



INVESTMENT SUMMARY

- **Modern headquarter** manufacturing facility and offices extending to **5,527.37 sq m (59,496 sq ft)**
- Located on the established **North West Industrial Estate** with over 370k sq m (**4 million sq ft**) of **commercial space**
- Immediately adjacent to the **A19 trunk road** offering **direct access** to the regional **road network**
- Let to **Janus International (UK) Ltd** for **10 years from 30th June 2016** with a tenant option to break at the end of the fifth year
- **Rent review** higher of OMV or **RPI** with a **1.5%** collar and **4%** cap
- Tenant in **occupation** for over **10 years**
- Passing rent **£195,000** representing **just** £35.20 (**£3.27 per sq ft**)

We are instructed to seek offers in excess of **£2,275,000** (Two Million Two Hundred and Seventy Five Thousand Pounds), which reflects a net initial yield of **8.06%** after purchaser's costs at 6.34%. This will rise to **8.68%** at review assuming the minimum 1.5% pa uplift. This reflects a capital value of just £38.23 per sq ft.

The net initial yield would rise to 8.37% if a company acquisition is made, further details can be found in the Proposal section below.

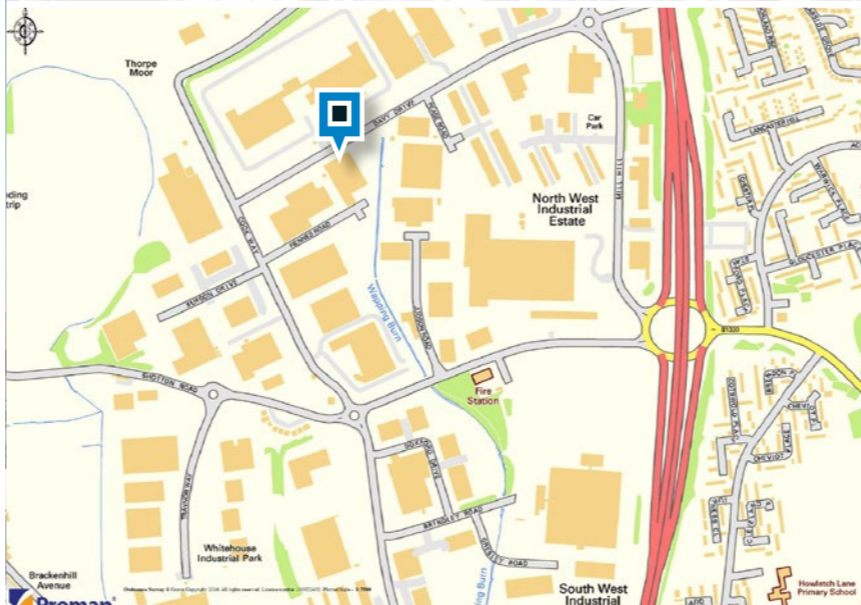


LOCATION

Peterlee is located in County Durham, approximately 14.5 km (9 miles) east of Durham. Sunderland and Newcastle are approximately 20 km (12.5 miles) and 28 km (17.5 miles) to the north, with Hartlepool and Middlesbrough approximately 16 km (10 miles) and 26.5 km (16.5 miles) to the south.

The town benefits from excellent road communications being located on the A19 trunk road one of the main north south routes through the region. The A19 provides direct access to the Tyne & Wear conurbation to the north and Teesside and North Yorkshire to the south.

East Coast mainline services are provided from Darlington and Durham, with Durham having a fastest journey time to London Kings Cross of approximately 2 hours 30 minutes. Newcastle International Airport and Durham Tees Valley airport are situated approximately 30 miles to the north and south respectively. Both airports provide regular flights to a number of national, European and international destinations.



SITUATION

The property is located on the established and successful North West Industrial Estate which now comprises over 370k sq m (4 million sq ft) of commercial space and is home to a number of well-known UK and international businesses. Major occupiers include Caterpillar UK Ltd who are the world's largest manufacturer of construction equipment employing 1,400 on the estate. Other major occupiers include NSK (global bearings manufacturer employing 400 staff), TRW Automotive (employing close to 1,000 staff), BHK, Npower and Reckitt Benckiser.



North West Industrial Estate is immediately adjacent to the A19 trunk road offering direct access to the regional road network. The subject property occupies a prominent position on Davy Drive, one of the main estate roads just 0.5km (0.3 miles) from the junction with the A19. The property also enjoys a second access off Fiennes Road to the west of the property.



DESCRIPTION

The property comprises a modern purpose built manufacturing and warehouse unit constructed in 2005. The building is of steel portal frame construction under a pitched composite clad roof incorporating roof lights to the main warehouse accommodation. The external elevations are clad in attractive two tone composite panels with the office accommodation a combination of textured render and feature curtain glazing.

Internally the building provides open plan manufacturing space with a generous 6 meter eaves height. The production area is accessed via five roller shutter doors with heating and lighting coming from ceiling mounted modern strip lighting and gas fired blowers. The unit also benefits from overhead cranes.

The integrated high specification offices are located on the north east elevation of the unit and are arranged over ground and first floors. The main entrance provides a full height feature reception area with balcony to first floor level. Both floors are divided into a mix of open plan and sub-divided office accommodation. The offices are fitted to a high standard including air conditioning, suspended ceilings incorporating recessed lighting and are heated via wall mounted gas fired radiators.

Externally the property has yard and parking areas to the eastern Davy Drive entrance with a further linked yard area to the southern Fiennes Road elevation. The property also benefits from secure palisade fencing to all elevations.



TENURE

Freehold.

ACCOMMODATION

The property has the following Gross Internal Area:

Accommodation	Sq m	Sq ft
Warehouse/Production Area	4,958.13	53,369
Ground Floor Offices	283.79	3,055
First Floor Offices	285.45	3,072
Total	5,527.37	59,496

The property is situated within a landscaped site of 1.453ha (3.591 acres).

TENANCY

The building is let in its entirety to **Janus International (UK) Limited** on a full repairing and insuring lease for a term of **10 years from 30th June 2016**. The lease incorporates a tenant's option to break at the end of the fifth year of the term together with a rent review to the higher of Market Rent or **RPI** with a collar of **1.5%** and a cap of **4%** per annum compounded. The lease is subject to a Schedule of Condition further details on request.

The current passing rent is **£195,000** which reflects £3.27 per sq ft.

COVENANT

Janus International (UK) Ltd is a global manufacturer of roll-up doors and provider of self-storage solutions. They manufacture high quality doors together with portable, temporary and steel storage buildings. With operations in the

UK, America, Middle and Far East Janus International operate globally with the Davy Drive facility being their UK headquarters.

In 2014 Janus International acquired Steel Storage Europe a leading manufacturer, supplier and installer of self-storage systems in Europe. Together the combined organisation offers the full suite of solutions for operators and builders of self-storage facilities.

For the year ended 31st December 2015 Janus International (UK) Ltd reported a Turnover of £19,962,279, Pre-Tax Profit of £1,586,659 and Shareholders Funds of £3,044,140.

They have a Creditsafe rating of B59 Low Risk. More information can be found at janusintl.co.uk

INVESTMENT COMPARABLES

	Address	Tenant	Size Sq ft	Expiry (Break)	Price	Yield
Marketing	9&10 Wearfield, Sunderland Enterprise Park, Sunderland	Royal Mail	63,365	8	£3,000,000 (Quoting)	6.58%
January 16	1&2 Pease Road, North West Industrial Estate, Peterlee	Caterpillar	108,897	15 (10)	£7,150,000	7.13%
December 15	2 New York Way, North Shields	PTS Group	45,814	11	£2,585,000	6.62%
October 15	4 Monkton Business Park, Boldon Business Park	Geopost UK Ltd	63,009	8	£2,900,000	7.17%
July 15	3 Brooklands Way, Boldon Business Park	Hermes Parcelnet	28,220	6	£1,845,000	7.25%

VAT

We understand the property is elected for VAT purposes. If the transaction is to acquire the property then it is anticipated that the sale will be treated as the Transfer of a Going Concern (TOGC).

EPC

C – 74.

PROPOSAL

We are instructed to seek offers in excess of **£2,275,000** (Two Million Two Hundred and Seventy Five Thousand Pounds), which reflects a **net initial yield of 8.06%** after purchaser's costs at 6.34%. This will rise to **8.68%** at review assuming the minimum 1.5% pa uplift. This reflects a capital value of just £38.23 per sq ft.

The property is held in a single asset UK Limited company which can be acquired. A company purchase would reduce stamp duty to 0.5% providing a net initial yield of **8.37%** on purchaser's costs of 2.3%.

COMPANY TRANSFER DISCLAIMER

MHPI Limited is not authorised and cannot advise in relation to any sale of shares or units and will act as agents in respect of a sale of the property interest only. We would recommend that you seek your own independent advice in relation to any sales of shares or units in other corporate structures and we are not responsible for any information or opinions provided in respect of any such sale.

FURTHER INFORMATION

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

Simon Harland e: simon@mhpi.co.uk

James Metcalf e: james@mhpi.co.uk

t: **0191 255 7770**

MHPI Limited | 1st Floor West Wing | City Quadrant |
Waterloo Square | Newcastle upon Tyne | NE1 4DP

Misrepresentation Act: These particulars shall not form part of any offer or contract and no guarantee is given as to the condition of the property or the accuracy of its description. An intending purchaser or tenant is not to rely on any representation made in these particulars and must satisfy himself as to their accuracy by his own investigation before entering into any contract. June 2016.



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