



SIG ROOFING, PEDMORE ROAD, DUDLEY, WEST MIDLANDS, DY2 0RL
WELL LET PROMINENT ROADSIDE INDUSTRIAL INVESTMENT

INVESTMENT SUMMARY

- The opportunity to acquire a **prominent roadside builders merchant investment**.
- The property comprises a single let warehouse extending to 44,843 sq ft (4,166 sq m) and a secondary smaller warehouse extending to 5,593 sq ft (520 sq m). The total area is therefore **50,436 sq ft (4,686 sq m)**.
- Tenant is obliged to spend **£600,000** on a new roof.
- Passing rent of **£290,000 per annum**, reflecting a low rent of **£5.75 psf**.
- Let to **SIG Trading Limited** on a **new 10 year lease from 31st July 2023**. There is a tenant only break in year 5.
- **Rent Review in July 2028** to the higher of **Open Market Value or CPI (2%-4%)**.
- **Freehold**.
- Total site area of approximately **3.9 acres (1.57 hectares)**, which reflects a very low site cover of 30%.
- **Asset management opportunities, including long term redevelopment and open storage use.**



CGI OF PROPOSED ROOF

We are instructed to seek offers in excess of **£3,513,000 (Three Million, Five Hundred and Thirteen Thousand Pounds)**, subject to contract and exclusive of VAT. A purchase at this level reflects a **Net Initial Yield of 7.75%**, allowing for purchaser's costs of 6.51%, representing a **low Capital Value of £70 per sq ft**.

SSAB SWEDISH STEEL

DGT MATERIAL HANDLING

TOOL STATION

SCREWFIX

MERRY HILL SHOPPING CENTRE

SIG ROOFING

A4036



CGI OF PROPOSED ROOF

LOCATION

Dudley forms part of the Black Country, a long established industrial area within the West Midlands and is located approximately 13 miles west of Birmingham city centre and 7 miles south of Wolverhampton.

The Black Country is renowned for its manufacturing and engineering base, in addition to its excellent road and rail communications with 90% of the UK's population being accessible within a 4 hour drive.

Dudley is currently benefitting from significant Public Sector investment, which is estimated to be worth £1bn. This includes a new Metro line set to open in 2024, providing greater connectivity between Wednesbury, Dudley and Brierley Hill. The nearest stop will be just a 5-minute walk (0.2 miles) from the SIG Dudley Unit.



ROAD	
M6 (J10)	9 MILES
M5 (J3)	6 MILES
A458	5 MILES



TOWNS	
BIRMINGHAM	13 MILES
WOLVERHAMPTON	7 MILES
WEST BROMWICH	7 MILES



RAIL	
CRADLEY HEATH	2 MILES



AIRPORTS	
BIRMINGHAM	27 MILES



SITUATION

The subject property is situated in a highly prominent position on the main dual carriageway, the A4306. Pedmore Road is opposite its junction with the Gateway, which is the main industrial area in the town.

Nearby occupiers include Jewson, Travis Perkins, Screwfix, SSE Pipefitting and Tata Steel.



DESCRIPTION

The subject property comprises a 4 bay single let industrial warehouse, together with a detached 2 storey office accommodation as well as a smaller self contained warehouse. The total accommodation extends to 50,436 sq ft.

The tenant is obliged to provide a new steel profile sheet roof, which will cost circa £600,000. Externally the property benefits from an extensive secure, serviced and concrete surfaced yard.



A 4 BAY WAREHOUSE



STEEL PORTAL CONSTRUCTION WITH BRICK ELEVATIONS BENEATH A PITCHED PROFILE SHEET ROOF



9 LEVEL ACCESS LOADING DOORS



MINIMUM WORKING HEIGHT OF 4.2 METRES



SOLID CONCRETE FLOOR SLABS



TRADE SALES AREA



OFFICE AND ANCILLARY ACCOMMODATION



DEDICATED CAR PARKING



SECURE CONCRETE YARD



ACCOMMODATION

The property provides the following approximately Gross Internal Floor Area:

BUILDING	USE	SQ M	SQ FT
MAIN BUILDING	INDUSTRIAL	3,884	41,813
OFFICES	OFFICES	281	3,030
SMALLER BUILDING	INDUSTRIAL	520	5,593
TOTAL		4,686	50,436

TENURE

Freehold.

SITE

The total site extends to approximately 3.9 acres (1.57 hectares), which provides **a very low site cover of 30%**.



TENANCY

The property is let in its entirety to SIG Trading Limited on a Full Repairing and Insuring lease (subject to a schedule of condition) until 30th July 2033. There is a tenant option to break after 5 years.

The current passing rent is £290,000 per annum, reflecting a low rent of £5.75 psf. The lease is subject to a rent review on the 5th anniversary of the term, to the higher of the open market rental value or indexation based on CPI with a cap and collar of 4% and 2% annually compounded.

COVENANT



SIG Trading Limited Company No: 01451007.

SIG Trading Ltd is a specialist distribution business with top three market share positions across the European countries that they operate in. They are a leading supplier of specialist building materials to the construction and related industries for over 65 years.

SIG Trading Limited have a very strong Experian core of 100, and Risk rating of Very Low Risk, a Credit Limit of £10,000,000 and a Credit Rating of £3,000,000.

SIG Trading Ltd is wholly owned by SIG PLC which generated £2,291,400,000 of revenue and £7,950,000 net profit in 2022.

PROPERTY	TENANT	START DATE	REVIEW DATE	BREAK DATE	EXPIRY	PASSING RENT (£PA)
SIG FACILITY, PEDMORE ROAD	SIG TRADING LIMITED	31/07/2023	31/07/2028	31/07/2028	30/07/2033	£290,000



OCCUPATIONAL MARKET COMMENTARY

Annual industrial rental growth in Dudley saw an 8.2% increase over the last 12 months, which is in keeping with the wider Birmingham market rental growth which averaged 8.1%. Average industrial

rents in Dudley sits at £6.60, which is discounted than Birmingham core and Walsall submarkets, making it a more affordable location for occupiers.

DATE	ADDRESS	SIZE (SQ FT)	TENANT	TERM (BREAK)	RENT (PSF)
Aug-23	Building 29, First Avenue, Pensnett Estate, Kingswinford DY6 7TU	26,882	Deltron Lifts	10 Years (5)	£7.00
Jun-23	Units 4-8 CMT Trading Estate, Broadwell Road, Oldbury. B69 4BQ	47,238	Trench Limited	8 Years (4)	£6.61
Dec-22	Units 2-10 Sandwell Business Park, 10 Crystal Drive Sandwell, Smethwick. B66 1QG	3,2114	BSS	10 Years (5)	£5.83
Dec-22	Building 71, Third Avenue, Pensnett Estate, Kingswinford. DY6 7TU	33,500	Furmanac Group Limited	5 Years	£6.50



INVESTMENT MARKET COMMENTARY

Whilst general sentiment around real estate has been impacted by the economic environment over the last 12 months, the logistics and industrial sector continues to benefit from robust demand from investors. Despite the sector seeing substantial re-pricing and a reduction in transactional volumes in H1, a strong occupational market and robust rental growth prospects.

The black country industrial investment is currently at an all-time high over a 12-month period. The market has seen several North American investors purchase in the region. This includes Hines' acquisition of the Shenstone Trading Estate in Halesowen (£12m) and Blackstone's purchase of an industrial estate in Stourbridge as part of the Project Christy Portfolio (£511m).

INVESTMENT COMPARABLES

PROPERTY NAME	PRICE	YIELD	SIZE (SQ FT)	CAV VAL PSF	TENANT	WALVT TO EXPIRY (BREAK)	TRANSACTION DATE
Beldray Road, Bilston	£2,417,000	6.29%	36,832	£75	Hexstone Limited	1.5	Sep-23
1 Javelin Park, Wednesbury	£4,880,000	5.75%	40,138	£122	Smith News Trading Limited	2.1	Aug-23
Vincent Court, Hubert Street, Birmingham	£2,180,000	7.20%	2,601	£80	Two Tenants	6.3 (1.3)	Jun-23
Wellington Road, Burton-on-Trent	£2,900,000	6.50%	32,365	£90	Silentbloc	7.3 (2.2)	May-23
Unit 5, Tachbrook Park, Leamington Spa	£8,700,000	6.56%	82,506	£105	Grupo Antolin Leamington Ltd	10.5 (5.5)	Apr-23
Unit 1&2 Oxeleasow Road, Redditch	£7,000,000	6.32%	92,740	£76	Huegli Limited	3.0 (No Break)	Apr-23
Unit 1, Barn Way, Lodge Farm Gateway, Northampton	£1,600,000	6.00%	13,145	£125	Burnetts Manufacturing Limited	14.6 (4)	Apr-23
1 Siskin Parkway East, Coventry	£3,735,000	6.20%	30,401	£123	Aubrey Allen Limited	4.0	Mar-23

VAT

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

EPC

Further information available upon request.

DATA ROOM

Access to the data room is available upon request.

AML

To discharge its legal obligations, including under applicable anti-money laundering regulations, C&W and MK2 will require certain information of the successful bidder. In submitting an offer you agree to provide such information following agreement to the Heads of Terms.

CONTACT

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