UNIT 3 PROGRESS WAY

SINGLE LET WAREHOUSE AND OFFICE SPACE

PRICE REDUCTION

INVESTMENT SUMMARY

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AN OPPORTUNITY TO ACQUIRE A SINGLE LET WAREHOUSE AND OFFICES WITH EXCELLENT RENTAL GROWTH POTENTIAL

- Located on the established Binley Business Park in the heart of Coventry and within the UK's premier logistics **"Golden Triangle"**
- Excellent transport links to the M6, M45, M42 and M1 motorways.
- Extending to approximately **39,895 sq. ft.** of warehouse, office and ancillary accommodation. Warehouse eaves height of **9.6m**
- Freehold
- Let on effective FRI terms to **HydroGarden Limited** who have an Experian credit rating of 100 reflecting very low risk
- Initial rent **£300,000** per annum equating to **£7.52 psf** overall.
- **10-year lease**, with tenant only option to break on the 3rd and 5th year anniversary to commence upon completion of sale. Lease is subject to a schedule of condition.
- **Hydrogarden** occupy the adjoining unit and there will be the right of first refusal to acquire, if the property were to be sold
- Offers in excess of **£3,630,000** (Four Million Pounds) subject to contract and exclusive of VAT, reflecting a net initial yield of **7.75%** and **£91 per sq. ft.** capital value assuming purchasers' costs of **6.51%**

Offers in excess of
£3,630,000

Net Initial Yield
7.75%

Capital Value
£91 psf

LOCATION

SITUATED WITHIN THE UK'S GOLDEN TRIANGLE OF LOGISTICS

Coventry's position at the heart of the Golden Triangle provides excellent connectivity for national and international distribution companies, with 90% of the country's population being reachable within a 4-hour drive time.

The property is situated only 3.5 miles from Junction 2 of the M6/M69 Motor Way junction intersect, providing excellent connectivity to all major cities within the East and West Midlands. Additionally, the property is approximately 95 miles Northwest from London and 110 miles Southeast of Manchester.

Coventry is the ninth largest city in England with a population in excess of 360,000 and a GDP of over £11 billion. This is largely driven by the advanced manufacturing and engineering sectors, given its strong geographic location and access to a large employment catchment.

ROAD

M69/M6	3.5 miles
M40	14 miles
M1	15 miles
Leicester	24 miles
Birmingham	27 miles
Nottingham	49 miles
M25	74 miles
London	95 miles

SEA PORTS

Tilbury	121 miles
London Gateway	123 miles
Southampton	126 miles
Felixstowe	171 miles

AIRPORTS

Birmingham International	26 mins
East Midlands	40 mins
London Luton	76 mins
London Heathrow	95 mins

RAIL

Coventry	13 mins
Birmingham International	26 mins
Birmingham New Street	37 mins
London St Pancras	125 mins

SITUATION

PROMINENTLY LOCATED ON BINLEY INDUSTRIAL ESTATE

The unit is located on the well-established Binley Industrial Estate, which is home to numerous national and regional occupiers. Notable neighbouring occupiers on the industrial estate include: Evri, Vetrotech Saint Gobain, SOCOTEC, Dulux, Howdens and Screwfix.

DESCRIPTION

Unit S3 is a modern distribution warehouse of steel portal frame construction and insulated profile metal sheet cladding and roof system. The internal office accommodation has recently been constructed.

The building provides the following specification

- 2 level access doors
- Eaves height 9.6m
- Yard space
- Integral CAT A+ 3 storey office space
- 39,895 sq ft GIA
- 4,226 sq ft of lean to ancillary space
- Security fenced perimeter
- Car Parking
- Dedicated access via Lifford Way

*indicative illustration shows potential should the buildings be in separate occupation.

The site has the asset management potential to increase parking capacity on the site by removing the side lean-to (illustrated above).

The registered title boundary includes the access road Lifford Way. The road services both Unit 3 and neighbouring occupiers.

ACCOMMODATION

The property has been measured in accordance with the RICS code of Measuring Practice (6th Edition) and provides the following approximate Gross Internal Area.

Description	Sq m	Sq ft
Warehouse	2354	25,336
Offices	960	10,333
Rear Leanto	327	3,516
Side Leanto	66	710
Total (GIA)	**3,707**	**39,895**

SITE

The site extends to a total area of approximately 1.41 acres, providing a developed site area of 47%.

TENURE

The property is held freehold under titles **WM150135** & **WM267355**

TENANCY

The building is let in its entirety to HydroGarden Limited (company no: 03104989) with the proposal to sign a new lease upon completion of the sale:

- 10-year term with tenant only break options on the 3rd and 5th anniversaries
- Rent of £300,000 per annum which equates to £7.5 psf.
- Full Repairing and Insuring Terms subject to a schedule of condition

The neighbouring, interconnecting building is also occupied by Hydrogarden Limited and is owned by the vendor of Unit 3.

The vendor is open to including a right to first refusal in the purchase of the adjoining property, should they look to sell the site in the future.

TENANT'S COVENANT STRENGTH

HydroGarden Limited (company no: 03104989) is a specialist supplier of advanced horticultural Equipment for growing indoors and vertical farming and has traded since 1996. Focused primarily on wholesale to commercial entities, providing external branded products as well as an offering of own brand products. Their operation spans European wide and even parts of America.

HydroGarden has an Experian credit rating of 100, representing a very low default risk.

Summary of HydroGarden Limited recent audited accounts

	December 2021	December 2022	December 2023
Sales	£27,225,768	£23,093,202	£26,240,329
Pre-tax profit	£1,410,740	-£416,765	£277,711
Total Net Assets	£8,696,282	£7.917,754	£7,901,805

COVENTRY INDUSTRIAL MARKET

A KEY INDUSTRIAL AND LOGISTICS LOCATION

The Coventry industrial market is popular with occupiers due to its excellent connectivity to nearby multimodal transportation and access to a cost-effective employment market. This has driven demand in the area, pushing up rents and minimal void periods to be some of the strongest in the Midlands region.

Coventry has experienced a steady increase in rental growth, with average rents rising by 3.9% over the past 12 months. This growth persists despite significant turbulence in the consumer economy, which heavily impacts the sectors operating in the Coventry area. Although this increase falls below the five-year average of 7.4% per annum, it highlights the resilience of occupiers and sustained demand for the region. Rents are in excess of £8.00 per sq ft and recent comparables are set out below

TRANSACTIONS

Date	Address	Area (sq ft)	Tenant	Lease Type	Rent (psf)	Term Length	Comments
June 2023	Unit 3, 6200 Crosspoint Business Park, Coventry	23,740	Ram Enterprises	OML	£8.25	5 Years	Built in 1990 Refurbished 2022
May 2023	Ibstock Road Coventry	17,717	West Midlands Ambulance Services	RR	£8.00	10 Years	Built in 2013
May 2023	6100 Crosspoint Business Park, Coventry	47,032	Samaritan's Purse	OML	£8.25	10 Years	Built in 1990 Refurbished 2021
Nov 2022	Unit 2 Siskin Parkway East, Coventry	31,005	Faurecia	LR	£8.10	5 Years	Built in 1990

KEY INVESTMENT COMPARABLES

Date	Address	Area (sq ft)	Term Certain	Lot Size	NIY (%)	Capital Value (psf)	Comments
July 2024	13 Rockingham Road Market Harborough	23,609	9.25 Years	£1.525m	7.54%	£64.59	Inferior location & building quality
Nov 2023	Unit A, Colonnade Point, Coventry	22,743	4.5 Years	£2.535m	6.49%	£111	
April 2023	Unit 1&2 Oxleasow Road, Redditch	92,740	3.5 Years	£7m	6.32%	£75	Built c.2000 7m eaves
Mar 2023	1 Siskin Parkway Coventry	30,401	4.8 Years	£3.73m	6.20%	£123	Built in 1987 Refurbished 2010

FURTHER INFORMATION

EPC

The property has an EPC Rating of B, a copy of the certificate can be provided upon request.

CAPITAL ALLOWANCES

We understand that any available capital allowances will be retained by the vendor.

TENURE

Freehold.

VAT

The property is elected for VAT and it is anticipated the transaction will be treated as a transfer of going concern (TOGC).

ANTI MONEY LAUNDERING

In accordance with AML regulations the purchaser will need to provide information including the source of funding to complete the purchase.

DATA ROOM

A data room has been set up to provide property and legal information relevant to the sale, access will be provided upon request.

PROPOSAL

We are instructed to seek offers in excess of **£3,630,000** (Four Million Pounds) subject to contract and exclusive of VAT.

This reflects a net initial yield of **7.75%** and a capital value of **£91 psf**, allowing for purchases costs of **6.51%**.

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VIEWING

By appointment through joint agents.

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