27		8,849	5,582	14,431	£89,587	£6.21	£6.50	£93,802	Reversionary 5 year lease from 1st July 2022. Six months rent free from 25th December 2019 to be topped up by vendor. Tenant mezz 1,155 sq ft not included in areas.
E	Williams & White Removals Ltd	27-Jul-11		26-Jul-21		4,789	1,154	5,943	£41,533	£6.99	£8.17	£48,554	AGA from former tenant Berkman Wine Cellars Ltd. 6 months rent deposit. Assigned 29th June 2018.
F	Rotamat Limited trading as Huber	18-Jun-19	18-Jun-24	30-Jun-27		1,745	215	1,960	£16,000	£8.16	£8.50	£16,660	Lease renewal from 18th June 2019, 6 months rent free from 25th December 2019 to be topped up by vendor.
G	Euro Car Parts Ltd	19-Jan-12	19-Jan-22	18-Jan-27	18-Jan-22	1,867	136	2,003	£15,625	£7.80	£8.50	£17,026	Assigned to tenant 10th July 2018. Obligation on tenant to remove mezzanine on expiry. Mezz area of 1,739 sq ft not included in areas.
H	Raceline Design Ltd	9-Aug-19		8-Aug-24		4,058	1,450	5,508	£45,000	£8.17	£8.17	£45,000	New letting. 3 months rent deposit. Outside L&T 1954 Act.
Total								48,824	£322,745			£339,661	



COVENANTS

The tenants offer a range of covenant strength as set out in the following summary:

Tenant	Accounts Y/E	2018	2017	2016	Activity
Dymag Group Ltd Co Reg. No. 8336642	Turnover	Not reported	Not reported	Not reported	Manufacturer of high performance wheels to the automotive sector. Est 1975. www.dymag.com
	Pre-tax Profits	Not reported	-£2,581,989	-£1,390,929	
	Net Assets	Not reported	-£1,282,813	-£589,093	
Rotamat Ltd Co Reg. No. 02874696	Turnover	£12,821,049	£12,575,583	£11,020,188	Manufacturer of plant for the treatment of municipal and industrial water. HQ here since 1997. Huber SE Germany parent. www.huber.co.uk
	Pre-tax Profits	£882,302	£1,252,945	£1,238,787	
	Net Assets	£2,631,320	£2,869,475	£2,817,471	
Williams & White Removals Ltd Co Reg. No. 11339167	Turnover	Not reported	Not reported	Not reported	Removal Services based in Chippenham and Devizes First established 2010. www.williamsandwhite.co.uk
	Pre-tax Profits				
	Net Assets				
Euro Car Parts Ltd Co Reg. No. 02680212	Turnover	£1,056,259,000	£1,018,379,000	£988,215,000	Supply and distribution of automotive parts to the UK aftermarket 12,000 employees 300+ branches. www.corporate.eurocarparts.com
	Pre-tax Profits	£53,360,000	£55,808,000	£81,151,000	
	Net Assets	£155,170,000	£370,716,000	£327,758,000	
Raceline Design Ltd Co Reg. No. 08854783	Turnover	Not reported	Not reported	Not reported	Custom adaptation of Land Rover VW Transporter Amarok sports vans. www.racelinesportsvans.com
	Pre-tax Profits	Not reported	Not reported	Not reported	
	Net Assets	£1,381,435	£967,243	£574,744	

RENTAL COMMENTARY

The estate offers significant rental growth potential:

The larger units at A-B (18,979 sqft) and C-D (14,431 sq ft) have recently seen transactions at £6.06 and £6.21 psf respectively but given A-B was marketed in an unrefurbished condition and C-D was a reversionary lease, we believe there is considerable potential for rental growth, were the units to come to the market.

Of the two mid-sized units Unit E (5,943 sq ft) and Unit H (5,508 sq ft) Unit H has recently set the rental tone at £8.17 psf.

Of the two smaller units Unit F (1,960 sq ft) and Unit G (2,003sqft) the evidence is from the recent renewal of Rotamat at Unit F where the renewal reflects £8.16 psf. We believe that given the smaller size of these units and the lack of available stock that there is potential to move the rents on to £8.50 psf.

We are of the view the property has an ERV of c. £339,661 as per the attached tenancy schedule. This shows a reversion on the current rent of £322,745 equating to a 34 basis point reversion..



INVESTMENT MARKET COMMENTARY

Despite the recent political turbulence, there remains a consistent depth of demand for regional multi-let industrial investments, which has led to competitive bidding and sustained market pricing.

Investors are drawn towards the compelling fundamentals of a strong occupational market with very low availability rates, significant rental growth and limited speculative development. With the general election over and the Brexit question now looking more settled,

the industrial sector should continue to benefit from strong investor demand, driven by a combination of the prospect of both capital and rental growth. This is demonstrated by similar investment transactions as follows:



Town	Street	Price £m	Yield %	£psf	Date	Comment	Purchaser
Exeter	Sowton Ind Estate U 1b	£3.72m	6.08%	£75	Dec-19	T: Howmet	Sedgemoor District Council
Devizes	Nursted Trading Estate	£3.46m	6.50%	£83	Nov-19	10 units T: Various WAULT: TB 4.3	Maybrook Properties
Cardiff	Gwaelod y Garth Ind Est	£3.75m	6.31%	£75	Nov-19	T: various	Private investor
Bristol	Wilverley Trading Estate	£5.87m	5.70%	£94	Sep-19	T: Various (5) WAULT:TB 2.7	Pears Property
Gloucester	Barnwood Ind Estate	£3.75m	5.78%	£96	Jul-19	T: Rolls Royce, Ruroc	Mendip District Council
Cheltenham	Bamfurlong Ind Estate	£7.45m	5.42%	£37	Jun-19	28 units LEX: 2034-2039	Dunmoore
Plymouth	Cot Hill Trading Estate	£5.97m	6.07%	£93	Apr-19	T: Various LL:3.45	Plymouth City Council
Chippenham	Woods Group HQ	£5.75m	6.03%	£139	Oct-18	T: Woods Group 15 yrs	Bath and North East Somerset Council
Frome	Unit B2 Commerce Park	£4.80m	5.75%	£111	Aug-18	T: Cox & Cox	Mendip District Council
Exeter	Sowton Ind Estate U 1-11	£3.50m	5.50%	£93	Jul-18	T: Various 3 yrs to break	Private investor



GENERAL

Planning

The property was granted planning permission on 13th March 1989 for B1 (offices) and B2 (general industrial) uses only. Unit E benefits from a planning permission dated 3rd May 2001 for B1, B2 and B8 (distribution).

Service Charge

The estate service charge budget for 2019-20 is £26,258 pa equating to c. 53 pence per sq ft. More details are available in the dataroom.

EPCs

EPCs are available in the dataroom, details available on request.

VAT

The property is elected for VAT purposes and therefore it is anticipated that the sale will be conducted via a Transfer of a Going Concern (TOGC).

Data Site

Access available on request

Anti Money Laundering

Prospective purchasers will be required to satisfy the vendor of their source of funds and the beneficial owner(s) of the acquiring entity.

INVESTMENT RATIONALE

- Prime multi-let industrial estate
- Excellent location, close to M4 in an affluent town
- 4.9 year WAULT to breaks
- Self-contained estate with excellent prospects for rental growth
- Subdivision potential of two of the units to create smaller units capable of commanding higher rents
- Sale of parts to owner occupiers
- Limited local supply
- Established proven rental growth
- Reversionary





PROPOSAL

We are instructed to seek offers in excess of **£4,660,000 (Four Million Six Hundred and Sixty Thousand Pounds)** subject to contract and exclusive of VAT. A purchase at this level would reflect the following yield profile after allowing for purchaser's costs of 6.57%:

Net Initial Yield:	6.50%
Reversionary Yield:	6.84%
Capital Value PSF:	£95 psf

For further information, viewing arrangements and access to the dataroom, please contact sole agents:



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