

Cadent

Planetary Road, Willenhall, Birmingham WV13 3XA



Long Dated RPI-Linked Office & Industrial Investment

INVESTMENT SUMMARY

- Modern Grade A office building, and adjoining logistics warehouse on 2.95 acre site.
- Freehold.
- Let to undoubted covenant of Cadent Gas Ltd until April 2042.
- AWULT of over **16 years** to expiry, providing an estimated £14 million of income until expiry.
- Rental income of **£660,500 per annum** exclusive, subject to 5-yearly RPI indexation.
- Rental top up until April 2027 review to £795,215 per annum.
- 33,780 sq ft (3,138.3 sq m) of office and warehouse accommodation.
- Future-proofed buildings rated **EPC A & B** and **BREEAM 'Excellent'**.
- Easy access to Junction 10 of the M6 motorway and wider motorway network.
- Significant capital allowances available to purchaser, boosting potential average returns by 67 bps per annum over the first five years.
- Seeking offers of **£10,000,000 (Ten Million Pounds)**, subject to contract.
- **Net Initial Yield of 7.45%**.
- **Running Yield in April 2032 of 8.64%, rising further to 10.02% in April 2037.**



LOCATION

Birmingham is the UK's second largest city and the commercial heart of the West Midlands, offering a diverse economy spanning finance, manufacturing, technology and professional services. The city benefits from excellent transport connectivity via the M6 motorway, M5 motorway and M42 motorway, as well as extensive rail links and Birmingham Airport providing international connections.

Ongoing regeneration and inward investment continue to strengthen Birmingham's position as a key regional investment hub, supporting sustained tenant demand across the city and wider region. Birmingham's scale, liquidity and regeneration continue to attract institutional and private capital, driving rental growth and strengthening demand across both commercial and residential sectors.

Nearby Wolverhampton is a well-established commercial centre within the West Midlands, forming part of the wider Black Country conurbation. Wolverhampton has a diverse economic base encompassing manufacturing, engineering, logistics, education and professional services, supporting sustained demand for office, industrial and trade counter accommodation. Ongoing regeneration initiatives and public sector investment continue to enhance the city's commercial profile, reinforcing its position as a strategic and well-connected location for occupiers and investors alike.



DRIVE TIMES

ROAD LINKS

M6 Junction 10	3 miles	8 mins
M54 Junction 1	6 miles	12 mins
M5 Junction 1 (West Brom)	10 miles	18 mins

TOWNS

Wolverhampton (City Centre)	3 miles	8 mins
Walsall	6 miles	12 mins
Cannock	8 miles	15 mins
Birmingham (City Centre)	15 miles	30 mins
Telford	20 miles	30 mins
Lichfield	15 miles	30 mins

MAP IS FOR INDICATIVE PURPOSES ONLY. NOT TO SCALE

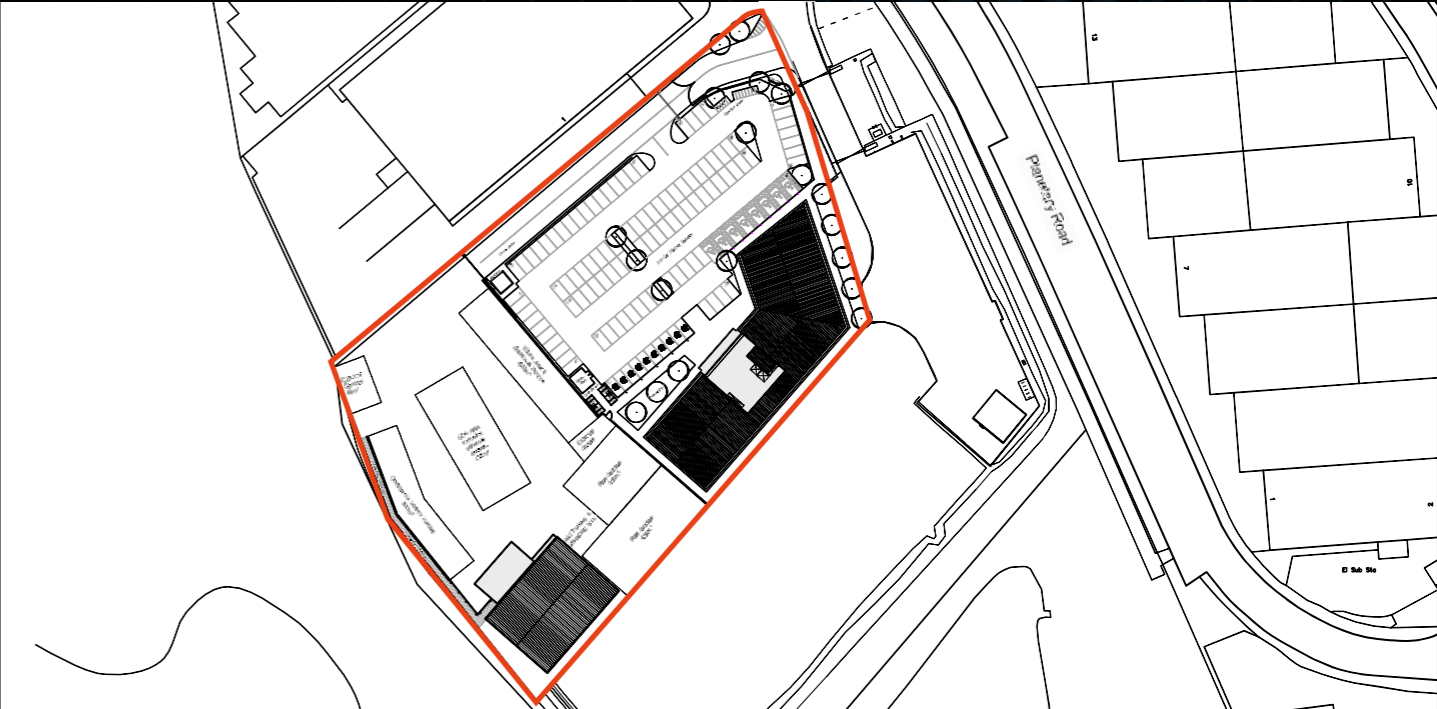


SITUATION

The subject property is situated in an established commercial area of Willenhall, within the Metropolitan Borough of Walsall. The location provides convenient access to the M6 motorway (J10) approximately 3 miles to the east, the M54 motorway 6 miles to the north, together with the wider West Midlands and national motorway network.

The property provides straightforward access to Wolverhampton 3 miles to the west, Walsall 6 miles to the east, and Birmingham 15 miles to the south east. The area is an established commercial location supporting strong occupier demand from a wide range of office, industrial, trade counter and out of town retail operators.

Nearby occupiers include national tenants such as:



MAP IS FOR INDICATIVE PURPOSES ONLY. NOT TO SCALE

'Situated in an established commercial area of Willenhall, with convenient access to the M6 motorway (J10) approximately 3 miles to the east.'



DESCRIPTION

The property comprises a Grade A office building and ancillary warehouse set within a substantial 2.95 acre (1.19 hectares) site. The buildings were built and funded for Cadent and completed in 2022 to support their network of customers. The office building provides one of four mission critical regional hubs for Cadent to service their network of customers in the West Midlands. Their hubs require regional administrative support, fleet and equipment storage, network control and coordination, and 24/7 emergency response, and the layout of the buildings allows this to be provided.

The office is of steel frame construction and provides Grade A office accommodation on ground and first floors. The office includes a full height reception, flexible open plan floorplates with raised floors, suspended ceilings, VRF/VRV heating and cooling, and WCs on each floor. Externally there is parking for 119 cars (1:220 sq ft), and also secure cycle storage.

The warehouse is of steel portal frame construction with profile metal sheet elevations and roof. The warehouse has an eaves height of 6.25m and has a concrete floor with 37.5kn/m2 loading capacity. A first-floor mezzanine has been installed to provide further storage capacity. The industrial unit sits on 1.25 acres (0.51 hectares) of the total 2.95 acre site. There is a loading canopy and significant concrete yard area to the front of the unit, giving a site coverage of only 10% for the industrial element of the site. The industrial accommodation is capable of being let separately and shares access with the office building.

The tenant has moved from two former facilities in Wolverhampton to these new bespoke buildings which are tailored to Cadent's regional requirements and support their long-term occupational commitment. Cadent undertook an extensive £3 million fit out which was designed to greatly enhance the staff experience. The buildings include multi-faith facilities, canteen and kitchens, showers and rest room, solar panels, rainwater harvesting and EV charging points.



OFFICE SPECIFICATION



Modern building with striking full height reception



150mm access raised floor



2.7m floor to ceiling height on the upper floors



PV panels



VRF/VRV heating and cooling system



Male and female WCs on each floor



LED lighting throughout



1,000 Kg Passenger Lift



EPC A & B



BREEAM Excellent



119 car parking spaces



Secure cycle storage

WAREHOUSE SPECIFICATION



Concrete floor with 37.5 Kn/M² loading



First floor mezzanine



6.25m internal height to haunch



Steel portal frame construction



PMS cladding and roof



Low site coverage of only 10%

ACCOMMODATION

The property has been measured and provides the following areas;

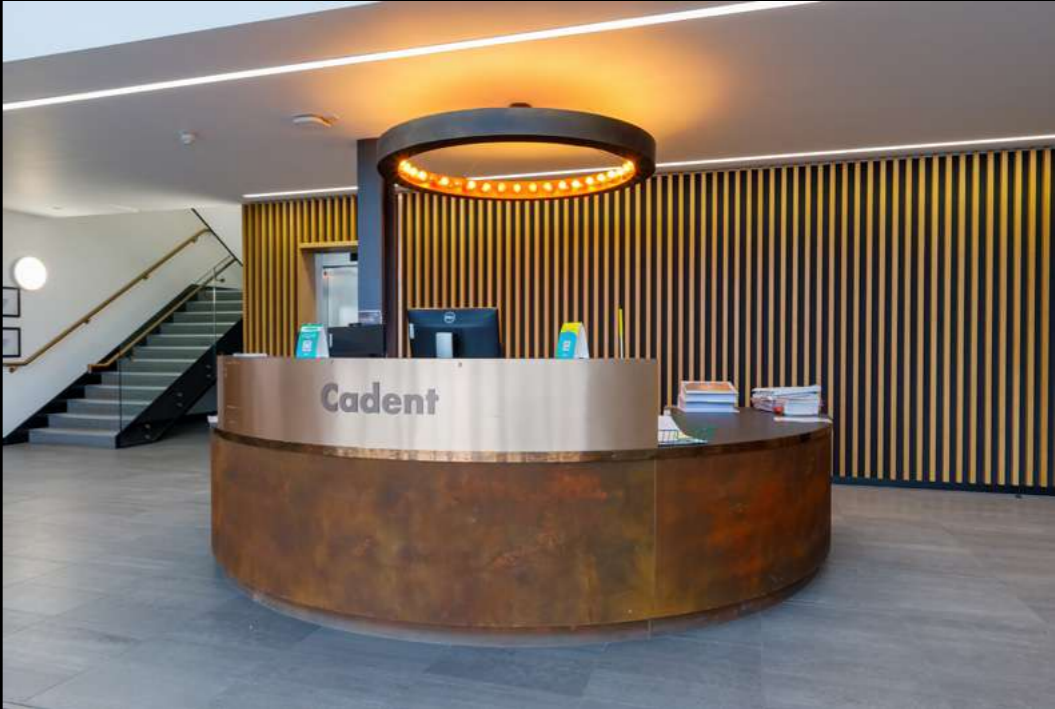
AREA	BASIS	AREA SQ M	AREA SQ FT
Office- Ground Floor	NIA	1170.6	12,600
Office- Reception	NIA	101.8	1,096
Office- First Floor	NIA	1,166.7	12,558
SUBTOTAL	NIA	2,439.1	26,254
Warehouse- Ground floor	GIA	502.5	5,409
Warehouse- First floor	GIA	196.7	2,117
SUBTOTAL	GIA	699.2	7,526
TOTAL		3,138.3	33,780

SITE AREA

The site extends to approximately 2.95 acres (1.19 hectares).

TENURE

Freehold.



TENANCY

The property is let by way of a 20 year lease to Cadent Gas Ltd from 13 April 2022. The property is let on Full Repairing and Insuring terms and includes 5 yearly rent reviews linked to RPI indexation. The property has a current rental income of £660,500 per annum exclusive.

The lease contains a rent review in April 2027 which is calculated using annual RPI indexation with a 2-4% cap and collar. The income provides a WAULT of over 16 years to expiry. The vendor will top up the rent to a level of £795,215 per annum exclusive until the April 2027 review. This assumes existing RPI and projections going forward.

'The property has a current rental income of £660,500 per annum exclusive.'



COVENANT

Cadent

Cadent Gas Limited- The company operates 4 of the UK's 8 regulated gas distribution networks which span across North West England, West Midlands, East Midlands, South Yorkshire, East of England and North London.

The company is the largest regulated gas distribution network operator in the United Kingdom, and the second largest energy network operator after National Grid. Cadent is responsible for maintaining 80,000 miles of gas pipeline serving over 11 million customers. It also manages the National Gas Emergency Service on behalf of the UK gas industry.

More information is available at www.cadentgas.com

REGIONAL NETWORK



'Cadent is the largest regulated gas distribution network operator in the UK, and the second largest energy network operator after National Grid.'



CADENT GAS LTD

AREA	31/03/2025 000's	31/03/2024 000's	31/03/2023 000's
Turnover	2,173,000	2,277,000	2,340,000
Pre-tax profits	413,000	690,000	740,000
Equity Shareholder Funds	2,275,000	2,348,000	2,429,000

According to Incans, Cadent rates 97 (out of 100) and the equivalent of an A bond rating.

Cadent Gas is owned by Quadgas Investments BidCo Limited, a consortium of long-term infrastructure investors. Key members of this consortium include Macquarie, Allianz, Hermes, CIC, & Qatar Investment Authority.

Cadent Gas was formerly part of National Grid when it became an independent company in 2017. Quadgas Investments BidCo Ltd

increased its stake to 100% after purchasing the remaining 25% share from National Grid in 2019. The company is regulated by Ofgem.

Cadent Gas is committed to achieving net-zero carbon emissions by 2050, focusing on reducing operational emissions, transitioning to hydrogen, and investing in green energy. Key initiatives include replacing aging pipes, connecting biomethane plants, operating a sustainable vehicle fleet, and achieving 30% biodiversity net gain by 2030.

EPC/BREEAM



EPC rating of A13
Office



EPC rating of B33
Warehouse



BREEAM rating
of Excellent

Further information is available upon request.

VAT

The Property has been elected for VAT and the purchase price is exclusive of any VAT that may be chargeable. It is anticipated that the transaction would be treated as a Transfer of a Going Concern (TOGC).

AML

The purchaser will be required to satisfy the vendor's and their agents' AML checks and requirements.



CAPITAL ALLOWANCES

The property provides significant capital allowances which will be passed onto a purchaser. The current available allowances are set out below;

Main Rate Pool	£252,752
Special Rate Pool	£1,613,097
SBA's	£5,636,794

Based upon a UK taxpayer paying 25% Corporation Tax and a purchase price of £10m, these allowances enhance returns by an average of 67 bps over the first five year period, as set out below;

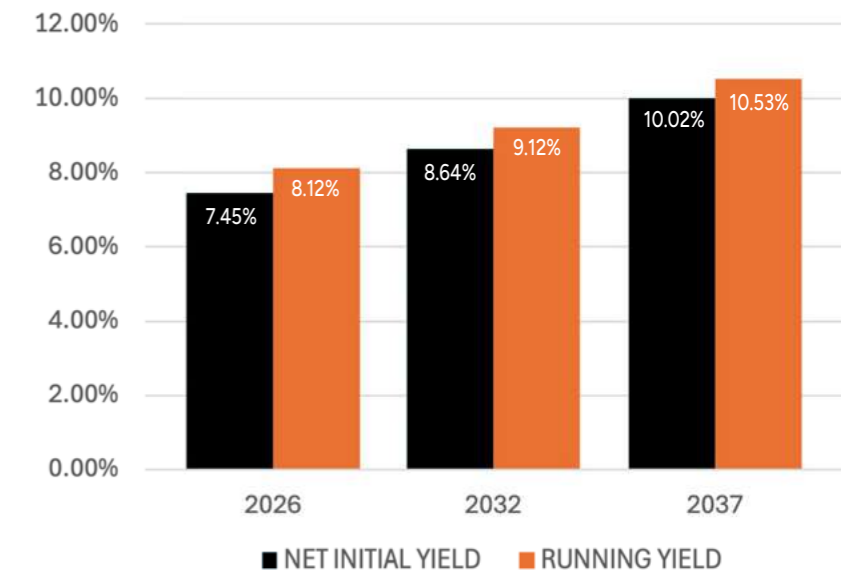
	2027	2028	2029	2030	2031
Total Allowances	311,385	297,389	285,215	274,577	265,239
Corp Tax saving	77,846	74,347	71,304	68,644	66,310
Rent	£795,215	£795,215	£795,215	£795,215	£795,215
Rent and Saving	873,061	869,562	866,519	863,859	861,525
Yield Benefit of allowances	0.73%	0.70%	0.67%	0.65%	0.62%
Running return	8.18%	8.15%	8.12%	8.10%	8.07%



PROPOSAL

We are instructed to seek offers of **£10,000,000 (Ten Million Pounds)** subject to contract and exclusive of VAT. A purchase at this level based upon purchaser's costs at 6.70% reflects a **7.45% NIY** on a topped up basis.

YIELD PROFILE



* Assumes RPI growth at 3% per annum
 * Running yield includes return from allowances



FURTHER INFORMATION

For further information or to arrange an inspection, please contact the agents:

GEORGE TURNBULL
Altitude
D: 0203 770 2828
M: 07815 867807
E: gt@altitude-inv.com

SIMON BENNETT
Altitude
M: 07808 290869
E: sb@altitude-inv.com

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