

FREEHOLD MULTI-LET INDUSTRIAL ESTATE INVESTMENT

UNITS 5 – 11 TUFFLEY TRADING ESTATE, PEARCE WAY, GLOUCESTER, GL2 5YD



INVESTMENT SUMMARY

- Freehold multi-let industrial estate in an established commercial location
- Good access to the South West Bypass, the A38 ring road and Junction 12 of the M5 motorway
- Excellent location 300m from the A430 Bristol Road
- Seven units fully let to four tenants
- Site area of 0.82 acres (0.33 hectares)
- Total floor area of 21,948 sq ft (2,039 sq m)
- Total passing rent of £128,000 per annum reflecting £5.83 per sq ft, offering reversionary potential
- Estimated Rental Value of circa £137,177 per annum reflecting £6.25 per sq ft
- Weighted Average Unexpired Lease Term (WAULT) of 2.92 years to expiry and 2.43 years to break options.
- High occupational demand in this location
- Offers trade counter flexibility
- We are seeking offers in excess of **£2,095,000 (Two Million and Ninety Five Thousand Pounds)** for our client's interest, subject to contract and exclusive of VAT
- A purchase at this level would reflect a **net initial yield of 5.75%**, a reversionary yield of 6.16% and a low capital value of £95 per sq ft, assuming purchasers' costs of 6.3%.



LOCATION

Gloucester is the administrative centre of the county of Gloucestershire and is one of the principal commercial centres in the South West of England. The historic cathedral city is located close to the border between England and Wales and is approximately 28 miles from Worcester, 32 miles from Bristol and 94 miles from Birmingham. The city benefits from excellent road communications with access to the M5 via junctions 11, 11a and 12.

The A417/9 also links the city to junction 16 of the M4 at Swindon. Gloucester Railway Station provides a direct link to London Paddington with a journey time of approximately 1 hour 50 minutes as well as direct links to Bristol (54 minutes), Birmingham (55 minutes) and Cardiff (63 minutes).

Gloucester Airport is located 5 miles to the north and provides domestic flights around the UK, whilst Bristol International Airport is located 50 miles south and offers direct flights to over 125 destinations throughout the UK, all of the major European economies and the USA.



SITUATION

The property is situated in an established commercial location on Tuffley Trading Estate. Tuffley Trading Estate is located on Pearce Way, in an excellent and highly accessible location just off the A430 Bristol Road. The Bristol Road provides access to the South West Bypass, the A38 ring road and Junction 12 of the M5 motorway.

Tuffley Trading Estate is an established and popular commercial area with a mixture of trade, industrial and warehouse units.



Site plan for illustrative purposes only.



DESCRIPTION

The property is a multi-let industrial estate constructed in 1981, situated in an established and popular industrial location. The property comprises a single terrace of seven units totalling approximately 21,948 sq ft (2,039 sq m).

The units are of steel frame construction of pitched asbestos cement construction with brick block and clad elevations beneath roofs with translucent panels. The majority of the units have ground and first floor offices and WC's. Car parking is provided to the front of the units.

The internal eaves height of the units is approximately 5.6 metres. Access to the industrial/warehouse area is provided by roller shutter doors (4.1m wide x 5m high) in the front elevation.

The total site area is approximately 0.82 acres (0.33 hectares).



TENURE

The property is held freehold under title number GR72123.

TENANCY

The property is multi-let to four tenants across seven units. All tenancies are contracted out of sections 24-28 of the Landlord and Tenant Act 1954 and so do not have security of tenure.

The WAULT across the property is 2.92 years to expiry and 2.43 years to break options.

ERV

The current rent passing is £128,000 per annum which reflects £5.83 per sq ft. Our opinion of current rental value is £137,177 per annum reflecting £6.25 per sq ft. Total supply in the region remains low, which supports the ongoing trend of upward pressure on rents. This supply/demand imbalance has led to strong rental growth in recent years.

Prime rents now stand at circa £7.50 per sq ft in Gloucester and are projected to continue on an upward trajectory, largely due to a lack of supply of quality industrial stock.



TENANCY SCHEDULE

Unit	Tenant	Area GIA sq ft	Lease start	Lease Expiry	Next Break	Passing Rent per annum	Passing Rent per sq ft	Estimated Rental Value per annum	Estimated Rental Value per sq ft	Comments
5	Hydraproducts Limited	3,163	26/01/2022	23/09/2023		£20,000	£6.32	£19,770	£6.25	
6		3,167	23/09/2018	22/09/2023		£16,000	£5.05	£19,795	£6.25	
7	Carterdale Limited	3,181	30/11/2021	29/11/2026	30/10/2024	£ 17,500	£5.50	£19,880	£6.25	Six months notice on break.
8		2,897	31/10/2019	30/10/2024		£16,000	£5.52	£18,106	£6.25	Photographic schedule of condition.
9	Cloverleaf Car Services Limited	3,410	12/03/2021	25/08/2025	12/03/2024	£18,500	£5.43	£21,313	£6.25	Photographic schedule of condition.
10	Etiquette Events Limited	2,658	31/08/2021	30/08/2026	31/08/2024	£18,500	£6.96	£16,613	£6.25	Uncapped RPI rent review on 31 August 2024. 6 months notice on break. Photographic schedule of condition.
11		3,472	26/04/2022	25/04/2027		£21,500	£6.19	£21,700	£6.25	Photographic schedule of condition.
TOTAL		21,948				£128,000	£5.83	£137,177	£6.25	

*All tenancies excluded from sections 24-28 of the Landlord and Tenant Act 1954.



COVENANT

Units 5 & 6

Hydraproducts Limited

Hydraproducts Ltd designs and manufactures hydraulic power packs. Hydraulic power packs are used in industrial, mobile, materials handling and mobility and an ever expanding range of applications where power required is below 75kW.

Further information - www.hydraproducts.co.uk

Units 7 & 8

Carterdale Limited

Carterdale Ltd is a long established wet coatings paint specialist with over 40 years experience working mainly in the automotive industry, supplying Jaguar Land Rover, Magna, Vauxhall Opel and BMW Mini as well as military contracts.

Further information - www.gloucesterpowdercoating.co.uk

Unit 9

Cloverleaf Car Services Limited

Set up in 1994, Cloverleaf Car Services are Alfa Romeo, Fiat and Abarth servicing and repair specialists.

Further information - www.cloverleafcarservices.co.uk

Units 10 & 11

Etiquette Events Limited

Etiquette Events are an event and wedding planning service based in Gloucester but working on events across the UK.

Further information - www.etiquetteevents.co.uk





DATA ROOM

Access to the data room is available on request.

EPC

Copies of the EPC's will be available in the data room.

AML

A successful bidder will be required to provide relevant information to satisfy the AML requirements when Heads of Terms are agreed.

VAT

The property is elected for VAT and it is therefore envisaged that the sale will be treated as a Transfer Of a Going Concern (TOGC).

PROPOSAL

We are seeking offers in excess of **£2,095,000 (Two Million and Ninety Five Thousand Pounds)** reflecting a **net initial yield of 5.75%** and a reversionary yield of 6.16%. This reflects a low capital value of £95 per sq ft, assuming purchasers costs of 6.3%.

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One of directors of H&P has an involvement.

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FURTHER INFORMATION

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

07990 591 759

