

# NIMBUS PARK

& 10/10a Foster Avenue

PRIME SOUTH EAST MULTI-LET INDUSTRIAL INVESTMENT



NIMBUS PARK, PORZ AVENUE,  
DUNSTABLE, LU5 5WZ

10/10A FOSTER AVENUE,  
DUNSTABLE, LU5 5TA





# INVESTMENT SUMMARY

- ▶ The properties are excellently located within the established industrial area of Woodside Estate
- ▶ Nimbus Park is a modern 8 unit industrial estate totalling 12,922.98 sq.m (139,103 sq.ft)
- ▶ 10/10a Foster Avenue is a modern semi-detached unit totalling 1,731.60 sq. m (18,639 sq.ft)
- ▶ Fully let producing a total income of £1,133,484 per annum, equating to low average rent of £7.19 per sq ft
- ▶ WAULT to breaks 4.96 years and 7.54 years to expiries
- ▶ Significant reversionary potential as referenced by latest letting on the park on Unit 5 at an overall rent of £9.69 per sq.ft
- ▶ Both properties are Freehold
- ▶ Offers sought in excess of **£21,236,000 (Twenty One Million, Two Hundred and Thirty Six Thousand Pounds)**
- ▶ Net initial yield **5.00%** and a reversionary yield of 6.23%, assuming costs of purchase of 6.75%





# LOCATION

Dunstable is a strategic distribution location at the heart of the M1 corridor with excellent national motorway connectivity. It is an established commercial centre within Bedfordshire and is located 35 miles north of central London, 5 miles west of Luton and 19 miles north of Watford. The town has critical mass for employment with an urban population of approximately 50,000 rising to 680,000 within a 12 mile radius.



The town is ideally located just under 2 miles west from Junction 11 of the M1 motorway. Additionally the northern Dunstable bypass, linking the A5 to the new junction of the M1 (Junction 11a) provides alternative motorway access going north. The link road to Junction 11a completed in early 2017 and further works to widen the M1 between Junctions 10 and 13 have also considerably improved traffic flow in the area. The town's excellent location allow a catchment of over 30 million people to be reached within a 3-hour HGV drive time, whilst the M25 motorway is just 14 miles south.

The town also has seen a significant upgrade to its transportation network with the opening of the Luton Dunstable Guided Busway, a fully automated tramway linking Luton, London Luton Airport, Dunstable and Houghton Regis. The busway stop is a short walk from the subject property.



London Luton Airport is located 8 miles to the east, offering cost effective European business flights and an expanding cargo freight centre. Stansted Airport is 56 miles to the east and London Heathrow Airport 35 miles to the South.



Luton Central mainline railway station has a fastest journey time to London St Pancras of 21 minutes.



For sea freight the ports of Tilbury, London Gateway, Felixstowe and Southampton can all be reached within 2.5 hours.



## HGV Drive times:

- 1 Hour
- 2 Hours
- 3 Hours
- 4 Hours





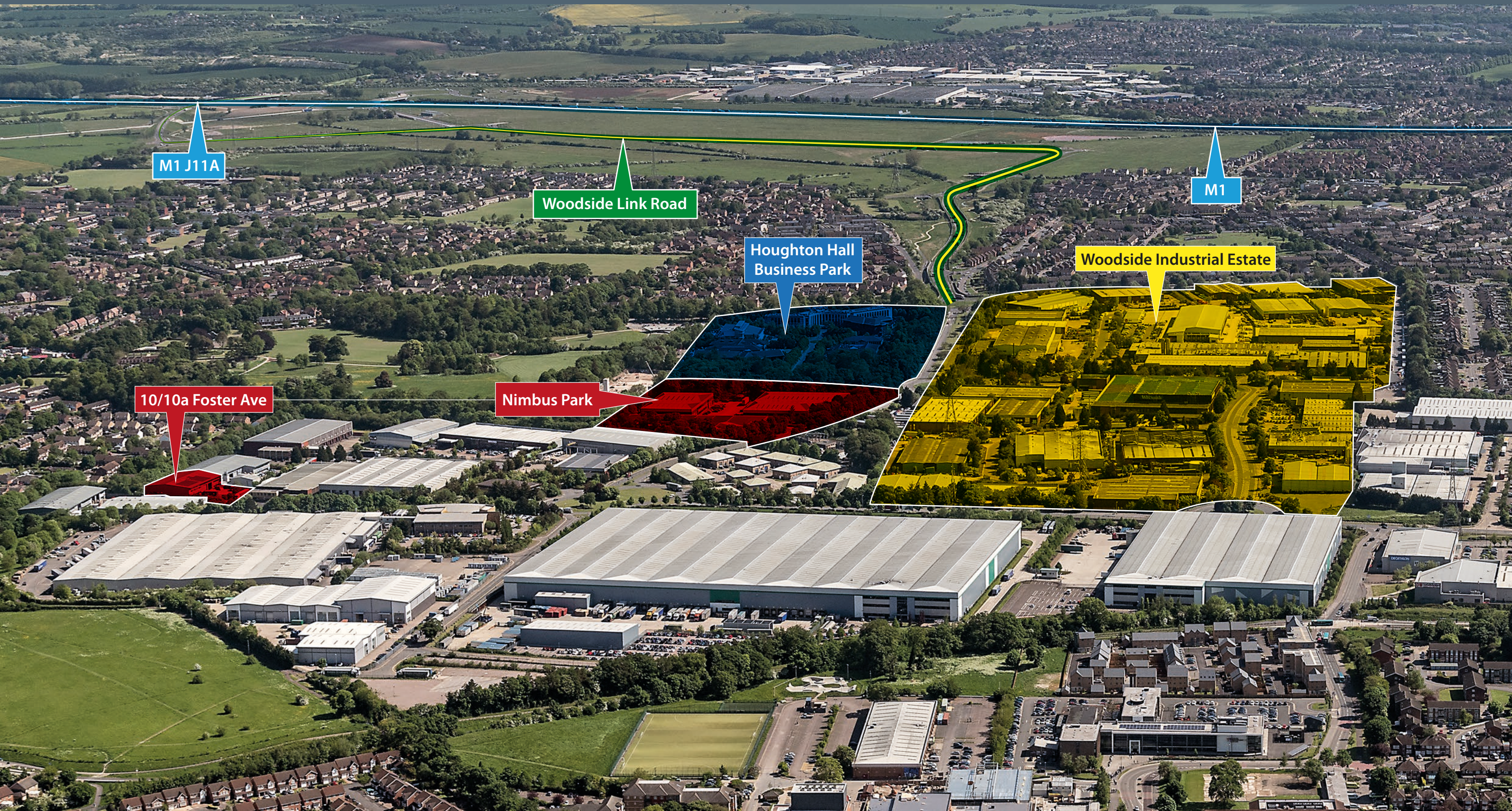
# SITUATION

Nimbus Park and 10/10a Foster Avenue are situated within Dunstable's prime industrial area of Woodside Estate, which extends to over 100 acres to the east and north east of Dunstable town centre. Nimbus Park fronts onto Porz Avenue, a dual carriageway running along the northern boundary of the estate connecting to Boscombe Road to the west and the new Woodside Link Road to the east.

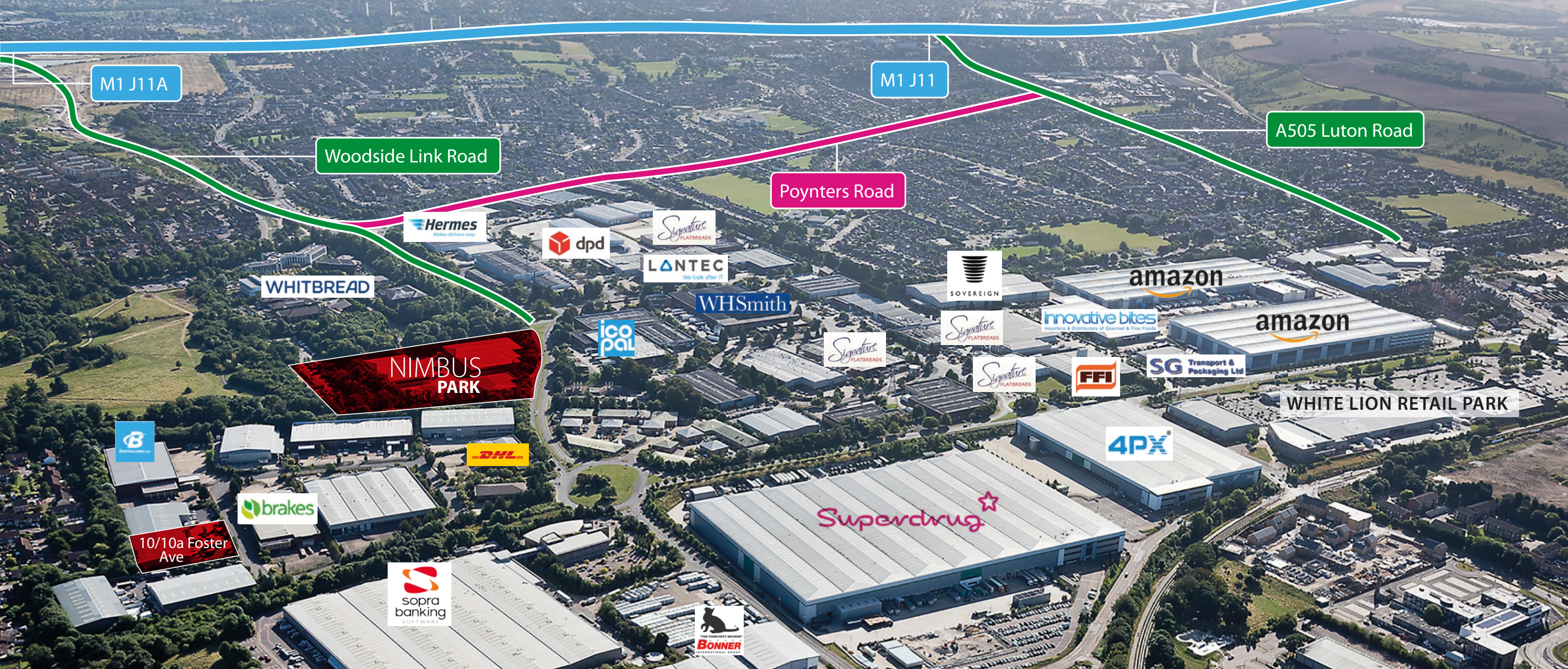
10/10a Foster Avenue lies just east of Nimbus Park with Foster Avenue also connecting onto Porz Avenue.

The town centre is 1 mile to the south west and both Junctions 11 and the new Junction 11a are both 1 ½ miles to the east.

Major occupiers in the vicinity include Superdrug, Amazon, Signature Flatbreads, Hermes, Synergy Healthcare, WH Smith, Sainsbury's, Sports World, Whitbread and 4XP.







## DESCRIPTION

### NIMBUS PARK

Built in 2000 Nimbus Park comprises a modern development of eight industrial units arranged in three terraces. The property is accessed both directly off Porz Avenue to the south and off a side road off Porz Avenue to the east of the park.

The units are of steel portal frame construction with metal clad elevations and roofs. Each unit has integral two storey offices to the front elevations. Units 2-4 have one level access door to the front elevation, Units 1, 5 and 6 have two level access doors and Unit 7 and 8 have two level access loading doors and one dock level loading door.

Internally the units have eaves heights ranging from 7.75 metres to 8.50 metres. The office accommodation is fitted out to a modern specification with suspended ceilings, recessed light and air conditioning.

Parking is provided to the front of each unit with additional car parking to the eastern boundary and northern boundaries of the site.

### 10/10a FOSTER AVENUE

Built in 2004 10/10a Foster Avenue is a modern semi-detached industrial unit that fronts onto Foster Avenue.

The unit is of steel portal frame construction with metal clad elevations and roof. The unit benefits from integral offices to the front elevation at first floor level with two level access loading doors onto a secure yard.

Internally the unit has an eaves height of 8.0m and the office accommodation is fitted out to a modern specification. Beneath the offices are a reception area and undercroft storage.

The tenant has invested heavily in the site having constructed a 1,700 sq.ft unit plus a biomass boiler that heats the unit, both positioned in the yard. The tenant has also installed photovoltaic panels to the roof. All alterations are documented as tenant's fixtures and fittings in the lease and do not form part of the landlord's demise.



SITE AREA

Nimbus Park extends to 3.90 hectares (9.66 acres). The property benefits from a low site density of 33%.

10/10a Foster Avenue extends to 0.31 hectares (0.75 acres). The property has a site density of 52%.

ACCOMMODATION

Nimbus Park extends to a total area of 12,922.98 sq.m (139,103 sq.ft) with individual unit sizes ranging from 794.41 sq.m (8,551 sq.ft) to 4,851.26 sq.m (52,219 sq.ft). Individual unit sizes are set out in the tenancy schedule.

10/10a Foster Avenue extends to 1,731 sq.m (18,639 sq.ft.).

The total combined area extends to 14,654.59 sq.m (157,742 sq.ft.).

TENANCIES

The properties are currently producing an income of £1,133,484 per annum (average rent £7.19 per sq.ft, exclusive of car parking with Unit 5). The WAULT to breaks is 4.96 years and to expiries is 7.54 years.

Nimbus Park



10/10a Foster Avenue



Address	Tenant	Area sq.ft	Car Parking	Lease Start	Lease Expiry	Next Review	Break Date	WAULT Break	WAULT Expiry	Passing Rent	Rent psf	EPC	Comments
Nimbus Park - Unit 1	Betterstore Self Storage Properties III Ltd	20,357	28	24/10/07	23/10/32	24/10/22	n/a	14.13	14.13	£152,678	£7.50	D (77)	Assigned with AGA from Betterstore Self Storage Properties I Ltd in June 2014. Unit fitted out as a self storage facility with 2 mezzanine floors.
Nimbus Park - Unit 2	Annodata Ltd	14,347	15	01/09/17	31/08/22	n/a	31/08/20	1.98	3.98	£116,000	£8.09	D (82)	Break subject to 6 months notice. Tenant has installed a mezzanine of 4,483 sq.ft.
Nimbus Park - Unit 3	TA Hydronics Ltd	12,127	10	19/12/04	18/12/19	n/a	n/a	1.27	1.27	£77,843	£6.42	D (83)	Lease guaranteed by IMI Kynoch Ltd.
Nimbus Park - Unit 4	Iron Mountain (UK) Ltd	8,551	0	25/03/04	24/03/19	n/a	n/a	0.53	0.53	£74,588	£8.72	D (90)	S.25 notice served - £76,959 pa (£9psf) for 10 years with rent review after 5 years. Tenant has installed a mezzanine of 4,448 sq.ft.
Nimbus Park - Unit 5	Certsure LLP	13,285	-	18/07/18	17/07/28	18/07/23	n/a	9.86	9.86	£106,792	£8.04	C (64)	6 months rent free (To be topped up by the Vendor). Agreement for lease was signed in February 2018.
Nimbus Park - Unit 5 Parking	Certsure LLP		40	18/07/18	17/07/28	18/07/23	n/a	9.86	9.86	£22,000	£550.00		40 car parking spaces. Mutual right to terminate on at least one months' prior written notice if the lease of Unit 5 is terminated.
Nimbus Park - Unit 6	Electroiversal Ltd t/a Cura Technical Ltd	18,217	22	22/09/14	21/09/29	22/09/19	21/09/21	3.03	11.04	£117,500	£6.45	C (52)	Break subject to 6 months notice. Tenant has installed a mezzanine of 3,779 sq.ft.
Nimbus Park - Units 7 & 8	Magna Seating (UK) Ltd	52,219	73	11/08/15	10/08/25	11/08/20	29/05/20	1.72	6.92	£336,083	£6.44	C (72)	Break penalty of £28,006.92. Break subject to 6 months notice. Tenant has installed a mezzanine of 2,023 sq.ft.
Sub Total		139,103						4.71	7.62	£1,003,484			
Foster Avenue - Unit 10/10a	Deralam Laminates Ltd	18,639	-	05/09/18	02/08/25	03/02/22	n/a	6.90	6.90	£130,000	£6.97	B (42)	
Overall Total		157,742						4.96	7.54	£1,133,484	£7.19		

Taking into account recent letting evidence on the park we are of the opinion that the ERV is £1,411,185 per annum. This reflects £8.25 per sq.ft and £550 per car parking space on Units 1, 2, 3, 5, 6 & 7/8 and £9.00 per sq.ft on Unit 4 at Nimbus Park and £8.25 per sq.ft on 10/10a Foster Avenue.





## MARKET COMMENTARY

The Dunstable industrial market is characterised by its limited supply. The wider M1 corridor distribution market is also highly competitive and has witnessed significant rental growth over the past 24 months, driven by the supply/demand imbalance. Occupier demand and confidence continues to remain robust, with new requirements from discount retailers, 3PL’s and e-tailers, in regular circulation. The M1/A1M/M11 corridor, taking in Dunstable, Luton, Bedford and Cambridge, running down to Watford and northern Greater London was the stand out performer in 2017. Take-up was 8.1m sq ft, 13% above the five-year annual average and the highest since 2012.

Demand from occupiers located further south continues to drive both rental growth and demand in Dunstable and Luton, with companies seeking property betterment and value as industrial supply in west and north London becomes more constrained. This is proven with the renowned Woodside Industrial Estate now fully let.

With market sentiment continuing to improve, the supply / demand imbalance looks set to continue in the short to medium term. Subsequently it is foreseeable that upwards pressure on headline rental levels will continue, whilst void and incentive packages are expected to tighten.

## INVESTMENT MARKET

While 2017 was a busy year for the wider UK investment market, industrial and logistics stole the headlines. A record £7.5bn of industrial assets changed hands during 2017, up 44% on 2016’s total and smashing 2014’s previous high of £6.7bn.

According to MSCI data, against an All Property return of 10.2%, UK Industrials returned 19.6% in 2017. Furthermore, with annual returns of 22.5%, South East Industrials has the strongest outperformance by any segment of the UK property market.

Industrial is forecast to remain the lead performing sector at the UK level over the next five years, with further growth in rental levels projected throughout of the UK running at 4% per annum (MSCI). This growth will be key to performance, with UK industrial returns forecast to outperform the wider market once again in both 2018 and over the five-year horizon.

Address	Area sq.ft	Age	WAULT Certain	Transaction Date	Price	Yield %	CV	Purchaser
Zenith Industrial Estate, Basildon	194,476	1990's	8.14	Under Offer	£36,600,000	3.80	£188.00	Orchard Street
The Gate Centre, Brentford	82,419	1990's	5.5	Under Offer	£33,650,000	3.20	£408.00	Confidential
Orbital IE, West Dayton	42,935	1970s	3.3	Under Offer	£7,941,542	5.25	£185.00	Private
Edisons Park, Dartford	133,688	1990s	6.8	May-18	£23,000,000	4.30	£172.00	Valor
Mill River Trading Estate, Enfield	93,786	1980s	3.0	May-18	£19,123,800	3.90	£146.00	Capital Industrial
Martinbridge TE, Enfield	280,015	1980s	7.9	May-18	£53,734,792	3.10	£192.00	Westbrook
Woodside IE, Dunstable	1,500,636	1980s	5.0	Apr-18	£182,000,000	5.02	£121.00	Legal & General
Access 4:20, Aylesford	47,856	2000s	9.3	Apr-18	£8,610,000	4.25	£179.00	Portsmouth Council
Birches IE, East Grinstead	384,000	1980s-1990s	3.4	Jan-18	£65,000,000	4.66	£169.27	Royal London
Boundary Park, Hemel	61,776	2000s	6.7	Dec-17	£13,200,000	4.44	£172.40	DTZ IM
Sandown IE, Esher	58,083	1990s	4.0	Dec-17	£14,100,000	3.67	£242.76	Elmbridge Borough Council
Gateway 25, West Thurrock	95,536	1990s	3.8	Dec-17	£14,775,000	4.25	£124.98	Fidelity
Mill Park, Milton Keynes	147,134	1990s	6.0	Dec-17	£16,825,000	4.94	£114.00	M&G





# COVENANTS

Set out below is a summary of the covenants.

## Betterstore Self Storage Properties III Ltd & Betterstore Self Storage Properties I Ltd

The company trade as Storage King with 24 locations across the UK including seven serviced office centres. Betterstore is a Guernsey registered company. The company has undertaken a significant fit out to the unit including installing two mezzanine levels of storage accommodation to provide 450 storage units.

### Annodata Ltd

Annodata Ltd is a leading national provider of communications, managed print and IT solutions with nine locations in the UK. A summary of the company's last three years accounts is set out below.

Annodata Ltd (co no 2246366)	31/03/2017 (9months) £,000s	30/06/2016 £,000s	30/06/2015 £,000s
Turnover	45,336	60,120	65,162
Pre-tax Profit / (Loss)	(4)	5,941	6,250
Shareholders' Funds	10,177	11,829	9,049

### IMI Hydronic Engineering

IMI Hydronic Engineering is part of the global engineering group IMI Plc, a FTSE 100 company with revenues of over £1.5 billion. A summary of the company's last three years accounts is set out below.

IMI Hydronic Engineering Ltd (co no 2945254)	31/12/2017 £,000s	31/12/2016 £,000s	31/12/2015 £,000s
Turnover	7,790	6,136	6,472
Pre-tax Profit / (Loss)	98	131	61
Shareholders' Funds	668	759	700

### Iron Mountain (UK) PLC

The company is a leading global records management, data protection and data restoration organisation. A summary of the company's last three years accounts is set out below.

Iron Mountain (UK) PLC (co no 1478540)	31/12/2017 £,000s	31/12/2016 £,000s	31/12/2015 £,000s
Turnover	170,832	151,671	149,425
Pre-tax Profit / (Loss)	30,663	29,303	25,954
Shareholders' Funds	216,896	191,174	160,550



### Certsure LLP

Certsure specialise in delivering approved training for accreditation within the construction and electrical industries. A summary of the company's last three years accounts is set out below.

CERTSURE LLP (co no OC379918)	31/03/2017 £,000s	31/03/2016 £,000s	31/03/2016 £,000s
Turnover	33,177	33,517	31,835
Pre-tax Profit / (Loss)	4,072	3,515	3,052
Total Members' Interests	4,072	3,515	3,052

### Cura Technical Ltd (co no 02853954)

Cura Technical delivers technical support solutions and managed print services to a wide variety of outsourcers and facilities management providers. Cura purchased Electroverseal Ltd in 2017 who were based at the property. The company reported abbreviated accounts showing shareholder's funds of £698,743 for 2017.

### Magna Seating (UK) Ltd

The company is a leading designer of seating systems for the global automotive industry mainly supplying seats for the Vauxhall/ Peugeot plant in Luton. A summary of the company's last three years accounts is set out below.

Magna Seating (UK) Ltd (co no 4565910)	31/12/2016 £,000s	31/12/2015 £,000s	31/12/2014 £,000s
Turnover	46,364	41,767	31,754
Pre-tax Profit / (Loss)	2,805	1,927	(4,539)
Shareholders' Funds	5,778	1,431	3,134

### Deralam Laminates Ltd

The company is a nationwide distributor of laminated worktops, acrylic boards, edging tapes and sheet laminates. It was established in 1983 in Wigan and now operates from 3 properties covering the North, Midlands and the South. The company has occupied the subject property since it was built in 2004 and the property is its South East logistics facility.

Deralam Laminates Ltd (co no 01748234)	31/12/2016 £,000s	31/12/2015 £,000s	31/12/2014 £,000s
Turnover	22,551	19,117	15,141
Pre-tax Profit / (Loss)	863	484	756
Shareholders' Funds	2,360	2,002	1,819



## TENURE

Both properties are held Freehold. There is a right of way for the neighbouring occupier, Whitbread, across the eastern access road highlighted in blue on the site plan, subject to a contribution towards the maintenance of the road. Whitbread do not however use this access, as Whitbread vehicles enter its car park from its neighbouring HQ facility.

## SERVICE CHARGE

The service charge at **Nimbus Park** for the current year from 1 January 2018 is £52,265 per annum (£0.38 per sq.ft).

The service charge for the current year for **10/10a Foster Avenue** is £1,678 per annum (£0.09 per sq.ft).

## VAT

The property is elected for VAT and therefore VAT will be payable on the purchase price. It is anticipated that the sale will be dealt with as a TOGC.

## EPCs

The ratings for the individual units are set out in the tenancy schedule. Certificates are available on request.

## PROPOSAL

We are instructed to seek offers in excess of **£21,236,000 (Twenty One Million Two Hundred and Thirty Six Thousand Pounds)** subject to contract and exclusive of VAT.

A purchase at this level would reflect a net initial yield of **5.00%** and a reversionary yield of 6.23%, assuming usual costs of purchase of 6.75%.

## FURTHER INFORMATION

There is further information set out in a dataroom. For access to the dataroom or to arrange an inspection of the estate please contact:

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