

For sale

Regional Distribution
Centre, Ross On Wye,
M50 motorway

Currently let to XPO, potential
for development or occupation

253,737 sqft (23,572 sqm)
on 15 acres (6.07 HA)

Overross Industrial
Estate, Ross on Wye,
Herefordshire, HR9 7QQ



Investment Considerations

- Well specified distribution/industrial opportunity which extends to a total of 253,737 sq ft (23,572 sqm), with a low site coverage of approximately 38% on a secure self-contained site.
- The property is situated in Ross-on-Wye with immediate access to the M50 and motorway network beyond.
- The property offers asset management opportunities including (re-gear, re-letting, subdivision/development) or a possible purchase for buyer occupation in due course.
- The property is currently let in its entirety to XPO Supply Chain UK Limited on a FRI lease (1954 Act excluded), subject to a schedule of condition, expiring April 2021 with a tenant only rolling break from 6 July 2019 on at least 3 months' notice.
- Tenant – XPO Supply Chain Limited – top ten global provider of transport and logistics services. Credit safe 83/100, very low risk .
- A low passing rent of £840,000pa (£3.31psf).
- The building has 37 loading doors, eaves height of 9.85m, yard depths up to approximately 70m, is fully racked, heated and lit, and benefits from a vehicle maintenance unit and security gatehouse.
- The property is held on a virtual freehold.
- Offers are sought in excess of **£7,100,000 (Seven Million, One Hundred Thousand Pounds)** a very low attractive net initial yield of 11.09%, a reversionary yield of 12.09% and reflecting a very low capital value of approximately £28 psf.



Location

Ross-On-Wye, Herefordshire is situated nr Junction 4 of the M50 motorway which provides direct access to Junction 8 of the M5 near Tewkesbury, 20 miles to the north east. Access to the M4 and London is via the Gloucester to Swindon A419 trunk route.



ROSS ON WYE

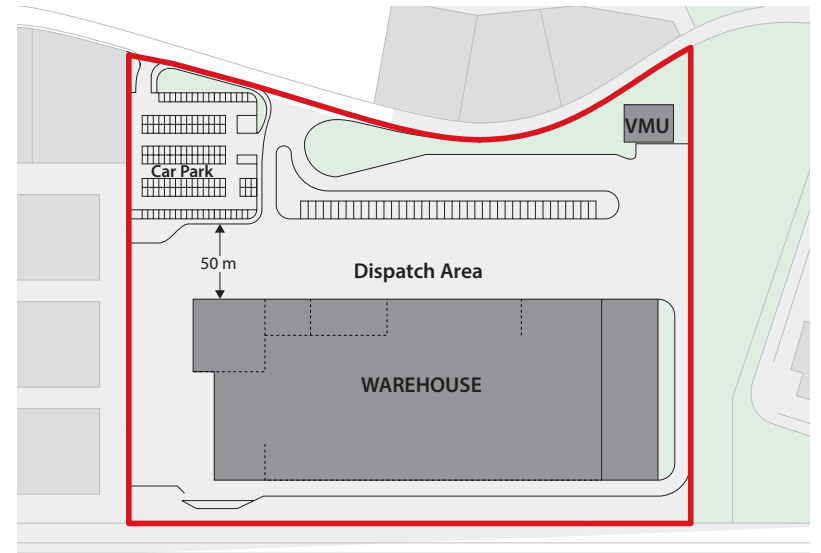
Gloucester
16 miles

Bristol 44 miles
Cardiff 47 miles

Birmingham
69 miles

London
130 miles

Manchester
140 miles



The Opportunity

Built for Somerfield supermarkets in 1986, the property comprises a low density, purpose built regional distribution Centre on a secure site of approximately 15 acres, with immediate access to the motorway network.

The property is currently let to XPO logistics who serve a single major retail customer from the site. The lease has a short term remaining and the property could be seen both as an active asset management opportunity (re-gear , re-letting, subdivision /development), or a possible purchase for owner occupation in due course should XPO vacate .

The Market

2018 was a very strong year for the UK Logistics Market and that has continued into 2019 . Average take-up over the last three year period for Big Boxes (over 100,000 sqft) reached 33m sq ft per annum.

Regionally, the South west and M5 corridors have attracted a huge number of new regional logistics centres in the last 20 years. Neighbouring South Wales has also seen a much improved market in the last 5 years with a strong take up of many legacy large footprint buildings.

Most of the opportunities now presented in the market are either prime standing stock or development sites offering design and build opportunities. Each require long term commitments and Ross could offer a fully fitted unit and flexibility to logistics occupiers not widely available in the market.

Quoting rents on large footprint logistics space range from £5.00 per sq ft to £7.75 per sq ft across the region . Freehold pricing on new space is now at over £100 per sq ft for the limited standing stock available. The passing rent on this building currently stands at a low £3.31 per sq ft exclusive.

For guidance only, if the break were exercised by the current tenant, we believe a new quoting rent of £3.75 per sq ft (£950,000 per annum) exclusive as a reasonable ERV for this fully fitted space, on the basis of a new 5 year lease.



Description

The building comprises a main high bay warehouse (9.85m) with dedicated loading and dispatch areas, former chilled store and forklift maintenance area.

The office accommodation is arranged over 2 floors and comprise a mix of office and ancillary staff accommodation with fully fitted canteen.

There is a detached vehicle maintenance unit in the yard area, a separate staff car park, and a permanent gatehouse with barrier.

The property represents a developed site coverage of approximately 38%.

SPECIFICATION – WAREHOUSE

- Eaves Height - 9.85 (32ft)
- 31 dock level loading doors
- 6 surface level loading doors
- Gas powered warm air blower heaters
- Fully racked warehouse
- Security gatehouse
- Separate Vehicle Maintenance Unit
- 92 HGV spaces
- 167 car spaces
- 50m yard depth

SPECIFICATION – OFFICES

- Gas fired central heating
- Comfort cooling
- Carpeted
- Fully fitted canteen

Accommodation

Area	Sq ft	Sq m
Main Warehouse	168,994	15,699.54
Dispatch/Loading Area	38,756	3,600.43
Warehouse	13,287	1,234.36
Ground & 1st Floors (including WC and Canteen)	15,123	1,404.94
Bailer	2,229	207.07
Forklift Maintenance	6,891	640.17
Vehicle Maintenance Unit	7,984	741.71
Security Gatehouse	473	43.94
TOTAL	253,737	23,572.16



EPC

The Main Distribution Warehouse is rated C 70 and the Maintenance Workshop is rated D 89.

Rateable value

Description	Warehouse and premises
Rateable Value (2017)	£615,000

Tenure

The long leasehold interest (virtual freehold) in the property, currently subject to a short occupational tenancy, is available for sale, detailed as follows:

Lease Dated	28 April 1989
Term	999 years from 25 March 1989
Rent	One peppercorn (if demanded)

Tenancy

The whole property is currently let under a 1954 Act excluded lease to XPO Supply Chain UK Limited (SC037270) briefly as follows:

Sub Lease Dated	1 March 2019
Term	From and including 1 March 2019 to and including 3 April 2021 with a Tenant break any time after 6 July 2019 on at least 3 months' notice
Passing Rent	£840,000 per annum exclusive (£3.31 psf)
Repairs	Tenant FRI (with schedule of condition)

Quoting terms

Offers are invited in excess of **£7,100,000 (seven million one hundred thousand pounds)**. This reflects a very attractive net initial yield of 11.09%, a reversionary yield of 12.09%, and a low capital value of only £28 per sqft.



If you'd like to talk to one of our team to discuss this property please get in touch.

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