VIRTUAL TOUR

INVESTMENT SUMMARY

- Freehold headquarters/warehouse facility.
- Located in Peterborough with good access to the city's dualled ring road and A1(M) (junction 17).
- Situated on the established Eastern Industry Industrial Estate just to the north east of the City Centre.
- Constructed in 2001 and comprising a purpose built warehouse, together with 3 storey offices and TV studios.
- Accommodation totals approximately 11,512 sq m (123,913 sq ft).
- Building footprint of approximately 7,689.3 sq m (82,770 sq ft) – site cover of only 30%.
- Generous site area of 2.55 hectares (6.31 acres).
- 5 year lease from 21 October 2022 to Sports Direct.com Retail Limited expiring 20 October 2027, contracted out of the Security of Tenure provisions of the 1954 Landlord & Tenant Act.
- Full repairing and insuring terms subject to a Schedule of Condition.
- Year 1 rent £625,000 (50% for first 6 months) stepping up to £650,000 per annum from 21/10/2023 (£5.57 per sq ft & £2.00 per sq ft on the mezzanine) for remainder of the term.
- Entirely sub-let to Ideal World Limited expiring 17 October 2027.
- Sports Direct.com Retail has a Dun & Bradstreet rating of 5A2.
- Future potential for redevelopment/alternative uses; HQ in the advanced manufacturing, innovation/R&D, scientific and logistics sectors.

PROPOSAL

Offers are invited in excess of £8,100,000 subject to contract and exclusive of VAT, assuming the rent is topped up to £650,000 by the Vendor until October 2023. This equates to £65.36 per sq ft overall.

A purchase at this level will reflect a net initial yield of 7.52% assuming purchaser's costs of 6.67%.

↑ TO A1 (M)
CITY CENTRE
A1139 PARKWAY
IDEAL HOME HOUSE
RANDSTAD
PERKINS ENGINES
FORD & SLATER
DFS
HORSCH
BREEZEMOUNT
FLEXI PRINT
MEDLOCK
ABC STAINLESS
RAPIDROP
NEWARK ROAD

LOCATION

Peterborough is a cathedral city within Cambridgeshire and is one of the largest cities within the South East region. It is situated approximately 85 miles north east of London, 44 miles north of Cambridge and 86 miles east of Birmingham.

The city is situated east of the A1(M), which provides an excellent north-south route along the East of England, to the M25 and London in the south and connections to Yorkshire, Lincolnshire and the North East to the north. The A47 provides access to junction 21 of the M1 to the west, whilst eastbound it provides access to the A14 which connects to the A1(M) and provides access to the deep water port of Felixstowe.

Peterborough Railway Station is on the East Coast Mainline which allows direct access to London King's Cross with a fastest journey time of approximately 50 minutes. Northbound services run regularly to destinations such as York (1 hr 10 min), Leeds (1 hr 30 min) Newcastle (2 hr 25 min) and Edinburgh (3 hr 55 min). Peterborough is also served by the Cross Country operated Birmingham to Peterborough line with services to Leicester (55 min) and Birmingham (1 hr 44 min).

Peterborough is within easy reach of Luton Airport (60 miles) and Stansted Airport (65 miles). Birmingham and East Midlands airports are also within easy reach.

SITUATION

The property is situated on the long established Eastern Industry Industrial Estate and is approximately 2.0 miles north east of the city centre, next to Perkins Engines Eastfield Complex.

The site has over 130m frontage on to Newark Road and is within 1 mile of J7 of the Frank Perkins Parkway (A1139) which connects with the A1(M) (north / south) and the A47 (east / west).

Major employers in Peterborough include Perkins Engines, Caterpillar, Randstad, McCain, Tesco, Yearsley Group, Royal Mail, Comparethemarket, Oatly, Lidl. Coloplast, Amazon and IKEA.

DESCRIPTION

WAREHOUSE

2 bay portal frame warehouse

7.6m eaves height to underside of haunch

Pitched metal clad roof

Profile metal clad elevations with internal blockwork to a height of 2m

Lighting - tenant in the process of replacing to LED (above and below mezzanine completed)

Mezzanine over 20% of the warehouse area

Plant room

Forklift charging area and joinery workshop to rear

2 dock levellers and 2 level access loading doors

Heating and sprinkler system served by external water storage tank and pump room

The site is highly secure with palisade metal fencing around the perimeter, entrance gates and barrier entry and exit system.

OFFICES/ STUDIOS/ ANCILLARY

The property was constructed in 2001 and comprises a modern purpose-built warehouse and 3 storey offices incorporating 2 TV studios. There is 360 degree circulation around the building together with extensive car parking, good loading and ample external areas.

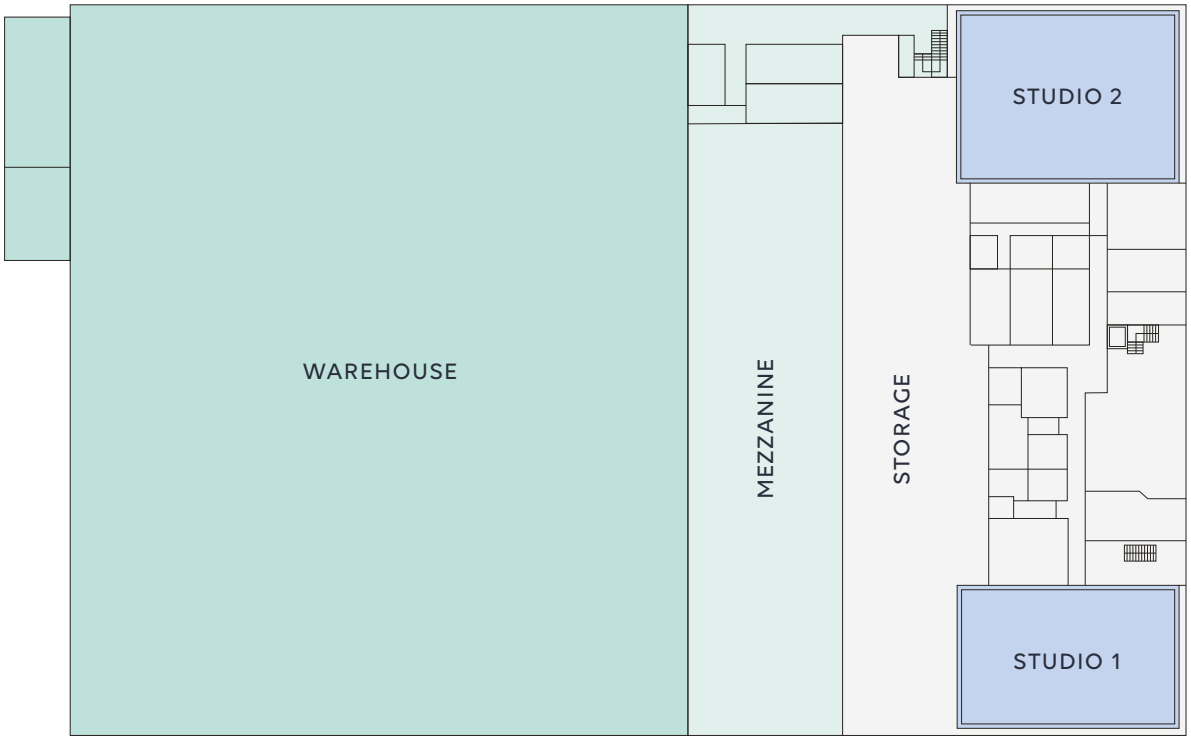
- Accommodation arranged over ground, first and second floors
- Entrance & reception
- Partial glazing to front elevation
- Lift serving all floors
- Raised floors to the offices
- Suspended ceilings to part
- Main central staircase with steel and glazed balustrade
- Comfort cooling
- 2 double height TV studios, specially constructed with separate steel frames
- Part sprinklered
- Staff restaurant on second floor
- Tenant in process of changing lighting to LED

ACCOMMODATION

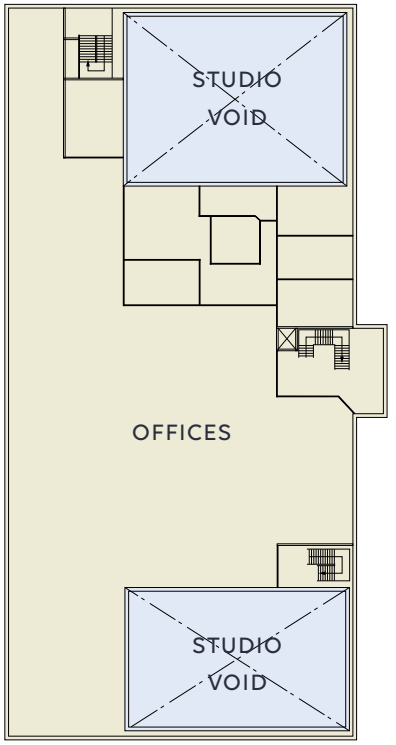
The property has been measured by Plowman Craven Associates in accordance with the RICS Code of Measuring Practice (6th Edition). The measured survey report is available in the data room.

FLOOR	USE	SQ M	SQ FT
Ground	Warehouse	5,261.6	56,635
Mezzanine	Warehouse	1,060.5	11,415
Ground	Studios	630.0	6,781
Ground	Offices / Storage / Ancillary	1,798.1	19,354
First	Offices	1,659.8	17,866
Second	Offices / Staff restaurant / Ancillary	1,102.0	11,862
TOTAL		11,512.0	123,913

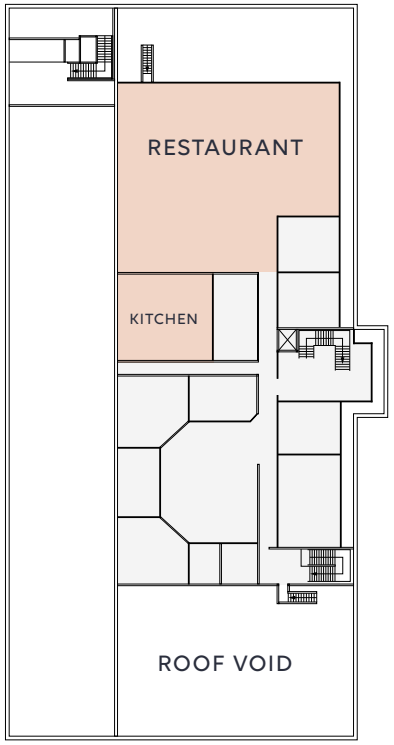
GROUND FLOOR



FIRST FLOOR



SECOND FLOOR



Not to scale.
Indicative only.

TENURE

Freehold.

SITE

The total site area extends to approximately 2.55 hectares (6.31 acres).

Not to scale. For identification purposes only. This plan is based upon the Ordnance Survey Map with the sanction of the controller of H.M. Stationery Office. Crown Copyright reserved

TENANCY

LEASE

- The Tenant is Sports Direct.com Retail Limited.
- Lease term of 5 years from 21 October 2022 expiring 20 October 2027.
- Year 1 rent £625,000 (50% discounted for first 6 months) stepping up to £650,000 per annum from 21/10/2023 for remainder of the term.
- The rent equates to £5.57 per sq ft (mezzanine at £2.00 per sq ft).
- Full repairing and insuring lease. The repair and yielding up liabilities are subject to a Schedule of Condition however with an express exclusion of any cut edge corrosion to the roof sheets where the repairing liability remains with the Tenant.
- The lease is excluded from the security of tenure provisions on the 1954 Landlord & Tenant Act.

UNDERLEASE

- The Sub-tenant is Ideal World Limited.
- Lease expiring on 17 October 2027.

COVENANT

Sportsdirect.com Retail Limited (company number 03406347) has a Dun & Bradstreet rating of 5A2.

The company has reported the following financial results:

	25-04-2022 £000's	25-04-2021 £000's	26-04-2020 £000's
Sales Turnover	2,877,067	1,897,160	2,160,287
Profit (Loss Before Taxes)	309,794	27,846	212,862
Tangible Net Worth	1,577,942	1,330,888	1,496,455
Net Current Assets (Liabilities)	2,371,592	2,159,165	2,516,613

SUB TENANT

Ideal World Limited (company number 11962549).

In early 2022, shopping channel and retailer Ideal World was bought by entrepreneur and investor Hamish Morjaria, who said at the time "It is a unique proposition. Shoppable content is something that many brands and retailers are investing in right now. Ideal World TV has the talent, infrastructure and experience to create long and short form content for both broadcast and streaming channels."

Morjaria purchased the retailer and TV channel from its previous owner, asset management firm Aurelius Equity Opportunities, for an undisclosed sum. At the time of the purchase Morjaria has held senior leadership roles in global technology, distribution, wholesale and retail companies for the past 20 years including more recently as Chairman of tech disruptor, FETCH Group.

EASTERN DISTRIBUTION CORRIDOR

The Eastern Distribution Corridor has established its position in the UK market with its strategic location sustaining demand for floor space. Requirements at the end of 2022 were a third higher than in 2021.

The depth of demand has expanded the geographical reach of the market and driven rental growth of over 30% in the last 12 months.

Take up remained buoyant in 2022, with 3.9m sq ft of Big Box activity recorded in 13 transactions, with a further 400,000 sq ft under offer at the end of the year. This brings total take up across the corridor to more than 8m sq ft over the past two years.

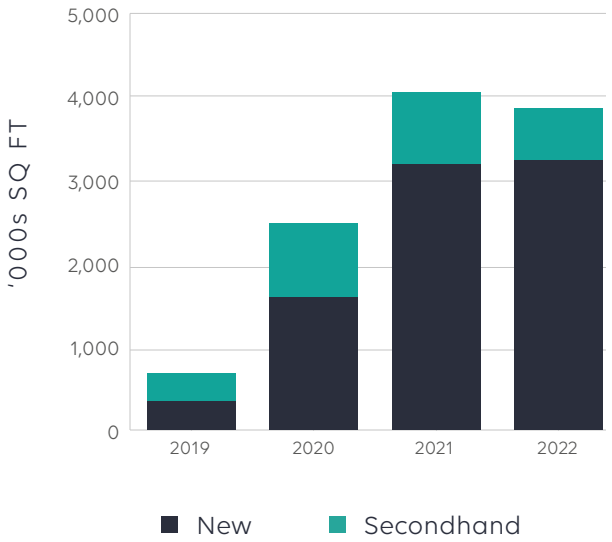
Most new speculatively built units have let ahead of completion.

Activity in the 100,000-250,000 sq ft size band was particularly strong, with nine transactions accounting 37% of the year's total.

The availability rate at the end of 2022 was only 1.6% against 17.9m sq ft of requirements with rents expected to breach £10 per sq ft in 2023/24.

(Source: Bidwells Big Box Report 2023)

BIG BOX TAKE-UP ACROSS EASTERN DISTRIBUTION CORRIDOR



BIG BOX PRIME RENTS ACROSS EASTERN DISTRIBUTION CORRIDOR

BIG BOX PRIME RENT FORECAST

WHY PETERBOROUGH?

Peterborough is the biggest city in the East of England and sits within two of the UK's fastest growth areas – the UK-Innovation-Corridor, stretching from Peterborough to London, and the Oxford-Cambridge Arc.

Peterborough's diverse economy spans numerous sectors; agri-food & drink, advanced manufacturing, digital & IT, logistics and construction.

The city has one of the highest business start-up rates in the country yet has manufacturers who can trace their legacy in the area back 150 years.

Gigabit speed infrastructure is powering the adoption of automation, digital factories, and artificial intelligence, which allows the resident workforce to operate flexibly and to collaborate globally.

(Source: investinpeterborough.co.uk)

PETERBOROUGH LOGISTICS & MANUFACTURING

Peterborough is on doorstop of the A1, with easy access to the M11, A47, A15 and A16 linking to sea ports and the rest of the country. There are three freight rail interchanges which can be reached within an hour's drive, plus Stansted and Luton airports in under 90 minutes.

LOGISTICS

The city is an established logistics hub as it comes with full-fibre gigabit connectivity that has made it possible for logistics giants like Amazon, IKEA and Yearsley Group to develop on-site automation and off-site transport management a reality.

Land in Peterborough has always been significantly cheaper than in Milton Keynes and Northampton which has attracted development and occupiers, particularly due to the city's affordable housing and labour pool.

MANUFACTURING AND ADVANCED ENGINEERING

Peterborough's manufacturing prowess means the concentration of manufacturers in the area is 50% higher than the UK average. Building on a legacy of manufacturing, investors can secure skilled staff, access additional specialist research, training and collaboration, while enjoying operating costs that are only 40% the rate of working in Cambridge and 60% the rate of Milton Keynes.

(Source: investinpeterborough.co.uk)

RENTAL TRANSACTIONS

DATE	PROPERTY NAME	SIZE (SQ FT)	TENANT	RENT (PSF)	TRANSACTION	NOTES
Dec 22	PS140 Peterborough South, Kingston Park, Peterborough	139,915	FreshLinc	£7.50	15 year lease. Break at year 10. 11 months rent free.	Brand new warehouse unit.
Dec 22	PS241 Peterborough South, Kingston Park, Peterborough	240,830	UK Housebuilder	£7.15	10 year lease.	Brand new warehouse unit.
Nov 22	1 Sabre Way, Barnack Business Park, Peterborough	56,385	2Excel Logistics	£6.30	15 years break at 10th year. CPIH collar & cap 2% & 5% 2 months rent free.	Early 2000's 2nd hand building. 8m eaves. Refurbished but awkward layout.
Oct 22	Ideal Home House, Newark Road, Peterborough	123,957	SportsDirectRetail.com Ltd	£5.57	5 year lease outside 1954 Act. 3 months rent free.	Early 2000's 2nd hand unit.
July 22	Unit 4 Symmetry Park, Biggleswade	230,000	Noatum Logistics	£9.00	15 year lease. 12 months rent free.	Brand new warehouse unit. PC due Jan 2023.
June 22	Suffolk Park, Bury St Edmunds	394,454	Bleckmann	£7.25	Confidential	Brand new warehouse unit.
June 22	Unit 9 Tower Close, Huntingdon	48,807	Charpak	£7.50	New lease. 10 year lease 6 months rent free.	Lightly refurbished unit.
June 22	Unit 2 Total Park, Bedford	80,738	Europool System UK Ltd	£9.10	10 year lease. 12 months rent free.	Brand new warehouse unit.
Mar 22	Orton 130, Bakewell Rd, Peterborough	128,695	Yours Clothing	£5.84	10 year lease. 12 month half rent. 5 year break.	2nd hand warehouse unit. Yours Clothing bought in the investment.

INVESTMENT TRANSACTIONS

DATE	PROPERTY NAME	SIZE (SQ FT)	TENANT	TERM (YEARS)	CAP VAL PER SQ FT (£)	NIY (%)
Available	Sittingbourne – Millen Road	60,742	Barclay & Mathieson	9.7	107	6.50
Nov 22	Hatfield – Hatfield Business Park	172,381	Yodel	5.2	284	5.00
Oct 22	Alfreton	56,760	Romac	4.5	97	6.05
Oct 22	Bradford – Wharfedale Road	31,304	ICS Cool Energy	8.5	97	4.70
Sept 22	Huddersfield – Russell Way	65,000	Modus Fabrics	9.0	93	6.00
Sept 22	Leeds - Wortley Moor Road	220,164	Torque Logistics	12.2	113	4.43
Sept 22	Newcastle-Under-Lyme – Parkhouse Industrial Estate	103,441	FedEx	4.6	134	4.72

Sittingbourne – Millen Road

Hatfield Business Park

Parkhouse Industrial Estate