

TOKENSPIRE BUSINESS PARK

HULL ROAD, **BEVERLEY HU17 0TB**

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BUSINESS PARK 

REVERSIONARY MULTI-LET INDUSTRIAL ESTATE, OFFERING SIGNIFICANT ASSET MANAGEMENT OPPORTUNITIES

Investment Summary

- ▶ Opportunity to acquire a prominent and well occupied multi-let industrial estate with **significant asset management and development opportunities**
- ▶ Located on the A1174 (Hull Road) less than 1 mile from Beverley town centre
- ▶ The estate extends to **305,885 sq ft** on a site of **24.41 acres**, reflecting a very low site cover of **29%**
- ▶ Currently let to **29 tenants on 35 separate leases** at total rent passing of £1,084,655 per annum, reflecting a **very low rent of £3.55 per sq ft**
- ▶ Average weighted unexpired lease term of **5.17 years** to expiries and 2.91 years to breaks
- ▶ Freehold
- ▶ The site benefits from **3 industrial development plots** with extant full planning permission for over 50,000 sq ft of new industrial accommodation across 1.60 hectares (3.95 acres)

Offers are invited in excess of **£15,600,000 (Fifteen Million, Six Hundred Thousand Pounds)**, subject to contract and exclusive of VAT.

This reflects a **net initial yield of 6.52%** and a capital value of **£51 per sq ft**, assuming purchaser's costs of 6.72%



Location & Situation

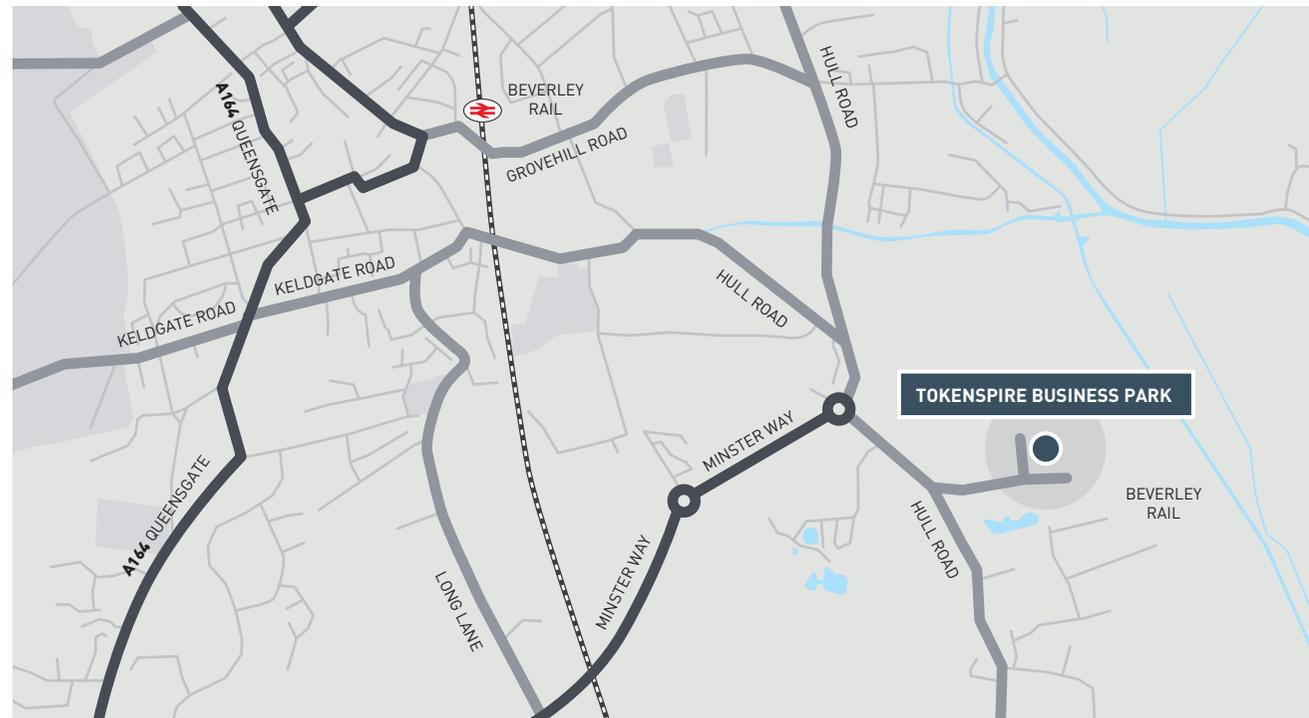
Beverley is a historic market town located in East of Riding of Yorkshire approximately 8 miles north of Kingston upon Hull, 32 miles south east of York, 56 miles East of Leeds and 93 miles North East of Manchester.

The town benefits from excellent road communications with the A164 and A63 linking to Junction 38 of the M62 approximately 14 miles to the west. The A1174 provides access to the Port of Hull which is one of the UK's busiest deep sea foreign trading ports, the major ports of Grimsby and Immingham are also within a short drive. The Humber currently accounts for 23% of all goods travelling through English ports, adding £7.6 billion GDA to the UK and supports around 35,000 regional jobs.

Beverley's main train station is situated within an 8 minute drive (1.5 miles) with services to Hull in 15 minutes, with Leeds and Manchester Piccadilly accessible in 1.5 hours and 2.5 hours respectively. Humberside Airport is located 23 miles to the south with international and domestic flights. Robin Hood Airport is 45 miles to the south west and Leeds Bradford is situated 69 miles to the West.

Tokenspire Business Park is Beverley's main business park with a prominent position fronting the A1174 (Hull Road). Access to the estate is via Minster Way (Beverley Southern Bypass) which connects the A164 to the business park providing links to the M62 motorway.

There has and continues to be a number of high profile developments within the immediate vicinity of Tokenspire Business Park. This includes a recently opened Lidl Supermarket situated on the opposite side of the A1174, together with a new Drive Thru Costa and Burger King on nearby Minster Way, which is being delivered by Cookridge Estates. There are also a number of prominent housing developments coming forward, including 404 homes at Woodmansey Mile and 280 units at Queens Court by Barratt Homes and David Wilson Homes, together with a further development of 80 family homes off Minster Way being delivered by Bovis Homes. The local authority's masterplan allows for the construction of 1800 new homes between Woodmansey Miles and Minster Way by 2029 as the largest contribution to a national planning requirement to provide 3,300 new homes in Beverley.







Description

Tokenspire Business Park comprises a predominantly multi-let industrial estate constructed over a number of years between the 1970's and the 2000's. The estate is self-contained and comprises 43 industrial units (occupied as 39 units) across a number of terraces and detached industrial units.

The industrial units range from starter units of 634 sq ft up to stand alone warehouse units of up to 47,874 sq ft. The specification of the units varies depending upon the age, with eaves heights ranging from approximately 3.3m up to 8.3m. To the front of the estate is a small residential bungalow which is let and occupied by the site's full-time security employee.

The site also benefits from 8 industrial plots (no.s 200 – 500 and 110 – 150) with full extant planning permission to provide over 50,000 sq ft of new industrial accommodation.

The current owners have enhanced the estate during their ownership by undertaking several investment and refurbishment initiatives costing in excess £1,100,000. These works are summarised as follows;

- ▶ Resurfacing of approximately 50% of estate roads and carriage ways
- ▶ Replacement of approximately 50% of underground drainage
- ▶ Over coat of the roof to Unit 24
- ▶ Full refurbishment of Unit 4c
- ▶ Repainting of cladding to the main block and units 22-24
- ▶ Structural repairs to Units 7 & 8
- ▶ New CCTV system
- ▶ New estate signage
- ▶ Refurbishment of all units as and when they have become vacant
- ▶ Replacement to a section of the perimeter fencing
- ▶ New estate gates

Detailed information of these specific works can be found within a data room, access of which is available upon request.

Accommodation

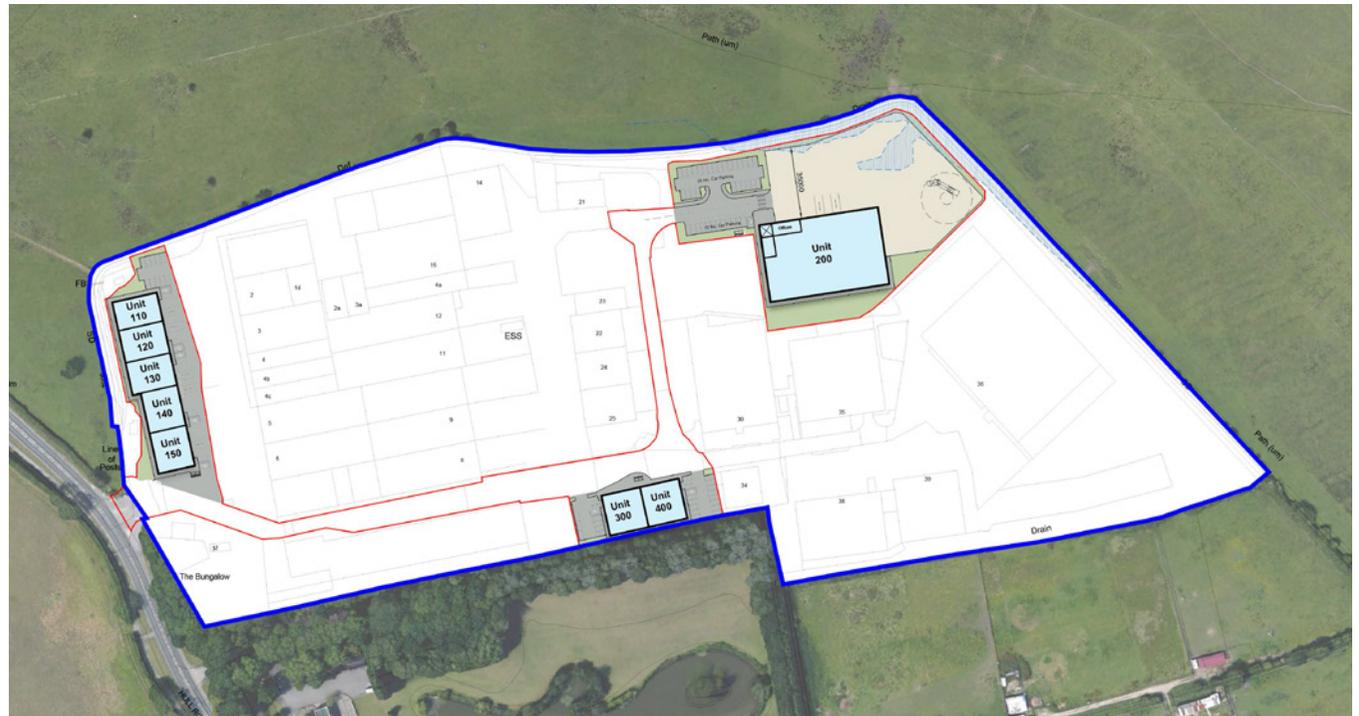
The estate extends to 305,885 sq ft on a site of 24.41 acres, reflecting a very low site coverage of 29%.

The asset includes 8 development plots, which all have full extant planning permission for mixed industrial uses under Use Classes B1, B2 and B8, as summarised below.

Plots 110 – 150 - Planning permission no. 19/04077/PLF for the erection of building for employment use (B1, B2 and B8) following demolition of existing buildings. This was the subject of a non-material amendment application (no. 20/40157/NONMAT).

Plot 200 - Planning permission no. 19/04078/PLF for a building for employment use comprising B1, B2 and B8 uses, with associated works including provision of parking areas and service yard, landscaping and erection of 2.4m high boundary fencing.

Plots 300 – 400 - Planning permission no. 19/04079/PLF for the erection of 2 no. industrial units for B1, B2 and B8 uses with associated works including provision of parking areas and landscaping. This was the subject of a non-material amendment application (no. 20/40158/NONMAT).



Tenancies

The property is let to 29 tenants and provides a total rental income of £1,084,655 per annum equating to a low rate of £3.55 per sq ft. The estate has an average weighted unexpired lease term of 5.17 years to expiries and 2.91 years to breaks.

One unit as been sold off freehold and two units are currently vacant. The estate has historically enjoyed high occupancy levels and excellent tenant retention with a number of tenants having occupied units for a considerable period of time. The estate has been running at approximately 95% occupancy since the estate was acquired by the current owner in 2018.

A tenancy schedule is provided below:

Units	Tenant	Floor Area		Start	Lease Terms			£ pa	£ psf	1954 Act	Unit Comments	Lease Comments	% Income
		Sq M	Sq ft		Rent Review	Break	Expiry						
Bungalow	Paul Lowery	70	753	10/12/2019			30/04/2021	£1,200	1.59	Outside	On site security guard lives here		0.11%
Reflex House Block C & D	Vacant - To be demolished	363	3,909						0.00		Vacant - to be demolished		0.00%
Unit 1	Alexander Ellis Ltd	1,043	11,227	29/09/2020		29/09/2023	28/09/2025	£36,500	3.25	Outside			3.37%
Unit 2	Alexander Ellis Ltd	489	5,264	29/09/2020		29/09/2023	28/09/2025	£17,000	3.23	Outside			1.57%
Unit 2a	Fox Gins Ltd	176	1,891	05/02/2020		05/02/2023	04/02/2025	£10,000	5.29	Outside			0.92%
Unit 3	Alexander Ellis Ltd	740	7,961	29/09/2020		29/09/2023	28/09/2025	£21,500	2.70	Outside			1.98%
Unit 3a	Crossfit Barbaric Beverley Ltd	202	2,177	27/02/2020	27/02/2023	27/02/2023	26/02/2025	£8,030	3.69	Outside			0.74%
Unit 4	JDM Joinery Ltd	364	3,923	01/08/2018			31/07/2023	£12,000	3.06	Outside			1.11%
Unit 4a	Fabrics (UK) Limited	682	7,340	14/07/2020				£10,140	1.38	Outside	Tenancy at Will - negotiations on going to agree a fixed term		0.93%
Unit 4b	Andrew Miles T/a AJ Shutters	326	3,506	03/09/2018			02/09/2023	£12,000	3.42	Inside			1.11%
Unit 4c	Freestyle Music Limited	355	3,817	10/06/2020	10/06/2023	10/06/2023	09/06/2025	£15,000	3.93	Outside			1.38%
Unit 5,6,9,10	Kevin Parsons t/a TK Stairs	3,637	39,148	20/11/2021		20/11/2026	20/11/2031	£143,500	3.67	Inside	In legals. To complete shortly.		13.23%

Tenure

The estate is held Freehold.

Unit 30 (shown edged blue on the estate plan) has been sold to Fabrics UK Ltd and is excluded from the title. Rights of access have been granted and in return the owner contributes towards the cost of estate services.



Tenancies (Cont.)

Units	Tenant	Floor Area		Start	Lease Terms			£ pa	£ psf	1954 Act	Unit Comments	Lease Comments	% Income
		Sq M	Sq ft		Rent Review	Break	Expiry						
Unit 4a, 5a, 6a	Roses Of Beverley Limited	728	7,832	01/08/2020	01/08/2023	31/07/2023	31/07/2026	£30,500	3.89	Inside			2.81%
Unit 7 & 7c	Aflex Cables Limited	203	2,188	01/11/2007			31/10/2013	£9,300	4.25	Inside	To be renewed		0.86%
Unit 7a	Medusa Resin Tiles Limited	330	3,557	23/07/2020			22/07/2023	£15,000	4.22	Outside			1.38%
Unit 7b	L.M.B Limited	160	1,721	01/10/2021			30/09/2026	£10,000	5.81	Inside	In Liquidation. Terms agreed for new lease with one of the Directors		0.92%
Unit 7d	VREOP I (Tokenspire) Limited	59	634						0.00		Management suite		0.00%
Unit 7e	Oracle Taps Ltd	174	1,872	21/05/2018			20/05/2021	£5,000	2.67	Outside	To be renewed		0.46%
Unit 7f	The Arts Garage 2 Limited	288	3,101	15/10/2014			14/10/2019	£9,500	3.06	Inside	5 year extension in legals		0.88%
Unit 8	Crossroads Pantomimes Ltd	911	9,804	25/03/2020	25/03/2025	25/03/2025	24/03/2030	£32,500	3.31	Inside			3.00%
Unit 8a	East Riding College	75	812	01/01/2021			31/12/2022	£8,000	9.85	Outside	To be documented - 2 year lease		0.74%
Unit 8b	Vacant	159	1,709								Sargent have requested terms to take a lease. Negotiations on going		
Unit 9a	JRC Express Limited	390	4,197	01/07/2021		01/07/2024	30/06/2026	£16,700	3.98	Inside	In legals. To complete shortly.		1.54%
Unit 11	Logs for Sale Ltd	1,145	12,325	15/12/2016			14/12/2021	£25,000	2.03	Inside			2.30%
Unit 12	Lloyds Removals Ltd	1,128	12,140	24/06/2021			23/06/2026	£42,000	3.46	Inside	In legals. To complete shortly.		3.87%
Unit 14	Crossroads Pantomimes Ltd	774	8,334	13/02/2017	13/02/2022	13/02/2023	12/02/2026	£25,000	3.00	Inside			2.30%
Unit 15	Crossroads Pantomimes Ltd	734	7,903	25/03/2020		25/03/2025	24/03/2030	£25,000	3.16	Outside			2.30%
Unit 21	Nite Direct Marketing Limited	280	3,009	27/05/2021		27/05/2024	26/05/2026	£23,000	7.64	Inside			2.12%
Unit 22	Regent Mobile Homes Limited	503	5,412	01/05/2021			12/01/2025	£25,803	4.77	Outside			2.38%
Unit 23	N A Heath Contracting Limited	214	2,305	15/05/2014			14/05/2017	£12,000	5.21	Inside	Tenant wants new lease		1.11%
Unit 24	Regent Mobile Homes Limited	364	3,917	13/01/2020			12/01/2025	£20,000	5.11	Outside			1.84%

Occupational Market

The global pandemic combined with lingering Brexit uncertainty has accelerated consumer spending habits significantly. This change has propelled industrial occupiers to service those consumer demands which has in turn led to an acute demand/supply imbalance across the north east and Yorkshire regions which has led to rental and capital values witnessing unprecedented growth.

Neighbouring Hull is home to the UK's largest multi-purpose port complex and one of the biggest in Europe. The Humber Estuary provides a key access point for goods flows to and from the USA and Asia. The Humber Ports handle around 80 million tonnes of cargo each year and support over 30,000 jobs.

Major industrial occupiers in the area include Tesco, Argos, Amazon and Hermes. Restricted supply have driven several consecutive years of rental growth in Hull. While growth has accelerated to 6.9% year-over-year, the pace of expansion remains below the double-digits seen in mid-2017. Growth is expected to remain comfortably positive in the coming years.

Toolstation recently agreed to pay over £10 per sq ft in its letting of 3,500 sq ft on Barmston Road in Beverley, with average rents for secondary light industrial units now ranging from £4.50psf - £5.50 psf.

The Humber region is the least expensive industrial market in Yorkshire with average rents comfortably below the neighbouring competing commercial centres of York, Sheffield and Leeds.

Asset Management Initiatives

- ▶ Redevelop the surplus/redundant land and buildings (Block C&D) at the front of the estate which has prominence along the A1174 (Hull Road). This area would be suitable for a number of viable uses (STP)
- ▶ Develop the eight plots which benefit from full extant planning consent
- ▶ Increase the average rental tone on the estate through lease renewals and rent reviews
- ▶ The current landlord has been unable to demonstrate the full reversionary potential of the park due to occupancy levels having remained at very high levels since their ownership

Investment Market

Despite continuing political and economic uncertainties created by the UK's recent departure from the European Union and the current COVID-19 pandemic, the industrial and logistics sector continues to be the most highly sought-after asset class, with investors competing for growing exposure in a sector which is now evidently critical to servicing end consumers and logistic supply chains. This fundamental shift in the occupier dynamics now means we are seeing far greater prospects for rental and capital growth in the sector that we have seen before.

We have detailed below a selection of recent industrial estate investment transactions, relevant to the subject property.

Date	Property	Area Sq ft	Tenants	AWULT	Price	NIY	Cap val psf
In the market	Centurion Bus Park, Nottingham (long-leasehold)	65,047	6	3.30 yrs	Q. £6.100m	5.50%	£94
Under Offer	Waleswood Ind Est, Sheffield	112,809	13	2.94 yrs	c. £9.83m	c. 5.00%	£87
Jul 21	Mottram Way Trading Estate, Macclesfield	95,155	11	3.60 yrs	£12.59m	4.87%	£132
Jul 21	The Ringway, Huddersfield	136,529	28	4.16 yrs	£16.00m	5.25%	£117
Jul 21	Units 1-7 & 44-50 Melford Court, Warrington	114,107	13	4.60 yrs	£12.00m	4.50%	£105
Jul 21	The Exchange, Ipswich	106,963	6	4.10 yrs	£10.96m	4.75%	£102
Jun 21	City Parkway, Sheffield	134,330	5	8.90 yrs	£17.85m	6.10%	£133
Dec 20	Holton Heath Trading Estate, Poole	101,385	22	1.02 yrs	£10.40m	5.91%	£103
Dec 20	Frankley Industrial Estate, Birmingham	144,814	23	2.89 yrs	£11.49m	5.26%	£79
Dec 20	Stanley Green Trading Estate, Manchester	149,995	14	3.00 yrs	£14.40m	6.30%	£96



Service Charge & Facilities

There is a comprehensive service charge regime in place for the efficient management of the estate. For the year ending December 2021 the service charge budget per sq ft reflects 0.45p.

In addition, there is a running surplus within the budget of £50,000 for exceptional expenditure should it be so required.

Electricity on the estate is provided by the landlord and recharged to the tenants by way of sub-metering.

Water on the estate is provided from the estate's own bore hole.

Anti Money Laundering Policy

In accordance with Anti-Money Laundering Regulations, the successful purchaser will be required to provide two forms of identification and confirmation of the source.

EPC

Available to review within the data room.

Data Room

Data Room access is available upon request. Contained within the data room are a number of assign-able surveys available to review.

VAT

The Property is elected for VAT and it is envisaged that the transaction will be structured as a Transfer of Going Concern (TOGC).

Proposal

Offers are invited in excess of **£15,600,000 (Fifteen Million, Six Hundred Thousand Pounds)**, subject to contract and exclusive of VAT. This reflects a **net initial yield of 6.52%** and a **capital value of £51 per sq ft**, assuming purchaser's costs of 6.72%;

Further Information

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