

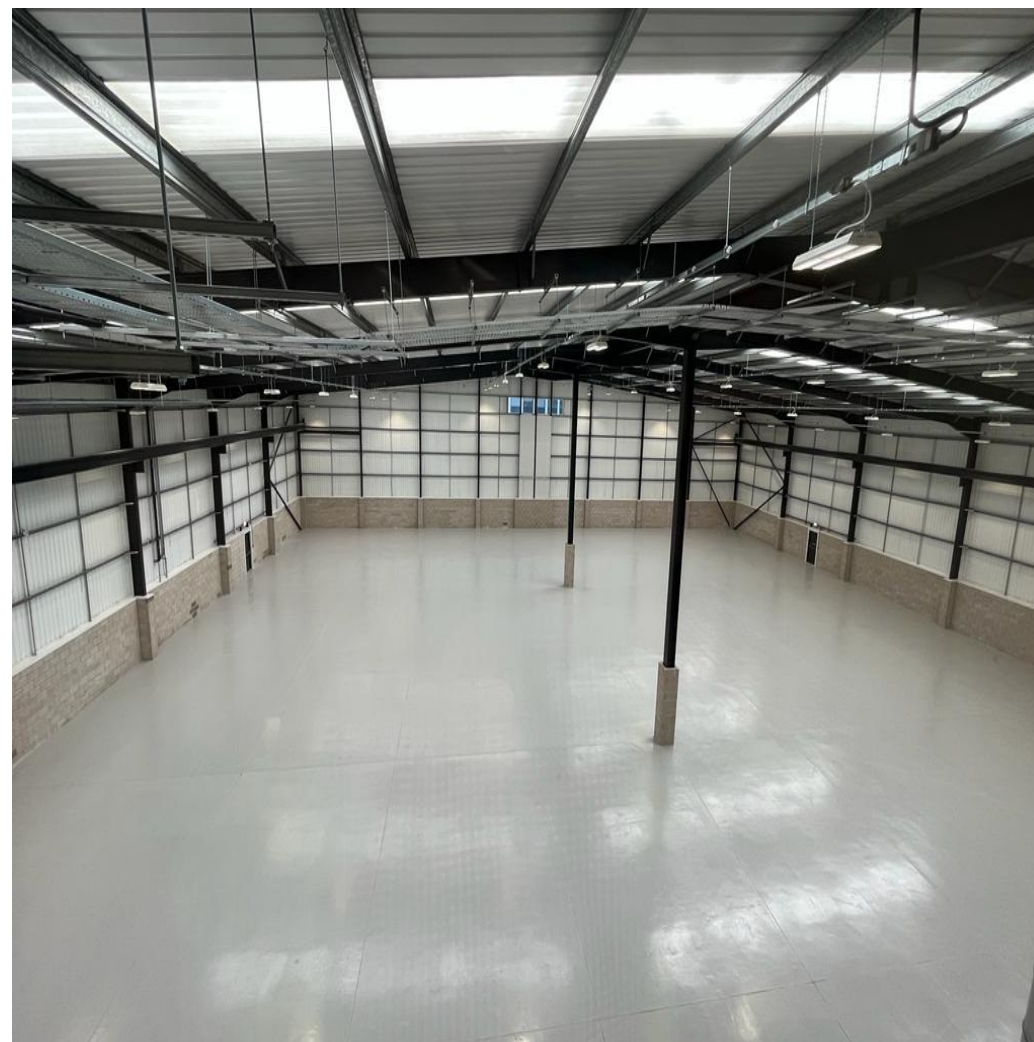


HIGH QUALITY LAST MILE LOGISTICS UNIT

9 President Way, Sheffield, S4 7UR

INVESTMENT SUMMARY

- High quality logistics unit **constructed in 1998 and comprehensively refurbished in 2021 providing 31,478 sq ft**
- Strategically located between **Sheffield City Centre (0.5 miles)** and **Junction 34 of the M1 Motorway (2 miles)**, providing the opportunity to **acquire a true urban distribution unit**
- Comprehensively refurbished in 2021, capital expenditure c. **£1.3m**
- **Excellent ESG credentials and a EPC rating of 'A'**
- Let to **Trans Global Freight Management Limited**, with a parent guarantee from **Trans Global Limited**
- Average weighted unexpired lease term of **9.74 years** to expiries and **4.74 years** to breaks
- Low passing rent of **£260,000 reflecting £8.26 per sq ft.**
- Freehold
- We are instructed to seek offers in excess of **£4,250,000** (Four Million, Two Hundred and Fifty Thousand Pounds) subject to contract and exclusive of VAT. A purchase at this level reflects a **Net Initial Yield of 5.75%** and a capital value of **£135 per sq ft** assuming purchaser's costs of 6.55%.



DESCRIPTION AND LOCATION

The property is located on President Way, accessed via Savile Street in Sheffield. The property is situated less than 0.5 miles from the City Centre and 2 mile from J34 of the M1 Motorway. The unit is ideally situated to cater for last mile delivery logistics, given its proximity to Sheffield and access to the M1 via junctions 33 & 34. The unit benefits from prominence on to Savile Street, a main arterial route from the City Centre. This location is exceptionally popular with occupiers.

The unit comprises a modern detached industrial unit of steel portal framed construction, with steel profiled clad elevations. The building has integral three storey office/welfare accommodation, with lift, raised access floor and air conditioning. The property benefits from 3 ground level access doors from the secure concrete yard/parking area. The unit has a clear internal height of 8.5m to underside of haunch.

The previous occupier (Capita) had extensively fitted out the property for their use primarily as a data centre. The unit therefore benefits from a significant power supply. More details of which are available upon request.



ACCOMMODATION AND SPECIFICATION

Accommodation

The property has the following Gross Internal Area (GIA):

AREA	SQ M	SQ FT
Warehouse	2,239.03	24,101
Ground Floor Storage/Welfare/WC's	228.49	2,459
First Floor Office	228.49	2,459
Second Floor Office	228.49	2,459
TOTAL	2,924.50	31,478

The total site area is approximately 1.27 acres, which reflects a site density of approximately 48%.

Specification

The recently refurbished building has a **EPC A** rating and provides a Grade A industrial specification which is summarised below;

- 1.27 acre site
- 8.5m clear internal height to underside of haunch
- 3 Ground Level Access Doors
- Secure gated concrete yard/parking area
- EV Charging Points
- LED Lighting
- Roof Mounted PV Panels
- Passenger Lift



TENURE

The property is held **Freehold**.



TENANCY

Unit	Size	Tenant	Lease Start	Rent Review	Break Option	Lease Expiry	Rent Passing	Rent (psf)	Headline ERV	ERV (psf)	Comments
9	31,478	Trans Global Freight Management Ltd, parent guarantee from Trans Global Ltd	17/07/2022	17/07/2027	17/08/2027	18/08/2032	£260,000	£8.26	£267,563	£8.50	Break penalty (Equivalent to 3 months' rent). Outside 54 Act. OMV review at 5th anniversary. No SoC. 6 months' rent incentive was provided as part of the new lease
Total	31,478				4.73 years	9.74 years	£260,000	£8.26	£267,563	£8.50	

A copy of the lease and accompanying documents are available upon request.

TENANT PROFILE AND COVENANT

Trans Global Freight Management Ltd are one of the UK's leading independent international freight forwarding companies. They provide bespoke Freight Solutions by Land, Sea and Air Global Infrastructure and are currently in their 50th year of trading.



Their accounts are summarised as follows:-

Trans Global Freight Management Ltd	2021	2020	2019
Turnover	£233,298,414	£208,968,746	£194,056,751
Pre Tax Profit	£3,334,986	£1,007,977	£614,842
Shareholder's Funds	£8,589,764	£5,912,362	£5,086,661
Employees	227	181	188

Trans Global Ltd	2021	2020	2019
Turnover	£262,020,000	£226,325,000	£213,463,000
Pre Tax Profit	£4,789,000	£1,616,000	£759,000
Shareholder's Funds	£10,437,000	£6,659,000	£5,366,000
Employees	331	307	313

EPC

The property has an EPC rating of A, a copy of which is available upon request.

VAT

The property is elected for VAT and it is therefore anticipated that the transaction will be treated as a Transfer of a Going Concern (TOGC).

OCCUPATIONAL COMMENTARY

Despite wider economic head winds, the regional occupier market for industrial/warehouse units such as the subject property is currently still strong. Tenant demand is evident across all size ranges and leasing activity/take-up is above the average rates for the region. The most sought after unit type are new build grade A or good quality, modern units – such as the subject property.

The supply levels of available property are currently at a critical low. The speculative development which has taken place is rapidly being absorbed and there is little second-hand space coming back to the market. The development pipeline is also limited at present with few new schemes coming through and therefore we expect this imbalance between supply & demand to continue. These market conditions are pushing rents upwards.

Within Sheffield there is currently very little supply of good quality modern warehousing which has meant that occupiers are being forced to consider units across South Yorkshire. Units located in urban locations such as President Way are in particularly high demand due to their scarcity, as such, these units command a significant rent premium.

Prime headline rents in South Yorkshire for similar sized units are £9 psf, a summary of key comparable transactions are listed below.

Date	Property	Tenant (Sq ft)	Term Certain	Rent (psf)
April 22	Latitude 43, Normanton	P&C (43,357 sq ft)	10 yrs	£8.00
July 22	Garnham Close, Alfreton	Eurocell Profiles Ltd (60,496 sq ft)	10 yrs	£8.33
June 22	Unit 5 Meadowhall Trade Centre	Driven Personnel Ltd (12,068 sq ft)	5 yrs	£9.50
April 22	Unit 1 Ergo Park, Sheffield	Telsa (32,551 sq ft)	10 yrs	£8.50
June 21	Amplify, AMP, Sheffield	UK Atomic Energy (22,231 sq ft)	5 yrs	£8.00



INVESTMENT COMMENTARY

The industrial and logistics sector continues to be the most highly sought-after asset class by investors in the UK, with a particular focus on well specified and located logistics assets and industrial estates in key urban locations.

Set out below are summary details of several recent investment transactions which provide a guide to current investment pricing relevant to the subject property:

Date	Property	Tenant (Sq ft)	Term Certain	Rent (psf)	Price	NIY	Cap Val psf
Nov 22	C1, Telford Way, Wakefield	Yorkshire Ambulance Company NHS Trust (19,500 sq ft)	9.72 yrs	£6.75	£2.475m	5.00%	£127
Sept 22	2 Euoway Trading Estate, Bradford	ICS Cool Energy (31,304 sq ft)	8.40 yrs	£4.47	£3.06m	4.71%	£98
Sept 22	Paragon Point, Hortonwood West, Telford	China Enterprise UK (38,875 sq ft)	10.0 yrs	£5.94	£4.40m	5.05%	£113
Aug 22	Wakefield Hub, Wakefield	HB Clark (65,000 sq ft)	19.50 yrs	£6.10	£11.35m	3.27%	£175
April 22	AMP, Rotherham	X-Cel Superturn (74,000 sq ft – 2 units)	15 yrs	£6.55	£10.25m	4.10%	£138

PROPOSAL

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DATA ROOM

A Data Room is available containing further information. Access can be provided upon request.

CONTACTS

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