



PRAXAIR SURFACE TECHNOLOGIES

OLDMIXON CRESCENT, WESTON-SUPER-MARE BS24 9AX



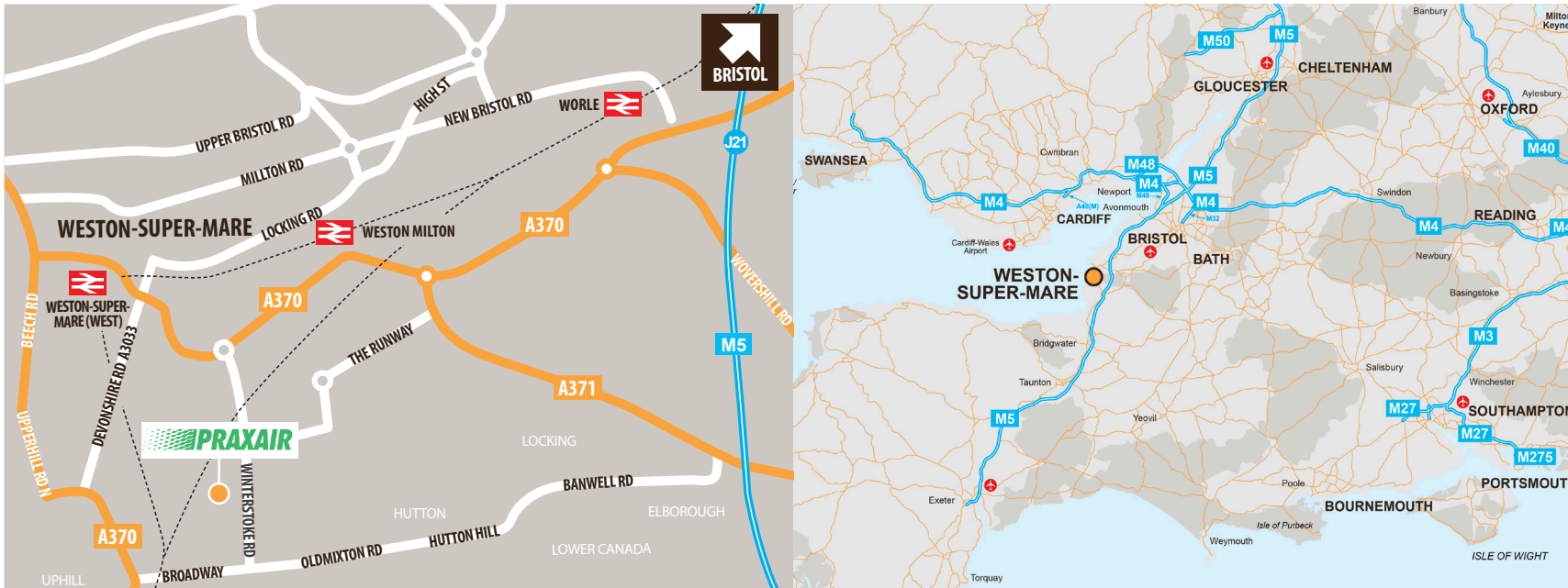
WELL SECURED SOUTH WEST INDUSTRIAL INVESTMENT OPPORTUNITY

INVESTMENT SUMMARY

- › Unique opportunity to acquire a self-contained, well secured industrial unit located in **Weston-super-Mare**.
- › Located 2.1 miles south of Weston-super-Mare town centre within Oldmixon Industrial Estate, one of the principal estates in the area.
- › Situated 1.2 miles south of the A370 and 4.3 miles south west of **Junction 21 of the M5** which provides excellent connectivity into Bristol (30 minutes) and Gloucester (55 minutes).
- › **30,832 sq ft** (2,865 sq m) including an office content of 31%.
- › Total site area of approximately 2.14 acres, with a **very low site coverage of 27%**.
- › Let to **Praxair Surface Technologies Ltd**, an international materials manufacturer, who are rated by D&B as '**lower than average risk**'.
- › Reversionary lease agreed on 1st January 2016 which expires on 28th September 2028, providing a total **unexpired term certain of 7.63 years**. The tenant has shown interest to **extend their term** beyond the current expiry date.
- › The passing rent of £140,000 per annum equates to **£4.54 per sq ft**. There is an open market **review on 1st January 2026**.
- › The unit is critical to the tenant's business, having invested substantially into the unit and the operations on-site. The recent reversionary lease agreement further illustrates their **commitment to the facility**.
- › Offers are sought in excess of **£2,300,000 (Two Million Three Hundred Thousand Pounds)**, Subject to Contract and exclusive of VAT.
- › A purchase at this level equates to an attractive **Net Initial Yield of 5.72%**, assuming purchaser's costs of 6.34%, and a **low capital value of £75 per sq ft**.







DRIVETIME DISTANCES

Weston-super-Mare	2 miles
M5 (Junction 21)	4 miles
Bridgwater	17 miles
Bristol	21 miles
Bath	32 miles
Cardiff	54 miles
Gloucester	56 miles
Exeter	58 miles
Swindon	63 miles

LOCATION

Weston-super-Mare is a coastal town in South West England located 21 miles south west of Bristol. The population is estimated to be 88,000, making it largest town in North Somerset.

Junction 21 of the M5 is 4.3 miles to the north east of the subject unit which allows vehicular access to Bristol in circa 30 minutes and Bath in approximately 1 hour.

Weston-super-Mare train station, positioned 2 miles north west of the subject property, provides regular direct services to Bristol in 30 minutes and indirect services to London in just over 2 hours. Bristol Airport is located 15 miles away at Lulsgate which provides flights to 49 cities around the UK and Europe.

SITUATION

The property is positioned 1.2 miles south of the A370 which connects to the A371 approximately 2.3 miles to the north east. Weston-super-Mare town centre is a further 2.1 miles north west of the unit and is accessed via the A370.

The property is located within Oldmixon Industrial Estate which originally dates back to the 1960's. The estate is regarded as one of principal industrial holdings in the area together with the Weston Industrial Estate which is adjacent.

The surrounding estate is characterised by a mixture of larger distribution facilities and trade units which are predominantly occupied by local businesses. Nationally renowned occupiers within the immediate estate include Howdens, Toolstation, Screwfix, Fedex and Smurfit Kappa.



DESCRIPTION

The property comprises a self-contained industrial facility which is in use as a factory by the tenant. The unit is fronted by a two storey office/staff area with on-site parking (35 spaces for staff and visitors). The rear yard extends to 45 metres. The tenant has erected a small unit to the rear to accommodate a water treatment facility.

The industrial unit dates back to the 1960's and is of steel frame construction, supported by cavity brick walls. The property was comprehensively refurbished in the mid 1990's whilst the tenant spent approximately £200,000 on a new roof in 2020. The factory benefits from a 5.2m internal eaves height, a single electronically operated loading door and a solid concrete floor. The office includes central heating and suspended ceilings.

Use (Floor)	GIA (sq m)	GIA (sq ft)
Factory (Ground)	1,971	21,212
Office/Staff Room (Ground)	393	4,227
Office/Staff Room (First)	501	5,393
Total	2,865	30,832

TENURE

Freehold (Title Number: ST133036).

SITE

The site area extends to approximately 2.14 acres, providing a very low site density of 27%.

TENANCY

Tenant	GIA (sq ft)	Lease Start	Lease Expiry	Rent Review	Headline Rent (£/pa)	Headline Rent (£/psf)
Praxair Surface Technologies Ltd	30,832	01/01/2016	28/09/2028	01/01/2026	£140,000	£4.54

COVENANT



The property is fully let to Praxair Surface Technologies Ltd, a manufacturing company headquartered in Indianapolis, USA which supplies surface enhancing materials across multiple industries worldwide. The company is a wholly owned subsidiary of Linde plc which operates as the largest industrial gas and engineering company in the world, achieving a revenue of \$28 billion in 2019.

The business employs 2,500 engineers, technologists and coating experts across 35 sites in 12 countries and has been in operation for over 100 years. Praxair operate from three principal facilities in the UK in Lincoln, Swindon and Weston-super-Mare. The subject site supports the business' aviation, automotive, oil/gas/petrochemical and power generation service lines.

The tenant has been allocated a rating of 5A2 by Dun & Bradstreet, indicating that the probability of business failure is 'lower than average'.



OCCUPATIONAL MARKET

The South West industrial & logistics market performed strongly in 2020 as take-up reached an all time high, with a recorded increase of over 250% on figures from the previous year. The continued development of e-commerce & multi-channel retailing acted as the main driver for this growth. Availability rates also decreased significantly, well below historic levels and with a heavily constricted development pipeline, robust rental growth is anticipated in the short to medium term.

Date	Address	GIA (sq ft)	Tenant	Headline Rent (£/psf)	Deal Type
Nov-20	Fox House, Searle Crescent, Weston-Super-Mare	9,681	A J Autos Recovery Ltd	£6.50	OML
Feb-20	Unit 36, Buckingham Road, Weston Industrial Estate, Weston-Super-Mare	6,157	Famatel UK Limited	£6.00	OML
May-19	10 Handlemaker Road, Frome	37,715	Tyco	£6.59	OML
Jan-19	St Andrew's Road, Avonmouth	31,964	Cleveland Cable Company	£4.76	OML
Jun-18	Dunball Trading Estate, Bristol Road, Bridgwater	36,050	Trelleborg	£6.25	OML

INVESTMENT MARKET

The robust nature of the occupational industrial market has led to positive sentiment throughout the investment market. The depth of demand in the sector has led to continued rental growth in the market and as such, investors have been reweighting capital into industrial and logistics assets. The South West industrial market has experienced significant activity over the past 12 months which has seen prime single-let assets transact at NIY's below 5.00%.

Date	Address	GIA (sq ft)	Term Certain (Years)	Price	NIY	Capital Value (£/psf)	Purchaser
Sep-20	ProCook, Unit 2 Gateway 12 Business Park, Gloucester	43,629	20	£5,150,000	5.47%	£118	Leftfield
Jan-20	A-Gas, First Avenue, Portbury, Bristol	53,735	8.8	£6,200,000	5.73%	£115	South Gloucester Council
Dec-19	Bleckmann Logistics, Unit 11D, South Marston Park, Swindon	89,575	7.5	£10,850,000	5.44%	£121	Worthing Borough Council
Aug-19	Speedy Asset Services, Goodridge Trading Estate, Gloucester	18,925	9.5	£1,900,000	5.62%	£100	Private Investor
Dec-18	Cadillac Plastic, Unit 1 Rivermead Industrial Estate, Swindon	20,430	4.9	£1,520,000	5.07%	£74	Private Investor



EPC

The Property benefits from an EPC rating of D(81). Further information is available upon request.

ANTI-MONEY LAUNDERING

The purchaser will be required to provide all necessary information in order to comply with anti-money laundering legislation.

VAT

The property is elected for VAT and therefore it is envisaged that the sale will be treated as a Transfer of Going Concern (TOGC).

PROPOSAL

We are instructed on behalf of the vendor to seek offers in excess of **£2,300,000 (Two Million Three Hundred Thousand Pounds)**, Subject to Contract and exclusive of VAT.

A purchase at this level equates to an attractive **Net Initial Yield of 5.72%**, assuming purchaser's costs of 6.34%, and a **low capital value of £75 per sq ft.**

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