

Reversionary Freehold Warehouse Investment - 9.2m Min Eaves Height
Mandal House, Lodge Way, Lodge Farm Industrial Estate, Northampton NN5 7TU

Let to Norbert Dentressangle Transport Services Ltd with a guarantee from Norbert Dentressangle Holdings Ltd.



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Investment Summary

- **Northampton is at the heart of the 'golden triangle' for distribution and is one of the most sought after locations in the UK, being almost equidistant between London and Birmingham.** It is easily accessible to the UK's principal motorway network being located directly on the M1, and within easy reach of the east coast ports.
- **Excellent access to the M1.** Situated on the well established Lodge Farm Industrial estate north west of Northampton, approx 5 miles from junction 15a, approx 4 miles from junction 16, and 15 miles from junction 18 of the M1. Access to junctions 15a and 16 will be further improved on completion of the Sandy Lane Relief Road shortly.
- **Detached Freehold** Warehouse and Offices.
- **In excess of 5 million sq ft** let or sold since July 2010 in the Midlands distribution market.
- Gross Internal Area 121,680 sq ft (11,304.34 sq m) on a site of 5.33 acres. (120,331 sq ft rentalised).
- Minimum eaves height 9.2m. Dock and level access.
- Lease from 1st Jan 2009 to 15th May 2016, subject to tenant's break options effective 16th May 2014 and 16th May 2015, to Norbert Dentressangle Transport Services Limited with a guarantee from Norbert Dentressangle Holdings Ltd.
- **Good covenants:** ICC gives Norbert Dentressangle Transport Services Limited a credit score of 67 ("confidence, low risk potential"). Norbert Dentressangle Holdings Limited reported a profit of £5.06m on a turnover of £14.11m with net assets of £26.5m for the year ended 31st Dec 2010, with an ICC score of 85. ⁽¹⁾
- **Highly reversionary:** Initial rent £205,000 pa (£1.68 psf). ERV £301,000 pa (£2.50 psf).
- We are instructed to seek offers **in excess of £2.28 million (£18.95 per sq ft)**, equating to a net initial yield of **8.5% and a reversionary yield of 12.5%** after 5.8% purchase costs, subject to contract and exclusive of VAT.

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Location

Northampton occupies an important strategic location almost equidistant between London and Birmingham, and enjoys direct access to the UK's principal motorway infrastructure via the M1. It is often referred to in distribution terms as being at the heart of the 'Golden Triangle'.

With a town population of circa 190,000 people, Northampton serves a much wider catchment area and includes many notable occupiers such as: Carlsberg, Barclaycard, Nationwide Building Society, Coca Cola, Panasonic and National Grid.

Direct rail service to London Euston (approx 55 mins), with London's Heathrow, Stansted and Luton airports all within one and a half hours reach.

Major expansion is proposed for the town (up to 30,000 new homes, and 37,000 new jobs) up to 2012. Some of that new development will be to the south west and north west of the town centre within close proximity to Lodge Farm. The proposed Dallington Grange development (housing and employment) is adjacent to the estate, which will have a significant impact on the local economy and demand for business space.

Situation

The premises are situated on the well established Lodge Farm Industrial estate, which is located approx 3 miles to the north west of Northampton town centre.

The estate already provides good access to junctions 15a and 16 of the M1 motorway (approx 5 and 4 miles respectively), which will be even further enhanced on completion of the Sandy Lane Relief Road linking the A428 to the A4500 directly.

Access to J18 of the M1 (approx 15 miles) and in turn the M1/M6 and A14 interchange is available at Crick directly via the A428 (approx. 14 miles).

Lodge Farm is the location for the national headquarters of Travis Perkins PLC, and also includes a major manufacturing facility for TMI Foods Ltd and a substantial logistics operation for Kuehne & Nagel.

Location plans are attached for identification purposes only.

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Description

Occupying a prominent location on the estate, the property comprises a detached concrete framed warehouse with part brick/glazed elevations together with 3 storey offices to the front elevation.

Solid concrete floor, with dock and level access loading facilities and ample on site car and trailer parking.

Min eaves height 9.2m approx.



Accommodation

Description	GIA Sq Ft	GIA Sq M
Main Warehouse	98,117	9,115.29
Offices	22,214	2,063.73
Portakabin Store	231	21.46
Plant	508	47.19
Mezz Store	610	56.67
Total	121,680	56.67
Site Area 5.33 acres (2.16 ha) approx.		

In calculating ERV, no value has been ascribed to the mezzanine, portakabin or plant areas. Thus rentalised area is 120,331 sq ft.



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Tenancy

Lease from 1st Jan 2009 to 15th May 2016, subject to tenant's break options effective 16th May 2014 upon 6 months notice and 16th May 2015 upon 12 months notice, to Norbert Dentressangle Transport Services Ltd with a guarantee from Norbert Dentressangle Holdings Ltd, at an initial rent of £205,000 pa excl.(£1.68psf).

The lease is drawn on FRI terms subject to a schedule of condition.

The tenant has an option to renew the lease at expiry upon giving at least 12 months prior notice, for a term of 10 years, subject to tenant's options to break at the 2nd, 4th, 6th and 8th anniversaries, upon 6 months notice in each case.

Covenants

ICC gives Norbert Dentressangle Transport Services Limited a credit score of 67 ("confidence, low risk potential"). The company reported a loss of £4.52m on a turnover of £112.3 million with Net Assets of £23.5 million.

Norbert Dentressangle Holdings Limited reported a profit of £5.06m on a turnover of £14.11m with net assets of £26.5m for the year ended 31st Dec 2010 with an ICC score of 85. ⁽¹⁾

The Market / Comparable Lettings and Sales

Demand for large industrial/warehouse property through the East Midlands has been good over the last 12 months, with lettings/sales totalling in excess of 5 million sq ft since July 2010.

The existing second hand and grade A stock is diminishing rapidly to the point where in Northampton and the surrounding area, there are few existing buildings remaining in certain sizes.

With good loading facilities and a min eaves height of 9.2m, this property will satisfy many occupiers requirements, and offers exceptionally cost effective space in a good location.

We believe the open market rental value of this property to be in the order of **£301,000 pa** (£2.50psf).

Transactions to note include the following:-

Daventry Interchange, Daventry, 126,000 sq ft of warehouse with no dock level access and restricted yard, let to Cummins PLC January 2011 for a two year term at a rent of £1.80psf.

Scirrocco Close, Moulton Park Industrial Estate, Northampton, 80,775 sq ft with no dock level access, let on a 10 year lease (with a 5 year break) to Fusion Ltd, June 2010 at a rent of £3.50psf.

Immanus, Brackmills, Northampton 126,000 sq ft of high bay warehousing let to Great Bear Distribution on a 10 year 5 month lease, April 2011, at a rent of £5.50psf.

Meteor 90, Round Spinney, Northampton, 88,500 sq ft constructed in the 1980's with dock and level access, sold freehold July 2010, for a price equating to a capital value of £32.50psf.

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Further information

An information pack including

- Copy leases and lease summaries.
- Title pack.
- Phase 1 Environmental Survey capable of assignment.

is available from the virtual data room. Please contact the agents by email for the web page downloads link.

VAT

We are informed exemption from VAT has been waived and, therefore, that VAT will be payable. It is anticipated that the sale can be treated as a TOGC.

Proposal

We are instructed to seek offers **in excess of £2.28 million (£18.95 per sq ft)**, equating to a net initial yield of **8.5%** and a **reversionary yield of 12.5%** after 5.8% purchase costs, subject to contract and exclusive of VAT.

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Viewing / Further Information:

Please contact the joint selling agents:



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Source Note: 1. ICC and Hays MacIntyre

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Energy Performance Certificate

Non-Domestic Building



WAREHOUSE 4
Norbert Dentressangle
Mandal House, Lodge Way
Lodge Farm Industrial Estate
NORTHAMPTON
NN5 7TU

Certificate Reference Number:
0394-9531-7730-1900-4013

This certificate shows the energy rating of this building. It indicates the energy efficiency of the building fabric and the heating, ventilation, cooling and lighting systems. The rating is compared to two benchmarks for this type of building: one appropriate for new buildings and one appropriate for existing buildings. There is more advice on how to interpret this information on the Government's website www.communities.gov.uk/epbd.

Energy Performance Asset Rating

More energy efficient

A+

Net zero CO₂ emissions

A 0-25

B 26-50

C 51-75

D 76-100

E 101-125

F 126-150

G Over 150

◀ **140** This is how energy efficient the building is.

Less energy efficient

Technical information

Main heating fuel:	Natural Gas
Building environment:	Heating and Natural Ventilation
Total useful floor area (m ²):	9612
Building complexity (NOS level):	4
Building emission rate (kgCO ₂ /m ²):	76.18

Benchmarks

Buildings similar to this one could have ratings as follows:

42 If newly built

89 If typical of the existing stock

Administrative information

This is an Energy Performance Certificate as defined in SI2007:991 as amended

Assessment Software: DesignBuilder SBEM v2.2 using calculation engine SBEM v3.5.a.0

Property Reference: 447935710001

Assessor Name: Nick Macdonald-Smith

Assessor Number: BREC400320

Accreditation Scheme: BRE Global

Employer/Trading Name: DTZ Debenham Tie Leung Limited

Employer/Trading Address: 125 Old Broad Street London EC2N 2BQ

Issue Date: 30 Jul 2010

Valid Until: 29 Jul 2020 (unless superseded by a later certificate)

Related Party Disclosure: Not related to the owner

Recommendations for improving the property are contained in Report Reference Number: 0930-4993-0470-1171-5044

If you have a complaint or wish to confirm that the certificate is genuine

Details of the assessor and the relevant accreditation scheme are on the certificate. You can get contact details of the accreditation scheme from the Government's website at www.communities.gov.uk/epbd, together with details of the procedures for confirming authenticity of a certificate and for making a complaint.



For advice on how to take action and to find out about technical and financial assistance schemes to help make buildings more energy efficient visit www.carbontrust.co.uk or call us on 0800 085 2005