



## **PROPOSAL**

Seeking offers in excess of £3,100,000 (Three Million, One Hundred Thousand Pounds) reflecting an attractive Net Initial Yield of 7.00%, after deducting purchaser's costs of 7.11%. This equates to a low Capital Value of £66.75 per sq ft.

Subject to contract & Exclusive of VAT.

## **INVESTMENT SUMMARY**

- // An opportunity to acquire a newly refurbished industrial unit in an established and sought-after industrial location.
- // New 10 year FRI Lease, with Tenant Only Break in year 7.
- // Long-term, secure income with a stepped rent reaching £232,500 per annum in year 5.
- // Open Market Rent Review at end of Year 5.
- // Freehold.
- // Well-connected by road with direct access to the A468 and A469 which provide connectivity to the centre of Caerphilly, as well as the A470 dual carriageway and Junctions 29, 30 and 32 of the M4 Motorway.
- // Cardiff is located 15 miles south and Newport is located 10 miles east.
- // 46,445 sq ft of warehouse space with loading and car parking. There is a minimum eaves height of 5.3m.
- // Recent refurbishment comprises new insulated roof in part, LED lighting, refurbished office, new glazed entrance, resurfacing of the yard area and creation of dedicated parking.
- // Let to Checkfire Ltd who had a turnover of £18,906,638 in the year ending 31/12/2021, with a profit of £1,173,374 for the same year.
- // The Tenant has a FAME score of 69/100.
- // Low base rent of £5.00 per sq ft provides strong rental growth prospects.

## LOCATION

Pantglas Industrial Estate, Bedwas is strategically situated east of the A470 dual carriageway and is well-connected by road with direct access to the A468 and A469 which connects to the centre of Caerphilly. The A470 dual carriageway offers access north towards Pontypridd and Merthyr Tydfil and South to Cardiff. Junctions 29, 30 and 32 of the M4 Motorway provide access west towards Swansea and East to Newport.

The property is located within Caerphilly County borough which has a population of over 175,000. The economy has traditionally been driven by the manufacturing industry, with a significant number of manufacturing companies operating in the area, particularly in the production of electronics and automotive components. The pedigree for manufacturing has led to the creation of a large commercial area including Pantglas Industrial Estate.

Caerphilly is one of 10 local authorities in South East Wales who have signed up to the 'Cardiff Capital Region'. The region has a population of 1.5 million which equates to almost half the total population of Wales. It is a diverse region comprising the two cities of Cardiff and Newport, a range of market towns, the industrial heartland of the South Wales Valleys, rural communities, and a coastal belt.

## SITUATION

The property is situated at the heart of Pantglas Industrial Estate, a popular industrial and manufacturing location in South Wales.

Occupiers in Bedwas include Aerfin Limited, Peter's Pies, Travis Perkins and Screwfix. The wider commercial area in Caerphilly Borough includes occupiers such as General Dynamics, Seda Packaging, Brush Engineering, PHS Group and Nuairé.

GENERAL DYNAMICS



Peter's

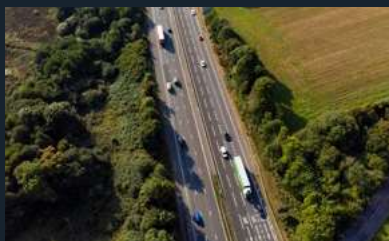
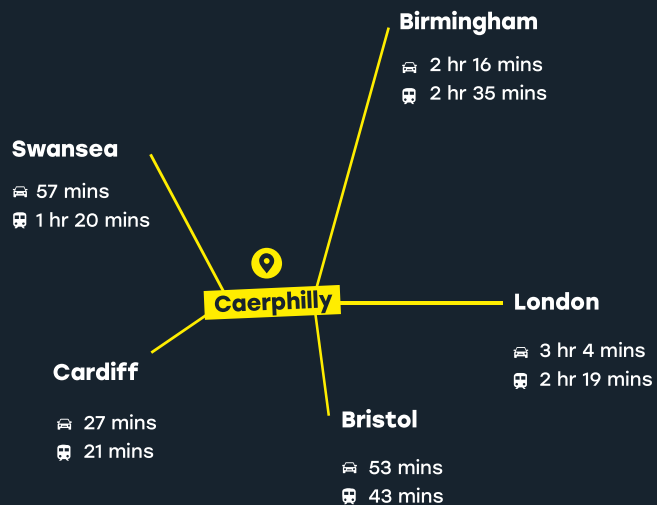
Seda

nuairé

## UNIT 19, PANTGLAS INDUSTRIAL ESTATE







## CONNECTIVITY

The estate is accessible by a range of transport modes:

### ROAD

Caerphilly is located 15 miles north of Cardiff and 10 miles West of Newport. M4 Motorway connectivity is via Junctions 29, 30 & 32.

### RAIL

The property is 2.6 miles from Caerphilly Railway Station which provides connectivity across south Wales.

Caerphilly Railway Station benefits from regular services to Cardiff Central. Cardiff Central provides further connectivity to the rest of the UK.

### AIR

Cardiff Airport is located 23 miles to the south west of Caerphilly and Bristol Airport is located 46 miles to the south east. Both offer scheduled flights to an array of European and international destinations.



## »»» Metro

Caerphilly has been included in the first phase of plans for the South Wales Metro which comprises a £800m investment in rail services in South Wales, this will mean more regular services on modern comfortable trains.

Caerphilly will benefit from the introduction of an interchange between rail and bus, including high quality passenger facilities, electronic information, increased capacity from existing 280 park and ride spaces, and EV charging for bus and private car.

## DESCRIPTION

The property comprises a single industrial unit of 46,445 sq ft with a minimum eaves height of 5.3m. The site layout allows for future sub-division if required. The site is secured by a perimeter fence and measures 2.13 acres.

The vendor has undertaken the following works:

New insulated roof in part

Resurfaced yard area

Creation of dedicated car parking area

New mezzanine office space

All offices to be fitted out with new carpets, suspended ceiling's, LED lighting and white paint.

New glazed entrance



## SITE

The property occupies a site measuring approximately 2.13 acres.

## TENURE

The property is held Freehold under title number WA603542.

## ACCOMMODATION

| Description | Sq M  | Sq Ft  |
|-------------|-------|--------|
| Warehouse   | 4,123 | 44,381 |
| Office      | 192   | 2,064  |
| Total       | 4,315 | 46,445 |



## VAT

This property is elected for VAT and anticipate the sale will be undertaken as a Transfer of a Going Concern (TOGC).

## EPC

The EPC rating is a C. The EPC Certificate is available upon request.



## TENANT

The Tenant is Checkfire Limited, who are a trade-only fire safety equipment supplier, comprising fire extinguishers and ancillary products such as storage cabinets and signage. Checkfire were established in 1975 and are headquartered in Caerphilly.

The Tenant has undergone a period of sustainable growth and requires larger premises for storage and office space. Their most recent results show a profit before tax of £1,173,374 which has increased from £613,506 in the previous year.



## LEASE

|              |   |
|--------------|---|
| Tenant       | Checkfire Limited   |
| Term         | 10 years from 01/01/2024  |
| Rent         | Year 1 - £186,000 per annum<br>Year 2 - £197,625 per annum<br>Year 3 - £209,250 per annum<br>Year 4 - £220,875 per annum<br>Year 5 - £232,500 per annum |
| Break date   | 7 years (Tenant only)   |
| Review       | 5 yearly reviews  |
| Review basis | Upward only to Market Rent  |
| Repair       | FRI   |

There is a rent-free period ending 31st December 2023. The Vendor will provide a top up to year 5 rent of £232,500 per annum.

## FINANCIAL

|                               | YE 31/12/2021 | YE 31/12/2020 | YE 31/12/2019 |
|-------------------------------|---------------|---------------|---------------|
| Turnover                      | £18,906,638   | £12,668,385   | £13,270,010   |
| Profit (Loss) before Taxation | £1,173,374    | £613,506      | £331,165      |
| Net Tangible Assets (Liab.)   | £2,723,355    | £1,972,910    | £1,576,756    |

The Tenant has a FAME score of 69/100 – this represents a very low chance of company failure.



## INVESTMENT COMPARABLES

| Date   | Address                                   | WAULT     | Price  | Yield | Purchaser                | Comments  |
|--------|---|-----------|--------|-------|--------------------------|---|
| Dec-22 | Cubex155, Calidcot                        | 15 years  | £25.5m | 4.00% | Private Investor         | Forward sale for single let 155,000 sq ft warehouse. Tenant is Owens Group.   |
| Oct-22 | 50-54 Lambourne Crescent, Cardiff         | 7.2 years | £1.68m | 5.04% | Private Investor         | 15,540 sq ft, let to University of South Wales.   |
| Jun-22 | Hadnock Road Industrial, Estate, Monmouth | 3.5 years | £1.6m  | 5.89% | Private Investor         | 23,498 sq ft multi let trade and industrial estate located within a secondary location.   |
| May-22 | Grange Rd Cwmbran                         | TBC       | £14.05 | 4.75% | Copley Point Capital Ltd | Forward sale for single let 110,000 sq ft warehouse. Tenant is Crane.   |
| Mar-22 | Royal Mail, Maritime Industrial Estate    | 9.5 years | £1.37m | 5.31% | Private Individual       | 14,998 sq ft unit let to Royal Mail with on 10-year FRI lease. 5th year upward only. Rent review to market rent. 5th year Tenant only break (£91.03 per sq ft). |

## SINGLE LET INDUSTRIAL INVESTMENT

