

FOR SALE well specified industrial/distribution warehouse investment
close to the M1



CP
COMMERCIAL PROPERTY PARTNERS
0114 273 8857
www.cpartners.co.uk

Turnoaks Business Park

BURLEY CLOSE, CHESTERFIELD, S40 2UB

Investment Summary

- Located on the well-established Turnoaks Business Park in Chesterfield, with **excellent connections to the M1 motorway via J29**.
- **Freehold.**
- A well specified warehouse, constructed in 1997, providing a total gross internal floor area of **4,691 sq m (50,500 sq ft)**.
- Let to Bulroc (UK) Ltd (01139419) until 4th July 2031, with a mutual break option on 24th June 2023, providing approximately **13.39 years to expiry** and **5.36 years to break**. The rent is reviewed on the 5th anniversary and annually thereafter.
- The property operates as the **UK Headquarters** for Bulroc (UK) Ltd
- Very low passing rent of £200,000 per annum reflecting **£3.96 psf**, with a fixed increase at review to £236,080 (£4.67psf).
- **Low site cover** of approximately **38%**.
- Offers sought in excess of **£3,000,000** subject to contract and exclusive of VAT which reflects a **net initial yield of 7.40%**, a reversionary yield of **7.67%** (net of acquisition costs of 6.45%), which is based off a topped up rent of £236,080 pa.



Turnoaks Business Park

BURLEY CLOSE, CHESTERFIELD, S40 2UB



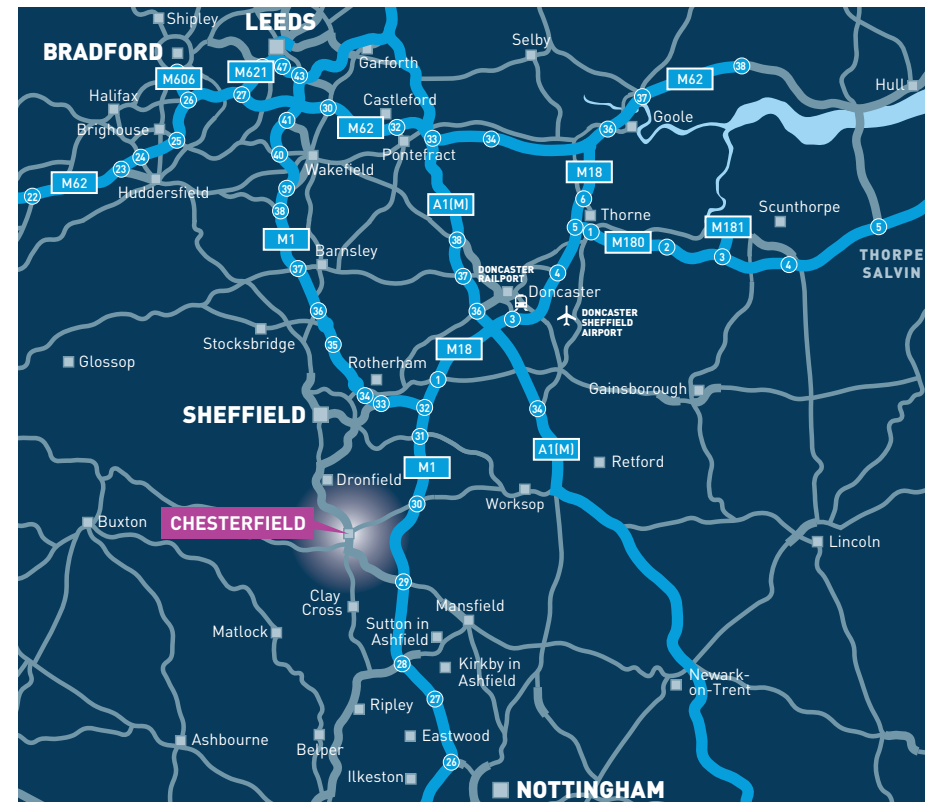
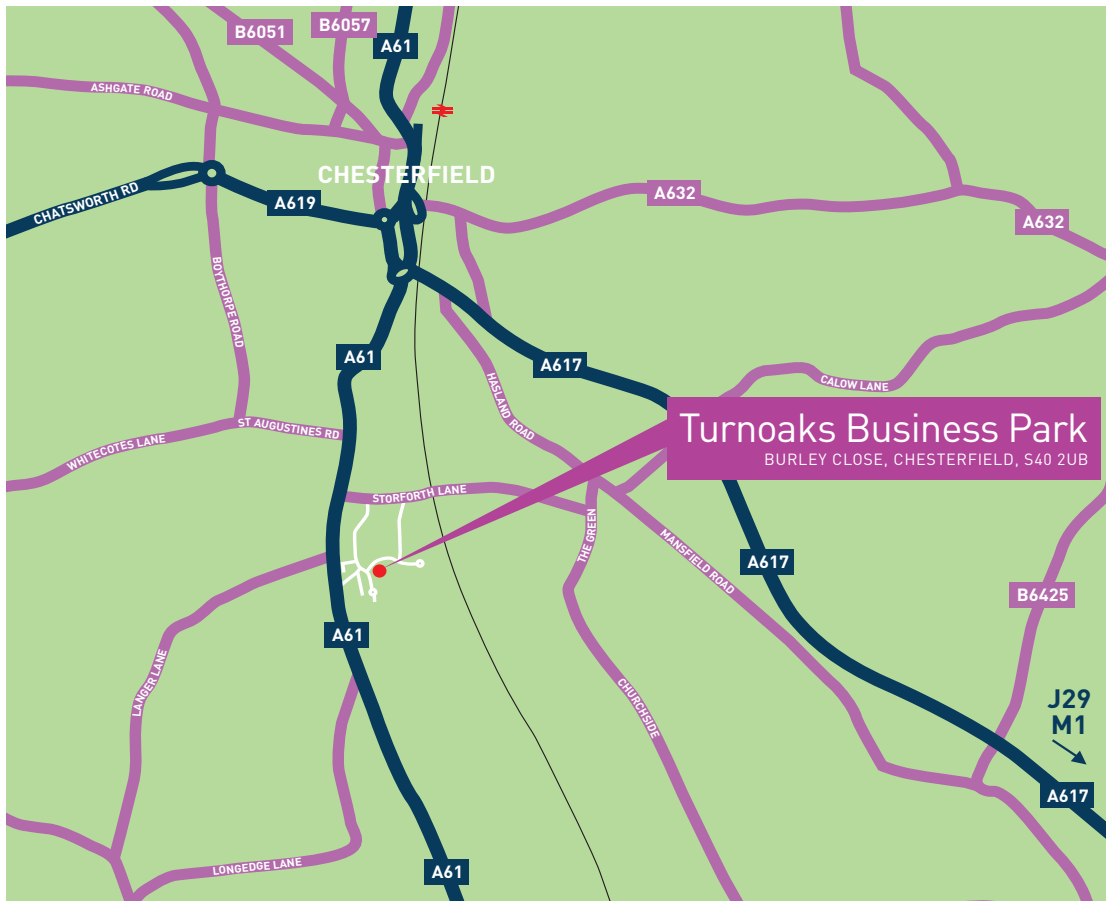
Location

Chesterfield is the largest commercial centre in Derbyshire with a primary catchment population of 266,000. It lies approximately 12 miles south of Sheffield and 25 miles north of Nottingham and Derby. The town benefits from excellent road communications, situated within close proximity to Junction 29 of the M1 motorway which is accessed via the A617.

Chesterfield also benefits from a mainline rail network connection providing regular services to Manchester Piccadilly, Birmingham New Street and London St Pancras in approximately 1 hour 50 minutes.

East Midlands Airport lies approximately 35 miles to the south and is the UK's busiest pure cargo airport, second only to Heathrow, handling over 320,000 tonnes of flown cargo every year. They are the UK hub for DHL and UPS, and support operations for TNT and Royal Mail.

Manchester Airport, the UK's largest regional airport outside London, is located 45 miles to the north west of the property and can be reached in 1 hour 20 minutes. The airport handles over 22 million passengers per year, offering direct flights to over 200 destinations worldwide.



Situation

The property is conveniently located with direct access onto the A61, via Burley Close and Turnoaks Lane, which links Chesterfield to the A38 and Derby to the south.

This area was one of the earlier industrial developments within the Chesterfield region providing a mix of unit sizes from small starter units up to larger industrial facilities.

The wider estate attracts a range of national and international occupiers including: Booker, Volvo, Plumb Center and System Q.

Sheepbridge Business Centre and Chesterfield Trading Estate are both located a short distance to the north, which also includes substantial distribution warehouses occupied by Fusion, Kingfield Electronics, Techman Engineering and SIG Plc.

Description

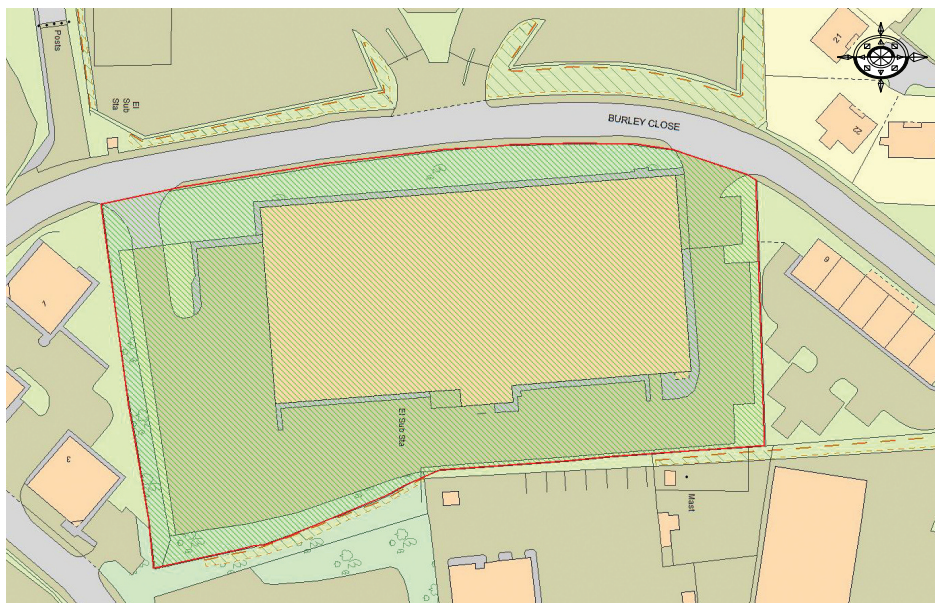
The property comprises a single bay, steel portal framed warehouse unit with sectioned loading area and integral two-storey offices, constructed in 1997.

The building benefits from the following specification:

- Upper elevation walls and roof insulated with double steel profile sheeting with plastisol coating
- Internal dado block wall with brick outer skin to 2.5m in height
- 10% translucent roof lights
- Eaves height of approximately 7.0m
- Screeded concrete warehouse floor with power float finish
- Warehouse lighting comprising high level halogen bulbs
- Heating is provided to the warehouse via gas fired hot air blowers
- Kitchenette, Canteen and male and female toilets.
- 3 ground level loading doors with the potential to install 3 further ground level doors to the side elevation
- All mains services
- Intruder alarm and CCTV system
- Plant room

To the northern elevation of the premises is a two-storey office block, which externally has brick elevations with powder coated aluminium framed, double glazed window units. Internally, it is fitted with carpet tiled floors, plastered and painted/wall papered walls and a suspended ceiling tile system. The accommodation has recessed Category II lighting, comfort cooling, gas fired central heating and perimeter trunking.

Externally, the property has separate access points to the yard and staff parking areas.



Turnoaks Business Park

BURLEY CLOSE, CHESTERFIELD, S40 2UB



Site

The site extends to 1.17 hectares (2.88 acres) and provides a low site density of approximately 38%.

Tenure

The property is held freehold.

Accommodation

The property has been measured in accordance with the RICS Code of Measuring Practice (6th edition) and provides the following gross internal floor area:

DESCRIPTION	GIA (SQ M)	GIA (SQ FT)
Warehouse	4219.99	45,424
Ground Floor Office/ Canteen	235.79	2,538
First Floor Office	235.79	2,538
Eastern Mezz	540.32	5,816
Northern Mezz	232.44	2,502
TOTAL (exc Mezzanine)	4,691.56	50,500

Estimated Rental Value

The Estimated Rental Value of the property is £245,000 pa (£4.85 psf).



Tenancy

The property is let to Bulroc (UK) Ltd (01139419) on a full repairing and insuring lease from 5th July 2016 which expires on 4th July 2031. There is a mutual option to break on or any time after 24th June 2023, subject to serving no less than **2 years' notice**. There are approximately 13.39 years to expiry and 5.36 years to the break. The lease includes a Schedule of Condition and is an Excluded Tenancy from the Landlord & Tenant 1954 Act.

The initial rent is £200,000 per annum which reflects £3.96 psf. However, for the purposes of the review the Base Rent is £227,000. The rent is subject to CPI linked reviews with a cap of 104% of the base rent and a collar of 101%. The first review is on 24th June 2021 and yearly thereafter. We calculate that the rent will increase as follows:

- 24 June 2021 - £236,080 ie £4.67psf (104% x £227,000 on the basis annual CPI increases will exceed this).
- 24 June 2022 - £245,523 ie £4.86psf (104% x £236,080 on the basis annual CPI increases will exceed this).
- 24 June 2023 - First opportunity to break the lease

Full lease documentation can be provided upon request.



Turnoaks Business Park

BURLEY CLOSE, CHESTERFIELD, S40 2UB

Turnoaks Business Park

BURLEY CLOSE, CHESTERFIELD, S40 2UB



Covenant

Tenant – Bulroc (UK) Ltd

Bulroc design and manufacture Percussive Down Hole Rock Drilling equipment which they have done so for over 45 years.

The property serves as the UK Headquarters for Bulroc. In 2016 the business was acquired by Robit Plc who are listed on the Finnish Stock Market.

The financial accounts recorded over the last three years are summarised below:

Bulroc (UK) Ltd	Financial Year Ending		
	31 Dec 2016 (£,000)	30 Sept 2015 (£,000)	30 Sept 2014 (£,000)
Sales Turnover	7,035	6,222	
Profit / (Loss) before taxes	1,234	508	
Tangible Net Worth	4,053	5,718	5,441
Net Current Assets	4,076	5,735	5,453

Investment Market

The industrial and distribution sector continues to demonstrate impressive investment performance relative to other property sectors. The investment provides an opportunity to acquire a well specified distribution property let to a strong covenant, with excellent prospects for future value enhancement.

Set out below are some recent transactions in the sector providing evidence of current pricing levels.

Date	Property	Size (sq ft)	Tenant	Unexpired Lease Term (to break)	Price	NIY
Feb-18	Unit 5, Trident Park, Normanton	52,500	Kelling Group	15.00 yrs	£6.30m	4.70%
Aug-16	Centurion Park, Tamworth	52,000	DFS Ltd	15.00 yrs (10.00 yrs)	£5.13m	5.75%
Jul-16	Chrome 102, Minworth, Birmingham	103,341	DHL International (UK) Ltd	10.00 yrs	£12.40m	5.05%
Jun-16	Agecroft Commerce Park, Salford	90,681	G4S Cash Solutions	11.50 yrs	£7.29m	5.70%
Jun-16	Airport City, Manchester	37,415	DHL International	13.50 yrs	£7.68m	4.64%
May-16	Unit 8b, Manton Wood Business Park, Worksop	140,646	Saint-Gobain Building Distribution Ltd	8.90 yrs	£8.46m	5.87%
Mar-16	Connex 45, Leeds	30,000	Perspex Distribution Ltd	10.00 yrs	£2.80m	5.85%

EPC

EPC available on request from the agent.

VAT

The property has been elected for VAT which will therefore be payable on the purchase price unless the sale can be treated as a Transfer of a Going Concern (TOGC).

Proposal

We are instructed to seek offers in excess of **£3,000,000** subject to contract and exclusive of VAT. The vendor will top-up the rental income to the first review figure of £236,080 which is £4.67psf. This price reflects a **net initial yield of 7.40%**, a reversionary yield of **7.67%** (net of acquisition costs of 6.45%) and a **low capital value of £59.40 per sq ft**.



Turnoaks Business Park

BURLEY CLOSE, CHESTERFIELD, S40 2UB



Further Information

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

Roger Haworth MRICS
DDI: +44 (0) 114 270 9162
E: roger@cpartners.co.uk
W: www.cpartners.co.uk

Richard Wright MRICS
M: +44 (0) 77 0881 1832
E: richardwright@cpartners.co.uk
W: www.cpartners.co.uk



NOTICES RELATING TO THE 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.thedesignexchange.co.uk Tel: 01943 604500. March 2018.