

# UNITS 3-29

# TRENT LANE INDUSTRIAL ESTATE CASTLE DONINGTON DE74 2NP



## MULTI-LET FREEHOLD INDUSTRIAL ESTATE



Units 3-6

## INVESTMENT SUMMARY

- Multi-let industrial estate of 27 units arranged across 6 terraces and two detached units.
- East Midlands Airport is situated directly to the south, the UK's busiest hub for dedicated air cargo traffic.
- Constructed in four phases with the latest phase developed in 1992.
- Total accommodation of 174,805 sq ft GIA with units ranging from 4,015 sq ft to 18,560 sq ft.
- The property is held Freehold on a site of approximately 10.66 acres reflecting a low site density of only 37.6%.
- Nearby local occupiers include Amazon, DHL, M&S Distribution, Kuehne + Nagel.
- A total rental income of £982,466 per annum (including guarantee on Units 13 & 14), reflecting a low average overall rent of £5.62 per sq ft.
- A WAULT of approximately 4.8 years to lease expiry and 3.2 years to earliest determination.
- Estimated rental value of £1,054,418 per annum (£6.03 per sq ft overall).
- We are instructed to seek offers in excess of **£12,000,000 (Twelve Million Pounds)** subject to contract and exclusive of VAT. A purchase at this level reflects a **net initial yield of 7.67%** and a **reversionary yield of 8.23%**, assuming purchasers' costs at 6.8% equating to a **low capital value of £68.65 per sq ft**.

# DESCRIPTION

The estate comprises 27 units, arranged across six terraces and two detached units. The estate was developed in four phases from 1970 through to the early 1990s.

**Phase 1** (Units 3-16) was developed in the early 1970s. Units 3, 4, 5 & 6 have steel portal frames, brick and block walls and concrete floors. Units 7-14 are all formed with steel columns and lattice steel beams supporting steel truss roofs. The eaves height for the units is approximately 5.5m (18 ft). All units have offices on part ground and first floors some of which have been extended by the tenants. Units 10, 11 & 12 are currently undergoing comprehensive refurbishment.

**Phase 2** (Units 20-25) was completed in circa 1982, the units comprising concrete frame construction with steel truss roofs and concrete floors. The eaves height is approximately 5.5m (18 ft). These units have offices on the ground and first floors, and asbestos cement roof cladding.

**Phase 3** (Units 26-29) was constructed in 1989. These units have steel portal frames, block work/profiled metal cladding walls and line-profiled steel roofs. All four units have ancillary office accommodation on ground and first floor.

**Phase 4** (Units 17-19) was completed in approximately 1992. These units have steel portal frames, blockwork/profiled metal cladding walls and line-profiled roofs. The units have an eaves height of approximately 6.4m (21 ft).



M1 J24A

A50 J1

Station Road

UNITS 3-29

East Midlands Airport →

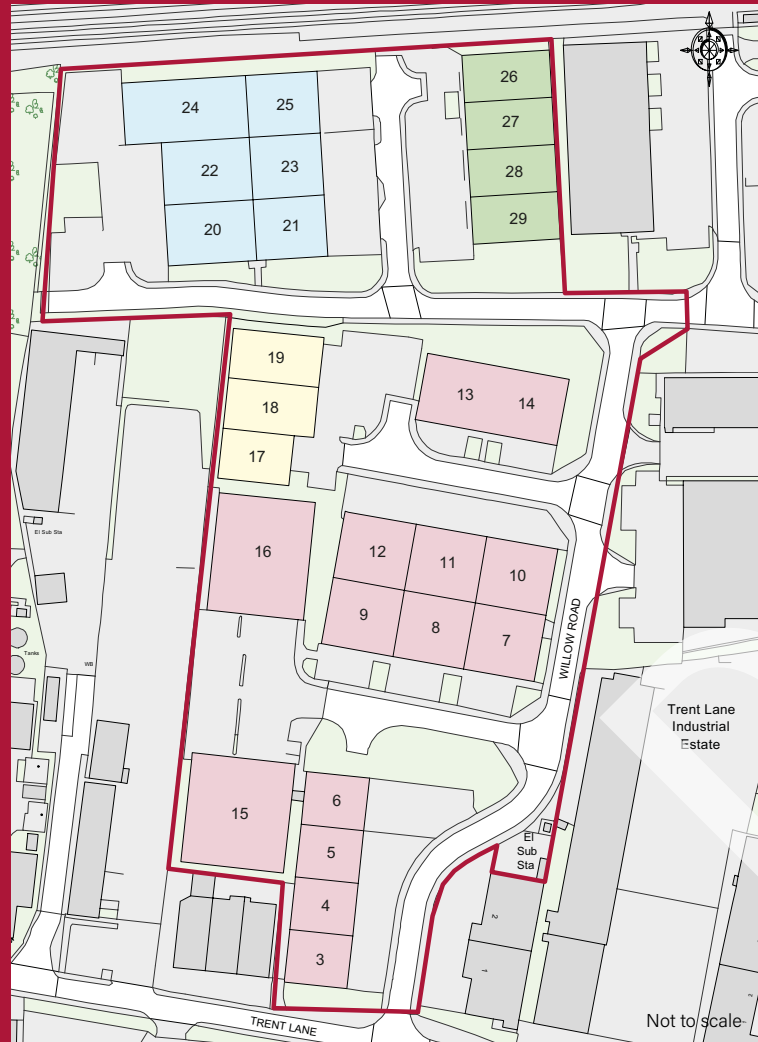
Trent Lane

- 1 DC Tyres - Autocentre
- 2 FC Cartons - Packaging industry support
- 3 SLD Pumps - Pump & generator rentals
- 4 Gordon Ellis - Woodworking & moulding
- 5 Homag UK - Production machinery
- 6 Toyota Tsycho UK - Logistics & supply chain
- 7 Speedy - Equipment & tool hire
- 8 Spatial Global - Freight forwarding
- 9 NNZ - Packaging specialist
- 10 Illuma Lighting - Lighting specialists



# SITE AREA

The site extends to approximately 10.66 acres reflecting a low site density of only 37.6%.



Key: Phase 1 Phase 2 Phase 3 Phase 4

# TENANCY & ACCOMMODATION

The property provides a total gross internal floor area of approximately 174,805 sq ft.

The estate benefits from a Weighted Average Unexpired Lease Term of approximately 4.8 years to expiries and 3.2 years to breaks.



Unit 9

Units	Tenant	Area sq ft GIA	Lease Start	Break Date	Rent Review Date	End Date	Term Certain	Inside L&T Act 1954?	Passing Rent pa	Rent per sq ft	ERV per annum	ERV per sq ft	Schedule of Condition	Comments
Units 3, 4 & 5	TP Aerospace Technics UK Ltd	11,995	21/11/2018	-	-	20/11/2023	1.11	N	£70,000	£5.84	£77,368	£6.45	Y	Currently negotiating a regear for a term of 5 years with a tenant break at year 3, in addition to a new letting of units 13 & 14 (see below). Nov-21 break not exercised. Rent deposit held of £35,000 plus VAT.
Unit 6	Eriks Industrial Services Ltd	4,015	14/11/2021	-	-	13/11/2026	4.09	Y	£24,090	£6.00	£27,101	£6.75	N	
Unit 7	Douglas Gill International Ltd	6,305	16/09/2018	-	-	15/09/2023	0.93	Y	£30,500	£4.84	£37,830	£6.00	Y	In occupation since 2013.
Unit 8	Supertune Automotive Ltd	5,850	02/06/2021	-	-	01/06/2026	3.64	N	£34,570	£5.91	£35,100	£6.00	N	In occupation since 2011.
Unit 9	Appletree Global Ltd	6,285	01/07/2019	01/07/2024	30/06/2024	30/06/2029	1.72	N	£37,500	£5.97	£37,710	£6.00	N	Tenant only break option on 01/07/2024 on 6 months notice without penalty. Open market rent review. Rent deposit held of £7,542 plus VAT.
Units 10, 11 & 12	St. John Ambulance	18,560	12/08/2022	12/08/2030	12/08/2028	11/08/2034	7.84	Y	£115,970	£6.25	£116,000	£6.25	N	Rent commencement date of 12/04/2023 - vendor to top up. Tenant only break option on 6 months notice without penalty. If the tenant does not exercise the 2030 break, there will be a further 3 month rent free period from 12/08/2030. Open market rent review. Capital contribution of approximately £365,000 for refurbishment works.
Units 13 & 14	Vacant - U/O with solicitors instructed (12 month rent guarantee if the letting does not take place)	12,540	-	-	-	-	-	-	£80,883	£6.45	£80,883	£6.45	TBC	Landlord approached prior to marketing by TP Aerospace Technics UK Ltd. Solicitors are instructed on the letting to TP Aerospace Technics UK Ltd (existing occupier of units 3, 4 & 5) for a 5 year term outside of L&T Act 1954, FRI, at a rent of £80,883 pa (£6.45 psf) with 3 months rent free, a tenant break option after 3 years and a 6 month rent deposit to be held. Capital contribution of approximately £152,000 for refurbishment works.
Unit 15	Eriks Industrial Services Ltd	14,225	14/11/2021	-	-	13/11/2026	4.09	Y	£78,230	£5.50	£81,794	£5.75	Y	In occupation since 2020.
Unit 16	On Event Production Co Ltd	13,665	22/05/2020	-	-	21/05/2025	2.61	N	£71,740	£5.25	£78,574	£5.75	Y	In occupation since 2015.
Unit 17	Knighton Janitorial Ltd	4,770	22/12/2021	22/12/2026	22/12/2023 22/12/2026	21/12/2031	4.20	N	£26,021	£5.46	£28,620	£6.00	Y	In occupation since 2016. Tenant only break option on 22/12/2026 on 6 months notice without penalty. Fixed rent increase on 22/12/2023 to £27,203 pa (£5.70 psf). Open market rent review in 2026. Rent deposit held of £5,664 plus VAT.
Unit 18	Knighton Janitorial Ltd	6,050	22/12/2021	22/12/2026	22/12/2023 22/12/2026	21/12/2031	4.20	N	£34,282	£5.67	£36,300	£6.00	N	In occupation since 2016. Tenant only break option on 22/12/2026 on 6 months notice without penalty. Fixed rent increase on 22/12/2023 to £35,772 pa (£5.91 psf). Open market rent review in 2026. Rent deposit held of £7,125 plus VAT.
Unit 19	Knighton Janitorial Ltd	6,035	22/12/2021	22/12/2026	22/12/2023 22/12/2026	21/12/2031	4.20	N	£34,310	£5.69	£36,210	£6.00	Y	A recent letting in addition to Units 17 & 18. Tenant only break option on 22/12/2026 on 6 months notice without penalty. Fixed rent increase on 22/12/2023 to £35,802 pa (£5.93 psf). Open market rent review in 2026.
Units 20 & 22	Unilode Aviation Solutions UK Ltd	14,240	02/02/2020	02/02/2023	-	01/02/2025	2.31	N	£78,320	£5.50	£81,880	£5.75	Y	In occupation since 2013. Feb-23 break not exercised.
Unit 21	Portakabin Ltd	5,815	05/12/2016	-	05/12/2021	04/12/2026	4.15	N	£28,000	£4.82	£34,890	£6.00	Y	In occupation since 2006. Open market rent review. Dec-19 and Dec-21 breaks not exercised.
Unit 23	New Look (UK) Ltd	5,985	30/08/2018	-	30/08/2021	29/08/2023	0.88	N	£31,500	£5.26	£35,910	£6.00	N	Open market rent review. Aug-21 break not exercised. Rent deposit held of £7,875 plus VAT.
Unit 24	Unilode Aviation Solutions UK Ltd	10,285	02/02/2020	02/02/2023	-	01/02/2025	2.31	N	£56,700	£5.51	£59,139	£5.75	N	In occupation since 2010. Feb-23 break not exercised.
Unit 25	DPI (UK) Ltd	6,035	10/03/2017	-	-	09/03/2022	-0.59	N	£29,000	£4.81	£36,210	£6.00	Y	Tenancy at will currently in place. Solicitors instructed on a new lease for a 5 year term from 10/03/2022 at £36,200 pa (£6.00 psf) with a rent free period of 1.5 months, tenant break at year 3, outside L&T Act 1954.
Unit 26	Acclaim Upholstery Company Ltd	5,555	29/04/2021	29/04/2024	-	28/04/2026	1.55	N	£30,250	£5.45	£33,330	£6.00	Y	In occupation since 2017. Tenant only break option on 29/04/2024 on 6 months notice without penalty. Rent deposit held of £11,454.30 plus VAT.
Unit 27	Acclaim Upholstery Company Ltd	5,555	29/04/2021	29/04/2024	-	28/04/2026	1.55	N	£30,400	£5.47	£33,330	£6.00	Y	In occupation since 2016. Tenant only break option on 29/04/2024 on 6 months notice without penalty. Rent deposit held of £7,809.19 plus VAT.
Unit 28	Acclaim Upholstery Company Ltd	5,500	25/09/2020	25/09/2024	-	28/04/2026	1.96	N	£30,250	£5.50	£33,000	£6.00	Y	In occupation since 2015. Tenant only break option on 25/09/2024 on 6 months notice without penalty. Rent deposit held of £7,211.04 plus VAT.
Unit 29	G.B. Lift Trucks Ltd	5,540	05/01/2020	04/01/2025	04/01/2025	04/01/2030	2.24	N	£29,950	£5.41	£33,240	£6.00	Y	In occupation since 2009. Open market rent review. Tenant only break option on 04/01/2025 on 6 months notice without penalty.
Sub Total		174,805							£982,466	£5.62	£1,054,418	£6.03		

## ASSET MANAGEMENT

The property offers numerous asset management opportunities to be explored including, but not limited to, the following:

- With approximately 75% of income contracted out of the L&T Act 1954, this provides an excellent opportunity to execute a robust tenant management strategy at lease events to drive rents and set a new rental tone.
- Increase the average rental tone of £5.62 per sq ft following recent lettings at £6.25 per sq ft and £6.45 per sq ft (currently under offer).
- Capture rental uplift through forthcoming rent reviews.
- Negotiate regearing of current lease expiries and the removal of break clauses to extend the WAULT.
- Re-brand the estate to improve common areas and estate roads to provide a better-quality environment and improved cohesion between units.
- Consider breaking up the estate with freehold sales. The overall capital value at £68.65 per sq ft is low, and is therefore underpinned by vacant possession / owner occupier values.

## CONTACTS

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## DATA ROOM

Further information is available on request.

## EPC

A full schedule of EPC certificates will be available within the data room.

## TENURE

The property is held Freehold.

## AML

In order to discharge its legal obligations, in accordance with Anti Money Laundering Regulations, Tudor Real Estate will require certain information from the successful bidder. In submitting a bid, you agree to provide such information upon agreement of Heads of Terms.

## PROPOSAL

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