

**PRIME WAREHOUSE FORWARD FUNDING INVESTMENT OPPORTUNITY  
25 YEAR LEASE WITH CPIH LINKED RENT REVIEWS**



**FABLINK**

**INNOVATION DRIVE, i54, WOLVERHAMPTON, WV9 5GA**



## INVESTMENT SUMMARY

- **A Grade A High Specification manufacturing warehouse** to be developed providing a target total gross internal area of 102,500 sq ft (9,522.56 sq m).
- **Exceptional ESG Credentials**, including highly sustainable design features, target EPC A and BREEAM Excellent.
- **Situated on i54**, Wolverhampton, the internationally recognised advanced manufacturing hub situated in the heart of the 'Midlands Engine' and directly opposite the Jaguar Land Rover Engine Manufacturing Centre (EMC).
- Immediately adjacent to the M54 Junction 2 and within 4 miles of the M6 at Junction 10A with **excellent links** to the national motorway network.

- To be let to Fablink UK Limited with a parent company guarantee from Fablink Group Holdings Limited for **25 years without break**.
- An initial **passing rent of £750,950 per annum** reflecting £7.18 psf based upon the target floor area and £15,000 for the secondary secure yard
- 5 yearly upwards only rent reviews linked to **compounded CPIH, with a 1-3% pa collar and cap**.
- Fablink UK are an advanced high-tech manufacturer of metal products for the construction, mining, power generation and automotive sectors, with over 600 UK based employees.
- **Critical new multi million pound facility for Fablink**, who are relocating within Wolverhampton to state of the art premises at i54, with Fablink also investing heavily in their fit out.
- Freehold.

## PROPOSAL

We are instructed to seek offers in excess of **£16,000,000 (Sixteen Million Pounds)** subject to contract and exclusive of VAT for the full forward funding of the development.

A purchase at the level reflects an attractive **net initial yield of 4.40%** based upon full purchaser's costs including fully phased SDLT and a low capital value psf of £156.10.

The initial yield will improve to 4.57% once the full benefit of SDLT savings are taken into account.



## LOCATION

i54 is strategically located to the north of the City of Wolverhampton, forming part of the wider West Midlands conurbation, in close proximity to Birmingham, and providing excellent access to the national motorway network via the M54 and M6.

The City of Wolverhampton has a population of 275,000 (2021 estimate) and forms part of the West Midlands Conurbation with a population of 2.65 million (2021 estimate), a commercial and economic powerhouse. Wolverhampton is located at the very heart of the UK, with Birmingham 26 km (18 miles) to the south east, Manchester 105 km (66 miles) to the north and London 205 km (127 miles) to the south east.

Wolverhampton is at the centre of the country's infrastructure platform. The City is directly served by the M6, M6 Toll and M54 motorways, which further connect with the M5, M42, M40 and M1, providing excellent connectivity with the national motorway network. The recently redeveloped Wolverhampton Railway Station is served by the West Coast Mainline with a journey time to Birmingham New Street of 20 minutes and London Euston of 1 hour 40 minutes, also with direct rail connections to Manchester, Edinburgh and Glasgow. The City Centre is also served by Line 1 of West Midlands Metro, providing connections to West Bromwich and Birmingham City Centre.

Wolverhampton's central location, excellent communications, along with the highly skilled and accessible labour force have proved to be very attractive to major occupiers, having recently benefited from significant investment from Jaguar Land Rover, ERA, Moog, UTC Aerospace and Wiggle amongst others.





## SITUATION

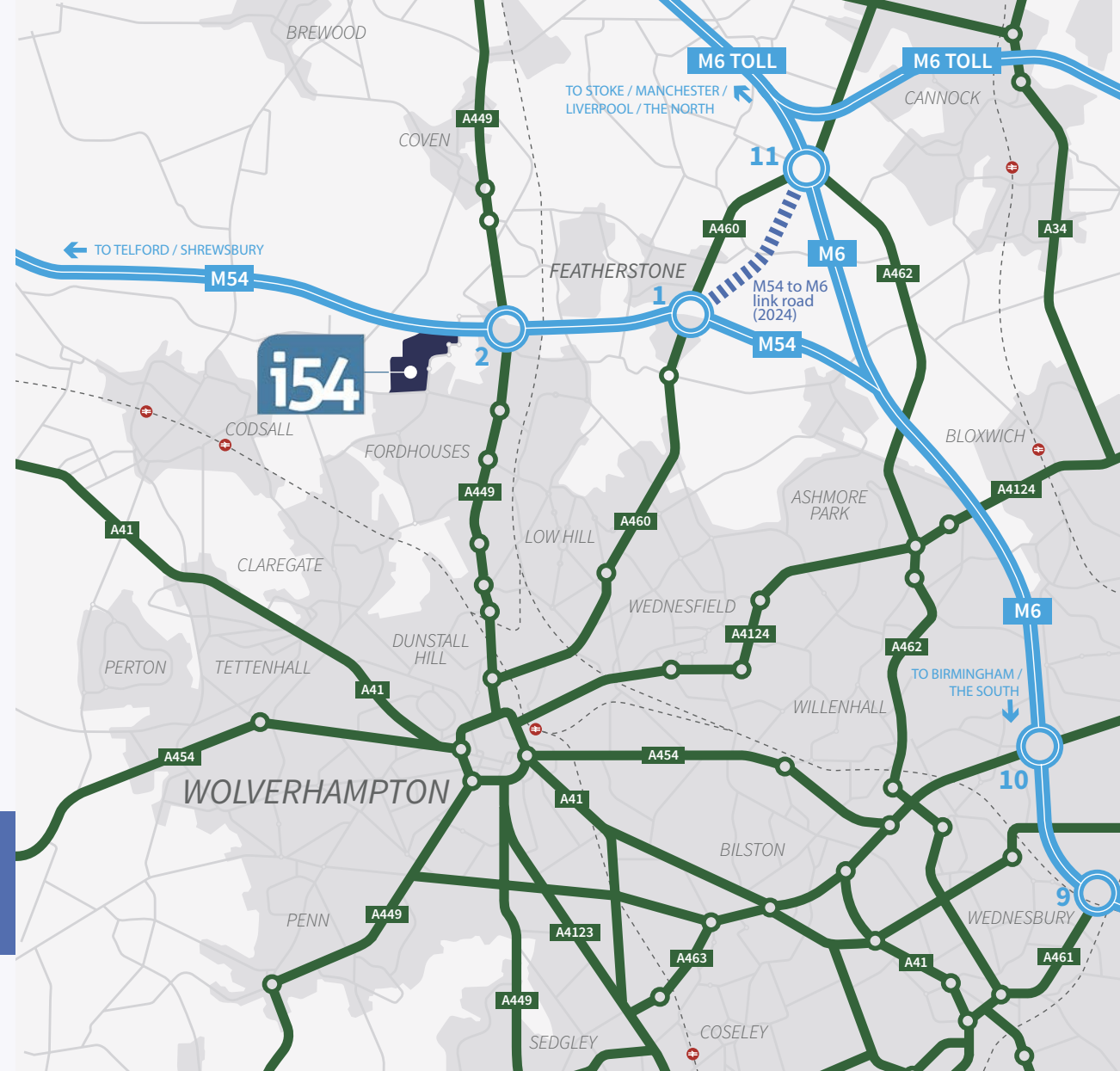
The property is situated on the western side of i54, the internationally recognised advanced manufacturing hub, and is accessed via Innovation Drive, which provides immediate access to both the A4510 and the M54 at Junction 2 (0.2 miles north).

i54 provides a prestigious and highly successful business location, positioned 5 km (3 miles) to the north of Wolverhampton City Centre and directly adjacent to the M54 motorway. The park totals approximately 26 hectares (64 acres) and when fully developed will provide over 3 million sq ft of attractively landscaped industrial, office and advanced manufacturing accommodation.

i54 has excellent road communications, being served by its own dedicated motorway junction providing unique and direct connectivity to the M54 at Junction 2. The M6 motorway at Junctions 10a and 11 is just 3.5 km (2 miles) to the east. The i54 master plan has also seen the creation of public transport links and cycle routes to ensure the park can cater for the needs of its occupiers and labour force alike.

Wolverhampton and i54 have access to a large workforce of over 550,000 people within a 30 minute drive time, and there are over 3 million people of working age within a 20 mile radius. 2.7 million of this labour pool have qualifications above NVQ level 2 with 24% having a degree or equivalent qualification. This provides access to a highly skilled and mobile labour force and contributes to the West Midlands Conurbation's national dominance in advanced manufacturing, production and distribution sectors. i54 has been allocated Enterprise Zone Status. This includes 100% business rate relief worth up to £275,000 over a 5 year period for occupiers that move to i54, from outside the Enterprise Zone. Superfast broadband will also be available ensuring that the park meets all the needs of today's occupiers.

The 'M54 to M6 link' road is expected to be completed by 2024 at a cost of between £175m - £200m. The new link road will run near to the A460 and provide direct access from M54 Junction 1 to M6 Junction 11 (north) and the M6 Toll.







**JAGUAR LAND ROVER**

1 million sq ft advanced engine facility, building low emission engines, which will expand during 2016/2017 to cover in excess of 2 million sq ft on the park.

**MOOG**

210,000 sq ft headquarters aerospace design and manufacturing facility for this International aerospace company.

**CARTOR SECURITY PRINTERS**

70,000 sq ft manufacturing facility for state-of-the-art printing technologies.

**ERA**

135,000 sq ft manufacturing facility for state of the art and commercial security products. ERA have recently expanded on i54, committing to a further unit of 68,000 sq ft during 2022.

**EUROFINS**

Leading international laboratory testing company servicing pharmaceutical, food, environmental and consumer product industries from new state of the art facility.





## KEY FACTS

**2,700**people employed  
at i54 to date**1,595,700**labour pool within a 30-minute  
drive time**2,123,500**people of working age  
within a 20 mile radius**1,437,000**have qualifications above  
NVQ Level 2**655,200**have a degree or equivalent  
qualifications**2.5 million sq ft**

of built stock to date

**155,610**STEM course graduates from the 12  
Midlands Higher Education Institutions**94,560**STEM graduates from 7 universities  
within a 20 mile radius**13,400**Technology and automotive related businesses within  
1 hour of i54 which employs 307,000 people





**HIGHLY SUSTAINABLE BUILDING WITH TARGET  
EPC A AND BREEAM EXCELLENT**

\*CGI of the proposed building

## SPECIFICATION

### WAREHOUSE

- 12.5m eaves / clear internal height
- 4 level access loading doors
- 3.5 Mva power supply
- 50Kn / sq m floor loading
- 10% translucent roof lights

### OFFICES

- Three storey office accommodation
- Feature full height glazed reception
- VRF air conditioning
- Led lighting
- Showers & welfare block
- 8 x person passenger lift

### EXTERNAL

- 121 car parking spaces
- 48m gated secure yard
- 20 bicycle stores (covered)
- Secondary 27m secure yard

### SUSTAINABILITY

- Target EPC Rating – A
- Target BREEAM – Excellent
- 228 PV roof panels
- 12 EV charging points

### FUTURE PROOFING

- The entire roof is designed to support full PV panels
- Ability to retrofit 4 dock level access loading doors
- EV Charging ducting infrastructure provided to all car parking spaces









## TENANCY

Upon practical completion the property will be let for an unbroken term of 25 years on a full repairing and insuring basis to Fablink UK Limited, with a guarantee from Fablink Group Holdings Limited.

The initial rent will be £750,950 per annum reflecting £7.18 psf based on the target floor area plus £15,000 pa for the secondary secure yard.

The lease will have the benefit of 5 yearly upwards only rent reviews in accordance with compounded CPIH with a 1-3% pa collar and cap.

A copy of the agreement to lease is available on request.



## COVENANT

# FABLINK

Fablink UK are an advanced high-tech manufacturer of metal products principally for the construction, mining, power generation and automotive sectors. Established in 2005 the business now employs over 600 personnel across 6 UK sites in Wolverhampton, Northampton, Brixworth, Durham, Evenwood and Luton.

The subject property presents an opportunity for the business to relocate and upgrade its Wolverhampton operation into a new state of the art facility. It is also an opportunity for the business to make a significant investment into new technology and a facility that will include a line of new hydraulic presses, axis laser cutting and robotic welding technology.

## KEY CUSTOMERS:



### Fablink UK Limited - Company Number - 05745399

Year	FYE 31/03/2021	FYE 31/03/2020	FYE 31/03/2019
Turnover	£16,128,190	£19,802,464	£20,590,935
Net Profit (after tax)	£323,283	£401,894	£685,717
Shareholders' Funds	£2,461,981	£2,188,122	£2,178,713

### Fablink Group Holdings Limited - Company Number - 10648520

Year	FYE 31/03/2021	FYE 31/03/2020	FYE 31/03/2019
Turnover	£44,854,789	£52,988,903	£51,871,579
Net Profit (after tax)	(£984,247)	£342,062	£1,047,237
Shareholders' Funds	£1,972,008	£2,758,813	£2,592,631

Fablink's financial performance during 2020 and 2021 was impacted by Covid-19. The business has proved exceptionally resilient and has seen a significant improvement in performance to year end March 2022, including winning several new contracts. Draft accounts to year end March 22 show a turnover of in excess of £70m and an EBITDA of £4m. Further confidential information controlled by an NDA is available on request.

## DEVELOPER

# BARBERRY



Barberry is a privately owned property development and investment company based in the West Midlands, established in 1983. Barberry are a leading developer in the industrial and logistics sector, benefiting from an exceptional recent track record of both prelet and speculative delivery. Barberry have developed over 3 million sq ft of market leading industrial and logistics accommodation to date, and have a current pipeline of over 4.65 million sq ft, with a GDV of approximately £800 million. Barberry have transacted over £130m in 16 buildings during the last 12 months.

### KEY RECENT DEVELOPMENTS

<b>More +, Bristol</b>	A 40 acre site in Avonmouth, comprising 561,000 sq ft of Grade A industrial and logistics accommodation speculatively developed over two phases. Comprising 11 units ranging from 13,000 sq ft to 108,000 sq ft, with lettings secured to Network Rail, SIG, Huboo and Pilkington amongst others. Sold to Tristan Capital Partners.
<b>Barberry 57, Birmingham</b>	56,800 sq ft design & build warehouse with long term lease commitment with IMI Plc. Sold to BMO Real Estate.
<b>Barberry 64, Cannock</b>	64,000 sq ft in Cannock pre-sold to Allpack Group.
<b>Barberry 65, Birmingham</b>	Speculatively built 65,000 sq ft unit in Aston Birmingham was let to Mayflex prior to PC. Sold to M&G.
<b>Barberry 72, Daventry</b>	Speculatively built 72,000 sq ft unit in Daventry was completed August 2020. Sold to Kent Foods for their new regional distribution centre.

### LIVE PROJECTS

<b>Moog Controls, Tewkesbury</b>	209,000 sq ft design & build warehouse with long term lease commitment from Moog Controls. The building was delivered to Net Zero Carbon standards.
<b>Barberry 55, Wolverhampton</b>	55,575 sq ft speculative scheme in Wednesfield, Wolverhampton.
<b>Wolf Pack, Wolverhampton</b>	223,725 sq ft speculative 3 unit scheme at J1 M54, Wolverhampton.
<b>Barberry 50, Coventry</b>	50,750 sq ft building at Ansty Business Park Coventry available for prelet.
<b>Forrest Park, Durham</b>	850,000 sq ft to be delivered in 8 buildings within Phase 1

For more information on Barberry and further case studies, please visit [www.barberry.co.uk](http://www.barberry.co.uk)

## THE PROFESSIONAL TEAM

The main professional team for the development of the building comprise:

<b>Developer</b>	Barberry Industrial Ltd
<b>Architect</b>	AJA Architects
<b>Contractor</b>	Benniman Construction Group
<b>Employer's Agent</b>	Fusion Building Consultancy

## CONSTRUCTION WARRANTIES

A full suite of warranties will be available from the professional consultancy team to include the main contractor and principle sub-contractors with design responsibility.



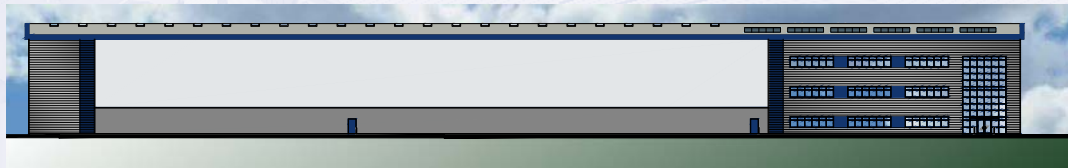
## STRUCTURE

It is envisaged the development will be funded by way of an initial site acquisition, following by certified staged payments during construction, followed by a balancing payment at practical completion. Interest will accrue on the site purchase monies and staged construction payments which will be deducted from the final balancing payment.

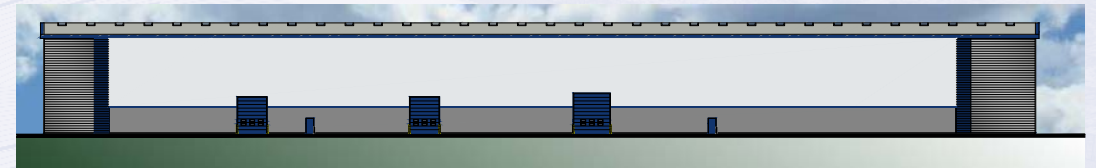
Please note that the land cannot transfer until 20% of the steelwork has been erected on site, a point anticipated to be reached in week 16 of the build program. The developer will fund all works to this point, anticipated to be circa £2 million.

The tenant will receive the equivalent of a 26 months rent free by way of a contribution towards their Cat B tenant fitout. These CAT B works will form part of the main build contract and be funded by the developer alongside the base specification. The cost of the CAT B works are anticipated to be greater than the equivalent rent free amount, with any additional costs to be paid by the tenant from the 1st payment certificate.

Within the AFL there is a tolerance on the target floor area of +/- 3% where the rent can increase or decrease. The total final price will be subject to an equivalent adjustment.



PROPOSED WEST ELEVATION



PROPOSED EAST ELEVATION

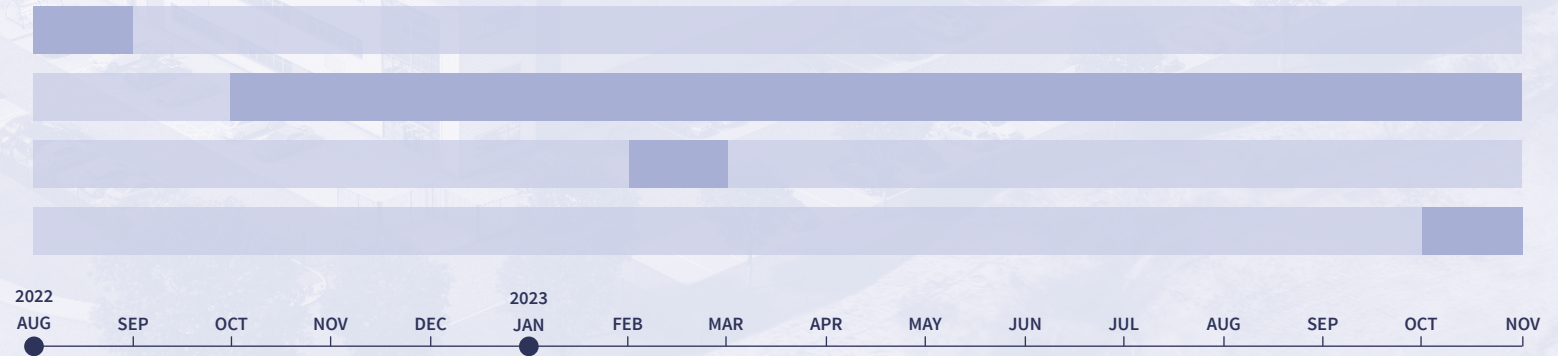
## TIMELINE

RECEIPT OF PLANNING DECISION (RESERVED MATTERS)

CONSTRUCTION

COMPLETION OF 20% STEELWORK (LAND PURCHASE TRIGGER)

PRACTICAL COMPLETION



## OCCUPATIONAL MARKET

Year-to-date, occupiers have demonstrated exceptionally strong demand for Grade A 'mid box' and 'big box' industrial units.

There is an acute lack of standing stock across the West Midlands, with just 2.8 million sq ft available at the end of the first quarter of the year. The vacancy rate in the West Midlands was 5% at the end of Q1 2022, when accounting for space speculatively under construction. This figure falls to 0% when space speculatively under construction is excluded.

This critically low availability has led to the market continuing to trend towards speculative development. Of the 7 million sq ft speculatively developed in Q1 2022, 82% had been taken up at the end of the quarter.

The market dynamics of strong demand outstripping supply are anticipated to support further rental growth in both the short and medium term, with no plateau in rental values expected in 2022 and into 2023.

Date	Location	Property	Size (Sq Ft)	Rent (psf)	Tenant	Term	Use Class
On Market	Walsall	Parallel 113	113,000	£8.00	On Market		B8
Q2 2022	Birmingham	DC3 Prologis Park, Hams Hall	85,685	£10.00	Under Offer	15	B8
Q2 2022	Birmingham	DC2 Prologis Park, Hams Hall	259,510	£8.95	Under Offer	15	B2
Q2 2022	Wolverhampton	Apex @ 54, i54	67,884	£7.00	Bilco Access Solutions Ltd	15	B2
Q2 2022	Redditch	Unit 2, Velocity42	56,680	£9.60	RK Brands	10	B8
Q4 2021	Birmingham	Primus 100, Wood Lane	100,778	£8.50	All Beauty	15	B8
Q4 2020	Birmingham	Barberry 57, Aston	56,800	£9.50	IMI Plc	15	B2



## INVESTMENT MARKET

The industrial and logistics sector in the UK has demonstrated continued resilience and robust performance, despite global uncertainty. As occupational fundamentals remain strong, the sector has cemented its position as the sector of choice for investors. Industrial volumes in Q1 2022 were £3.1bn, up from £2.9bn in Q1 2021. This was a record Q1 and is double the 10-year average for the period.

This followed a phenomenal year of transaction volumes in 2021 which exceeded £16bn, considerably above the previous highest annual level recorded of £11bn in 2017. Prime yields within the regional markets are now at 3.50% for rack rented investments. Given elevated expectations of rental growth and a large weight of capital chasing a finite stock, it is anticipated that these yields will continue to compress throughout 2022.

Date	Property	Tenant	Size (Sq ft)	Unexpired Term	NIY	Price	Capital Value- (psf)	Purchaser
On Market	Apex @ 54, i54 Business Park	Bilco Access Solutions Ltd	67,884	14.88	4.00%	£11,140,000	£164	On Market
Q2 2022	Zorro, Ashby De-La-Zouch	EV Downton Ltd	237,565	8.90	2.98%	£44,750,000	£188	CCLA
Q2 2022	Parkway Industrial Estate, Wednesbury	Multi-let to 9 tenants	486,592	6.82	2.90%	£90,100,000	£185	BGO
Q1 2022	Newell Rubbermaid, Fradley Park	Newell Rubbermaid	396,857	9.00	3.38%	£60,400,000	£152	M7/ Oxford
Q1 2022	Woodland Group Ltd, Coventry Business Park	Woodland Group Ltd	85,814	7.10	3.67%	£14,800,000	£172	Mayfair Capital
Q4 2021	Axiom & Integra, Leamington Spa	Iron Mountain & Secretary of State	380,139	9.54 (6.57)	3.57%	£67,500,000	£178	Abrdn



## PLANNING

A reserved matters planning application is in the process of being submitted. The application is for the construction of a manufacturing building (B2 Use Class) including ancillary offices, warehousing facilities, together with associated landscaping, parking and servicing. The grant of planning permission from the Local Authority is anticipated during September 2022.

## CAPITAL ALLOWANCES

The Purchaser will have the benefit of all capital allowances in respect of Category A works at the date of sale. Further information will be made available upon request.

## ESTATE MANAGEMENT / ESTATE CHARGE

Further information is available on request.

## DATA ROOM

Available on request.

## VAT

The property has been elected for VAT and the purchase price is exclusive of any VAT that may be chargeable. The transaction may be treated as a TOGC, if the correct qualifying conditions are met.

## PROPOSAL

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The initial yield would improve to 4.57% if the full benefit of SDLT savings are taken into account.

## CONTACT

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