



CENTURION MILL

KESTREL WAY, SOWTON INDUSTRIAL ESTATE,
EXETER, EX2 7LA

FREEHOLD MULTI-LET
INVESTMENT OPPORTUNITY



INVESTMENT SUMMARY

- Situated on the established Sowton Industrial Estate.
- Strategic location with easy access to Junctions 29 and 30 of the M5 Motorway.
- Multi-let industrial investment totalling 72,246 sq ft GIA and capable of subdivision.
- Freehold.
- Low passing rent of £313,100 per annum, reflecting only £4.33 per sq ft overall.
- 85% of the income let to Stovax Heating Group Limited (D&B rating 4A1).
- The company is wedded to the estate and location operating from 9 buildings on Sowton Industrial Estate.
- Offers are sought in excess of **£4,200,000 (Four Million, Two hundred Thousand Pounds)** subject to contract and exclusive of VAT.
- A purchase at this level reflects an attractive **Net Initial Yield of 7.00%**, after allowing for purchaser's costs of 6.55%. This reflects a **Capital Value of £58.13 per sq ft**.



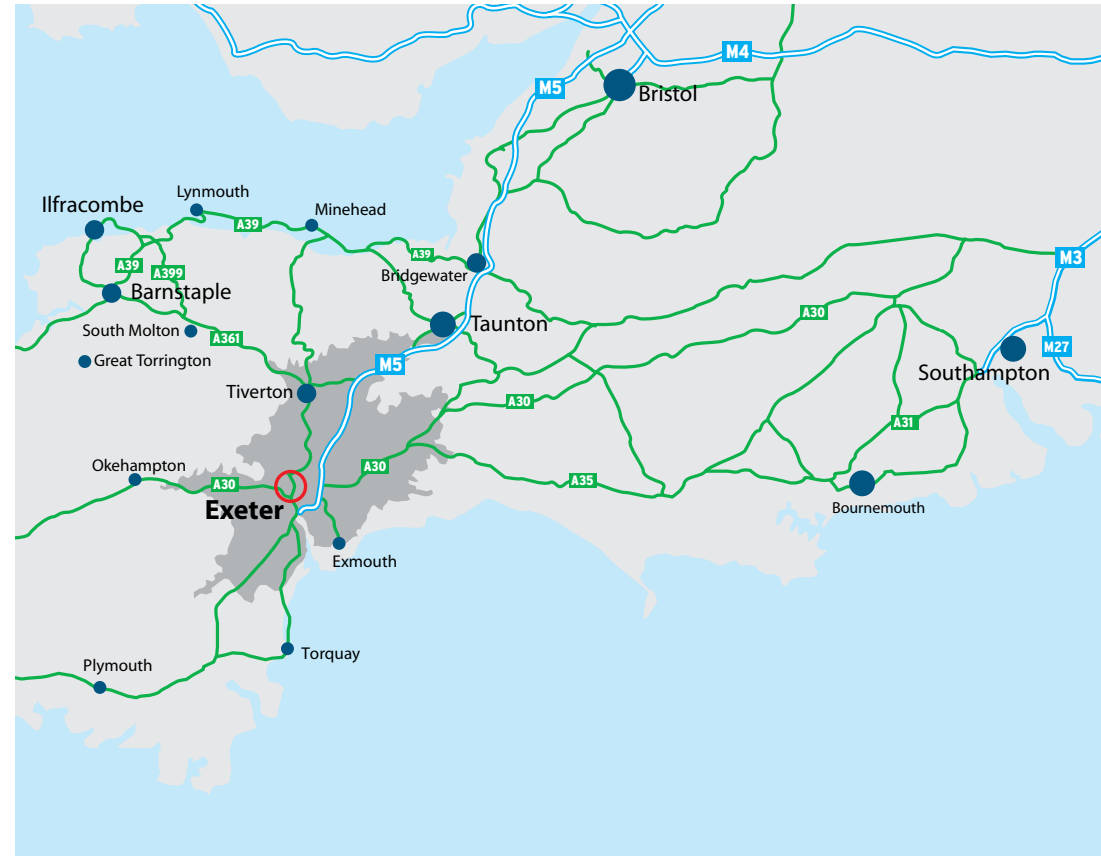
Units occupied by Stovax & Gazco

LOCATION

Exeter is a historic Cathedral and University city located in the south west of England and is the principle commercial centre of Devon. Exeter has an estimated population of 124,000 and a catchment of approximately 300,000 people. Exeter University is one of the top Russell Group universities in the UK with approximately 18,000 students. Exeter is projected to be one of the UK's fastest growing cities and is consistently rated as one of the UK's best places to live and is increasingly popular with a number of businesses and organisations. There are approximately 99,700 employees within Exeter and unemployment is below that of the national average.

The city benefits from excellent road and train links with easy access to both the A30 and A377. The A30, one of the major roads in the south west provides a link between Land's End and London. In addition, the M5 motorway can be accessed from the A30 at Junction 31. The M5 motorway provides a direct link to Bristol and Birmingham to the north and the M4 to London.

Significant employers in Exeter include EDF Energy, Fly-Be, Goodridge, Met Office, Pennon Group, Sitel, Thomson Reuters and the University of Exeter.



“ Strategic location with easy access to Junctions 29 and 30 of the M5 Motorway ”

SITUATION

Sowton Industrial Estate has established itself as the main distribution location for the city. The estate is easily accessed from Junctions 29 and 30 of the M5 motorway, giving easy access throughout the south west region.

The property is located towards the southern end of Sowton Industrial Estate, on the corner of Kestrel Way and Moor Lane. The units are accessed from Kestrel Way, one of the main arterial roads through the Estate, or via an unnamed estate road, which runs in an easterly direction from Kestrel Way, to the north of the property. Nearby occupiers on the Estate include Wickes, Screwfix, Travis Perkin, Dunelm and Wolseley.

DESCRIPTION

Centurion Mill is a large warehouse unit with office and retail accommodation at the southern facade facing onto Kestrel Way. The unit is of steel frame construction with brick and block elevations beneath a lined northlight roof. The unit has an eaves height of approximately 5 metres.

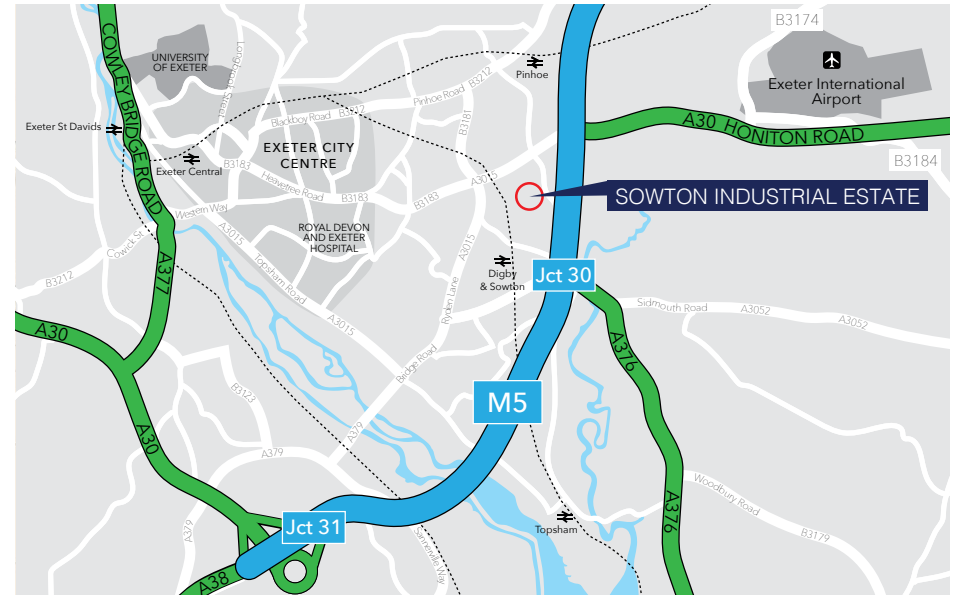
There is a staff room/canteen, two offices and separate male and female WC facilities. There is a loading bay at the south west corner of the building and another loading bay at the north west corner of the building, with three dock levellers, protected by a canopy. There are two mezzanine floors of steel frame construction providing additional storage and plant space.

The two storey office accommodation at the southern façade has been converted into two separate retail units with excellent frontage onto Kestrel Way and Moor Lane. The first floor office accommodation is currently utilised as a training centre for Stovax and also as ancillary storage.

Unit D4 was constructed in 2016 and comprises a modern well specified unit of steel portal frame construction with steel clad elevations. Internally the unit has blockwork walls, concrete floor, approximately 10% rooflights and one full height electrically operated loading door with cantilevered canopy. The unit has an eaves height of approximately 8 metres.

The site measures 2.23 acres (0.9 hectares) and has marked parking for approximately 51 spaces. A covered bicycle shelter provides capacity to store up to 20 bicycles.

The tenant also operates from Units D1-D3. Immediately to the north, although these units are not included in the demise and sale.



ACCOMMODATION

The property provides accommodation on the following GIA sq ft basis:

Unit	Ground	First	Canopy	Mezzanine	Total
Warehouse	35,054		717	16,634	52,405
Units 1,3, 5 & 7	1,439				1,439
Units 9-19 (odd)	2,512				2,512
Units 2-4	893				893
Units 6-20 (even)	269	3,930			4,199
Unit D4	10,056		742	2,450	13,248
Total					74,696

TENURE

Freehold.



Greggs



Devondale Electrical Distributors

TENANCIES

We have set out below a schedule of tenancies:

Unit	Tenant	Area (Sq ft)	Start Date	Expiry Date	Rent (pa)	Rent (psf)	Excluded from 54 Act	SoC	Comments
Units 1, 3, 5 and 7 Ground Floor	Greggs PLC	1,439	01/07/2011	30/06/2021	£18,500	£12.86	No	No	
Unit 9 -19 (odd) Ground Floor	Devondale Electrical Distributors Ltd	2,512	01/12/2012	30/11/2022	£23,000	£9.16	No	No	Tenant did not exercise their break option in Nov 17.
Unit 2-4 (even) First Floor	Stovax Heating Group Ltd	893	01/01/2017	31/12/2017	£3,600	£4.03	-	No	License to occupy on short term basis. Tenant currently holding over.
Unit 6 -20 (even) First Floor	Stovax Heating Group Ltd	4,199	01/06/2013	28/01/2023	£22,500	£5.36	No	Yes	
Unit B	Stovax Heating Group Ltd	52,405	29/01/2013	28/01/2023	£177,000	£3.38	No	Yes	Landlords mezzanine. Rent reflects £4.50 psf on warehouse, 25% rent on mezzanine and £1.00 psf on canopy.
Unit D4	Stovax Heating Group Ltd	10,798	01/06/2016	28/01/2023	£68,500	£6.34	No	No	Area excludes tenants mezzanine of 2,450 sq ft. Rent reflects £6.75 psf on warehouse and £1.00 psf on canopy.
Total		72,246			£313,100				

OCCUPATIONAL MARKET

The Exeter industrial market is dominated by Sowton Industrial Estate and Marsh Barton Trading Estate. Vacancy rates in Exeter are currently less than 1.00% and with a lack of new development in pipeline, this trend is likely to continue. Low supply coupled with strong occupier demand has resulted in significant rental growth and this is expect to continue this year.

Comparable occupational transactions are as follows:

Date	Address	Size (sq ft)	Tenant	Rent (£psf)	Term/ Break
Q4 18	Windsor Court, Matford, Exeter	11,139	Bishop & Sons' Depositories Limited	£7.40	15/10
Q1 18	Units A & B, Hill Barton Business Park, Clyst St Mary, Exeter	21,811	DHL International	£6.50	3/1.5
Q1 18	Unit 1, Otter Court, Matford Business Park, Exeter	11,207	Safe Blaze UK	£5.80	5
Q4 17	Units 9-11, Heron Road, Sowton I/E, Exeter	12,248	Muller UK and Ireland Group LLP	£5.25	10/5
Q2 17	Former Britannia Lanes, Hennock Road Central, Marsh Barton I/E, Exeter	12,039	Kingfisher International Products Limited	£6.26	10/5



INVESTMENT COMPARABLES

We would draw your attention to the following investment comparables:

Address	Size (sq ft)	Sale Price	£/psf	Yield	WAULT (Break)	Tenant	Date
Nova Centre, Nova Way	167,175	£9.60m	£57	6.62%	3.75	Various	Mar 19
Dunball Trading Estate	36,048	£2.82m	£78	7.5%	5.00	Trelleborg	Jan 19
Woods Group HQ, Chippenham	41,328	£5.75m	£139	6.03%	15.00	Woods Group	Oct 18
Unit B2 Commerce Park, Frome	43,351	£4.80m	£111	5.75%	9.50	Cox & Cox	Aug 18
Units 1-11 Heron Road, Sowton Industrial Estate, Exeter	37,480	£3.50m	£93	5.5%	7.53 (3.00)	Various	July 18
Units A1-A3 Kingfisher Way, Sowton Industrial Estate, Exeter	23,138	£2.16m	£93	5.26%	8.60 (3.60)	Smiths News Trading Ltd	July 18

TENANT'S COVENANT



Stovax Heating Group Limited designs, manufactures, and distributes wood burning, multi-fuel, gas and electric stoves, fireplaces and associated accessories. The company was founded in 1981 and is based in Exeter, United Kingdom. As of January 31, 2013, the company operates as a subsidiary of NIBE Industrier AB (publ).

Nibe Industrier AB is listed on the NASDAQ OMX Stockholm Exchange. The company together with its subsidiaries, operates as a heating technology company internationally. Stovax Heating Group Limited has a D&B rating of 4A1.

Tenant	31 December 2018	31 December 2017	31 December 2016
Turnover	£50,429,120	£48,497,762	£47,412,544
Pre Tax Profit	£7,005,814	£6,951,143	£7,834,316
Shareholder's Funds	£35,209,506	£33,324,618	£32,676,803



Greggs Plc is the largest bakery chain in the UK with over 1,850 outlets and circa 20,000 employees. The company was founded in 1939 and has a D&B rating of 5A1.

Tenant	31 December 2017	31 December 2016	02 January 2016
Turnover	£960,005,000	£894,195,000	£835,749,000
Pre Tax Profit	£71,945,000	£75,142,000	£73,028,000
Shareholder's Funds	£304,958,00	£270,727,000	£266,274,000



Devondale Electrical Distributors Ltd, an electrical wholesaler, stocks and delivers electrical supplies in the United Kingdom. The company was founded in 1981 and is based in Barnstaple, United Kingdom and has 7 further branches across the South West. The company has a D&B rating of 2A1.

Tenant	31 October 2018	31 October 2017	31 October 2016
Turnover	£9,546,576	-	£8,171,401
Pre Tax Profit	£229,322	-	£156,636
Shareholder's Funds	£2,000,000	£1,968,506	£1,878,031

VAT

The property has been elected for VAT. We anticipate that the transaction will be treated as a Transfer of Going Concern (TOGC).

EPC

A schedule of EPC's is available upon request.

PROPOSAL

Offers are sought in excess of **£4,200,000 (Four Million, Two hundred Thousand Pounds)** subject to contract and exclusive of VAT for the freehold interest in this property. A purchase at this level would reflect a **Net Initial Yield of 7.00%** after purchaser's costs at 6.55%. This reflect a **Capital Value of £58.13 per sq ft.**





FURTHER INFORMATION

For further information, please contact the sole agent;

SIMON BENNETT

☎ 0117 930 5717

✉ simon.j.bennett@eu.jll.com

ROSS WIGLEY

☎ 0117 930 5792

✉ ross.wigley@eu.jll.com



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