High Yielding Multi Let Industrial Estate
Kelvin Way Trading Estate   West Bromwich   B70 7TN

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INVESTMENT SUMMARY

- Established industrial area of West Bromwich only 2 miles (3.2 km) west of Junction 1 of the M5 Motorway.
- Virtual freehold.
- A total GIA of approximately 25,884.8 sq m (278,624 sq ft) of flexible industrial/warehouse accommodation on a secure self-contained site.
- 49 industrial units constructed in the 1970s, ranging from 230 sq m (2,500 sq ft) to 1,022 sq m (11,000 sq ft).
- 95% of accommodation is let providing a WAULT to expiry of 3.89 years and 0.87 years to break options.
- The estate is let to 30 tenants including; Alliance Health Care, APIC UK Ltd, Safety-Kleen UK Ltd, Reliant Products Ltd, Lewis Wholesalers, Tricorn Group Plc and Wates Construction Ltd.
- 5% is vacant in 3 units offering immediate reversionary potential.
- Current gross passing rent £1,010,452 per annum equating to a low average rent of £3.82 per sq ft over the let space.
- Potential ERV £1,196,283 per annum (£4.29 per sq ft average) once all the units are let.
- Multiple asset management and development opportunities to further enhance value.
- Offers in excess of £14,035,000 Fourteen Million and Thirty Five Thousand Pounds), reflecting a net initial yield of 6.75% and a potential reversionary yield of 7.99% based on an ERV of £1,196,283 per annum, assuming purchasers costs of 6.73%.
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LOCATION
West Bromwich is located within the West Midlands conurbation in the heart of the densely populated Black Country. It is approximately 7 miles (11.3 km) to the north west of Birmingham, 10 miles (16 km) south west of Wolverhampton, 28 miles (45 km) west of Coventry and 125 miles (200 km) north west of London.

COMMUNICATIONS
Road
The town has excellent road links with Junction 1 of the M5 motorway being just 2 miles (3.2 km) to the east of the town centre. The M5 provides access to the extensive orbital motorway network around Birmingham including the M6, M42 and M40 motorways, offering links to London, the Midlands and the North of England retrospectively, and the A41 provides a direct link to both Wolverhampton and Birmingham city centres.

Rail
West Bromwich is served by two railway stations, The Hawthorns (town centre) and Sandwell & Dudley (Bromford Road), providing fastest journey times to London Euston of 1 hour 56 minutes and 1 hour 38 minutes retrospectively.

Air
Birmingham Airport is approximately 21 miles (33.8 km) to the south-east, Wolverhampton Business Airport is 14 miles (22.5 km) to the east and Manchester Airport is 75 miles (120.7 km) to the north.

[Source: West Midlands Economic Forum]
Kelvin Way is an established and popular industrial location within the heart of the Black Country’s traditional manufacturing centre.

The property occupies a highly prominent location fronting Kelvin Way (A4182), situated approximately 1 mile (1.6 km) south west of the Black Country New Road (A41), which links with Junction 1 of the M5 Motorway, and is the principal arterial route between Birmingham and Wolverhampton.

West Bromwich town centre is approximately 0.5 miles (0.8 km) to the north of the property. Major occupiers in the area include Ash & Lacey, Baileys, Cadbury, Caparo Industries, DPD, Dreams, Scania, Two Sisters, and Weatherite.
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SITE
The total site area is approximately 13.25 acres (5.35 hectares).

DESCRIPTION
A rare secure and complete industrial estate built in phases between the 1960s and 1980s, comprising 49 industrial/warehouse units, arranged in four single storey terraces. The majority of the units are predominantly of steel portal frame construction. The smaller units are concrete framed with brick and profile steel clad elevations and pitched, corrugated asbestos cement roofs.

The estate extends to a total GIA of 25,884.8 sq m (278,624 sq ft), with units ranging from circa 230 sq m (2,500 sq ft) to 1,022 sq m (11,000 sq ft). The units are flexible and capable of being combined to provide larger units and this is demonstrated tenants such APIC UK Ltd and Safety-Kleen UK Ltd that have expanded within the estate.

Each unit is accessed at the front via a roller shutter door with separate pedestrian entrance. The units benefit from parking and loading areas. In addition there is a communal overflow car park to the front of the estate.

The estate is self-contained and made secure with gate access, palisade fencing, yard lighting and CCTV.
A virtual freehold held by way of a 999 year lease from 24 June 1999 at an annual rent of £100 per annum. An option exists to acquire the freehold interest at anytime after 24 June 2025 for the sum of £1.00 - VAT.

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INCOME ANALYSIS

- The current gross passing rent is £1,010,452 per annum equating to a low average rent of £3.82 per sq ft.
- There are 49 units extending to 25,884.8 sq m (278,624 sq ft) occupied by 30 tenants on 39 leases.
- There are 3 units extending to 1,313 sq m (14,138 sq ft) currently vacant representing 5% of total GIA.
- Potential ERV of £1,196,283 per annum (£4.29 per sq ft average) once all the units are let.

Derwent Barrie Lewis and Jill Lewis (trading as Lewis Wholesalers)
Lewis Wholesalers are a family run cash and carry in West Bromwich specialising in cakes, biscuits and confectionary. The company also stock crisps, snacks, groceries, soft drinks and real ales. Lewis Wholesalers have been in business over 50 years and primarily serve independent retailers.

APiC UK Ltd (Creditsafe rating - Low Risk)
APiC designs, fabricates and installs aluminium curtain walling, windows, doors and screens, roof glazing and structural glazing systems. Established in June 2006, the company has grown to a workforce of 75 people occupying 48,000 sq ft. The company offer products including ground floor treatments, shop fronts, entrances, windows, curtain walling, roof glazing, high performance thermal products and structural glass solutions.

Safety-Kleen UK Ltd (Creditsafe rating – Very Low Risk)
Safety-Kleen is the World’s leading provider of parts washing & chemical application services, specialty chemicals and industrial waste collection. They employ over 1,500 staff, undertake one million services per annum and have a global presence in over ten countries including Belgium, Brazil, China, France, Germany, Italy, Portugal, Turkey and the UK.

Tricorn Group Plc. (Creditsafe rating – Low Risk)
AIM Listed in 2001, Tricorn Group Plc. is a niche manufacturer of pipe and tubing assemblies supplying worldwide markets in the energy and transportation sectors. The group acquire and grow engineering based businesses that are supplying blue chip OEM customers who in turn are focused on attractive end markets. Tricorn has recently extended their global footprint with the establishment manufacturing facilities in China and the USA.

John Hicken (Midlands) Ltd (Creditsafe rating – Very Low Risk)
John Hicken is an established roofing and cladding company with a heritage dating back to 1937. They are providers of sustainable, high quality industrial roofing and cladding solutions, rainwater goods and fixing accessories based in West Bromwich.

Universal Components UK Ltd (Creditsafe rating - Very Low Risk)
Universal Components are a trusted, leading supplier of truck and trailer parts stock everything from truck mud flaps to exhaust fluid, license plate holders to trailer electrics, with over 100 years experience in the industry.

Zety Ltd
Founded in 2014, Zety trade in the wholesale of household goods.

Creditsafe reports are available in the data room.
There are a number of short to medium term asset management initiatives that can be implemented at Kelvin Way Trading Estate to enhance income and value, including:

**Refurbishment**
A phased roof refurbishment programme across the estate would enhance occupier appeal and maximise headline rents, lease terms and capital value.

**Development**
There is potential to develop trade counter units, subject to planning, on the overspill car park at the front of the site. The area is under-utilised and it’s the most prominent part of the estate.

**Rent reviews and lease re-gears**
The most recent lettings provide evidence for rental growth at the forthcoming reviews. This combined with reducing competitive availability offers potential to remove break options and extend leases.

**Letting of vacant accommodation**
Letting of the vacant units on attractive terms to increase the income and provide further evidence of rental growth.

**Advertising hoardings**
The property has extensive road frontage to Kevin Way, which is a busy arterial route, and at the rear it overlooks the Birmingham Canal and the West Coast Mainline. Subject to planning extra revenue could be generated by erecting advertising hoardings.
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EPC
The EPCs for the property have ratings ranging from C to G. Copies of the EPCs are contained in the data room.

VAT
We understand the property is elected for VAT. It is intended that the sale will be treated as a transfer of a going concern (TOGC).

PROPOSAL
We are instructed to seek offers in the region of £14,035,000 (Fourteen Million And Thirty Five Thousand Pounds) subject to contract and exclusive of VAT. A purchase at this level would show a net initial yield of 6.75%, and a potential reversionary yield of 7.99% based on an ERV of £1,196,283 per annum, after allowing for purchase costs of 6.73%.

FURTHER INFORMATION
A data room contains the following further information:
• Tenancy Schedule
• Covenant Reports
• EPCs
• Environmental Report
• Building Survey