

FOR SALE newly developed industrial investment opportunity
let to a high quality tenant



Unit D, Daniels Way

HUCKNALL, NG15 7LL

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Investment Summary

- High quality newly developed warehouse extending to **11,550 sq ft**
 - Situated adjacent to Harrier Park in the **heart of Hucknall's industrial area** and within close proximity to junctions **26 & 27 of the M1** motorway
 - The site extends to approximately 0.36 ha (0.90 acres) providing a **very low site density of 29.5%** allowing for future redevelopment, expansion or subdivision of the site
 - To be let on a **new lease to GEOAmev PECS Ltd** for a term of approximately **9.5 years**, which runs conterminous with a contract with the Ministry of Justice for a prisoner escort and custody service
 - **GEOAmev PECS Ltd has a Creditsafe rating of 87/100**, representing a **'very low risk'** of business failure, employees of GEOAmev are also deemed as 'Essential Key Workers'
 - Passing rent of **£105,000 per annum**
 - The lease is subject to five yearly RPI linked reviews with a collar of 1% and cap of 4%, annually compounded
 - Freehold
 - We are instructed to seek offers in excess of **£1,723,000** (One Million, Seven Hundred and Twenty-Three Thousand Pounds) subject to contract and exclusive of VAT. A purchase at this level reflects a **Net Initial Yield of 5.75%**, assuming purchaser's costs of 5.97%
- The sale can be structured as a two stage payment forward commitment, providing a potential SDLT saving

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Location

Hucknall is located in the East Midlands in the heart of the UK, approximately 7 miles north west of Nottingham, 56 miles north east of Birmingham and 40 miles south of Sheffield. The town benefits from excellent access to the M1 Motorway via junction 26, 4 miles to the south, and junction 27 some 4.5 miles to the north.

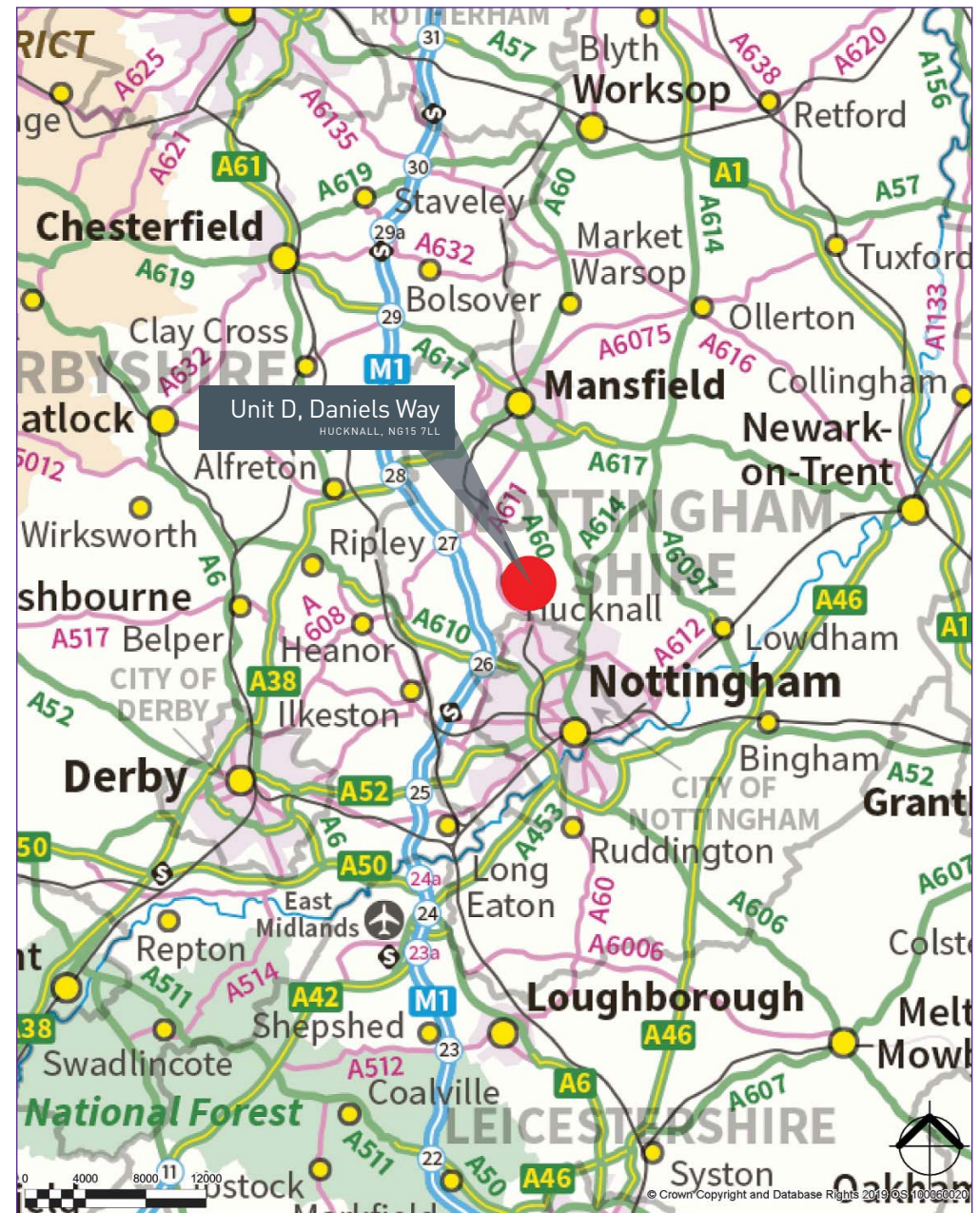
The town is the northern terminus for the Nottingham Express Transit tram system, which connects Hucknall to Nottingham City Centre and Nottingham Rail Station, along with a number of the city's southern suburbs including Clifton and Beeston.

Routes

	Miles	KM
Nottingham	7	11
East Midlands Airport	19	31
Sheffield	40	64
Birmingham	56	90

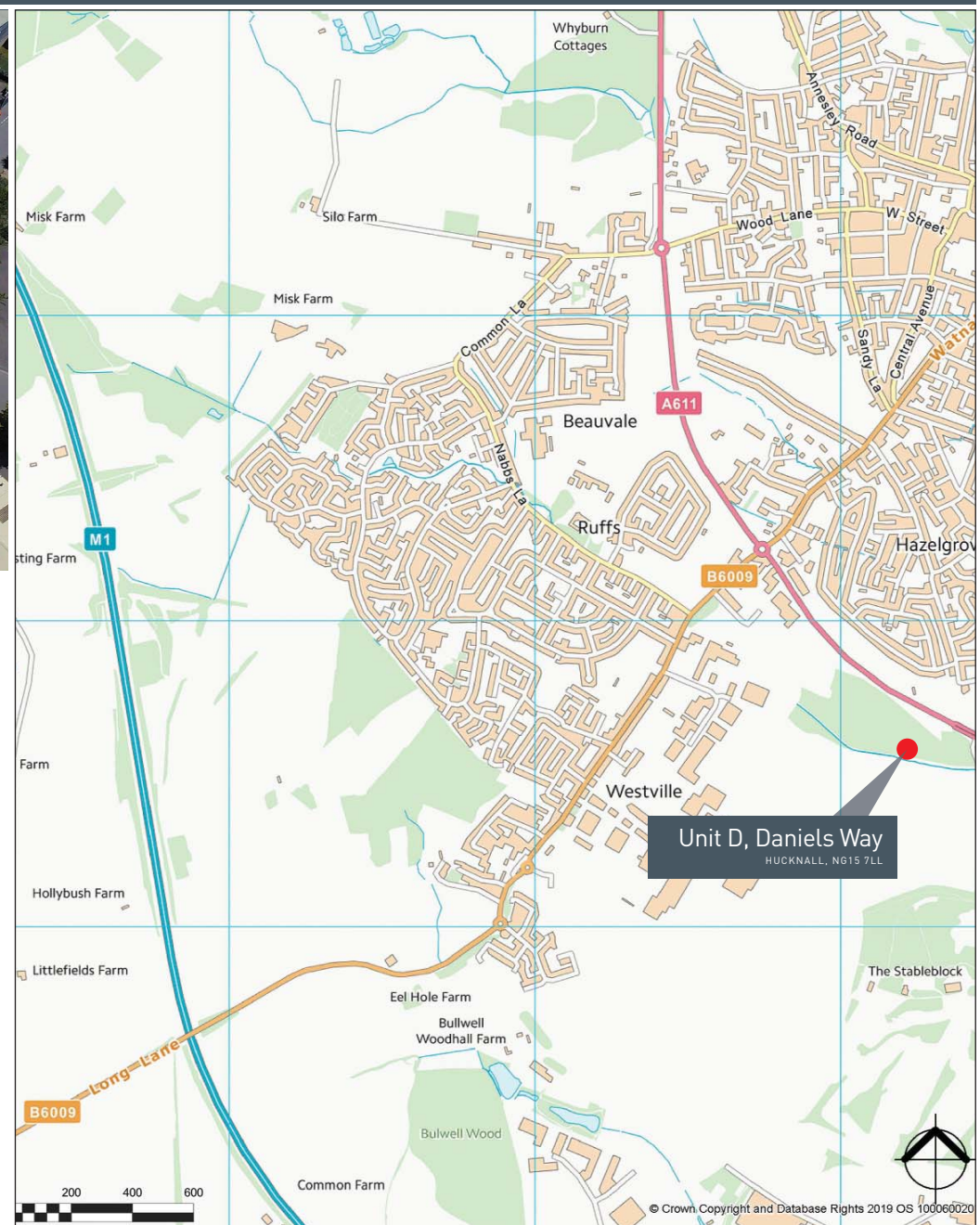
Road Networks

	Miles	KM
J26, M1	4	6
J27, M1	4.5	7
J1, A50	17	27
J1, M18	29	47
J11, M42	33	53



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Situation

The property is accessed via Daniels Way to the south, providing access to the A611 some 0.1 miles to the north east which connects to Junction 27 of the M1 (via the A608).

Hucknall is a well-established industrial and logistics location, with Rolls Royce having been located in the area since the early 1930s. Adjacent to the property is Harrier Park which comprises a 67 acre commercial development site being brought forward though a joint venture between Rolls Royce and Muse Developments. The site has the capacity to provide 1 million sq ft of employment space (with plots being available between 40,000 sq ft and 600,000 sq ft).

Other neighboring occupiers include The Mail Shop, Toll Global Forwarding, Briton Fabricators, RM Education Resources and JTF Mega Discount Warehouse.

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Description

The existing site currently provides for a detached warehouse of steel portal frame construction extending to 5,600 sq ft which is being retained and comprehensively refurbished. There is to be a new extension constructed to the north extending to a further 4,450 sq ft. Once completed, the building will comprise a new and refurbished industrial headquarters facility extending to a total of 11,550 sq ft.

The building will provide an eaves height of 7.5m within the existing building and 6.45m on the newly developed extension. There will be two ground level roller shutter doors. A first floor providing office accommodation extending to 1,500 sq ft (13% of overall accommodation) will be installed within the existing building.

The self-contained yard can be accessed from Daniels Way to the south and extends to 0.36 hectares (0.90 acres), creating an overall site density of only 29.5%. The substantial yard area will provide depths of between 21m and 25m, with a total of 18 parking spaces being provided along the eastern and western boundaries of the site.

Detailed information regarding the specification is available upon request.

Accommodation

The property will provide the following target Gross Internal Floor Areas:

Description	Sq m	Sq ft
Existing refurbished/extended building	659.61	7,100
New Extension	413.42	4,450
Total	1073.03	11,550

Architects plans are available to review upon request.



Site

Daniels Way totals approximately 0.36 hectares (0.90 acres) in its entirety, providing a very low site density of approximately 29.5%.

Tenure

The property is held freehold.

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Planning

For further information regarding the relevant planning decision notice, please visit Ashfield District Council's website for more information. Planning ref V/2020/0315.

https://www2.ashfield.gov.uk/cfusion/Planning/plan_findfile.cfm

In 2019, planning was also granted for a 9 unit multi let industrial estate scheme. Planning ref V/2019/0341.

The property will therefore provide flexibility that will enable changes to reflect and meet anticipated market demand beyond lease expiry in 2030.

Due to the low site density, the property presents a future opportunity for subdivision into a terrace of smaller units with the potential to increase density within the yard area subject to planning, as can be seen from the indicative plan opposite.

Tenancy

The property will be let to GEOAmeY PECS Ltd on a new full repairing and insuring lease, expiring on 31st August 2030, thereby providing a term certain of approximately 9.50 years. The annual rent will be £105,000 per annum, reflecting £8.23 per sq ft on the built accommodation and £10,000 for the additional yard space the tenant will benefit from due to the low site density.

GEOAmeY's lease runs conterminously with a contract they have with the Ministry of Justice to provide prisoner escort and custody services.

The lease will be subject to 5 yearly RPI linked rent reviews, with a collar of 1% per annum, and a cap of 4% per annum (annually compounded) and will be limited by way of a Schedule of Condition, which is to be completed following practical completion of the development works.

Following completion of the lease, the tenant shall have the benefit of a 3 month rent incentive, the vendor shall therefore top-up the rent to the headline level.



*Indicative multi let industrial scheme.

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Covenant

GEOAmeY PECS Ltd provides prison escort and custody services across England, Wales and Scotland, overseeing custody suites of over 185 courts in England and Wales under three contracts from the Ministry of Justice. GEOAmeY also manages a further 40 courts in Scotland under a separate contract for the Scottish Court Custody and Prisoner Escorting Service (SCCPES), on behalf of the Scottish Prison Service and Criminal Justice Partners, which commenced in January 2019.

In July 2016, GEOAmeY also started to work with the Youth Justice Board, and subsequently the Youth Custody Service on the Secure Escort Service of Children and Young People (SESCYP) contract to further utilise their national logistical operation of vehicles and depots.

The head office is in Manchester, with support services in Leicester and a control centre in Wakefield. In total, GEOAmeY has a fleet of over 400 escort vehicles, with 27 vehicle bases across the UK and has more than 2,300 employees.

The recent accounts are summarised below:

	Financial Year Ending		
	31/12/18	31/12/17	31/12/16
GEOAmeY Limited			
Turnover	£91,413,000	£87,262,000	£85,129,000
Profit After Tax	£2,976,000	£2,309,000	£3,783,000
Net Assets	£7,276,000	£4,300,000	-£1,991,000

Investment Comparables

Set out below are summary details of several recent comparable transactions:

Date	Property	Tenant(s) (Area sq ft)	UNX Term Certain yrs	Rent (psf)	Price	Net Initial Yield
Aug-20	Unit B2, Crown Park, Derby	Screwfix (5,059 sq ft)	10.00 yrs	£37,943 (£7.50 psf)	£0.60m	5.97%
Jul-20	Unit 15, Trent Gateway, Beeston	Howdens Joinery (8,578 sq ft)	10.00 yrs	£60,046 (£7.00 psf)	£0.98m	5.80%
Jun-20	Park 32, Pontefract	GEOAmeY PECS (21,437 sq ft)	10.75 yrs	£133,981 (£6.25)	£2.91m	5.75%
May-20	Quayside Drive, Walsall	Carrier Rental Systems (30,292 sq ft)	9.80 yrs	£145,000 (£4.78)	£2.35m	5.80%
Apr-20	Unit B, Trent Gateway, Beeston	Vacant (4,606 sq ft)	Vacant	Vacant	£0.63m	£136 psf
Mar-20	Unit A, Trent Gateway, Beeston	Vacant (4,488 sq ft)	Vacant	Vacant	£0.64m	£143 psf



Investment Credentials

- High quality tenant, providing a secure income stream and strong retention prospects
- Long dated income
- Excellent property fundamentals including: low site cover, large yard, high quality specification
- New build/refurbished asset
- Well established industrial location close to major motorway junctions

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EPC

An EPC will be commissioned upon completion of the development works and shall be made available to prospective investors.

Development Timescales

An Agreement for Lease has been entered into, with the lease to be completed following completion of the development works. The indicative timescales are set out below:

1. August 2019 – Detailed planning consent was obtained
2. September 2020 construction/redevelopment began
3. December 2020 construction/redevelopment completes
4. Upon issue of certificate of practical completion, the tenant will complete the lease within 15 days

The Developer

The development is being delivered by Rotherhill, an experienced East Midlands based property development and asset management company, with proven expertise and a strong track record.

Further information regarding the developer is available upon request.

Professional Team

Developer

Rotherhill Developments Limited

Project Manager

Benchmark Property Ltd

Architect

Stephen George and Partners

Principle Designer

PRLC Ltd

Consulting Engineer

BSP Consulting (Leicester)

Contractor

Pure Construction (Midlands) Limited

VAT

The property has been elected for VAT. It is envisaged therefore that the transaction will not be treated as a Transfer Of A Going Concern (TOGC).

Proposal

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Further Information

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

Richard Wright MRICS

CPP - Director, Capital Markets

M: +44 (0) 7708 811 832

E: richardwright@cpppartners.co.uk

W: www.cpppartners.co.uk

Jonny Pickup MRICS

CPP - Associate, Capital Markets

M: +44 (0) 7791 032 707

E: jonny@cpppartners.co.uk

W: www.cpppartners.co.uk

Mark Tomlinson

FHP - Director, MRICS

M: +44 (0) 7917 576 254

E: mark@fhp.co.uk

W: www.fhp.co.uk



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