



# HEARTBEAT REDDITCH

UNITS 67, 69, 76 AND 91 ARTHUR STREET, LAKESIDE,  
REDDITCH, B98 8JY

SINGLE-LET INDUSTRIAL INVESTMENT OPPORTUNITY  
WITH REDEVELOPMENT POTENTIAL





## INVESTMENT SUMMARY

- o Strategically located factory warehouse premises in an established industrial location.
- o Easy access to junctions 2 and 3 of the M42 motorway, connecting to the M40 interchange to the east and the M5 interchange to the west.
- o Strong labour supply dynamics, with 42.4% of residents in Redditch working in manufacturing, transport & storage, and wholesale trade.
- o Property comprises a total floor area of 54,565.52 sq ft (5,069.26 sq m) GIA across four industrial buildings.
- o Site area extends to 2.13 acres (0.86 hectares) providing a development density of 53.71%.
- o Significant future redevelopment potential.
- o Freehold.
- o Let in its entirety to The Heartbeat Manufacturing Co (Redditch) Limited for a term of 10 years with a break at year 5 (subject to 6 months prior notice) on full repairing and insuring terms, subject to a schedule of condition.
- o Rent on the revised lease will be £250,000 per annum, reflecting £4.50 per sq ft on units 67, 69 and 91 and £5.50 per sq ft on unit 76.
- o The lease will incorporate an upwards only, open market rent review on the 5th anniversary of the term.

## PROPOSAL

We are instructed to seek offers in excess of **£2,926,000** subject to contract and exclusive of VAT.

A purchase at this level reflects an attractive **Net Initial Yield of 8.00%** assuming standard purchasers' costs and a **capital value of £53.62 per sq ft**.





## LOCATION

Redditch is a major town in the West Midlands located approximately 15.2 miles south of Birmingham, 27.9 miles west of Coventry and 116 miles north west of London. There are approximately 6.8 million people located within a 60-minute drive time and over 57.4 million people within a 4.5-hour drive time, accounting for 90% of the UK's population.

Redditch benefits from an excellent strategic location, positioned only 4 miles south of junctions 2 and 3 of the M42 motorway (via the A441 and A435) and 5 miles south-west of junction 3a (which connects to the M40). The town is closely located to the M5 and M6, which forms the orbital motorway network around Birmingham and provides easy access to the whole of the West Midlands conurbation as well as to the South West, South East and London.

Redditch Railway Station provides direct services every 30 minutes to Birmingham New Street Station, which in turn provides services to all major destinations across the country. The quickest journey time from Redditch Station to Birmingham New Street Station is approximately 35 minutes.

Birmingham International is located approximately 13.6 miles north east. Other nearby airports include Coventry, 26.9 miles to the north east and Bristol, 71.9 miles to the south west.

Traditionally, Redditch was renowned worldwide for its high-quality needle production and manufacturing of related light metal products. More recently, it has become a centre of excellence in the automotive sector, with retailers such as Halfords and engineering giant GKN both locating their headquarters in the town. As a result, the town has strong labour supply dynamics, with 42.4% of residents in working in manufacturing, transport & storage, and wholesale trade.



## SITUATION

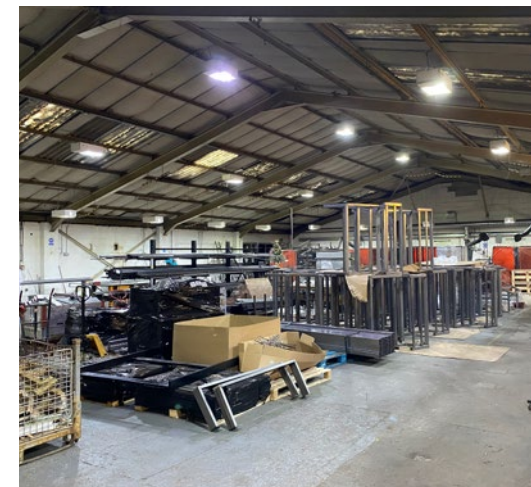
The Heartbeat premises are situated at the southern end of the Lakeside area of Redditch, one of many dedicated industrial areas within the town.

Lakeside industrial area is situated approximately 1 mile east of the town centre, directly north of Warwick Highway (A4189), one of the main arterial routes through Redditch. Nearby industrial estates include Lakeside Industrial Estate, Kingfisher Business Park and Redditch Trade Park.

Units 67, 69, 76 and 91 are accessed directly off Arthur Street, leading to Holloway Drive, which provides access to the Warwick Highway (A4189) directly south and in turn access to both the A441 and A435.

Junctions 2 and 3 of the M42 motorway are in close proximity to the north, which in turn provide access to the M40 interchange 3 miles east. The M5 interchange is 7.5 miles west and the M6 interchange is 14 miles to the north east.

Redditch Railway Station is 2.8 miles west, within a 10-minute drive time.



### Key Links

|                    |            |
|--------------------|------------|
| J2 M42             | 6.1 miles  |
| J3 M42             | 6.8 miles  |
| Birmingham         | 15.2 miles |
| Birmingham Airport | 19.7 miles |
| Coventry           | 27.9 miles |
| Bristol            | 81 miles   |
| Manchester         | 101 miles  |
| London             | 116 miles  |

Nearby occupiers include Aggregate Industries, CEMEX, Arrow Metals, Samuel Taylor, Fly Nite, Magnet Trade, Reynards Ltd, Johns of Studley, Rim Logistics and Weg Motors.



## DESCRIPTION

The subject property comprises four warehouse buildings extending to a total gross internal area of 54,565.52 sq ft (5,069.26 sq m), each of which is detailed below:

### Unit 67, Arthur Street

The Property comprises a single-storey, detached factory premises of masonry construction with two storey office accommodation, built in the 1960's. The building was likely extended and comprises a total floor area of 34,402 sq ft.

The warehouse is arranged into four main work areas with an eaves height of approximately 3.50 metres. Heating and lighting are provided within the warehouse.

The ancillary offices have been extensively refurbished and include a reception area, meeting rooms, private offices and toilet facilities. In addition to this, there is a canteen and further toilet facilities in the warehouse.

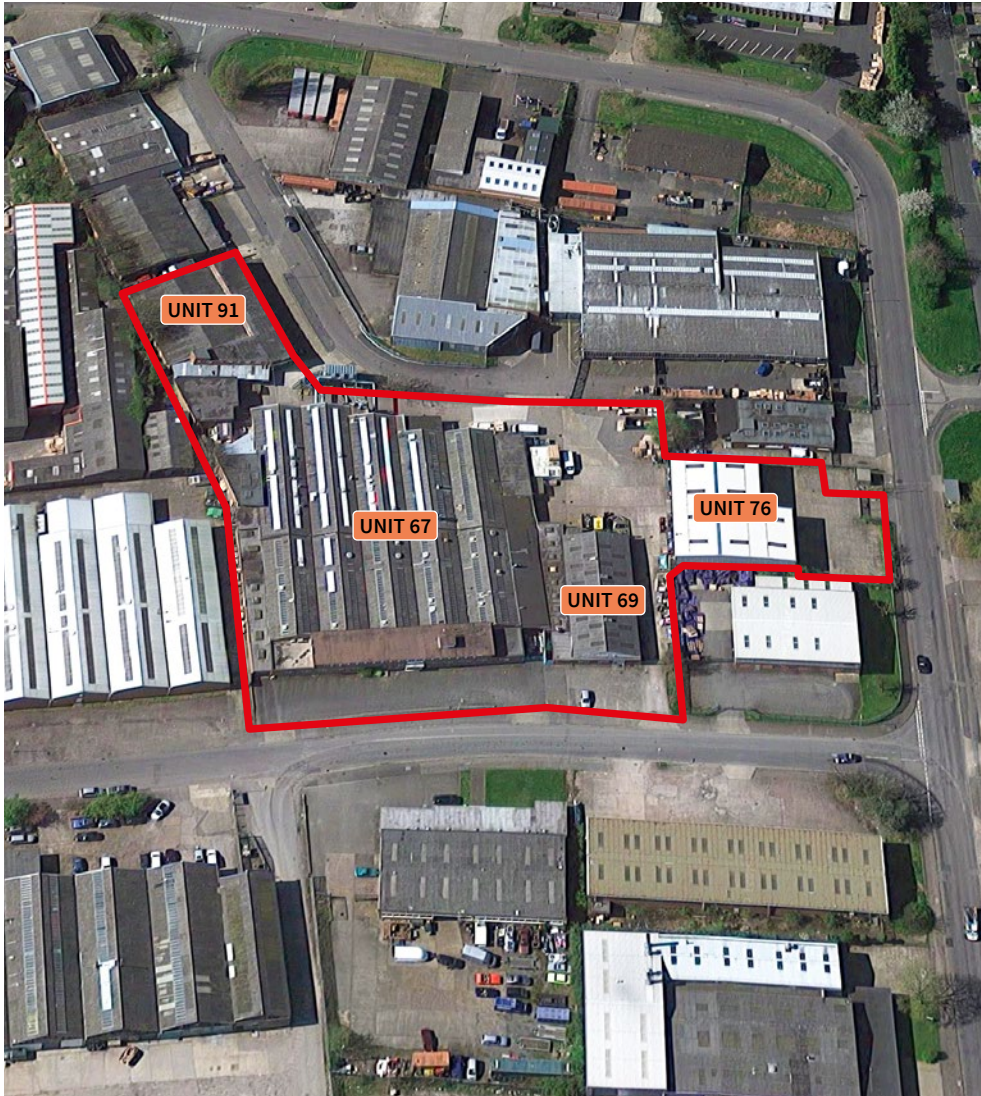
There is parking provision to the front of the unit directly facing Arthur Street, including 22 marked car parking spaces. There is an access road leading to the rear service yard directly off Arthur Street. Vehicle loading is provided by two level access roller shutters and a separate slider shutter access to the rear.

There is a metal frame canopy to the northern elevation of the Property, which covers the area between Units 67 and 69. The entire Arthur Street site is secured by palisade fencing and is accessed via two gated entrances to the front and two to the rear, all of which lead directly off Arthur Street.

The total site area is approximately 1.27 acres (0.51 hectares).







#### Unit 69, Arthur Street

69 Arthur Street comprises a single-storey, detached factory warehouse premises of masonry construction with a steel truss roof and ancillary office accommodation. The building was likely extended and comprises a total floor area of 5,406.92 sq ft.

The warehouse is split into two bays with an eaves height of approximately 3 metres in the main warehouse area and 2.46 metres to the extended side elevation. Heating and lighting are provided within the warehouse.

There is a small storage room, office and canteen provision along with separate toilet facilities to the eastern elevation of the building, facing Arthur Street.

There is a shared service yard to the rear of the unit, which is accessed directly off Arthur Street. Vehicle access to the unit is via timber sliding doors to the rear.

The total site area is approximately 0.26 acres (0.10 hectares).

#### Unit 76, Arthur Street

A modern single-storey, detached industrial warehouse premises, constructed in the early 2000's. Heating and lighting is provided in the warehouse and access to the unit is provided by two level access doors on either side of the building. The total gross internal floor area is 4,864.80 sq ft.

The warehouse benefits from an eaves height of approximately 5.67m eaves.

We understand that services are provided to the unit although there are no offices or WC facilities.

There is a secure service yard and parking provision to the front of the unit and a service yard to the rear, with shared access off Arthur Street.

The total site area is approximately 0.27 acres (0.11 hectares).

#### Unit 91, Arthur Street

Unit 91 comprises a single-storey, detached factory warehouse premises of masonry construction with a steel portal frame and ancillary office accommodation. The total gross internal floor area is 9,892.80 sq ft.

The warehouse has an eaves height of approximately 2.50 metres.

There is a small loading bay with access to the Property via timber sliding doors and is covered by a canopy to the front elevation for the building.

Included within the above floor area is a detached store building, the 'Giraffe House', which amounts to 879 sq ft. This building benefits from an eaves height of 4.67 metres and access is provided by a single, level access roller shutter door.

The ground floor accommodation includes separate toilet facilities and two private showrooms. The first floor office accommodation provides 2,683 sq ft including open office space, private meeting rooms, kitchenette, toilet facilities and reception / lobby area.

Access to the Property is provided by two sets of timber sliding doors to the front elevation, which are covered by a small metal canopy.

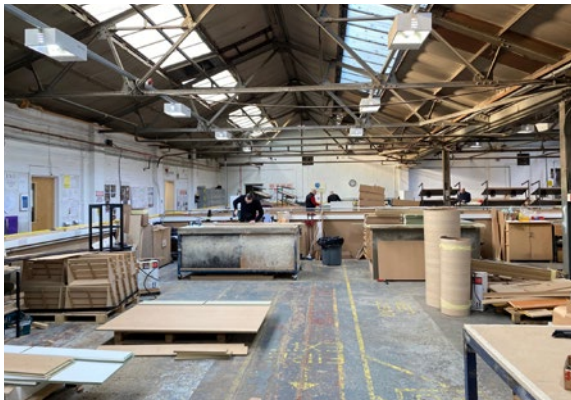
The total site area is approximately 0.33 acres (0.13 hectares).



## ACCOMMODATION

The buildings have been measured in accordance with RICS Code of Measuring Practice (6th Edition) and provide a combined total gross internal area of 54,565.52 sq ft (5,069.26 sq m).

The total site area comprises approximately 2.13 acres (0.86 hectares) equating to a development density of 53.71%.



### Accommodation Schedule

| Unit 67, Arthur Street     | Sq Ft         | Sq M         |
|----------------------------|---------------|--------------|
| Warehouse                  | 27,098.48     | 2,517.53     |
| Ground Floor Offices / WCs | 3,903.90      | 362.68       |
| Canteen                    | 465.86        | 43.19        |
| Ground Floor Storage Rooms | 884.76        | 82.20        |
| First Floor Offices        | 2,049         | 190.40       |
| <b>Total</b>               | <b>34,402</b> | <b>3,196</b> |

| Unit 69, Arthur Street | Sq Ft           | Sq M          |
|------------------------|-----------------|---------------|
| Warehouse              | 4,643.01        | 431.35        |
| Offices / WCs          | 670.05          | 62.25         |
| Storage Room           | 92.86           | 8.63          |
| <b>Total</b>           | <b>5,405.92</b> | <b>502.23</b> |

| Unit 76, Arthur Street | Sq Ft           | Sq M          |
|------------------------|-----------------|---------------|
| Warehouse              | 4,864.80        | 451.96        |
| <b>Total</b>           | <b>4,864.80</b> | <b>451.96</b> |

| Unit 91, Arthur Street                 | Sq Ft           | Sq M          |
|--|-----------------|---------------|
| Warehouse                              | 5,020.06        | 466.38        |
| Ground Floor Offices / Showrooms / WCs | 1,310.74        | 121.77        |
| First Floor Offices                    | 2,683           | 249.26        |
| Giraffe House Warehouse / Storage      | 879             | 81.66         |
| <b>Total</b>                           | <b>9,892.80</b> | <b>919.07</b> |

|                    |                  |                 |
|--------------------|------------------|-----------------|
| <b>Grand Total</b> | <b>54,565.52</b> | <b>5,069.26</b> |
|--------------------|------------------|-----------------|

## TENANCY

The entire property is let to The Heartbeat Manufacturing Co (Redditch) Limited on an existing lease expiring 1st October 2029. This lease will be extended to provide a term of 10 years with a break at year 5 (subject to 6 months prior notice) from completion of the sale. The lease is drawn on full repairing and insuring terms, subject to a schedule of condition.

The rent on the revised lease will be £250,000 per annum, reflecting £4.50 per sq ft on units 67, 69 and 91 and £5.50 per sq ft on unit 76.

The lease will incorporate an upwards only, open market rent review on the 5th anniversary of the term.

## TENURE

Freehold



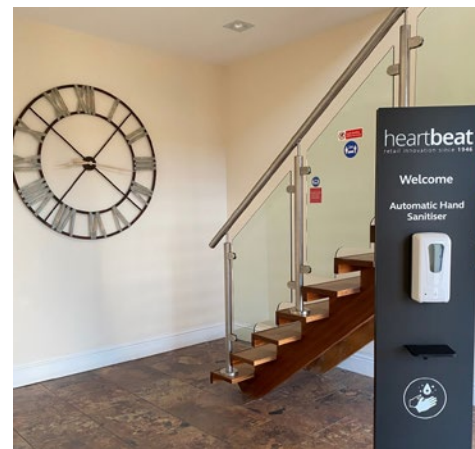
## COVENANT INFORMATION

The Heartbeat Manufacturing Co (Redditch) Limited (co. no. 01282568) is one of the leading manufacturers and distributors of retail display innovations in the UK and has been in existence for in excess of 70 years.

The company's market leading client portfolio includes a wide variety of hotels and high street retailers including; Tesco, Asda, M&S, John Lewis, Ann Summers, Travelodge, TM Lewin, Costa, Premier Inn, Morrisons, Halfords, Waitrose and many more.

### The Heartbeat Manufacturing Co (Redditch) Limited:

| Year to Date | Turnover    | Pre-Tax Profit | Net Worth  |
|--------------|-------------|----------------|------------|
| 31/12/2019   | £16,430,971 | (£1,630,462)   | £5,244,169 |
| 31/12/2018   | £18,561,318 | £1,836,616     | £6,375,898 |
| 31/12/2017   | £16,905,209 | £508,734       | £5,136,274 |





## OCCUPATIONAL MARKET

Take-up of industrial & logistics in 2020 totalled 35.8 million sq ft of Grade A space, 64% higher than 2019's total and 43% higher than the longer term 5-year annual average.

The Midlands industrial & logistics market is one of the largest in the UK, both in terms of employment and volume of stock. The market's strength lies in its central location nationally and the excellent transport infrastructure, which provides unrivalled access to the north and south of the country. This has attracted a broad range of occupiers looking to establish large national and regional distribution centres in the region.

Over recent years, the Midlands industrial market has been the stand-out performer, recording the highest level of take-up on record across the UK. In 2020, take-up in the Midlands in 2020 accounted for 35% of total GB industrial take-up.

The surge in occupational demand and restricted supply of well-located industrial in the Midlands has helped drive rental growth, with prime rents ranging between £7.25 and £8.00 per sq. ft for best in class product.

The following table illustrates recent occupational market evidence:

| Property                            | Date   | Tenant                          | Area (Sq ft) | Term (Break)                    | Rent PSF |
|-------------------------------------|--------|---------------------------------|--------------|---------------------------------|----------|
| Unit 1, Redditch IO Centre          | Jul 20 | Avicenna Surgical Limited       | 8,541        | 10 years with break at 5        | £6.88    |
| Unit 14, Redditch IO Centre         | Feb 19 | BASF Plc                        | 21,463       | 10 years with break at 5        | £6.28    |
| Unit 11, Frankley Industrial Estate | Jul 20 | Midland Oak Furniture Limited   | 4,932        | 4 year lease                    | £5.50    |
| Unit 29, Crossgate Rd, Redditch     | Jun 20 | International Water Solutions   | 6,017        | 3 year lease break at 18 months | £5.50    |
| 29 Heming Rd, Redditch              | May 20 | Private Individual              | 5,126        | 5 year lease                    | £6.34    |
| 65 Heming Rd, Redditch              | Mar 20 | MZ Business Ltd                 | 3,819        | 5 year lease                    | £5.75    |
| 85 Chester St, Birmingham           | Nov 19 | Birmingham Specialities Limited | 18,689       | 10 year lease                   | £6.50    |
| Velocity 42, Redditch               | Sep 19 | Avon Freight                    | 92,525       | 15 years                        | £6.50    |

## INVESTMENT MARKET

The industrial market has shown strong resilience post the impacts of Covid-19 as the market has reacted to the surge in internet retailing.

Supply chains are being shortened and greater 'onshoring' of goods is being evidenced, all driving the need for more good quality warehousing. The deals outlined below are just a few examples of the strong pricing currently being achieved for industrial investments.

The following table illustrates the most recent comparable investment evidence:

| Property   | Date      | Occupier                 | Area (Sq ft) | Term (Break) | Price  | NIY   | Cap Val PSF |
|--|-----------|--------------------------|--------------|--------------|--------|-------|-------------|
| Hedera Road, Ravensbank Business Park, Redditch                            | Exchanged | Antolin Interiors        | 90,183       | 4.6 years    | £6.00m | 7.03% | £66.53      |
| Units 3-8 Witton Park Industrial Estate, Bickford Road, Birmingham, B6 7EE | Feb 20    | Hauck Heat Treatment Ltd | 33,157       | 4.19 years   | £2.25m | 7.75% | £57         |
| Thornhill Road Industrial Estate, Redditch                                 | Dec 19    | Multi-let                | 104,577      | 4.7 years    | £6.85m | 6.29% | £65.50      |
| South Moons Moat Industrial Estate, Redditch                               | Dec 19    | Multi-let                | 141,571      | 3.52 years   | £11.2m | 6.05% | £79         |
| Kingswood Road, Hampton Lovett Industrial Estate, Droitwich                | Jun 19    | Koito Europe Ltd         | 176,837      | 10.2 years   | £11.89 | 6.50% | £67.24      |





## VAT

The property has been elected for VAT. It is envisaged the sale will be treated as Transfer of a Going Concern (TOGC).

## EPC

A copy of the EPC Certificate is available upon request.

## DATAROOM

The dataroom is available on request.



## PROPOSAL

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## CONTACT

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