

HIGHLY REVERSIONARY SOUTH EAST INDUSTRIAL INVESTMENT OPPORTUNITY



MK PRESSING LTD, WATER EATON INDUSTRIAL ESTATE, BARTON ROAD, MILTON KEYNES MK2 3EF



INVESTMENT SUMMARY



An opportunity to acquire a highly reversionary industrial unit located in a prime South East Location.



The asset sits in an established industrial and trade location just 0.6 miles from Bletchley Town Centre.



The property is well located just off the busy Drayton Road and has excellent access to the A4146 and A5, which connect to the M1 Motorway.



The property is fully let to MK Pressings Ltd with a low passing rent of £157,868 (£5.23 psf), offering significant scope for reversion.



WAULT 7.62 years to expiry and 2.62 years to break.



The property extends to 30,171 sq ft (excluding the sold of LLH element).



The site extends to 3.24 acres (1.31 hectares), providing a site cover of 43%.



Freehold.

We are instructed to seek offers in excess of £2,700,000 (Two Million, Seven Hundred Thousand Pounds), subject to contract and exclusive of VAT.

A purchase at this level reflects a Net Initial Yield of 5.50% and a Reversionary yield of 7.88%, assuming standard purchasers' costs.

This represents a low capital value of £89 per sq ft.*

*not including the units sold LLH.



LOCATION

Milton Keynes is the principal commercial centre of Buckinghamshire. Designated as a 'new town' in 1967 Milton Keynes has since experienced rapid expansion due to its strategic position as the centre point between London (53 miles south), Birmingham (69 miles north-west), Oxford (40 miles south-west) and Cambridge (44 miles north east).

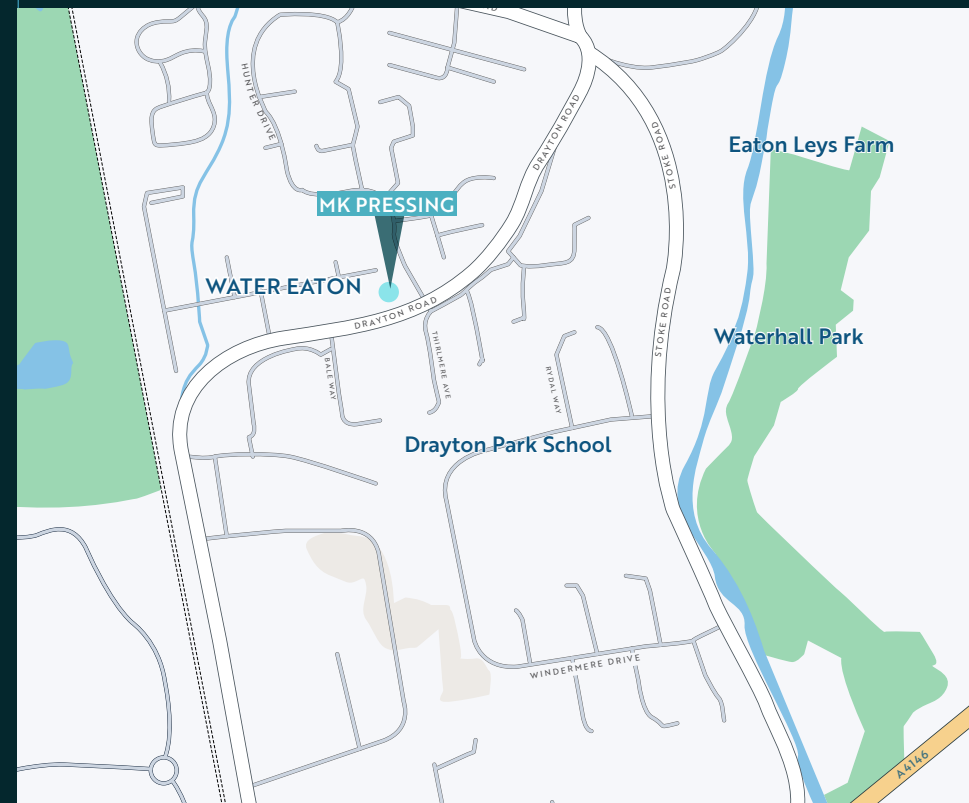
The Milton Keynes area is set for major growth over the coming decades, with the town's population expected to increase to over 300,000 by 2031. The Council are leading this development and plan to develop 29,000 new homes over the next 15 years, build the necessary infrastructure and support employment and commercial uses.


Milton Keynes is served by Junctions 13 and 14 of the M1 motorway and located on the A5 north-south arterial route giving the city immediate and direct access to the national motorway network, and to a large number of significant population centres including London (51 miles), Birmingham (70 miles) Manchester (150 miles) and Leeds (145 miles).

SITUATION

The property is situated in the established Water Eaton Industrial estate and is accessed off Barton Road. The estate is well located being situated just 0.9 miles from Bletchley Railway Station and 3.5 miles from Milton Keynes Town Centre.

Notable nearby occupiers include Storage King, Tyres Direct, MK Motor Company Ltd and Spotless Water.



| Road  | Distance |
|--|-----------|
| Drayton Road | 0.1 miles |
| A4146 | 1.8 miles |
| A5 | 2.8 miles |
| M1 (Junction 13) | 7.8 miles |



MK TYRES 4U

STORAGE KING

RYELAND

PANEL PLAN

BLECHLEY
BUSINESS CAMPUS

FUSION BATTERY

BLECHLEY STATION

DRAYTON ROAD

MILTON
KEYNES
CITY CENTRE
3.5 MILES

PROPERTY DESCRIPTION & SPECIFICATION



The property is a purpose built industrial unit forming part of a U-shaped terrace of six units, constructed approximately in the late 1970s.



The units comprise a single storey warehouse, with two storey ancillary office and welfare accommodation.



Steel Portal frame construction.



There is also a 0.51 acre car park to the North East of the property.



Minimum eaves height of 6.12m.



ACCOMMODATION

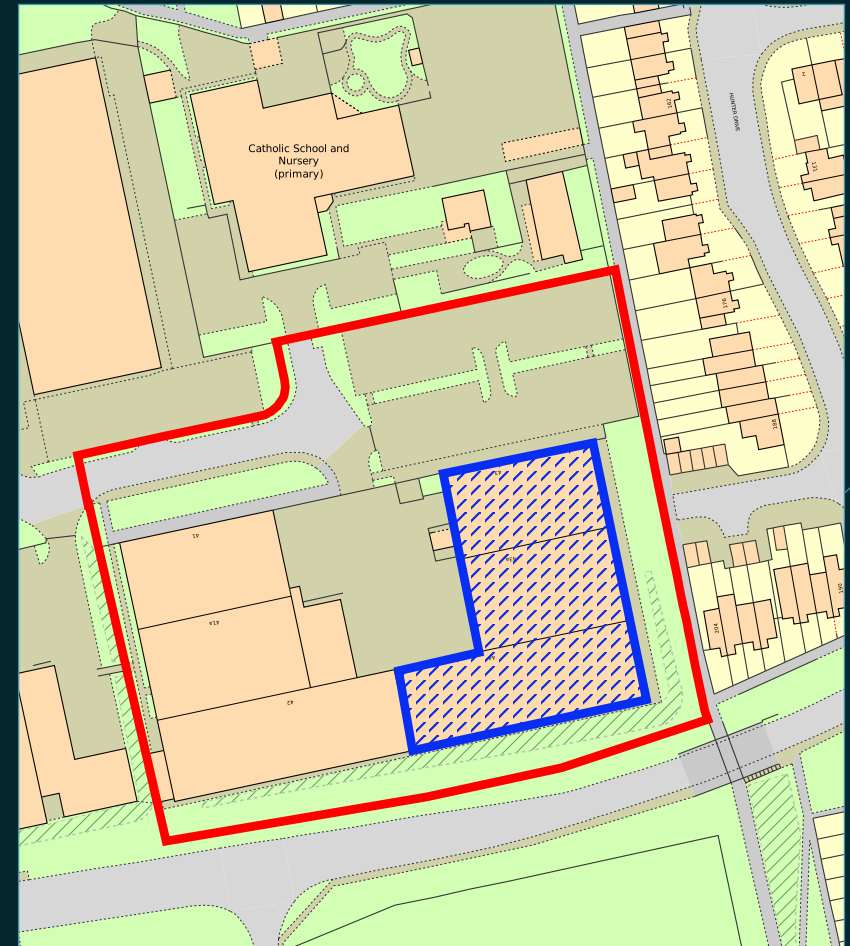
The property consists of 3 units summarised below:

| Unit | | Sq ft | Sq m |
|-------------------|---------------------|---------------|----------------|
| Unit 41 | Warehouse | 6,948 | 645.5 |
| | Ground Floor Office | 1,173 | 109.0 |
| | First Floor Office | 1,071 | 99.5 |
| Unit Total | | 9,192 | 854.0 |
| Unit 41A | Warehouse | 6,880 | 639.2 |
| | Ground Floor Office | 1,143 | 106.2 |
| | First Floor Office | 1,105 | 102.7 |
| Unit Total | | 9,128 | 848.1 |
| Unit 42 | Warehouse | 9,890 | 918.8 |
| | Ground Floor Office | 1,011 | 93.9 |
| | First Floor Office | 950 | 88.3 |
| Unit Total | | 11,851 | 1,101.0 |
| Unit Total | | 30,171 | 2,803.1 |

Details of the sold of LLH elements of the property are on the next page.

SITE

The site extends to 3.24 acres (1.31 hectares), providing a site cover of 43%.



— Sold off LLH

TENANCY SCHEDULE

| Tenant | Unit | Sq ft | Start | Expiry | Break | Review | Contracted Rent | Contracted Rent (psf) |
|-----------------------------|------|---------------|------------|-------------|-------------|------------|-----------------|-----------------------|
| Milton Keynes Pressings Ltd | 41 | 9,192 | 09/01/2020 | 08/01/2030 | 08/01/2025 | 09/01/2025 | £48,563 | £5.28 |
| Milton Keynes Pressings Ltd | 41A | 9,128 | 09/01/2020 | 08/01/2030 | 08/01/2025 | 10/01/2025 | £47,775 | £5.23 |
| Milton Keynes Pressings Ltd | 42 | 11,851 | 09/01/2020 | 08/01/2030 | 08/01/2025 | 11/01/2025 | £61,530 | £5.19 |
| Sub Total | | 30,171 | | 7.62 | 2.62 | | £157,868 | £5.23 |
| Sold off LLH | 43 | 9,176 | 25/12/1990 | 24/12/2989 | | | £25 | |
| Sold off LLH | 43 A | 9,170 | 25/12/1990 | 24/12/2989 | | | £25 | |
| Sold off LLH | 44 | 11,644 | 25/12/1990 | 24/12/2989 | | | £100 | |
| Sub Total | | 29,990 | | | | | £150 | |

TENURE

The property is held freehold.



TENANT COVENANT



Milton Keynes Pressings Limited are an engineering company, supplying metal pressings, welded assemblies and fine limit sheet metal components into a variety of different industries.

Established in 1985, Milton Keynes Pressing Limited is part of the MKP Group which also consists of Ryeland Toolmakers and Maine Office - Storage & Filing. The Group has over 200 staff across the UK and their customers include JCB, Porsche, McLaren, Bentley, Aston Martin, CAT and General Motors.

| Year to Date | Turnover | Profit /Loss (Before Taxes) | Tangible Net worth |
|--------------|-------------|--------------------------------|--------------------|
| 31/10/2020 | £11,873,160 | (£555,250) | £3,384,026 |
| 31/10/2019 | £16,791,647 | £587,265 | £3,858,620 |
| 31/10/2018 | £16,775,154 | £346,351 | £3,516,314 |
| 31/10/2017 | £14,905,434 | £280,909 | £3,338,632 |



INVESTMENT MARKET

The industrial and logistics sector's continued resilience and outperformance has cemented its position as the sector of choice for investors over recent years.

The investment market continues to be underpinned by a robust occupational market, characterised by a lack of stock and unprecedented levels of demand. The multi-let and mid box occupier market has boomed over the past two years and in 2021 prime headline rents for units between 10,000 sq ft and 20,000 sq ft increased by an average of 16% across the UK, with a further uplift of 6% in Q1 2022. The vacancy rate for industrial property has continued to compress, and in Q1 2022 the UK vacancy rate for all space (both immediately available and in speculative units under construction) was 5.7%. Excluding space under construction the vacancy rate was just 1.2%.

This strong occupational demand has largely been driven by the shift from high street retail to online, requiring additional distribution facilities to meet ever shortening delivery times. Online shopping accounted for 18% of total retail spend pre-pandemic but rose to 30% by the end of 2021, fuelling the substantial growth in e-commerce demand.

The industrial investment market has continued to outperform other asset classes, with investors looking to deploy capital and gain exposure to the best performing sector. Over the course of 2021, total investment volumes reached £16.6 billion in the UK industrial sector, well above the previous annual record set in 2017 (£11.0 billion) and over double that of 2020 (£8.2 billion). The market has remained strong in Q1 2022 with £3.1bn transactions, up from £2.9bn Q1 2021 (+5%) and double the 10-year average for the period.



INVESTMENT MARKET

Investment Comparables

| Property | Sq ft | Tenant | WAULT | Price | NIY | Cap Val psf | Date |
|---------------------------------------|--------|-------------------------------|-----------|--------|-------|-------------|--------|
| 24-44 Blundells Road, Milton Keynes | 96,915 | Beardow and Adams | 8.8 | £12.9m | 3.81% | £133 | May-22 |
| Delaware Drive, Milton Keynes | 42,400 | Supreme Wheels Direct Limited | 8.9 (3.9) | £7.2m | 4.70% | £169 | Mar-22 |
| Bradbourne Drive, Milton Keynes | 39,473 | Ideal Bathrooms | 4.00 | £6.3m | 4.18% | £159 | Aug-21 |
| Foster Avenue, Dunstable | 18,619 | Deralam Laminates | 4.40 | £3.0m | 4.20% | £161 | May-21 |
| Unit 101 Stonebridge Cross, Droitwich | 57,532 | Spire Healthcare | 5.10 | £5.4m | 4.95% | £94 | Feb-21 |

Occupational Comparables

| Property | Sq ft | Tenant | Term | Rent psf | Date |
|--|--------|---------------------------|----------|----------|--------|
| Unit 25 Stacey Bushes, Milton Keynes | 9,768 | Kardi Vehicles | 5 years | £7.48 | Jan-22 |
| Unit 48, Blakelands Industrial Estate, Milton Keynes | 7,190 | CitySprint UK Ltd | 10 years | £7.75 | Dec-21 |
| 52 Priesley Way, Milton Keynes | 19,472 | Bristol Auction Rooms Ltd | 5 years | £7.00 | Oct-21 |
| Unit 20, Crownhill Business Centre | 10,432 | Franklin Products Ltd | 10 years | £8.50 | Oct-21 |
| Unit 4, Vincent Avenue, Direct, Milton Keynes | 10,293 | ABL 1Touch Ltd | 10 years | £8.50 | Feb-21 |
| Unit 7, Kingston Business Park, Milton Keynes | 12,831 | Tiffin Sandwiches | 5 years | £7.50 | Feb-21 |

KEY INFORMATION

DATA ROOM

Data Room access can be provided upon request via JLL.

SURVEYS

Measured, Building and Environmental (Phase 1) surveys will be available in the data room.

VAT

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

EPC

EPCs for the property can be provided upon request.

FURTHER INFORMATION

For further information or to arrange an inspection please contact:

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