

UNITS A, B & C, KINGFISHER WAY, EXETER EX2 7LE

REVERSIONARY FREEHOLD INDUSTRIAL INVESTMENT



Investment Summary

- Freehold industrial investment comprising three modern warehouse units.
- Prime location situated on Sowton Industrial Estate with frontage to Bittern Road and Kingfisher Way.
- The units provide a total of 45,387 sq ft of industrial accommodation situated on a site of 2.53 acres reflecting a low site cover of 41%.
- All units benefit from steel clad elevations and steel roofs. The roof on unit C was replaced in 2020 and is covered by a 40 year guarantee.
- The units are let to Mardale Technology Ltd, Clarkson Evans Ltd and Saica Pack UK Ltd.
- Saica Pack UK Ltd account for 70% of the income and is rated 95 out of 100 by FAME with net assets in excess of £234m (YE 2021).
- Prime rents in Exeter have reached £12.50 per sq ft.
- The current rent is £323,466 per annum averaging £7.00 per sq ft.
- Conservatively the estate has an ERV of £406,103 per annum reflecting £9.75 per sq ft on units A&B and £8.50 per sq ft on unit C.
- We are instructed to seek offers of **£4,850,000** reflecting a **net initial yield of 6.25%** and a reversionary yield of 7.85% assuming purchasers costs of 6.58%.
- The quoting price reflects a low capital of value of **£107 per sq ft**.

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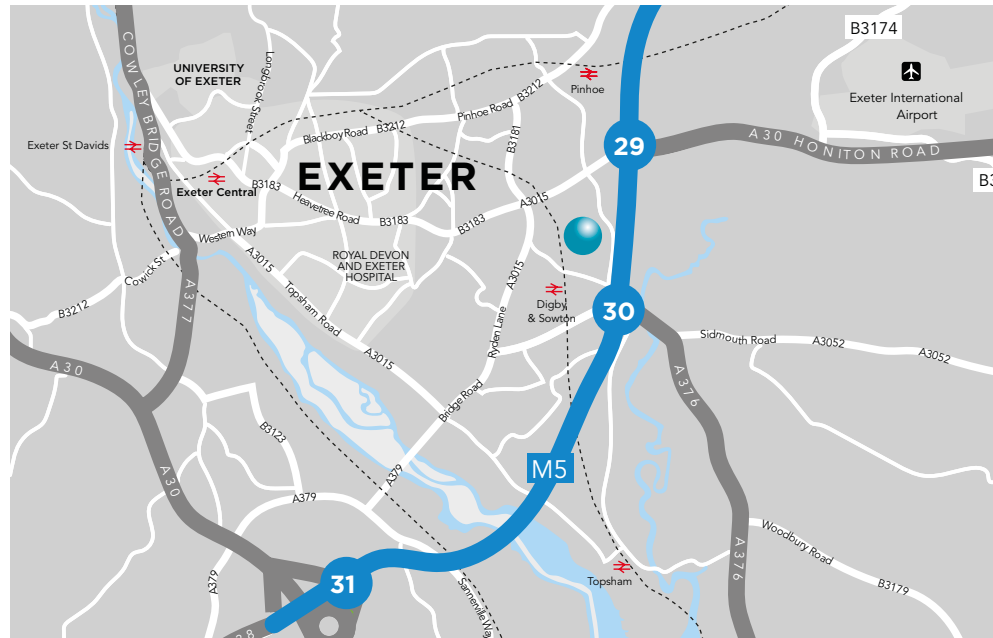
Location

Exeter, an historic Cathedral City and capital city of Devon, is located in the heart of the South West. The city has a travel to work population of 470,000 residents and is one of the fastest growing cities in the country resulting in high employment growth over recent years. Significant employers in Exeter include Pennon Group, Met Office, The University of Exeter, EDF Energy, Goodridge and Gregory Distribution.

Exeter has an international airport, two direct railway routes into London (Paddington and Waterloo), major routes by road (M5 to Bristol; A38 to Plymouth; A30 to Cornwall), 3 Park & Ride schemes and joined up cycle routes serving the city.

Sowton Industrial Estate is the most established distribution, manufacturing and business base in the region, situated adjacent to the M5 motorway and accessed from both Junctions 29 and 30.

The property is located on the north side of Kingfisher Way, with prominent frontage to Bittern Road, one of the main routes through Sowton Industrial Estate. Other tenants on the estate include Amazon, DX, Jewson, B&Q, Arconic, Howmet Aerospace, Greenham, GAP Group, Original Style and Vapormatic.



Description

The property comprises 3 warehouse units, all accessed from Kingfisher Way.

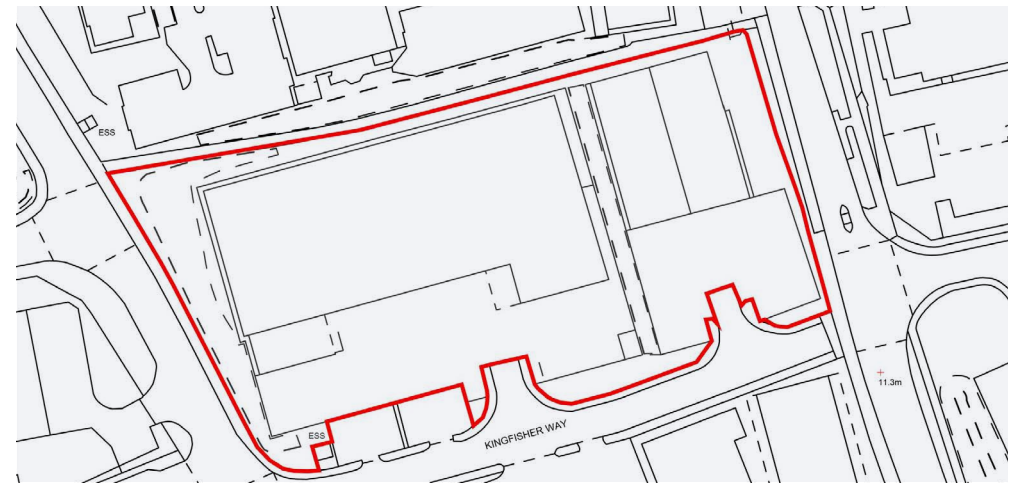
Units A and B comprise two semi-detached units of steel portal frame construction with elevations of brick/block to a height of 2.3m and corrugated sheet steel above. The roof is of corrugated steel with translucent roof lighting. The units have an eaves height of approximately 5.25m. Each unit has an electric up and over loading entrance, a separate glazed pedestrian entrance and large concrete yard area to the front, with car parking and excellent provision for loading.

Unit C comprises a larger unit of steel portal frame construction with steel clad elevations. In 2020 the roof was replaced with new insulated panels and now benefits with a guarantee against cut edge corrosion until July 2035 and a Tata Confidex 40 year guarantee for roof panel coatings to September 2060. This is the longest and most comprehensive guarantee for pre finished steel in Europe.

Internally the unit benefits from an internal eaves height of 6.75m with access provided by 4 electric roller shutter doors. The roof also includes a solar PV installation of 75.48 kWp.

Site

The site extends to 2.53 acres, providing a low site cover of 41%.



Tenure

Freehold.

BOOKER
WHOLESALE

Units A, B & C, Kingfisher Way

Dunelm

JEWSON

nationalgrid

HOWMET
AEROSPACE

VAP
VAPORMATIC

NHS

GRP
GROUP
HIRE SOLUTIONS

GREENHAM
Protecting People Everyday

SCREWFIX

Devon & Cornwall
POLICE

DX
DELIVERED EXACTLY™

Wickes

South West
Water

moto

M5

Tenancy Schedule

Unit	Area (St Ft) GIA	Tenant	Lease Dates				Contracted Income		ERV		Comments	EPC	
			Start	Rent Review	Break	Expiry	£pa	£psf	£pa	£psf		Score	Expiry
A	4,980	Mardale Technology Ltd	29/09/2017	29/09/2024	-	28/09/2027	£41,701	£8.05	£48,555	£9.75	Annual rent review to RPI (1% collar; 4% cap). Rent top up to September 2023 review	D-98	23/04/2033
B	6,870	Clarkson Evans Ltd	11/11/2015	29/09/2024	-	10/11/2030	£56,263	£7.87	£66,983	£9.75	Annual rent review to RPI (1% collar; 4% cap). Rent top up to September 2023 review	C-69	07/10/2023
C	33,537	Saica Pack UK Ltd	13/06/2021	13/06/2025	12/06/2024	12/06/2030	£220,000	£6.56	£285,065	£8.50	Saica originally let the building in 2001. Second break on 12/06/2027. Breaks on 3 months written notice.	D-81	23/05/2033
		PV Income					£5,502		£5,500		Purchase Power Agreement with Tenant. Rate increases with RPI (uncapped).		
	45,387						£323,466		£406,103				



Covenants

Saica Pack UK Ltd - www.saica.com

Founded in 1943, Saica Group is a multinational leader in the corrugated board and packaging industry. The Group employs over 10,000 employees in 11 countries. Saica Group has four business lines: the manufacture of recycled paper for corrugated board (Saica Paper), the production of corrugated board packaging (Saica Pack), the production of flexible packaging (Saica Flex) and waste management and environmental services (Saica Natur).

	31/12/2022	31/12/2021	31/12/2020
Turnover	£431,702,000	£365,220,000	£329,802,000
Net Assets	£212,540,000	£234,074,000	£199,843,000
Shareholder Funds	£168,133,000	£182,503,000	£195,648,000

FAME Rating: 95 (Secure)

Clarkson Evans Ltd - www.clarkson-evans.co.uk

Founded in 1981, Clarkson Evans is the UK's leading electrical contractor and electrical training specialist, undertaking electrical installations for over 24,000 new homes a year. The company has 21 branches across the UK employing over 700 people.

	30/09/2022	30/09/2021	30/09/2020
Turnover	£67,888,618	£62,209,061	£53,627,157
Net Assets	£13,866,175	£11,265,770	£8,882,427
Shareholder Funds	£10,411,164	£9,872,039	£7,272,034

FAME Rating: 95 (Secure)

Mardale Technology Ltd

Founded in 1990, Mardale Technology is a wholesaler of satellite and aerial products.

	31/03/2022	31/03/2021	31/03/2020
Turnover	n/a	n/a	n/a
Net Assets	£559,065	£701,676	£662,102
Shareholder Funds	£559,065	£701,676	£662,102

FAME Rating: 69 (Stable)



VAT

We understand the properties will be treated as a Transfer of a Going Concern for VAT purposes.

Proposal

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