

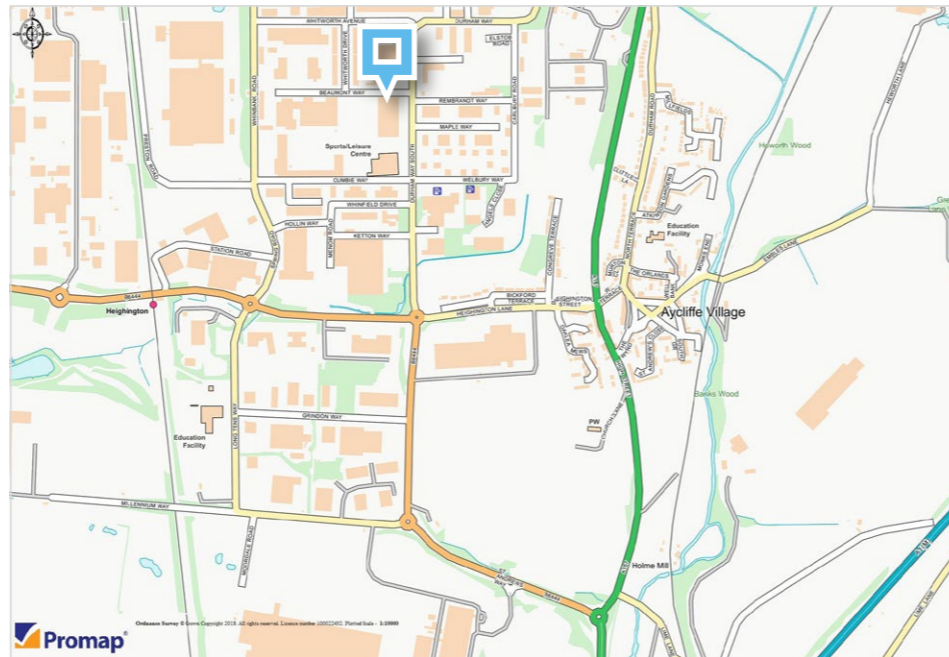
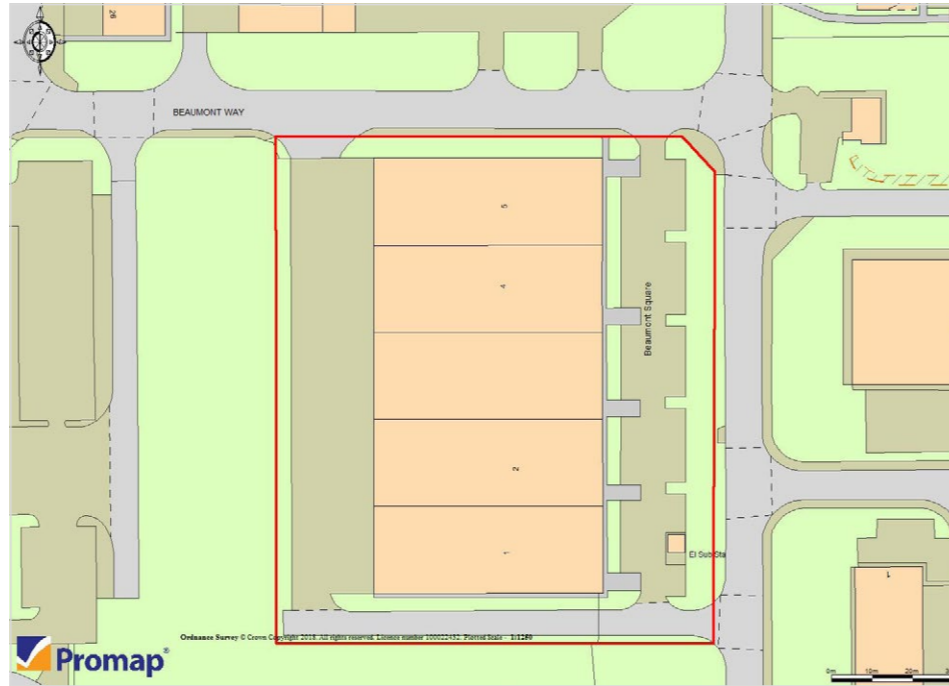
MODERN MULTI-LET INDUSTRIAL INVESTMENT

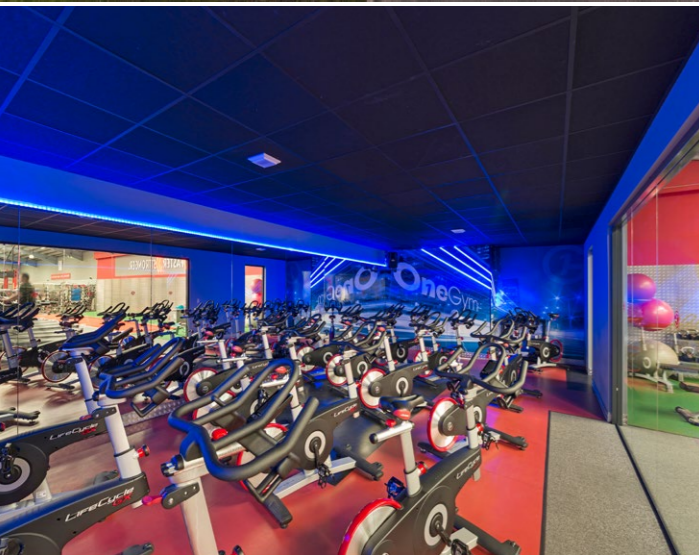


INVESTMENT SUMMARY

- Modern multi-let industrial estate extending to **5,925 sq m (63,785 sq ft)**
- Located on the established **Aycliffe Business Park** comprising over 980 acres of business space
- Excellent road communications** with direct access to the **A1(M)** via the A167
- Let to five tenants with a **WAULT to expiry of 7.96 years** and to break of 6.91 years
- Rent **£238,000** per annum reflecting an **average of just £3.67 per sq ft**

Offers sought in excess of **£3,000,000 (Three Million Pounds)** reflecting a net initial yield of **7.45%** assuming purchaser's costs of 6.45%.





LOCATION

The property is located on Aycliffe Industrial Estate, an established industrial estate benefiting from its close proximity to the A167, A6702 and junction 59 of the A1(M) just 2 miles to the east.

Darlington is approximately 7 miles to the south, Middlesbrough 19 miles to the east, with Durham and Newcastle upon Tyne being located approximately 13 miles and 32 miles to the north respectively. The East Coast mainline is in close proximity with Darlington the nearest station.

Aycliffe Industrial Estate houses 500 companies with over 10,000 employees. 2015 saw the construction of the £82m Merchant Park development comprising the construction of a 42,735 sq m (460,000 sq ft) Hitachi Trains facility designed to manufacture trains to replace the InterCity 125 fleet. The factory has since won contracts to manufacture trains for the Edinburgh to Glasgow route and the TransPennine Express franchise. This cements Aycliffe's reputation for engineering excellence, indeed James Moir better known as Vic Reeves undertook a 5 year engineering apprenticeship in Aycliffe.

A further 116 acres has recently been allocated for the construction of Forrest Park. This will comprise 162,578 sq m (1.75m sq ft) of industrial, trade park, food and pub restaurant development together with a rail freight interchange.

SITUATION

Beaumont Square occupies a prominent position on the corner of the main estate road Durham Way South and Beaumont Way. Nearby occupiers include Gestamp Tallent, Hitachi and Lidl Distribution. As is befitting an estate of this size there are also a range of amenities in close proximity including café and drive through facilities.

DESCRIPTION

The property comprises a parade of five modern steel portal frame warehouse and production facilities together with integral office accommodation. The front elevation is a mix of rendered blockwork, glazing and profile metal cladding with side and rear elevations a mix of brickwork and metal cladding. Each unit has a pitched roof incorporating integral roof lights.

To the southern entrance to the estate is a separately accesses area of hard standing occupied by Supply Chain operator ByBox.

Externally the unit provides a generous yard area to the rear and separately accessed parking to the front elevation together with associated landscaping. The site is secured by a steel palisade fence.

TENANCY

Unit	Tenant	Sq m	Sq ft	Lease Start	Lease Expiry	Break Clause	Rent	Rent psf	EPC	Comments
1	Rental Guarantee	1,196.58	12,880				£50,000	£3.88	C-63	2 year rental guarantee from completion. Unit fully refurbished.
2	E.C Cabinets Limited	1,180.50	12,707	29th March 2017	28th March 2032		£50,000	£3.93	D - 77	Fixed uplifts to £53,500 in March 22 and £57,500 March 27
3	Mediquip Assistive Technology Limited	1,178.46	12,685	1st May 2015	29th July 2022		£44,000	£3.46	D - 78	
4	Spirit Fires Limited guaranteed by CVO Holdings Limited	1,193.88	12,851	24th June 2017	23rd June 2027	24th June 2022	£50,000	£3.89	D - 77	
5	One Gym Limited	1,178.46	12,685	13th January 2014	12th January 2029		£40,000	£3.15	D - 97	
	ByBox Holdings Limited			24th March 2017	23rd March 2021	24th March 2019	£4,000			Licence for hardstanding to side of Unit 1
		5,927.90	63,808				£238,000			

TENURE

The property is freehold.

MARKET COMMENTARY

The industrial market in the north east is enjoying positive rental growth. The economic climate meant that there was little speculative development post 2008 which as the market improved has put upward pressure on rental levels. The average passing rent at Beaumont Square is just £39.50 per sq m (£3.67 per sq ft). Any new build accommodation which comes forward will need to achieve rents considerably in excess of this to be viable hence we would expect to see rental levels in Aycliffe increase for good quality accommodation.

COVENANT

E.C Cabinets Limited – established 25 years ago and manufacture and distribute bespoke cabinets for kitchens, bedrooms and vets to the trade including PWS doors and Beaumont doors. Their latest filed accounts as of 31st August 2017 show Shareholders Funds of £168,845.

Mediquip Assistive Technology Limited – are a leading provider of community equipment services to local authorities and the NHS delivering a wide range of equipment to people in their own homes to help keep them independent for longer. Their latest filed accounts as of 31st December 2016 show Turnover of £149,316,000, Pre-Tax Profit of £6,358,000 and Shareholders Funds of £16,168,000.

Spirit Fires Limited – as a UK-based award winning designer and manufacturer of contemporary fireplaces with clients including Green King, Crown Plaza and Hilton. Their latest filed accounts as of 31st March 2017 show Shareholders Funds of £328,438.

OneGym Limited – now have four branches across the North East. The management team have significant market experience having previously been responsible for establishing and expanding a well known gym operator. They have established a new gym concept aimed at reducing monthly fees by cutting unnecessary costs and focusing on high quality gym equipment and classes. Their latest filed accounts as of 31st March 2017 show Shareholders Funds of £108,611.

ByBox Holdings Limited – are a large technology and supply chain company with over 450 employees in 12 locations. Their facility

at Beaumont Square is part of a large physical locker network they operate making sure businesses have the rights parts, in the right place at the right time. Their latest filed accounts as of 31st December 2016 show Turnover of £66,712,394, Pre-Tax Profit of £6,594,895 and Shareholders Funds of £15,684,186.

VAT

We understand that the property is elected for VAT and it is envisaged that the sale will be dealt with under the TOGC regulations.

PROPOSAL

Offers sought in excess of **£3,000,000 (Three Million Pounds)** reflecting a net initial yield of **7.45%** assuming purchaser's costs of 6.45%.



FURTHER INFORMATION

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

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