



## PRIME DISTRIBUTION WAREHOUSE INVESTMENT OPPORTUNITY

Unit A, New Frontier House, Interlink Business Park, Interlink Way West,  
Bardon Hill, Coalville, Leicestershire LE67 1LF

**MK2**  
REAL ESTATE

## INVESTMENT SUMMARY

- Strategically located in Leicestershire within the Midlands prime logistics Golden Triangle
- Situated on Bardon Business Park between the M1 and M42 motorways
- Let to Bunzl Retail & Healthcare Supplies Limited
- Recently re-gearred lease for a term of 10 years from November 2014
- Modern distribution warehouse providing a total Gross Internal Area of circa 76,304 sq ft (GIA)
- Low current passing rent of £381,520 per annum equating to £5.00 psf subject to upward only rent review on 2nd November 2019 giving excellent growth potential.
- We are instructed to seek offers in excess of **£5,340,000 (Five Million, Three Hundred and Forty Thousand Pounds)** subject to contract, which reflects a **net initial yield of 6.75%** after allowing for purchasers costs of 5.8%. A purchase at this level would show a low capital value of **£69.98 psf**.



## LOCATION

Interlink Park, is a modern established distribution park forming part of Bardon Business Park. Lying at the northern edge of the area known as the Midlands Golden Triangle, occupiers are attracted to this location due to its central position that provides excellent access to the UK's main motorway network with links via the M1, M6, M69 and M42 motorways.

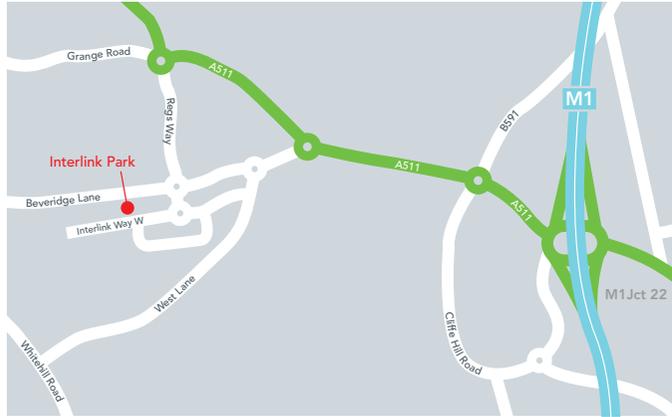
Coalville town centre is approximately 2 miles to the north. The park is strategically located approximately 10 miles to the northwest of Leicester town centre, approximately 2 miles west of Junction 22 of the M1 and Junction 13A (M)42 at Ashby. Its position just off the A511, that links to the M1 and A42(M) makes the location very accessible.



## SITUATION

The property occupies a prominent position on Interlink Way West accessed via the B585, West Lane or Beveridge Lane, both providing direct access into the park. Whilst the property is situated on Interlink Business Park, Bardon 22 Industrial Estate and Hill Top Industrial Estate form the larger established industrial location known as Bardon Business Park. Interlink Business Park is the newest of the three and offers modern purpose built distribution warehouse accommodation.

Major occupiers on the park include Brantano, Antalis, Laura Ashley, Laddaw, Benson Box, Volvo and Winit UK Limited.



- A. Bunzl Healthcare Supplies
- B. Brantano
- C. DHL
- D. Winit UK
- E. Volvo
- F. Bunzl (Shermund)
- G. Barrat - BD Living
- H. Healy Group
- I. Antalis
- J. CEVA Logistics
- K. Benson Box
- L. Laddaw
- M. Laura Ashley



## DESCRIPTION

The property comprises a modern two bay single storey purpose built distribution warehouse constructed in 1999. The property is of steel portal frame construction incorporating two storey offices. The warehouse has an approximate clear working height of 10 metres with the external envelope being of brick work to a height of 2.24 metres with double skin metal profile sheeting above. The roof is also of double skin profile sheeting and incorporates translucent roof lights.

The tenant has constructed a significant mezzanine, which they use for storage.

The tenant operates a VNA (very narrow aisle) system and has racked out the warehouse extensively. The unit benefits from

9 dock level and 1 surface level loading door that face onto the main yard area at the front of the property. The warehouse has a concrete floor and high level motion sensor lighting and ducted warm air heating system.

The two storey offices benefit from double glazed windows, suspended ceilings incorporating Cat 2 lighting, gas fired central heating, kitchen and canteen and WC's on each floor.

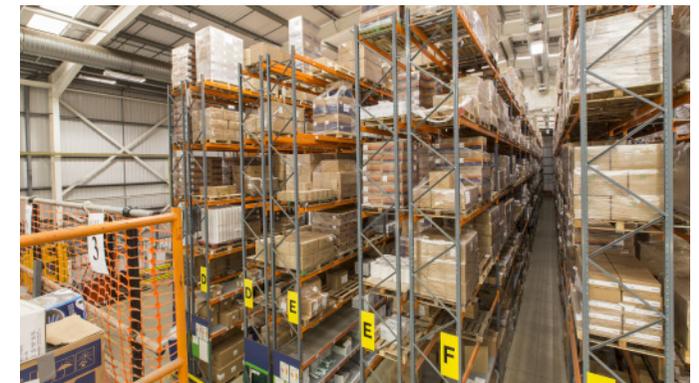
Externally the concrete yard has a depth of approximately 46 metres with dedicated trailer and truck parking bays. Fronting the unit with independent access is the staff & visitor parking area that can accommodate up to 85 vehicles. There is further expansion land adjoining the parking area, which could be used for additional car parking or extension to the property.

## 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.

	SQ M	SQ FT
Warehouse	6,530.8	70,298
Ground Floor Office	279.0	3,003
First Floor Offices	279.0	3,003
<b>Total</b>	<b>7,088.8</b>	<b>76,304</b>

The site extends to a total area of approximately 4.67 acres providing for a low site cover of 37.5%.



## TENURE

The property is held Freehold.

## TENANCY DETAILS

On 2nd November 2014 Bunzl Retail & Healthcare Supplies Limited entered into a new lease for a term of 10 years at a rent of £381,520 per annum equating to £5.00 psf. There is a tenant only break option on 2nd November 2019 subject to a rent penalty of 3 months, and a further break option on 2nd November 2021, for which the tenant must serve written notice. The lease is drawn on full repairing and insuring terms with the rent to be reviewed upward only to market rental value on 5th anniversary of the term. The tenant has an 8 month rent free period from commencement of the term, plus a further 4 month rent free period if the 2021 break option is not exercised.

A copy of the lease is available upon request.

## SERVICE CHARGE

An estate service charge is payable by the landlord and recovered in full from the tenant at a current cost of £708 per annum.



## TENANT'S COVENANT STRENGTH

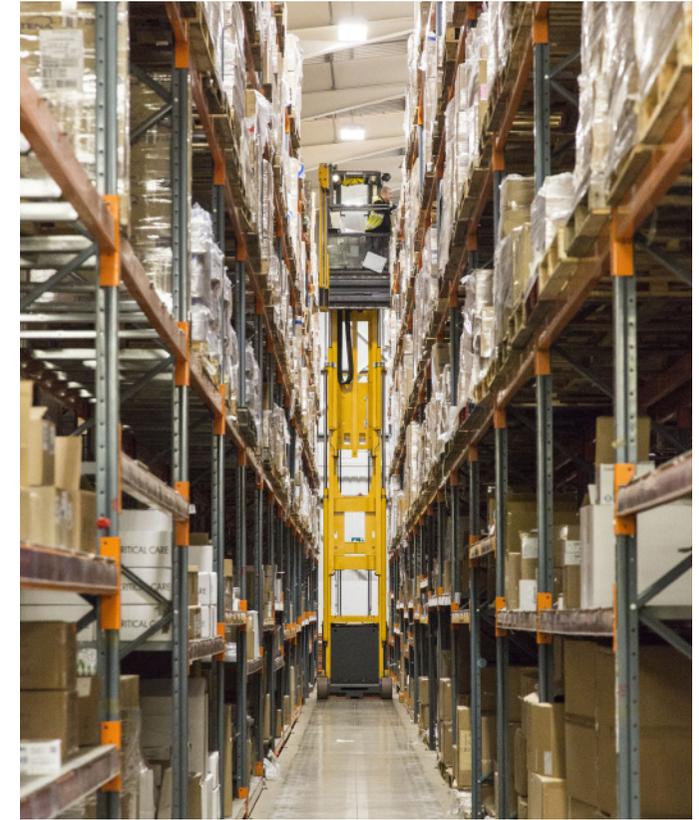
The property is let to Bunzl Retail & Healthcare Supplies Limited (Company Number 62537) who is one of the UK's largest distributors of leading branded and own brand medical consumables to all areas of the healthcare market.

Bunzl is one of the worlds' fastest growing specialist distribution groups and has an established reputation for understanding the unique requirement of each market sector and offering total solutions that provide quantifiable benefits to its customers. With operations across North America, Europe and Australasia it is continually expanding its position within the growing healthcare consumables market.

Summarised below are the financial accounts for Bunzl Retail and Healthcare Supplies Limited for the years ending 2011 through to 2013.

	TURNOVER £000s	PRE-TAX PROFIT £000s	NET WORTH £000s
2013	£366,169	£13,832	£21,016
2012	£359,216	£10,388	£24,777
2011	£353,717	£13,939	£32,748

The company has a Dunn & Bradstreet rating of 3A1 and a minimum risk of business failure.



## OCCUPATIONAL MARKET

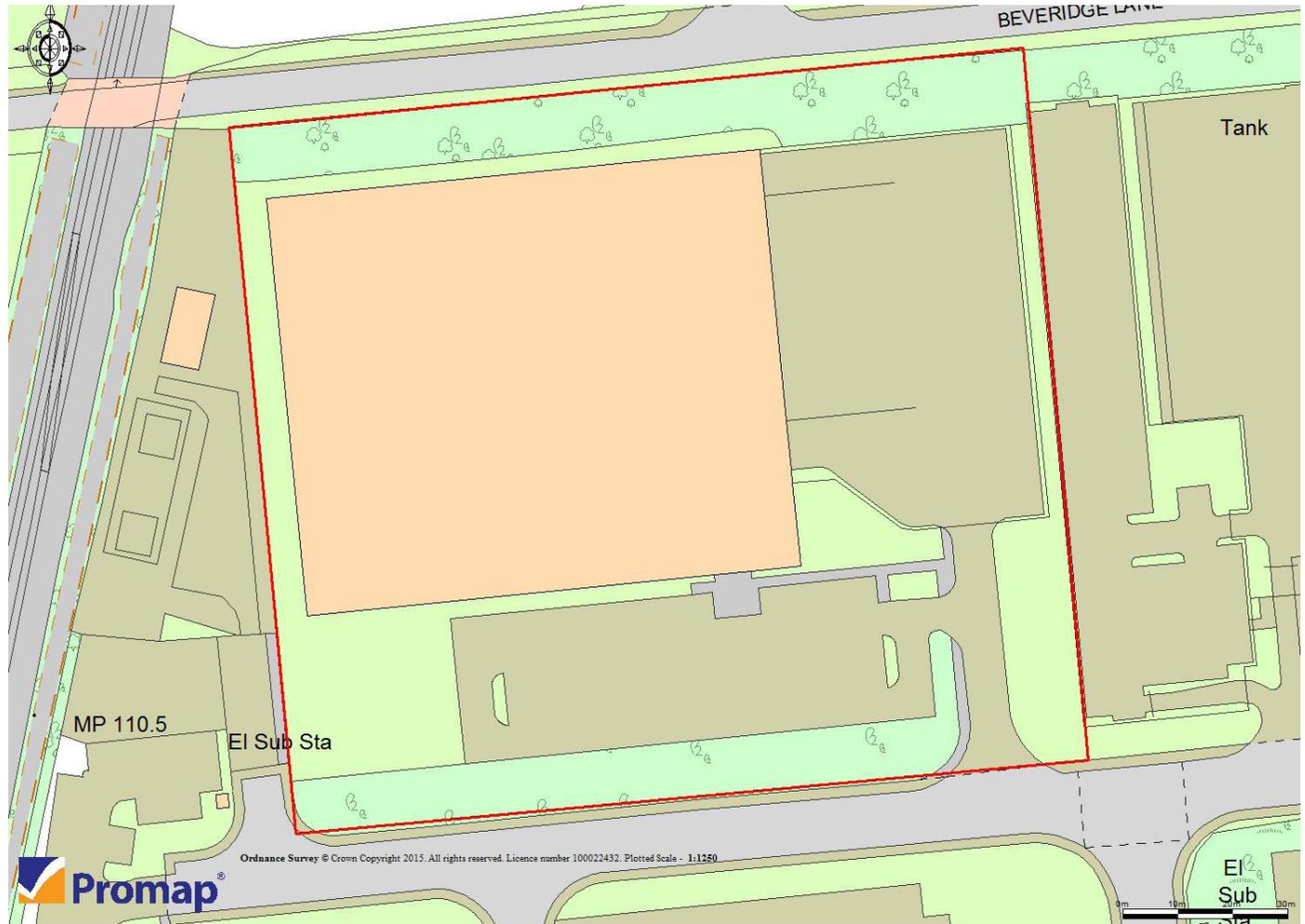
Demand for prime distribution warehouses has increased significantly over the previous 12 months with a noticeable reduction in available units. As such there has been a marked increase in rental values and a reduction in incentives on new lettings. Furthermore tenants have increasingly turned to build to suit options due to the lack of supply, which is having further positive impact on rental growth. Recent market lettings include the following:

£6.35 psf	March 2015: DC1 Prologis Midpoint, Birmingham at 127,500 sq ft was let to Syncreon Automotive UK Ltd for a term of 10 years.
£5.20 psf	February 2015: Unit C Gowerton Road, Northampton at 201,085 sq ft was assigned to Dalepak.
£5.77 psf	January 2015: Hinckley 165, Hinckley Commercial Park, Hinckley at 165,396 sq ft was let to GEO Post UK Limited for a term of 20 years.
£6.15 psf	September 2014: Plot 2 Birch Coppice Business Park, Tamworth at 152,500 sq ft pre-let to UPS for 15 years.
£5.75 psf	September 2014: Magna 130, Magna Park, Leicestershire at 133,239 sq ft was let to Armstrong Logistics for a 10-year term.
£5.25 psf	July 2013: Link 63, Interlink Park at 63,756 sq ft was let to CEVA Logistics for 10 years with a break at 5 years.

## INVESTMENT MARKET OVERVIEW

The logistics and distribution sector continues to provide strong returns and is a leading investment sector and thus is competitively sought after. Relevant investment transactions are set out below:

5.05% NIY	January 2015: 5310 Magna Park, Lutterworth at 122,231 sq ft, let to P&O for 6 years at a rent of £5 psf was sold for £11,410,000.
5.00% NIY	November 2014: Units 1&2 Birch Coppice, Dordon at 338,997 sq ft, let to Bunzl UK & DAU Draexlmaier for 10 years (to break) at an average rent of £5.38 psf was sold for £34,140,000.
5.39% NIY	November 2014: 5320 Magna Park, Lutterworth at 194,678 sq ft, let to Toyota Logistics GC Ltd for 6.1 years at a rent of £5.11 psf was sold for £17,450,000.



## EPC

The property has an energy efficiency rating of **C56**.

A copy of the EPC is available upon request.

## VAT

The property is elected for VAT however it is anticipated that the transaction will be treated as a transfer of going concern (TOGC).

## PROPOSAL

We are instructed to seek offers in excess of **£5,340,000 (Five Million, Three Hundred & Forty Thousand Pounds)**, subject to contract and exclusive VAT. A purchase at this level reflects a **net initial yield of 6.75%** and a **low capital value of £69.98 psf**, after assuming purchasers costs of 5.8%.



## FURTHER INFORMATION

For further information or to arrange an inspection please contact;

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REAL ESTATE

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