

11

BAMFURLONG INDUSTRIAL PARK

STAVERTON, CHELTENHAM, GL51 6SX



REVERSIONARY LOW DENSITY INDUSTRIAL INVESTMENT



INVESTMENT SUMMARY

- Situated on Bamfurlong Industrial Park, strategically located between Cheltenham and Gloucester.
- Modern warehouse unit totaling 8,114 sq ft with an additional rear extension comprising 1,986 sq ft (not rentalised).
- Large self contained yard on a site of 0.67 acres providing a low site cover of 28%.
- Unit recently fully refurbished to include a new roof and cladding.
- The property will be sold with a new 250 year lease at a peppercorn rent.
- Let to Avonmouth Engineering Services Ltd (Fame rated 74/100), with a guarantor from Hidrostal (GB) Ltd (Fame rated 89/100).
- Let on a 10 year lease expiring 24th October 2031, with an unexpired term of 8.46 years.
- Rent of £100,000 per annum, reflecting £10.25 per sq ft on the unit and £1.50 per sq ft on the additional yard.
- Upward only rent review on 25th October 2026.
- ERV at review of £114,100 per annum, reflecting £12.00 per sq ft on the unit and £1.50 per sq ft on the additional yard.
- ERV at lease expiry of £131,300 per annum, reflecting £12.00 per sq ft on the unit and rear extension and £1.50 per sq ft on the additional yard.
- Rents on Bamfurlong Industrial Park are in excess of £12.00 per sq ft for refurbished accommodation, with one unit currently under offer at £13.69 per sq ft.
- Capital value of £158 per sq ft is at a discount to the recent VP sale on the estate at £215 per sq ft.
- We are instructed to seek offers in excess of **£1,600,000**, reflecting a **net initial yield of 5.84%** and a **reversionary yield of 7.67%**, assuming purchaser's costs of 7.14%.



LOCATION

Cheltenham is an attractive and prosperous spa town, located in Gloucestershire. The town is famous for its Regency architecture, racecourse and festivals and is known as the Gateway to the Cotswolds.

Cheltenham is located approximately 40 miles north east of Bristol, 70 miles south of Birmingham and 100 miles north west of London. The town benefits from excellent road communications, with Junction 11 of the M5 motorway located only 2.5 miles to the west, providing access to Birmingham, Bristol and the wider UK motorway network.

Cheltenham Spa Railway Station provides regular services to London Paddington, with an approximate journey time of just over two hours. There are also services operating to Bristol, Birmingham, Manchester, Newcastle and Glasgow. Birmingham International Airport and Bristol Airport are both approximately a one hour drive time from Cheltenham.



SITUATION

Situated approximately 3 miles to the west of Cheltenham town centre, Bamfurlong Industrial Park occupies a strategic location being only 2.5 miles to the north of Junction 11 of the M5 motorway at its intersection with the A40 which links Cheltenham and Gloucester.

The GCHQ campus is situated adjacent to the north eastern boundary a short distance to the east, and the estate lies immediately adjacent to the northeast boundary of Gloucester Airport.

Bamfurlong Industrial Park is accessed directly via the B4063, and sits between Staverton Technology Park and Meteor Business Park.

DESCRIPTION

Unit 11 comprises a newly refurbished detached unit of steel portal frame construction under a new steel pitched roof. The eaves height is 6.00m rising to 6.85m. The rear extension has an eaves height of 4.00m rising to 4.85m.

The unit has two electric surface level loading doors and a separate entrance to the office accommodation.

Externally the unit benefits from a large, secure rear service yard and a generous dedicated car parking area.

ACCOMMODATION

The property provides the following GIA floor areas:

	Area Sq ft
Ground Floor Warehouse	7,213
First Floor Offices	901
Sub-Total	8,114
Rear Extension (tenant fit out)	1,986
Total	10,100

Excluding the rear extension, the additional yard equates to 11,154 sq ft based on 45% site cover.

The property occupies a site of 0.67 acres, providing a low site cover of 28% (excluding rear extension).

GREEN ENERGY GRID

Bamfurlong industrial Park will benefit from Green Energy Grid (Private Electricity Network) across the entire development allowing all tenants on the estate to benefit from low or zero carbon emission electricity. The Green Energy Grid will allow multiple renewable sources to be used across the estate which could include PV, Battery Storage, Anaerobic Digestion, as well as others that might be produced in the future, allowing for ultimate future flexibility.

Unit 11 benefits from a provision for Solar Panels to be installed on the roof. We understand these Solar Panels will be installed by the Vendor shortly.

TENURE

The property will be sold with a new 250 year lease at a peppercorn rent.

TENANCY

The property is let on a 10 year lease to Avonmouth Engineering Services Ltd from 25th October 2021, expiring on 24th October 2031. The lease is on full repairing and insuring terms subject to a schedule of condition (on part).

There is an upwards only rent review on 25th October 2026.

The current passing rent is £100,000 per annum, reflecting £10.25 per sq ft on the unit and £1.50 per sq ft on the additional yard.

The property has a WAULT of 8.46 years to expiry.



COVENANT INFORMATION



AVONMOUTH
ENGINEERING SERVICES LTD.

TENANT

Avonmouth Engineering Services Ltd was established in 2020 and are a rapid response, full scope supplier of electromechanical products and services. The company provides engineering services, new equipment, workshop services, site services and parts for MV/MV/LV motors & generators, pumps, gearboxes and other rotating machinery.

The company employs skilled engineering specialists who understand mechanical and electrical plant and equipment. They operate in many key markets and have a proven track record of ensuring operational efficiency as well as cost benefits for a wide variety of process lines.

Avonmouth Engineering Services Ltd is owned by Hidrostal (GB) Ltd.

The company has published the following accounts:

	31/12/2021	31/12/2020
Turnover	£8,937,068	-
Profit	£46,985	-
Net Tangible Assets	-£118,883	-£342,489
Shareholders Funds	-£118,883	-£342,489

FAME rate the company 74 out of 100 and Stable.



GUARANTOR

Hidrostal (GB) Ltd is the UK holding company for the renowned Swiss pump manufacturer Hidrostal. The company has production sites in Bristol, Bedford and Castleford alongside satellite sites in Gloucester and Yeovil. Hidrostal (GB) Ltd also incorporates Bedford Pumps Ltd & Hidrostal Ltd who together offer a complementary range of pumping solutions.

Hidrostal Ltd was established in the UK in 1980. The UK division order the bare shaft pumps from the factory in Switzerland and customise them to specification. This includes the fitting of seals, local manufacture of drive assemblies for vertical sump pumps, fabrication of baseplates for horizontal units and assembly to UK procured motors and couplings.

For more than 50 years Hidrostal AG have conducted a continuous research and development programme resulting in a technology advantage in handling difficult materials. This has led to a family of pumps being developed with variations of the screw centrifugal impeller to solve specific pumping problems.

The company has published the following accounts:

	31/12/2021	31/12/2020	31/12/2019
Turnover	£19,761,150	£18,247,504	£15,677,258
Profit	-£114,741	-£168,665	-£6,766
Net Tangible Assets	£2,232,838	£2,420,401	£2,631,848
Shareholders Funds	£2,162,838	£2,057,987	£2,194,694

FAME rate the company 89 out of 100 and Secure.

CHELTENHAM INDUSTRIAL MARKET

- Highly restricted supply of industrial space in Cheltenham
- Very low supply of any future development land
- Proven year on year rental growth
- Unsatisfied occupier requirements

There are currently no voids on Bamfurlong Industrial Park.

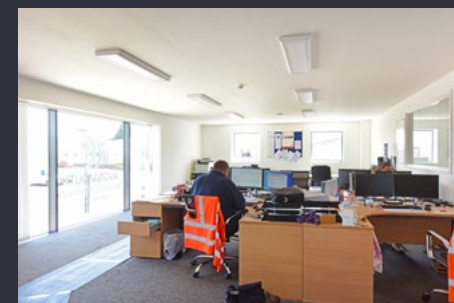
The most recent comparable lettings are detailed below:

Date	Unit	Tenant	Sq ft (Sq ft Yard Overage)	Rent (pa)	Rent (psf)	Comments
Dec-22	15	Safestyle	11,518	£138,000	£12.00	Pre-let on fully refurbished unit.
Jun-22	1 to 9	Selco	39,854	£498,175	£12.50	New letting on new build unit on Festival Trade Park.
May-22	16	Boels	5,650 (8,843)	£75,000	11.00 £1.50 (yard)	Pre let on light touch refurbishment with original roof retained. Low site coverage with additional yard rentalised.
Sep-21	2a / 3	Confidential	6,768	£67,950	£10.04	Pre let on light touch refurbishment with original roof retained.
Mar-20	2	Weatherark Ltd	3,963	£39,600	£10.00	Light touch refurbishment with original roof retained.
Freehold Sale						
Date	Unit	Purchaser	Sq ft	Price	Price (psf)	Comments
Mar-21	6	Intoco	10,430	£2,250,000	£215	Purchase of a vacant, fully refurbished unit with low site coverage.



ERV

The current passing rent was set in October 2021 and since that time rents on the estate have increased significantly. ERV at lease expiry of £131,300 per annum, reflecting £12.00 per sq ft on the unit and rear extension and £1.50 per sq ft on the additional yard.



ESTATE SERVICE CHARGE

The estate service charge for the year ending 31st December 2023 is £1,819.90 per annum, which equates to £0.22 per sq ft.

EPC

Available on request.

VAT

As the sale will involve the creation of a new 250 year leasehold interest we anticipate that the sale will not be treated as a TOGC and therefore VAT will be payable on the purchase price (although usually reclaimed).

PROPOSAL

We are instructed to seek offers in excess of **£1,600,000**, reflecting a **net initial yield of 5.84%** and a **reversionary yield of 7.67%**, assuming purchaser's costs of 7.14%.



FURTHER INFORMATION

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