



Hillsborough

TRADE POINT

PENISTONE ROAD • HILLSBOROUGH • SHEFFIELD • S6 1PG



A multi-let trade counter investment opportunity fronting the busiest arterial route in Sheffield



INVESTMENT SUMMARY

- A Multi-Let Trade Counter Scheme.
- Strong tenant profile including Topps Tiles, Screwfix, YESSS Electrical, Dulux, James Hargreaves and Maplin.
- WAULT to lease expiry of 8.75 years.
- WAULT to the break of 5.00 years.
- Total floor area of 47,350 sq ft.
- Current rental income - £301,154 pa exclusive equating to £6.36 psf.
- Estimated rental value - £355,125 pa exclusive equating to £7.50 psf.
- We are instructed to seek offers in excess of £3,650,000 (Three Million Six Hundred and Fifty Thousand pounds) subject to contract and exclusive of VAT.
- A company sale is available which will reduce stamp duty from 4% to 0.5% plus there are BPRA benefits. This is explained further in the brochure.
- The price reflects the following yield profile:-
 - Net Initial Yield of 7.80%
 - Reversionary Yield of 9.20%
 - Equivalent Yield of 8.90%
 - True Equivalent Yield of 9.40%
- The above yields allow for purchaser's costs of 5.80%.
- A purchase at this level equates to a low capital value of £77.09 psf.

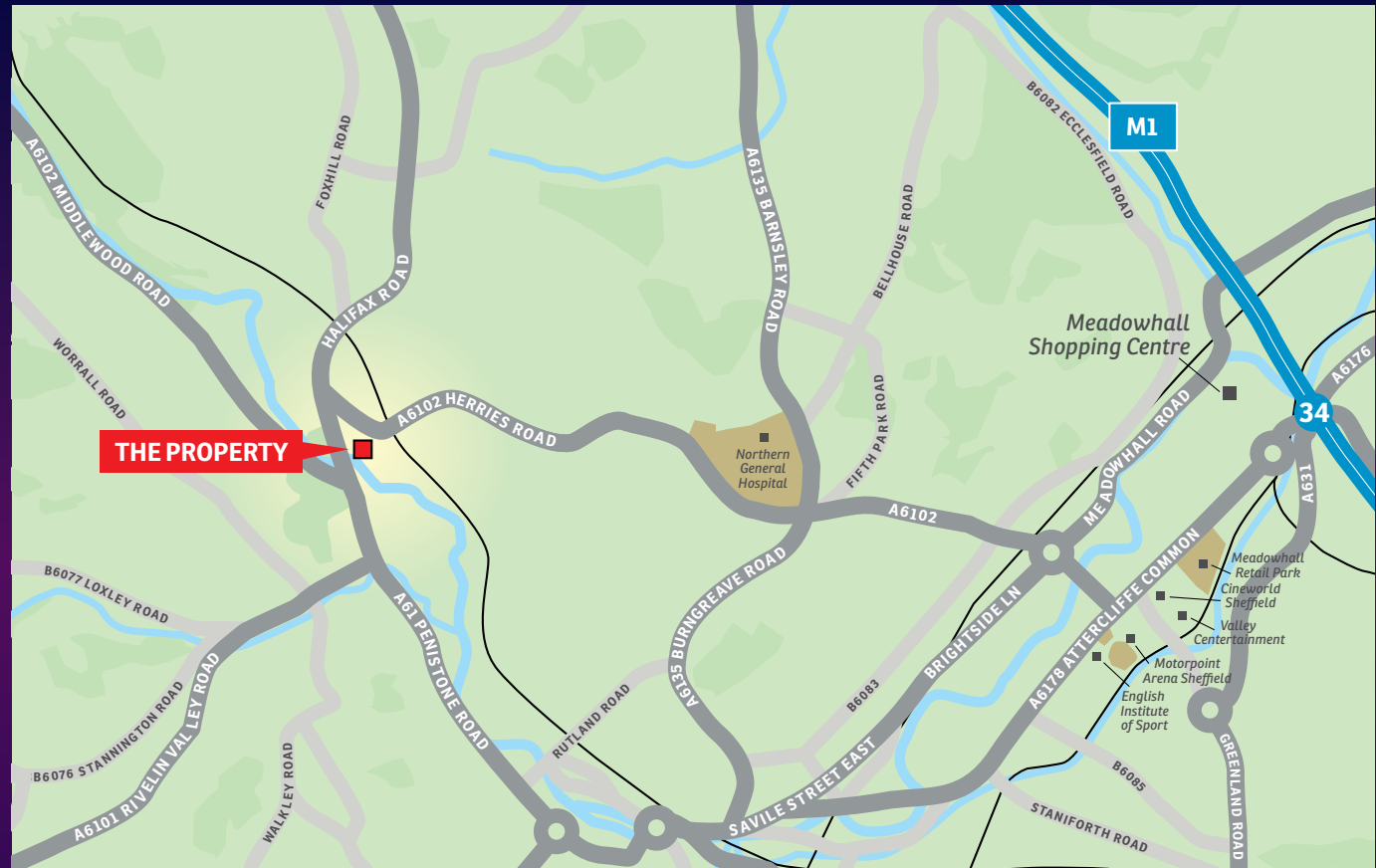




LOCATION

The site is prominently located on the A61 Penistone Road. This is the busiest road in Sheffield and one of the main arterial routes from Sheffield to J36 M1 Motorway.

The site neighbours Sheffield Wednesday football stadium and is set within an established commercial location. Traffic flows in excess of 50,000 pass the site each day, providing excellent exposure to passing trade.



DESCRIPTION

The scheme comprises ten high quality, refurbished trade units with landscaping and HGV access. The units are of steel portal frame construction with an eaves height of approximately 6m (19' 6"). The units have been re-clad to both the roof and elevations together with new feature glazing.

The units all have gas, water and 3-phase electricity. Each unit benefits from dedicated parking via the large shared car park area. The tenants have fitted out the units to a high quality.



SITE PLAN



PLANNING

The units benefit from a B1(c), B2 & B8 consent.

ACCOMMODATION

The units provide the following gross internal floor areas:

| | Tenant | (sq ft) | (sq m) |
|--------------|--------------------------|---------------|--------------|
| Unit 1 | Topps Tiles | 5,800 | 539 |
| Unit 2a | Cubico | 3,925 | 365 |
| Unit 2b | Sheffield Kitchen Outlet | 3,925 | 365 |
| Unit 3 | Screwfix | 3,856 | 358 |
| Unit 4 | YESSS Electrical | 5,938 | 552 |
| Unit 5 | Dulux | 3,960 | 368 |
| Unit 6 | Floor Décor | 3,960 | 368 |
| Unit 6a | Floor Décor | 6,566 | 610 |
| Unit 7a | Maplin | 3,520 | 327 |
| Unit 8 | James Hargreaves | 5,900 | 548 |
| Total | | 47,350 | 4,399 |





MARKET EVIDENCE

| Address | Tenant | Size sq ft | Rent per sq ft | Date |
|---|---------------------|------------|----------------|-----------|
| Trade World, Parkgate, Rotherham | National Tyres | 4,019 | £10.00 | Dec 2014 |
| Trade World, Parkgate, Rotherham | Topps Tiles | 5,166 | £10.00 | Dec 2014 |
| Barnsley Trade Park, Barnsley | Euro Car Parts | 6,325 | £8.50 | July 2013 |
| Unit 2, Savile Business Park, Sheffield | Halfords Autocentre | 4,000 | £8.00 | Dec 2012 |
| Queens Road, Sheffield | Screwfix | 10,312 | £9.10 | Dec 2012 |
| Meadowhall Road, Sheffield | Sliderobes | 2,949 | £7.12 | Dec 2011 |
| Burton Court, Sheffield | Euro Car Parts | 3,000 | £8.25 | Jan 2009 |



COMPANY SALE & BPRA BENEFITS

Our client can offer a sale of the company which holds the property. Hillsborough Regeneration Company Ltd (Reg No. 6708899) is a Special Purpose Vehicle (SPV) which was set up specifically to purchase, redevelop and sell the property. We have provided a summary of the assets and liabilities below as provided by Landin Wilcock Accountants:

Hillsborough Regeneration Company Limited

| Summary Balance Sheet at 30 September 2013 | £ |
|---|-----------------|
| Land & buildings | 2,456,923 |
| Prepayments | 4,317 |
| Cash at bank | 136,019 |
| Bank loans | (1,200,000) |
| VAT | (1,492) |
| Shareholder/director loans | (1,366,042) |
| Accruals | (52,516) |
| Net liabilities at 30 September 2013 | (22,791) |

Tax Losses Available To The Company

The company's investment property was eligible for Business Premises Renovation Allowances ('BPRA'). BPRA is a tax relief intended to give an incentive to bring derelict or unused properties back into use. BPRA gives an initial tax allowance of 100% for expenditure on converting or renovating previously unused business premises.

At 30 September 2013, BPRA allowances of £826,352 have been claimed, leaving tax losses of £863,093 available to carry forward. These losses can be offset against future taxable profits of the company, such as rental income or capital gains, and therefore provide a valuable incentive to a purchaser of the company.

Please note that if the property were to be sold by the company within 7 years of the property being available for letting, then the BPRA relief may be clawed back by HMRC.



TENANCY

The estate is leased to nine tenants providing a total headline rental income of £301,154 per annum exclusive. The properties are let in accordance with the following tenancy schedule:

| Property | Tenant | Area sq ft | Headline Rent pa | Rent per sq ft | Lease Start | Lease End | Break Option | Unexpired Term to Expiry (years) | Unexpired Term to Break (years) | Rent Reviews | ERV psf | ERV pa | Comments |
|----------|--|---------------|------------------|----------------|-------------|------------|--------------------------|----------------------------------|---------------------------------|--------------|--------------|-----------------|---|
| Unit 1 | Multi-tile Ltd (00808214) t/a Topps Tiles | 5,800 | £37,700 | £6.50 | 21/08/2013 | 20/08/2023 | 21/08/2016 21/08/2019 | 8.59 | 1.75 | 21/08/2018 | £7.50 | £43,500 | FRI. OMV review but capped at £41,400pa. Rent steps up from £36,000 to £37,700 on 21/8/2016. 6 months notice to break and payment of £9,000 penalty if the Aug 2016 break is exercised. |
| Unit 2a | Cubico UK Ltd (08073879) | 3,925 | £31,200 | £7.95 | 23/12/2013 | 31/12/2023 | 23/12/2018 | 8.95 | 3.93 | 23/12/2018 | £7.50 | £29,438 | FRI. OMV review. 6 months notice to break. |
| Unit 2b | Sheffield Kitchen Outlet Ltd (06972595) | 3,925 | £26,000 | £6.62 | 23/08/2013 | 22/08/2023 | - | 8.59 | - | 23/08/2018 | £7.50 | £29,438 | FRI. Aug 2018 review is fixed at £29,900 pa. |
| Unit 3 | ScrewFix Direct Ltd (03006378) | 3,856 | £25,064 | £6.50 | 02/01/2013 | 01/01/2023 | 02/06/2018 | 7.96 | 3.37 | 02/01/2018 | £7.50 | £28,920 | FRI. OMV review. 6 months notice to break. 3 months rent free if the tenant does not break. |
| Unit 4 | Your Electrical Supplies, Service and Solutions (A) Ltd (07656807) with CEF (W) S.A. as guarantor. | 5,938 | £38,600 | £6.50 | 29/01/2013 | 28/01/2023 | - | 8.03 | - | 29/01/2018 | £7.50 | £44,535 | FRI. OMV review. Rent steps up from £19,300 to £38,600 on 29/7/2015. |
| Unit 5 | J.P. McDougall & Co Ltd (00254941) t/a Dulux | 3,960 | £25,740 | £6.50 | 07/03/2013 | 06/03/2023 | 07/03/2018 | 8.13 | 3.13 | 07/03/2018 | £7.50 | £29,700 | FRI. OMV review. 6 months half rent from 7/3/2018. 6 months notice to break. |
| Unit 6 | Specialise Ltd (07906571) with Nathan Thorpe as guarantor t/a Floor Décor | 3,960 | £25,740 | £6.50 | 11/03/2013 | 10/03/2023 | 11/03/2018 | 8.14 | 3.14 | 11/03/2018 | £7.50 | £29,700 | FRI. OMV review. 6 months notice to break. |
| Unit 6a | Specialise Ltd (07906571) with Nathan Thorpe as guarantor t/a Floor Décor | 6,566 | £29,880 | £4.55 | 04/12/2014 | 10/03/2023 | 11/03/2018 | 8.14 | 3.14 | 11/03/2018 | £7.50 | £49,245 | FRI. OMV review. 6 months notice to break. |
| Unit 7a | Maplin Electronics Ltd (01264385) | 3,520 | £22,880 | £6.50 | 01/09/2014 | 31/08/2024 | 31/08/2019 | 9.62 | 4.62 | 01/09/2019 | £7.50 | £26,400 | FRI. OMV review. 3 month rent break penalty. Half rent payable until 28/2/2016. 6 months notice to break. |
| Unit 8 | James Hargreaves (Plumbers' Merchants) Limited (00188491) | 5,900 | £38,350 | £6.50 | 31/01/2015 | 30/01/2025 | - | 10.00 | - | 31/01/2020 | £7.50 | £44,250 | Lease to be completed 31/01/2015. FRI. OMV review. This is a lease extension. |
| | TOTAL | 47,350 | £301,154 | £6.36 | | | WALVT | 8.75 | 5.00 | | £7.50 | £355,125 | |



COVENANTS

Multi-tile Ltd (t/a Topps Tiles) (Company No. 00808214) has a Dun & Bradstreet rating of 5A. We have detailed below the main financial highlights:



| Year Ending | 28 Sept 2013 (£) | 29 Sept 2012 (£) | 1 Oct 2011 (£) |
|-----------------------|------------------|------------------|----------------|
| Turnover | 2,640,299 | 7,531,617 | 12,593,126 |
| Pre-tax Profit/(Loss) | 8,585,042 | 8,498,755 | 7,166,337 |
| Tangible Net Worth | 144,591,277 | 135,826,250 | 127,359,214 |

Screwfix Direct Ltd (Company No. 03006378) has a Dun & Bradstreet rating of 5A 1 which is the highest rating and represents a minimum risk of business failure. We have detailed below the main financial highlights:



| Year Ending | 1 Feb 2014 (£) | 2 Feb 2013 (£) | 28 Jan 2012 (£) |
|-----------------------|----------------|----------------|-----------------|
| Turnover | 665,263,000 | 577,247,000 | 515,128,000 |
| Pre-tax Profit/(Loss) | 45,328,000 | 34,223,000 | 30,697,000 |
| Tangible Net Worth | 223,625,000 | 191,332,000 | 163,672,000 |

Your Electrical Supplies, Service and Solutions (A) Ltd (Company No. 07656807) were only formed in 2011 and as at 30 April 2013 reported a turnover of £4.6m but due to initial set up costs are running at a loss of £16.9m. CEF (W) S.A (Company No. Luxembourg B103686) provide a guarantee and has a Dun & Bradstreet rating of 5A 1 which is the highest rating and represents a minimum risk of business failure. We have detailed below the main financial highlights:



| Year Ending | 31 March 2014 (Euro) | 31 March 2013 (Euro) | 31 March 2012 (Euro) |
|--------------------|----------------------|----------------------|----------------------|
| Tangible Net Worth | 70,459,255 | 64,351,275 | 65,489,742 |

J.P. McDougall & Co Ltd (Company No. 00254941) t/a Dulux has reported the following financial highlights:

| Year Ending | 31 Dec 2013 (£) | 31 Dec 2012 (£) | 31 Dec 2011 (£) |
|-----------------------|-----------------|-----------------|-----------------|
| Turnover | 168,894,000 | 164,649,000 | 163,987,000 |
| Pre-tax Profit/(Loss) | 4,263,000 | (9,542,000) | 3,472,000 |
| Tangible Net Worth | (41,868,000) | (45,735,000) | (31,567,000) |

James Hargreaves (Plumbers'Merchants) Limited (Company No. 0188491) has a Dun & Bradstreet rating of 3A 1 which represents a minimum risk of business failure. We have detailed below the main financial highlights:



| Year Ending | 31 Dec 2013 (£) | 31 Dec 2012 (£) | 31 Dec 2011 (£) |
|-----------------------|-----------------|-----------------|-----------------|
| Turnover | 39,659,679 | 30,729,611 | 28,280,012 |
| Pre-tax Profit/(Loss) | 2,320,904 | 1,174,718 | 1,286,860 |
| Tangible Net Worth | 11,787,130 | 10,077,682 | 9,299,728 |

Maplin Electronics Ltd (Company No. 01264385) has a Dun & Bradstreet rating of 5A 1 which is the highest rating and represents a minimum risk of business failure. We have detailed below the main financial highlights:



| Year Ending | 22 March 2014 (£) | 29 Dec 2012 (£) | 31 Dec 2011 (£) |
|-----------------------|-------------------|-----------------|-----------------|
| Turnover | 269,227,000 | 213,518,000 | 205,025,000 |
| Pre-tax Profit/(Loss) | 13,351,000 | 16,193,000 | 24,784,000 |
| Tangible Net Worth | 166,106,000 | 156,136,000 | 143,711,000 |





VAT

Our client has elected to charge VAT in respect of this property. However, it is possible the sale could be dealt with by way of a Transfer of a Going Concern (TOGC).

PROPOSAL

We are instructed to seek offers in excess of £3,650,000 (Three Million Six Hundred and Fifty Thousand pounds) subject to contract and exclusive of VAT. Reflecting the following yield profile:-

- Net Initial Yield of 7.80%
- Reversionary Yield of 9.20%
- Equivalent Yield of 8.90%
- True Equivalent Yield of 9.40%

The above yields allow for purchaser's costs of 5.80%. The net initial yield will improve significantly should the company be purchased.

A company purchase is available which will reduce the stamp duty from 4% to 0.5% plus the BPPA benefits will be passed to the buyer.



FURTHER INFORMATION

A data room containing all legal and property related information is available on request from CPP. A Circle/Argus valuation CVL file and/or Excel sheet containing a detailed tenancy schedule can be obtained from CPP on request.

EPC

EPC's are available on request.

TENURE

The property is held freehold.

MISREPRESENTATION ACT These particulars do not constitute part of an offer or contract. All descriptions, dimensions, reference to condition and necessary permission for use and occupation and other details contained herein are for general guidance only and prospective purchasers or tenants should not rely on them as statements or representations of fact and must satisfy themselves as to their accuracy. Neither Commercial Property Partners, nor its employees or representatives have any authority to make or give any representation or warranty or enter into any contract in relation to the property. Rents quoted in these particulars may be subject to VAT in addition. The reference to any mechanical or electrical equipment or other facilities at the property shall not constitute a representation (unless otherwise stated) as to its state or condition or that it is capable of fulfilling its intended function and prospective tenants/purchasers should satisfy themselves as to the fitness of such equipment for their requirements. Prices/rents quoted in these particulars may be subject to VAT in addition. a) These particulars were prepared from preliminary plans and specifications before the completion of the properties and are intended only as a guide. They may have been changed during construction and final finishes could vary. Prospective purchasers should not rely on this information but must get their solicitor to check the plans and specifications attached to their contract. b) We have not made any investigations into the existence or otherwise of any issues concerning pollution of land, air or water contamination and the purchaser is responsible for making his own enquiries in this regard. Designed and produced by www.thedesigntexchange.co.uk Tel: 01943 604500. February 2015.

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