



Industrial Investment For Sale

Merlin Way, Carnaby Industrial Estate,
Bridlington YO15 3QY

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Chartered Surveyors & Commercial Property Consultants

INVESTMENT SUMMARY

- Modern Freehold Industrial Investment on established Industrial estate 3 miles from Bridlington
- Self contained unit of 83,360 sq ft (7,744.33 sqm)
- Site Area of 13 acres (5.26 hectares). Note the building was originally let with 7 acres. A further 6 acres was purchased in addition to facilitate the Tenant's operation
- Freehold
- Let to Algeco UK Ltd (formerly Elliott Group Ltd) until 11th December 2033 with tenant break at 12th December 2028
- Annual Rent of £431,000, to be topped up by vendor
- Established industrial location
- We are instructed to seek offers in the region of **£5,775,000 (Five Million, Seven Hundred and Seventy Five Thousand Pounds)** subject to contract and exclusive of VAT. A purchase at this level reflects a **yield of 7%** after allowing for purchaser's costs of 6.62% and a capital value of £69.28. If the 6 acres is deducted from the purchase price at £600,000, this gives a Capital Value of £62.08 sq ft.





Archive photograph

LOCATION



Bridlington is situated on the East Coast, approximately 25 miles North of Hull, with access to the M62 to the west via the A165 and the A614.

The Carnaby Industrial estate is originally a former Airfield, extending to approximately 150 acres, situated some 3 miles to the south west of the Town. Lancaster Road is the main spine road through the Estate, with Merlin Way feeding off that. There are many National and Local occupiers, including the East Riding of Yorkshire Council.





DESCRIPTION

The site extends to a total of 13 acres; 7 acres of which was originally demised to the existing tenant, with an additional 6 acres having been purchased at a later date to facilitate the Tenant's growing business. This first 7 acres is predominantly of tarmac or concrete surface, providing parking and loading areas. The additional land area is mainly of compacted hardcore finish, with a concrete roadway running through part of this area.

The property is approached at its main entrance off Merlin Way, via a tarmac road, with a security building at the entrance. There is also another access road providing access to the western end of the site, giving a long road frontage to the additional 7 acres. It is enclosed in its entirety with 2.1 m high palisade fencing.

The building is of steel frame construction with profile metal sheet cladding to the walls and roof and offers a clear eaves height of 10.25 m. It has a concrete floor and recently replaced LED lighting to the interior, having had a major refurbishment in 2008 and with many other improvements during the course of the last 2 years.

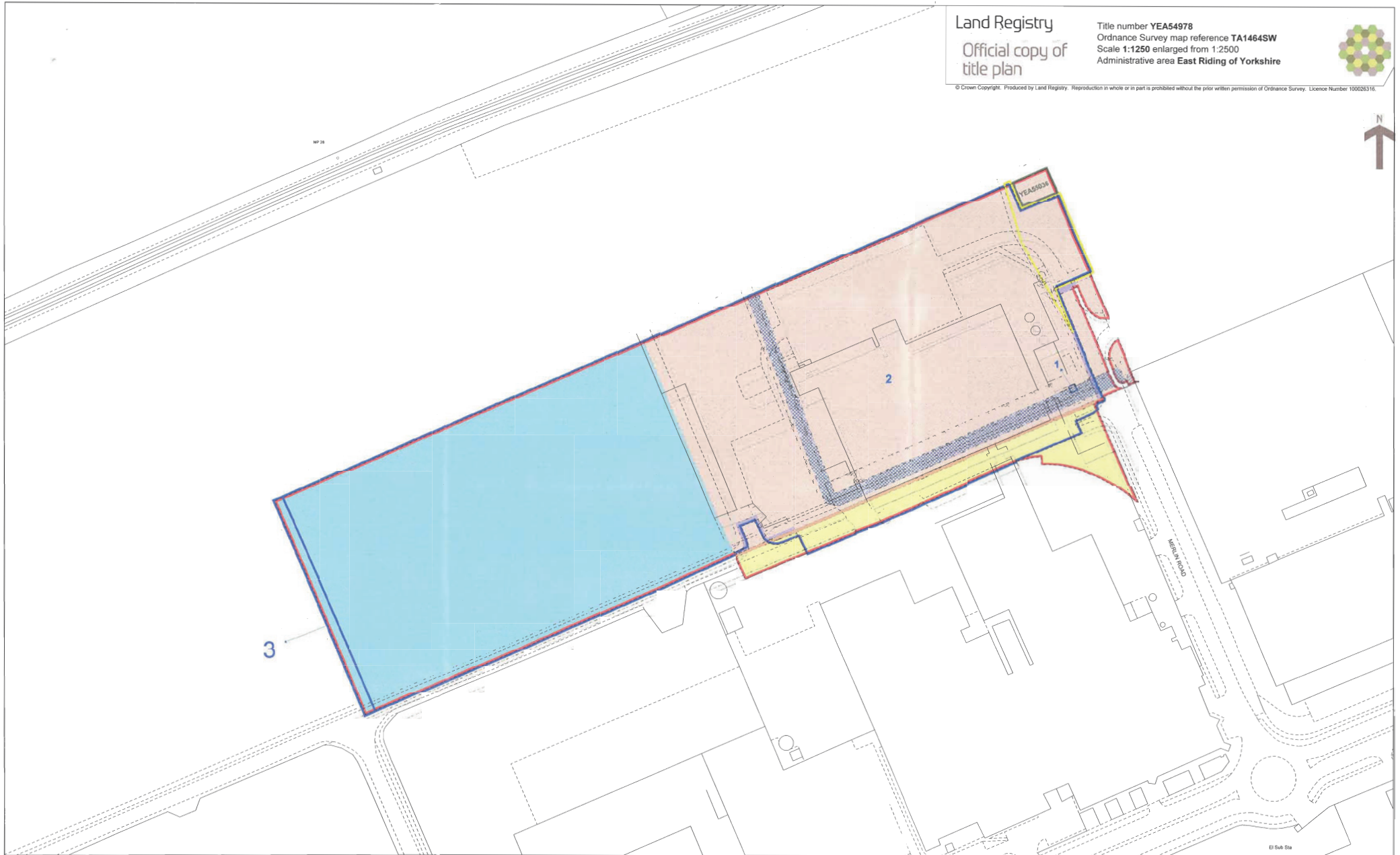
It benefits from 13 electrically operated loading doors and 6 dock levellers. There are two cranes each with a 10 tonne loading capacity.

There is a brick clad two storey office building to the northern elevation, providing approximately 3,360 sq ft of offices including meeting rooms, kitchen and staff facilities, all of which have fluorescent lighting, suspended ceilings, heating and carpeting.

Algeco are planning to carry out additional improvements and alterations to the building and site, for which they obtained Planning permission in 2021. Planning Reference numbers 21/00122/PLF and 21/00123/PAD show their proposals, together with a Licence for alterations dated April 8th 2022, demonstrating their continued Investment in this site.

ACCOMMODATION

Description	Sq M	Sq Ft
Warehouse	7,432.45	80,003
Office Accommodation	312.15	3,360
Total	7,744.60	83,363



This official copy issued on 22 September 2015 shows the state of this title plan on 18 September 2015 at 15:24:57. It is admissible in evidence to the same extent as the original (s.67 Land Registration Act 2002).
This title plan shows the general position, not the exact line, of the boundaries. It may be subject to distortions in scale. Measurements scaled from this plan may not match measurements between the same points on the ground.
This title is dealt with by Land Registry, Coventry Office.

TENANCY

The property is held on a Lease to Elliott Group Ltd dated January 7th 2009, for a term of 15 years from December 12th 2008, expiring December 11th 2023. There is a Schedule of Condition dated December 10th 2008 attaching to that Lease, although the Tenant Company has subsequently expended considerable monies in upgrading the building and external areas. The Rent under the current Lease is £361,000 per annum.

A Reversionary Lease has been signed, dated April 8th 2022 to Algeco UK Limited (Co.No. 00147207), who purchased Elliott Group Ltd and changed the name on February 21st 2022; this Lease term to commence on December 12th 2023 for a term of 10 Years, subject to a Tenant only break in December 2028 and a Rent Review to Open Market Rent at that time. The Rent under the Reversionary Lease is £431,000 per annum.

The Rental is split into two parts. The Rent for the additional 6 acres is £90,000 per annum (£15,000 per acre). The Rent for the building and 7 acres is £341,000 per annum (£4.09 per sq ft).

It is proposed that the Vendor will top up the Rent to £431,000 per annum from the Completion of the sale.

RENT REVIEW

The Rent for the building, including the 7 acres, shall be reviewed to the Open Market Rental Value. The Rent for the 6 acres of land will be increased by the percentage by which the Rent on the main building has been increased.

TENURE

Freehold.

OPTION

There is an Option by way of an agreement dated 29th September 2008 which entitles the previous owners to purchase for £1 the land comprising the roadway and small corner of land to the North East of the property, past the entry security Building, to gain access to the land beyond this property to the North and west, which remains in their ownership. This Option is valid until September 28th 2029. Further details and a copy of the Option Agreement are available upon request.

Algeco and The Elliott Group before them are aware of this Option and have taken the Reversionary Lease in the knowledge of this.

EPC

The property has an Energy Performance rating of C (66). Copies are available upon request.

PRICE

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VAT

The Property is Registered for VAT and we anticipate that the sale will be structured as a transfer as a going concern.

COVENANT

Algeco UK Limited (formerly known as Elliott) is a market-leading supplier of portable and modular buildings across the UK and Europe. They are part of the **Modulaire Group** – Europe and Asia Pacific’s leading modular services and infrastructure group. They trade from 23 locations in the UK and provide both temporary and permanent Modular buildings, with considerable turnover in the Educational sector, in addition to Drive Thru / Leisure operations. The buildings are manufactured at this warehouse in Bridlington and assembled off site, before being transported to the end location, where Algeco carry out the installation in many instances.

The following table summarises their trading performance over the last 3 Accounting Years published:

	2020	2019	2018
Turnover	£155,054,000	£165,055,000	£167,369,000
Pre Tax Profit	£11,559,000	-£4,558,000	£98,871,000
Net Assets	£308,010,000	£298,611,000	£303,169,000



FURTHER INFORMATION

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

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