

FOR SALE high quality Midlands multi-let industrial opportunity



Harrison Court

HILTON BUSINESS PARK, HILTON, DE65 5UR

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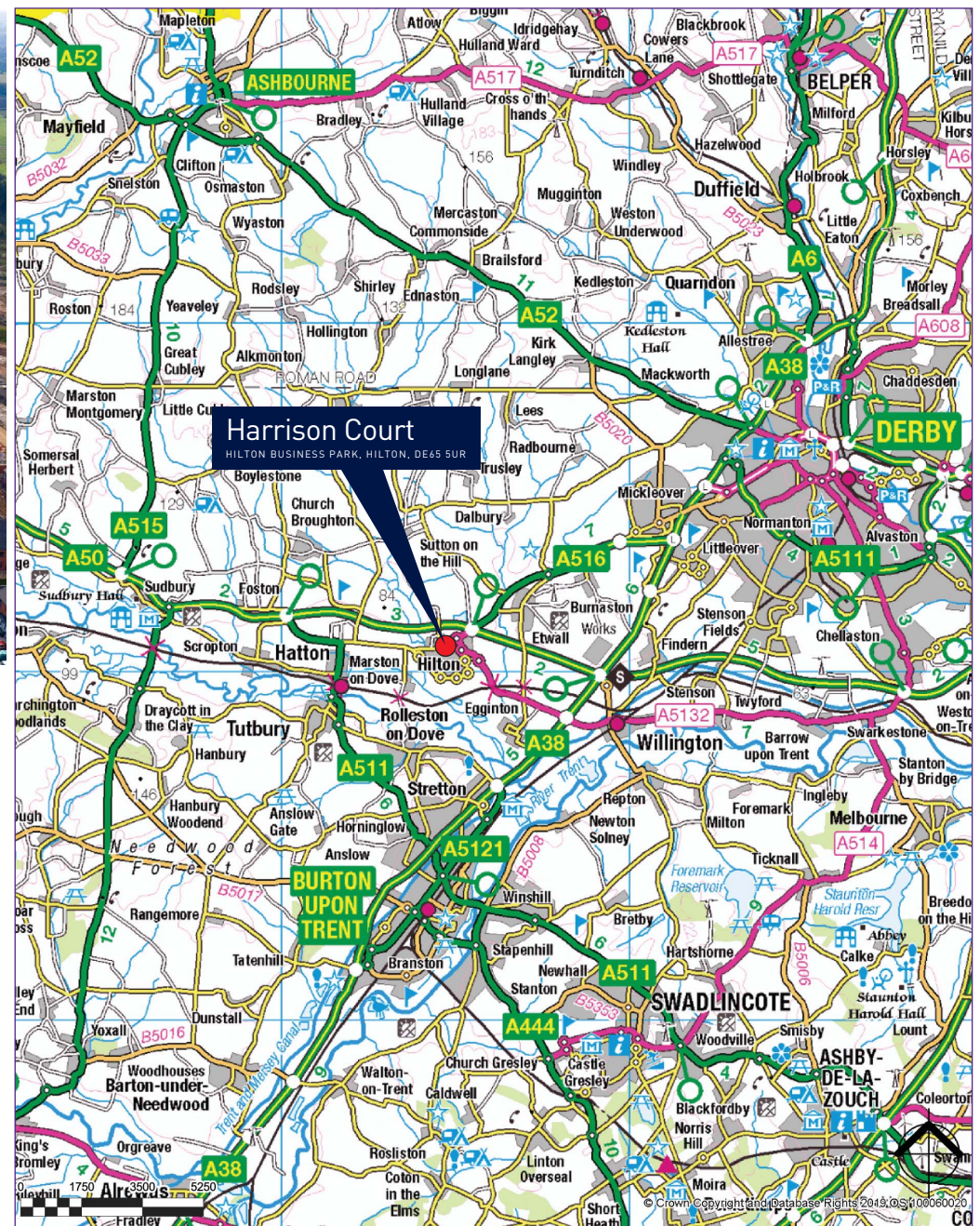
Investment Summary

- Located within immediate proximity to the A50, the link road to both the M1 and M6
- Situated within **Hilton Business Park** in the heart of the Midlands
- The estate comprises three terraces separated into 8 units (4 sold off long-leasehold), providing a total **gross internal area of 49,250 sq ft**
- Let to 3 tenants on 4 separate leases with a total rent income of **£134,065 per annum**, reflecting a **low rent per sq ft of £5.77 psf**
- An average weighted unexpired lease term of **3.89 years to expiries** and **2.24 years to breaks**
- Freehold
- Offers sought in excess of **£1,800,000** (One Million, Eight Hundred Thousand Pounds) subject to contract and exclusive of VAT. A purchase at this level reflects a **Net Initial Yield of 7.00%** and a **capital value of £77.55 per sq ft**, assuming purchaser's costs of 6.21%



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Location

Hilton is located in the East Midlands between Derby and Burton upon Trent. The town is within immediate proximity (one mile) to the A50 which is the link road to both the M1 (J24/24a) and the M6 (J15) and approximately 3 miles from its junction with the A38 trunk road at Burnaston. Burton upon Trent is located approximately 6 miles to the south and Derby 8 miles to the north east, which are connected to each other via the A38.

Tutbury and Hatton train station is located 2 miles to the south west, providing services to Derby in 15 minutes, Stoke in 37 minutes, Burton upon Trent in 41 minutes and Nottingham in 1 hour.

By road, East Midlands Airport is accessible in 20 minutes, Birmingham Airport within 45 minutes, Doncaster Sheffield in 1 hour and 5 minutes and Manchester Airport in 1 hour and 15 minutes.

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Situation

Harrison Court forms part of Hilton Business Park which is a significant development comprising approximately 72 acres of commercial and residential space. The estate is accessed via The Mease which runs along the southern boundary, providing access to Hilton Town Centre to the north west and the A5132 which in turn links to the A38 some 3 miles to the south east.

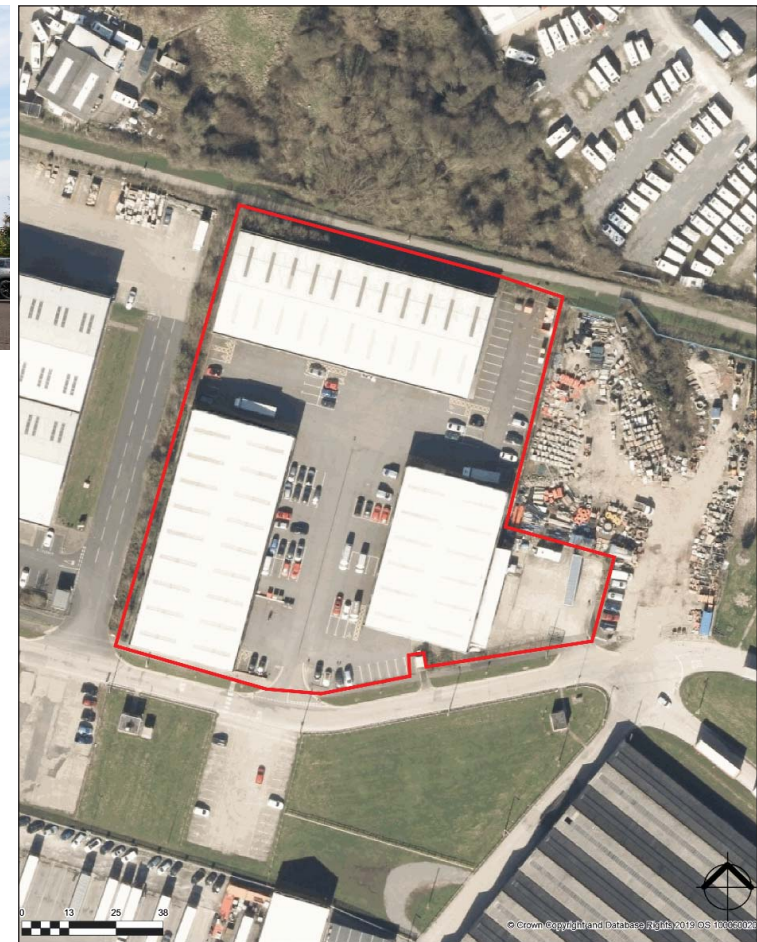
The site lies directly to the north of a large housing scheme comprising 323 houses known as Hilton Valley, which is being brought forward by St Modwen Homes and is currently under construction.

*Hilton Business Park



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Description

The industrial estate comprises three high quality terraces constructed in 2007 by St Modwen Plc. The units are of steel portal frame construction with brick and block elevations surmounted by profile cladding. The terraces have been separated into 8 units, of which 4 have been sold off long-leasehold.

Each unit was developed to a high specification which includes a ground level loading door, 3 phase power supply and W/C provision with a clear internal eaves height of 5.5m, rising to 7.3m at the apex. In addition, each unit has the benefit of shared circulation and loading as well as dedicated parking areas.

Accommodation

The property has been measured in accordance with the RICS Code of Measuring Practice, 6th Edition and provides the following approximate gross internal floor areas:

Description	Sq m	Sq ft
Plot 2, Unit 1A	557	6,000
Plot 2 Unit 1B	557	6,000
Plot 2 Unit 1C	557	6,000
Unit 2A and 2B*	743	8,000
Plot 2 Unit 2C*	372	4,000
Plot 2 Unit 3A & B*	813	8,750
Plot 2 Unit 3C	488	5,250
Plot 2 Unit 3D*	488	5,250
Total	4,575	49,250

*Units sold off on long-leases

Tenure

The property is held freehold.

Site

Harrison Court totals approximately 1.15 hectares (2.842 acres) in its entirety, providing a site density of 40%.

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Planning

The property is understood to fall within classes B1c, B2 and B8 of the Use Classes Order, 1987 (as amended).

Tenancy

Excluding the units sold off long-leasehold, the estate is let to 3 tenants on 4 leases, providing a total rental passing of £134,065 per annum reflecting a low average rent per sq ft of £5.77 psf. The average weighted unexpired lease term is approximately 3.89 years to expiries and 2.24 years to breaks.

Please see the tenancy schedule below for further information.

Unit	Tenant	Floor Area		Lease Terms				Rent Passing		ERV		Comments	% of total income
		Sq M	Sq Ft	Start	Rent Review	Break	Expiry	£ pa	£ psf	£ pa	£ psf		
Plot 2, Unit 1A	Jangala Softplay Limited	557	6,000	27/5/19		27/5/22	26/5/24	£39,000	£6.50	£39,000	£6.50	Deposit held of £9.3k. Mutual break in 2022	29.09%
Plot 2 Unit 1B	Shakespeare Pharma Limited	557	6,000	20/3/15	20/3/20		19/3/25	£31,500	£5.25	£36,000	£6.50	Break in March 2020 not exercised. March 2020 review outstanding	23.50%
Plot 2 Unit 1C	M P Bio Science Limited	557	6,000	17/7/20		17/7/22	16/7/26	£36,000	£6.00	£36,000	£6.50	Re-gear recently completed. T breaks in 2022 and 2024	26.85%
Unit 2A and 2B	Trustees of the NunoFreitas&Paul Appleby SSAS	743	8,000	10/9/09			9/9/08					LLH 999 years at a peppercorn	
Plot 2 Unit 2C	Cunbar Paints Limited	372	4,000	21/12/07			20/12/32					LLH 125 years at a peppercorn	
Plot 2 Unit 3A & B	M P Bio Science Ltd	813	8,750	19/2/08			18/2/33					LLH 125 years at a peppercorn	
Plot 2 Unit 3C	M P Bio Science Ltd	488	5,250	8/5/09	8/5/19		7/5/21	£27,565	£5.25	£31,500	£6.50	May 19 review outstanding	20.56%
Plot 2 Unit 3D	Proteam Wear UK Limited	488	5,250	23/11/07			22/11/32					LLH 125 years	
		4,575	49,250			2.19	3.85	£134,065	£5.77	£142,500	£6.13		100.00%

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Estate Service Charge

More information is available on request.

Tenant Covenants

Jangala Softplay Limited

Jangala offer a soft play centre for children. The facility also provides party events and offers food and drink within an on-site café.

Shakespeare Pharma Limited

Shakespeare Pharma are a major Pharmaceutical UK importer and exporter to Europe and the Middle East, having been established in 2005.

M P Bio Science Limited

Established in 1997, M P Bio Science are the UK's largest independent manufacturers of sports supplements.

Occupational Market

The estates location means that it is well placed to generate occupier demand from Derby, Burton upon Trent and Uttoxeter aided by the close proximity to the A50.

In all these areas there is currently high levels of demand from tenants for good quality small industrial/warehouse units coupled with a severe lack of supply. This results in units of this type being let very quickly and on favourable terms.

Additionally, there is high levels of demand from owner occupiers, providing investors with further options to sell-off the units individually should they so wish.

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

Date	Property	Size Sq ft	Tenant	Lease length (break)	Price/Rent (psf)
Jul-20	Unit 8 Phase 4 Albion Gateway Burton upon Trent	4,334	DCH Builders (Derby) Ltd	5 years (3 years)	£30,345 (£7.00)
Jul-20	Unit 4 Phase 2 Albion Gateway Burton upon Trent	3,889	Door and Joinery Solutions Ltd	VP sale	£360,000 (£92.50)
Jan-20	Unit 4 Phase 2 Albion Gateway Burton upon Trent	10,454	Advance Lighting Solutions Ltd	5 years (3 years)	£65,340 (£6.25)
Oct-19	Unit 3 Orbit Bus Park, Swadlincote	7,602	Trelleborg Sealing Solutions UK Ltd	5 years	£49,413 (£6.50)
Sep-19	Unit 3 Orbit Bus Park, Swadlincote	6,395	LF&E Refrigerated Transport Ltd	10 years (5 years)	£41,570 (£6.50)

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Investment Market

Whilst we are living in unprecedented times in the property sector due to the C-19 virus outbreak, the industrial sector remains the most desired asset class due to the continuing buoyancy of the occupational market, which has showed very few signs of abating.

Given the strong security of income and rental growth opportunities comparative to other sectors, investor demand has strengthened and coupled with a comparative lack of investments available has led to upward pressure on pricing.

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	Size - Sq ft	Units (Tenants)	Lease length (break)	Rent (psf)	Price	Net Initial Yield
Jul-20	Stretton Business Park, Burton upon Trent	43,500	4 units (4 tenants)	7.56 yrs (1.31 yrs)	£278,000 (£6.39)	£3.75m	6.90%
Nov-19	Nursted Trading Estate, Devizes	41,685	10 units	6.7 yrs (4.3 yrs)	£237,500 (£5.70)	£3.46m	6.50%
Apr-19	Derwent Valley Trad Estate, York	52,450	9 units (7 tenants)	11.54 yrs (8.24 yrs)	£189,466 (£3.61)	£2.80m	6.40%
Mar-19	Evelyn Street, Beeston	48,658	8 units (6 tenants)	5.30 yrs (2.50 yrs)	£221,081 (£4.54)	£3.00m	6.92%

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EPCs

Available on 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).

Proposal

We are instructed to seek offers in excess of **£1,800,000** (One Million, Eight Hundred Thousand Pounds) subject to contract and exclusive of VAT. A purchase at this level reflects a **Net Initial Yield of 7.00%** and a low capital value of **£77.55 per sq ft** assuming purchaser's costs of 6.21%.

Further Information

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

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