Units 1 & 2, A1 Business Park

High Yielding Industrial Investment Property

Knottingley Road, Knottingley, WF11 0BU
Investment Summary

- Two industrial units extending to **76,344 sq ft**
- Total rent passing of **£239,042.50**
- Asset Management opportunities
- Fixed rental increases
- Freehold
- Offers are sought in excess of **£2,260,000**
- Attractive net **initial yield of 10%**
- Attractive **capital value of £29.60 per sq ft**
Location & Situation

Location

Knottingley is located in West Yorkshire in the north of England. The town has an association with the manufacturing of glass, with Ardagh Glass, Stolze Flaconnage and Allied Glass having production facilities in the area. Leeds is located 20 miles to the North, Wakefield is located 10 miles to the West and Doncaster 17 miles to the South.

A1 Business Park, is located adjacent to the junction of the A645 and A612, providing excellent vehicular access to both the national motorway network and the surrounding regional towns.

The A645, was until recently the main A1 great north road, and still provides direct access to both the A1(M) and M62 motorways. Junction 33 of the M62 is situated approximately 1 mile to the south, and from this intersection, the A1(M) is within easy reach.

Situation

A1 Business Park occupies a prominent position adjacent to the A1 (M), with direct access to the M62 via Junction 33 some one mile to the south via the A645. The business park is generally made up of similar industrial buildings with several office buildings and family pub and hotel fronting onto the A645.

The surrounding areas, have in general performed well with industrial development due to the proximity of the M62/A1(M) and consequently the national motorway network. In particular Junction 32 is the home of Normanton Industrial Estate, also known as Wakefield Europort which is the regions premier industrial and distribution hub.
Description

Unit 1 – A1 Football Factory Limited

The building is of steel portal frame construction over a concrete floor with part brick work, part steel profile sheet elevations and steel profile sheet clad roof incorporating translucent roof panels.

The factory/warehouse has been fitted out with 4 indoor 3G 5 a-side football pitches and work is due to commence shortly on a children’s soft play facility. The single storey office area is fitted out as a reception and café area and is licensed to sell alcoholic drinks. The area has a suspended ceiling and concrete floor with double glazed aluminium framed windows.

The building has an eaves height of 7.1 metres, and is let via suspended sodium lighting.

Loading into the unit is by way of 2 ground level manual roller shutter doors, under a canopy. Externally, there is a secure concrete yard area, with a single point of access and a separate car park with 45 spaces. The secure yard is currently being used as an overflow car park.

Unit 2 – Meyer Timber Limited

The building is of steel portal frame construction over a concrete floor with part brick work, part steel profile sheet elevations and steel profile sheet clad roof incorporating translucent roof panels.

The factory/warehouse area has loading by way of 2 ground level manual roller shutter doors. Externally, there is a secure concrete yard area, with a single point of access and car parking for 16 spaces.

The building has an eaves height of 7.1 metres, and is let via suspended sodium lighting.

The single story office accommodation benefits from a suspended ceiling with a surface mounted cooling unit, carpeted floors and double glazed aluminium framed windows. Heating is provided by surface mounted radiators which sit above perimeter trunking. It has been partitioned to create various office areas, kitchenette and coms room.
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Site & Tenure

Site

Unit 1 - A1 Football Factory Limited
The building sits on a site of approximately 2.73 acres, providing a site cover of approximately 44%.

Unit 2 - Meyer Timber Limited
The building sits on a site of approximately 1.57 acres, providing a site cover of approximately 34%.

Tenure
The properties are held freehold.
Tenancy

Unit 1 – A1 Football Factory Limited

Unit 1 is let to A1 Football Factory Limited by way of an FRI lease from the 16th of January 2014 expiring on the 15th of January 2019. Accordingly there is circa 4.25 years unexpired lease term.

The rent steps up on the following basis:

<table>
<thead>
<tr>
<th>Year</th>
<th>Rent (per annum)</th>
<th>Rent (per sq ft)</th>
</tr>
</thead>
<tbody>
<tr>
<td>16th January 2014 - 15th January 2016</td>
<td>£79,985.50</td>
<td>£1.50</td>
</tr>
<tr>
<td>16th January 2016 - 15th January 2017</td>
<td>£131,642.50</td>
<td>£2.50</td>
</tr>
<tr>
<td>16th January 2017 - 15th January 2018</td>
<td>£157,971</td>
<td>£3.00</td>
</tr>
<tr>
<td>16th January 2018 - 15th January 2019</td>
<td>£184,299.50</td>
<td>£3.50</td>
</tr>
</tbody>
</table>

The tenant has fitted out the premises in accordance with an indoor football business; the works are in line with a licence to alter which can be downloaded via the marketing website.

The vendor will top up the rent to the January 2016 uplift of £131,642.50.

Unit 2 – Meyer Timber Limited

Unit 2 is let to Meyer Timber Limited by way of an FRI lease from the 7th of July 1997 expiring on the 6th of July 2022. Accordingly there is circa 7.8 years unexpired lease term. The current passing rent is £107,400 per annum which equates to £4.53 per sq.ft.

The lease is subject to an upwards only rent review in July 2017.
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Accommodation

We have measured the properties in accordance with the RICS Code of Measuring Practice (6th Edition) and can report the following Gross Internal Areas:

**Unit 1 - A1 Football Factory Limited**

<table>
<thead>
<tr>
<th>Area (sq ft)</th>
<th>Area (sq m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Warehouse</td>
<td>50,274</td>
</tr>
<tr>
<td>Offices</td>
<td>2,383</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>52,657</strong></td>
</tr>
</tbody>
</table>

**Unit 2 - Meyer Timber Limited**

<table>
<thead>
<tr>
<th>Area (sq ft)</th>
<th>Area (sq m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Warehouse</td>
<td>22,300</td>
</tr>
<tr>
<td>Offices</td>
<td>1,387</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>23,687</strong></td>
</tr>
</tbody>
</table>
Covenant Status

Unit 1 – A1 Football Factory Limited

The tenant is a newly established limited company who started trading in March 2014. As such they have no substantial trading figures, but have however provided a rental deposit of £30,000.

A1 Football Factory Limited have spent in the region of £50,000 fitting out the building. They hire out 5 aside pitches and hold football coaching sessions. They have purchased children’s soft play equipment and are in the process of installing it to diversify into the day time soft play offer.

For more information please visit: http://www.a1footballfactory.com/

Unit 2 – Meyer Timber Limited

Meyer Timber Limited are a timber supplier to the UK construction industry who also have a number of supply partners worldwide. They have a total of seven warehouses throughout the UK with the most northern based in Grangemouth, Scotland and the most southern in Southampton England. The tenant has the following financial headlines:

<table>
<thead>
<tr>
<th>Year to date</th>
<th>Turnover</th>
<th>Pre-tax Profit</th>
<th>Shareholder’s Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>31/12/2013</td>
<td>£105,169,000</td>
<td>£1,978,000</td>
<td>£20,199,000</td>
</tr>
<tr>
<td>31/12/2012</td>
<td>£109,980,000</td>
<td>£1,010,000</td>
<td>£19,954,000</td>
</tr>
<tr>
<td>31/12/2011</td>
<td>£106,567,000</td>
<td>-£1,023,000</td>
<td>£32,122,000</td>
</tr>
</tbody>
</table>

Meyer Timber Limited have a Creditsafe rating of 83/100 indicating very good credit worthiness and an International score of A indicating a very low risk of business failure.

For more information please visit: http://www.meyertimber.com/
VAT

The properties are elected for VAT and therefore we envisage that the sale will be treated as a sale of a TOGC.

EPC

Unit 1 - D - 78
Unit 2 - C - 65
We believe that there is potential for the purchaser to explore the following asset management possibilities:

- Break up the two units.
- The owners of adjacent investment property and development land have indicated, that they may sell giving the potential for building critical mass of the estate. Further information is available upon request.
- Improving tenant covenant will drive yield compression.
- Benefit from rental increases.
Proposal

We have been instructed to seek offers in excess of £2,260,000.

A purchase at this level reflects a net initial yield of 10% after allowing for purchase costs of 5.8% and an attractive capital value of £29.60 sq ft.

The fixed rental increases in 2017 and 2018 on Unit 1 will show a reversionary yield of 10.98% and 12.20% respectively.
Further information

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Or for any other investment sales please visit:
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