

Derwent Valley Trading Estate, York, YO19 5PD

MULTI-LET INDUSTRIAL INVESTMENT OPPORTUNITY



savills

McBeath
Property Consultancy

01904 692929
mcbeathproperty.co.uk

INVESTMENT CONSIDERATIONS

- Derwent Valley Trading Estate is a multi-let industrial/trading estate within 0.5 miles of the A64 Grimston Bar interchange, approximately 4 miles east of York City Centre.
- The estate comprises 9 warehouse and workshop buildings with a total floor area of 52,450 sq ft.
- Total site area of 3.60 acres reflecting only 27% site cover.
- Freehold & Long Leasehold title.
- The estate is currently fully let on 8 separate leases to 7 occupiers, providing an Average Weighted Unexpired Lease Term of 11.54 years to expiry and 8.24 years to break.
- Net rental income of £189,466 per annum after deduction of ground rent.
- Over 58% of the rent is secured against Miller Food Services, guaranteed from Eden Farm Foods with a Dun & Bradstreet rating of 2A1.
- There are asset management opportunities to regear and significantly improve the rental tone across the estate.
- We are instructed to seek offers in excess of **£2,300,000** (Two Million, Three Hundred Thousand Pounds) reflecting a Net Initial Yield of 7.75% and a Reversionary Yield of 8.74%, assuming Purchaser's Costs of 6.34%.



LOCATION

The City of York is an historic and cathedral city serving as the commercial and administrative centre of North Yorkshire and is a major tourism and transport hub. The city has a population of approximately 153,717 (2011) and a district population of 203,400 (2011) in addition to over 6.9 million tourists visiting the city annually.

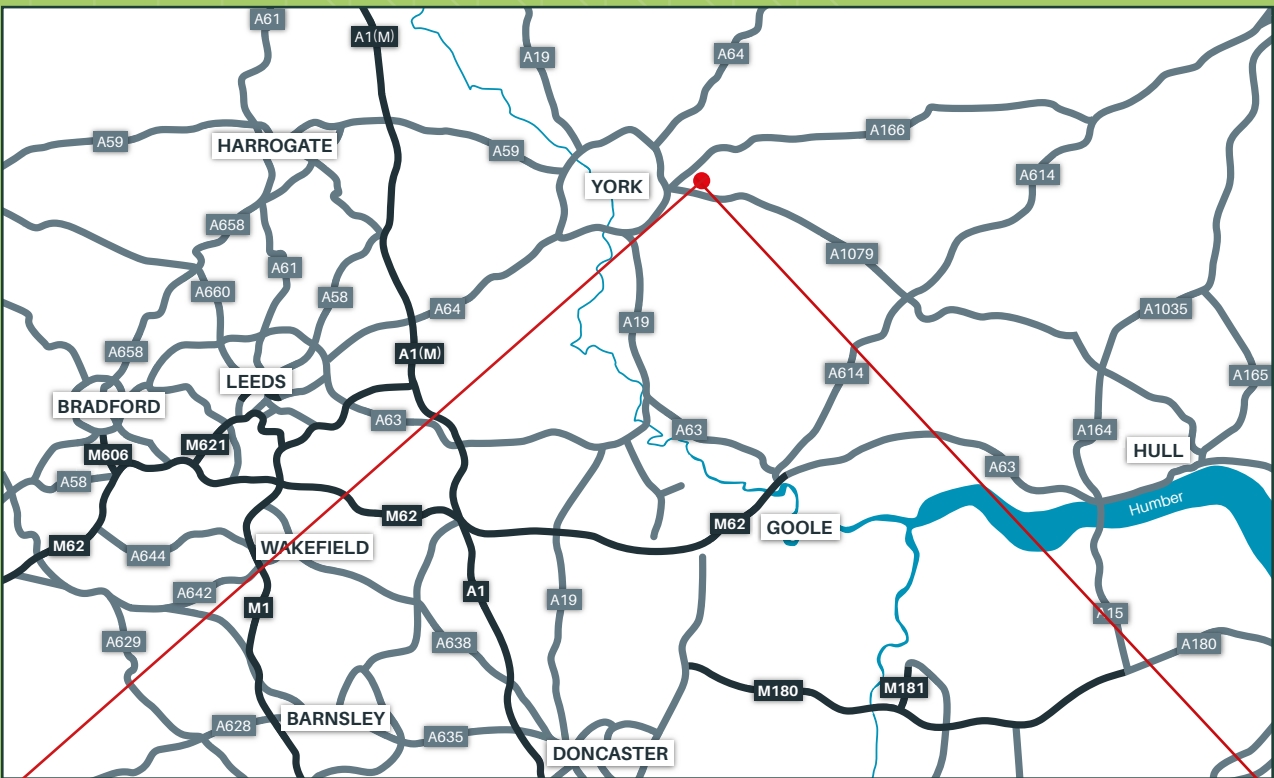
The historic city walls naturally constrain development within the city centre, which as a result has led to development around the Ring Road.

The city is located approximately 24 miles north east of Leeds, 40 miles north west of Hull, 56 miles north of Sheffield and 85 miles south of Newcastle.

The city enjoys excellent communications via road and national rail network with York providing a major national railway station on the East Coast Mainline, with direct services to Leeds, Manchester, Edinburgh and London, with a fastest journey time to Kings Cross of approximately 1hour 45mins.

The A19, A59 and A64 provide direct access to the A1(M) approximately 15 miles to the west and in turn providing access to the M1 and M62 motorways.

Leeds Bradford International Airport is approximately 24 miles to the south west.



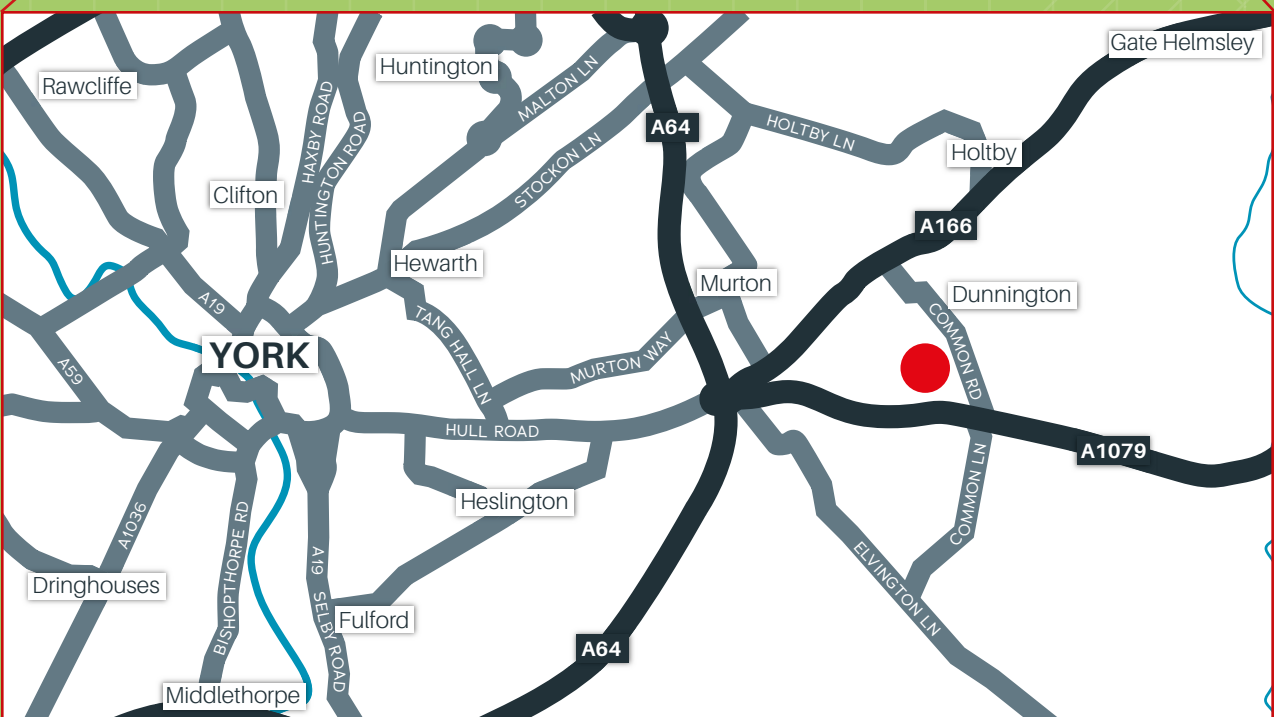
SITUATION

Derwent Valley Industrial Estate is situated at the junction of Common Road and the A1079 approximately 0.5 mile from the A64, 4 miles east of York City Centre.

The estate forms part of a larger industrial area including head offices for Costcutter and depots for Minster FM, Bayford Oil /Certas, AB Electrical Wholesalers, York Guns and The Biorenewables Development Centre.

A petrol filling station lies immediately to the south of the property along with private housing.

The estate is easily accessible via the A64 and A1079 trunk roads and has proven popular with both national and local occupiers.



DESCRIPTION

The property comprises a mixture of detached and terraced industrial warehouse buildings in a prominent position in the wider Derwent Valley Trading Estate area.

We have provided a brief description of the accommodation below:

Unit 1 - Auto Refinishes

Detached steel portal frame warehouse, clad with profile metal sheet walls surmounted by a pitched cement asbestos roof with roof lights.

Units 2a, 2b and 2c - Croft Farm Construction Ltd, Dunnington Motor Care and TBC-Vacant

Terrace of 3 warehouse units of steel portal frame benefiting from new profile metal wall cladding with cement asbestos roof.

Each of the units benefit from small blockwork offices, concrete painted floors with internal eaves heights of approximately 5.0m.

Unit 3 (York Cellars) - Miller Food Services

Comprising a small detached warehouse building of steel portal frame construction, concrete floor profile metal cladding and corrugated asbestos sheet roof. A minimum eaves height of approximately 5.5m.

Unit 5 - Abelo

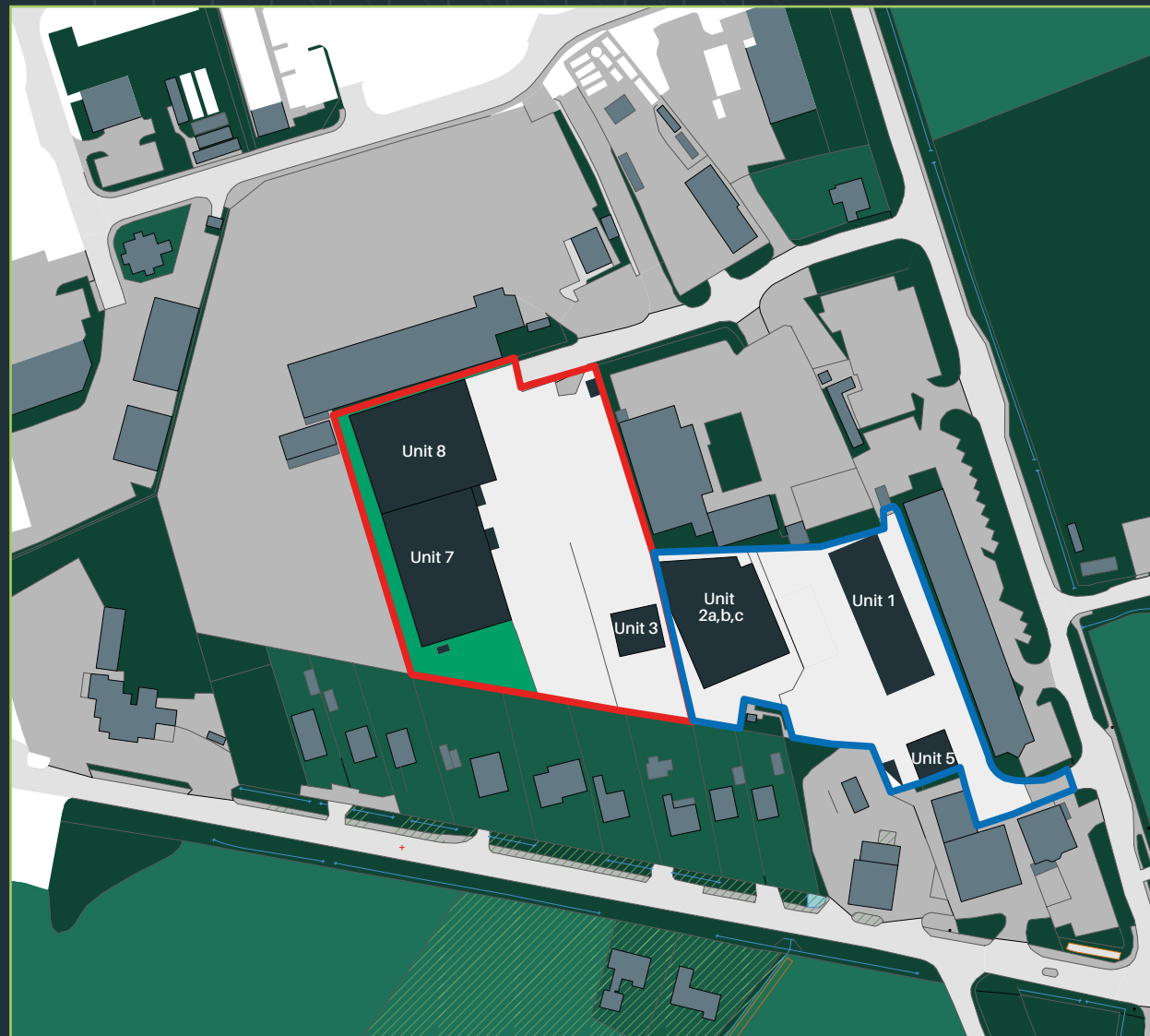
Comprising a detached steel portal frame warehouse utilised as a trade counter and store, with glazed shop frontage, profile metal cladding.

Unit 7 (York Cellars) - Miller Food Services

Comprising a purpose built warehouse building with integral two storey offices to the front elevation. Constructed around a steel portal frame, clad with profile metal elevations and roof with a minimum eaves height of 6m.

Unit 8 (Cold Store) - Miller Food Services

A modern cold store built in 2017 with an eaves height of 13m. Specifications available upon request.



TENURE

The property is part long leasehold and part freehold as set out on the above plan.

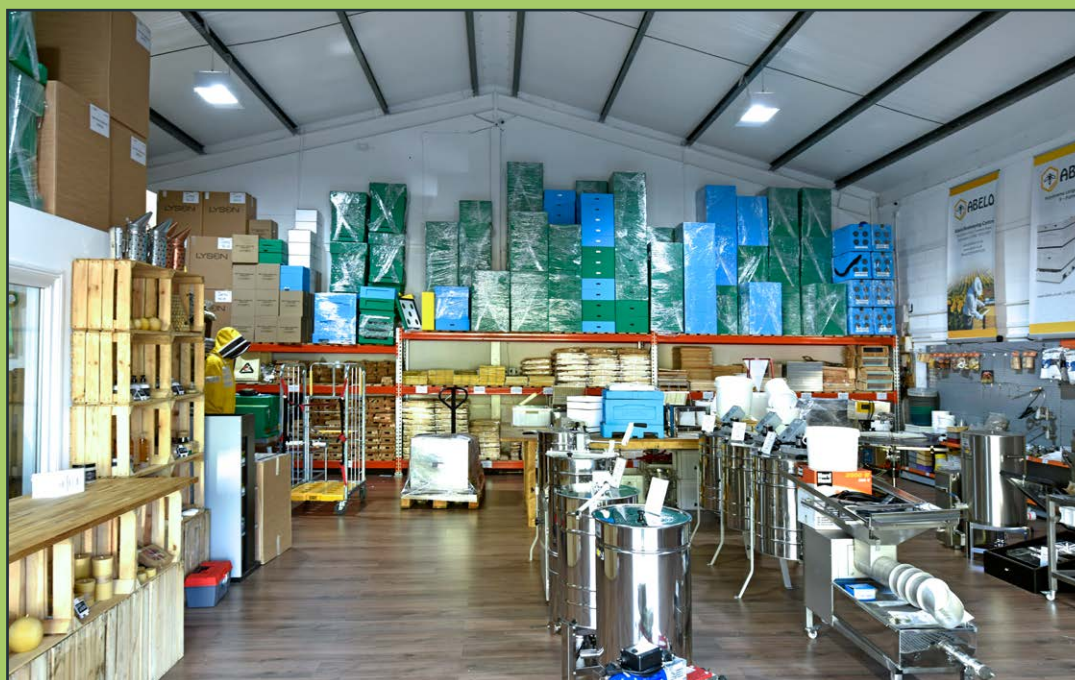
Freehold (outlined in blue) - Units 1, 2, 4, 5 and 6.

Long leasehold (outlined in red) – Units 3, 7 and 8.

The long leasehold title is for a term of 99 years from 1st October 2003 therefore expiring 30th September 2102, providing approximately 84 years unexpired.

The current leasehold rent is £33,866 per annum, reviewed 5 yearly on an upward only basis, assuming a term equal to the residue of the unexpired term. Rent is to be reviewed to open market rental value of the land disregarding the lessee's occupation and any improvements including building.

The property is let in accordance with the schedule below and produces a current rental income of £189,466 per annum. The WAULT to lease expiry is 11.54 years and 8.24 years to break.



Unit	Tenant	Area (sq ft)	Term	Start	End	Break	Current rent (£ per annum)	Rent (£ per sq ft)	Note
1	Peter Starkey t/a Autofinishers	8,897	15	01/06/2018	31/05/2033	01/06/2023 01/06/2026 01/06/2029	£34,000	£3.82	
2a	Croft Farm Const. Ltd	4,166	5	13/12/2017	12/12/2022	12/12/2020	£11,000	£2.64	Landlord to top up rent from £7,583 p.a until 11/05/2019
2b	Dunnington Motor Care Ltd	3,681	10	01/01/2018	31/12/2027	No	£17,000	£4.62	
2c	Under Offer	3,843	3	15/11/2018	14/11/2021	14/11/2020	£18,000	£6.25	Stepped rent Year 1 - £8,000, Year 2 - £9,000, Year 3 - £18,000. Landlord to provide a rental top up until year 3
5	Abelo	1,572	5	14/02/2018	13/02/2021	14/02/2023	£8,750	£5.57	
6	Philip Welch	425					£1,500	£3.53	Holding over
3, 7&8	Miller Food Service	29,866	15	11/05/2018	10/05/2033	10/05/2028	£134,000	£4.49	Landlord to top up rent from £84,000 p.a until 10/05/2020
Ground Rent	Mrs Cook						(£34,784)		Long lease ground rent
		52,450					£189,466		

VAT

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

EPC

Copies are available upon request.

PRICING

We are instructed to seek offers in excess of £2,300,000 (Two Million, Three Hundred Thousand Pounds) subject to contract, reflecting a Net Initial Yield of 7.75% and a Reversionary Yield of 8.74%, assuming Purchaser's Costs of 6.34%.

This equates to a low capital value of £44 per sq ft.

Simon Lister

E: slister@savills.com

T: 0113 220 1208

Mark Wilson

E: MKWilson@savills.com

T: 0113 220 1254

Andrew McBeath

E: andrew@mcbeathproperty.co.uk

M: 0772 541 6002

savills

McBeath
Property Consultancy

01904 692929
mcbeathproperty.co.uk

IMPORTANT NOTICE RELATING TO THE MISREPRESENTATION ACT 1967 AND THE PROPERTY MISDESCRIPTION ACT 1991

Savills and McBeath Property Consultancy Ltd on their behalf and for the sellers or lessors of this property whose agents they are, give notice that: (i) The Particulars are set out as a general outline only for the guidance of intending purchasers or lessees, and do not constitute, nor constitute part of, an offer or contract; (ii) All descriptions, dimensions, references to condition and necessary permissions for use and occupation, and other details are given in good faith and are believed to be correct, but any intending purchasers or tenants should not rely on them as statements or representations of fact, but must satisfy themselves by inspection or otherwise as to the correctness of each of them; (iii) No person employed by Savills and McBeath Property Consultancy Ltd has any authority to make or give any representation or warranty in relation to this property. Unless otherwise stated prices and rents quoted are exclusive of VAT. The date of this publication is November 2018.



Designed and produced by Anderson Advertising and Property Marketing Limited T. 0113 274 369

