

THE MISSION BUILDING

STUKELEY MEADOWS, STONEHILL, HUNTINGDON PE29 6ED



INDUSTRIAL INVESTMENT OPPORTUNITY



INVESTMENT SUMMARY

- Located in an established industrial location
- Refurbished in 2009
- Approximate internal area of 31,195 sq ft on a site of 1.32 acres
- 11 year term from October 2011
- Lordgate Engineering Ltd is a profitable company established in 1978
- Rent of £160,000 per annum (eq. £5.12 psf)
- Price: £1,680,000
- Net Initial Yield of 9% allowing for acquisition costs of 5.8%
- Low capital value of £56.97 per sq ft.

FURTHER INFORMATION

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LOCATION

Huntingdon is located approximately 15 miles (24km) north west of Cambridge and 20 miles (32km) south east of Peterborough in the county of Cambridgeshire. The town benefits from excellent transport links being situated at the junction of the A1 (M) and A14. These in turn provide access to the national motorway network. The town has good rail links to London Kings Cross, with a fastest journey time of 1 hour, and is located approximately 40 miles (64 km) north west of Stansted Airport.

Huntingdon is regarded as a strong industrial location and is seen as an increasingly attractive alternative location to Cambridge and Peterborough for manufacturing and distribution industries.

SITUATION

The building is located off Stonehill on the established Stukeley Meadows Industrial Estate and accessed from the A141 ring road which links with J23 of the A14. Nearby occupiers include Murketts Vauxhall, Dunelm, Hilton Foods, Enterprise Car Rental, TC Harrison Ford, Winter & Company and Howden Joinery.

Stukeley Meadows extends to some 34 hectares (84 acres) and is home to over 100 companies.

DESCRIPTION

The property comprises a warehouse unit of steel portal frame construction clad with profile metal sheeting with integral two storey offices. The warehouse has an eaves height of 5 metres and 12 metres to the high bay area to the rear.

The warehouse has 2 electronically operated up and over roller shutter doors and the offices benefit from suspended ceilings, perimeter trunking and PIR controlled lighting.

The tenant has installed a mezzanine floor to the high bay area of the warehouse.

The site area is approx 1.32 acres (0.534 hectares) with a site cover of approx 54%.

ACCOMMODATION

The property provides the following gross internal floor areas:

| Floor | Area Sq Ft | Area Sq M |
|------------------------|---------------|--------------|
| Ground floor warehouse | 25,510 | 2,370 |
| Ground floor office | 2,843 | 264 |
| First floor office | 2,273 | 253 |
| First floor mezzanine | 120 | 11 |
| Total | 31,195 | 2,898 |

TENURE

Freehold.

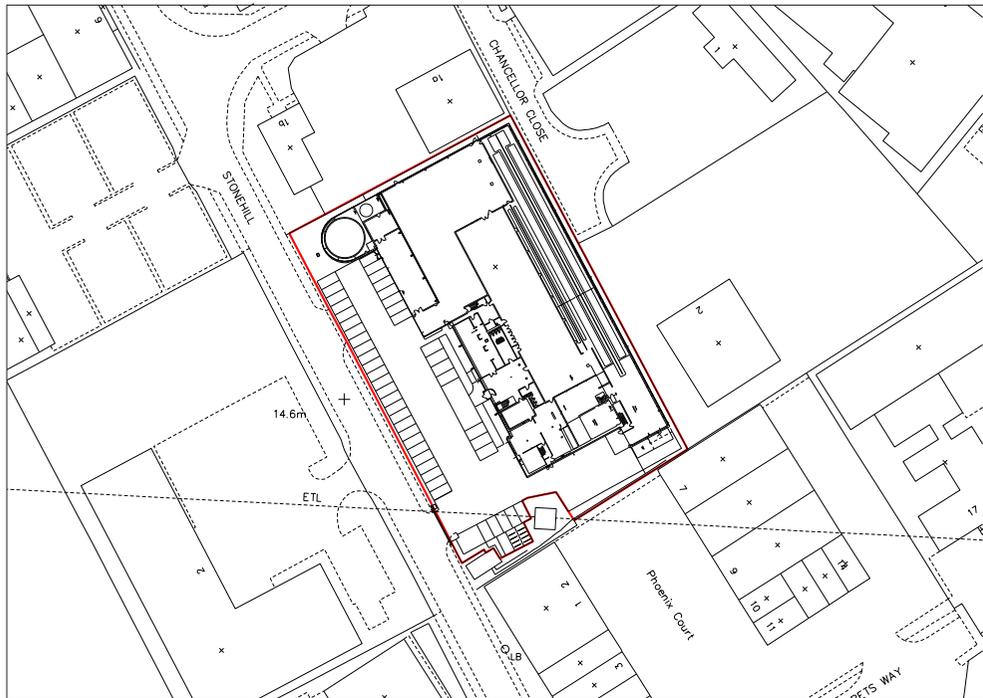
TENANCY

The property is let on FRI terms to Lordgate Engineering Ltd for a term of 11 years from 10th October 2011 on the following stepped basis:

| | | |
|-------------|---|--------------------------------|
| Years 1 & 2 | - | £100,000 per annum (£3.20 psf) |
| Years 3 & 4 | - | £125,000 per annum (£4.00 psf) |
| Year 5 | - | £160,000 per annum (£5.12 psf) |
| Year 6 | - | £165,000 per annum (£5.28 psf) |

This was agreed in lieu of a rent free period and no other incentives were given.

Our client will "top up" the rent at the current ERV of £160,000 per annum equating to £5.12 per sq ft until year 6. Thereafter the rent is capped at review at £171,875 per annum equating to £5.50 per sq ft. There is a schedule of condition and lease details can be provided on request.



PLANNING

The property benefits from a planning consent that allows B1 c (light industry), B2 (general industry) and B8 (storage and distribution) uses.

COVENANT

Lordgate Engineering Ltd was established in 1978 initially manufacturing galley insert equipment for British Airways and then expanding into the aerospace, rail, defence, and marine sectors. They provide design and development service through to manufacture on a variety of engineering projects. The company sold their previous building for residential development allowing them to establish their new manufacturing facility at the Mission Building.

| Date of Accounts | Turnover | Pre Tax Profit | Net Worth |
|------------------|------------|----------------|------------|
| 31 Dec 2010 | £3,041,315 | £146,548 | £1,419,676 |
| 31 Dec 2009 | £3,523,530 | £203,152 | £1,310,027 |

Further information: www.lordgate.com



ENVIRONMENTAL

We understand that historically the site has a low contamination rating.

VAT

The property is elected for VAT and it is proposed the transaction will be completed by way of a transfer of a going concern (TOGC).

PROPOSAL

We are seeking offers of **£1,680,000 (one million, six hundred and eighty thousand pounds)** subject to contract and exclusive of VAT for the benefit of our clients freehold interest. A purchase at this level reflects a **net initial yield of 9.0%**, a reversionary yield of 9.28% in 2016 and an equivalent yield of 9.2% allowing for costs at 5.8%. This reflects a low capital value of £56.97 per sq ft (£613.33 per sq m).



FURTHER INFORMATION

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