INVESTMENT SUMMARY

- Swift Valley Industrial Estate is an established distribution location within the ‘Golden Triangle’ and close to Junction 1 of the M6.
- Modern distribution unit of 4,198.29 sq.m (45,189 sq.ft).
- Let to H&K Equipment Limited who also have a large manufacturing facility on Swift Valley.
- Current passing rent £214,210 per annum (£4.74 per sq.ft).
- Offers sought in excess of £2,250,000 (Two Million Two Hundred and Fifty Thousand Pounds), subject to contract and exclusive of VAT.
- A purchase at this price reflects a net initial yield of 9.00% assuming purchaser’s costs of 5.80% and a capital value of £50.00 per sq.ft.

LOCATION

Rugby is located approximately 35 miles east of Birmingham, 22 miles south of Leicester and 21 miles north west of Northampton. The town has excellent road communications with Junction 1 of the M6 two miles north of the town centre.

The town lies within the ‘Golden Triangle’ of prime distribution locations formed by the M1, M6 and M69. 80% of the country’s population can be reached from this area within a four hour drive time.

SITUATION

The property is situated on Swift Park, within Swift Valley Industrial Estate, one of the principal distribution locations within the town. The park has direct access to the Leicester Road (A426) connecting with Junction 1 of the M6 under two miles to the north. Occupiers on Swift Valley include Unipart, TNT, Co-op, Britvic, Technicolor and Volvo. The tenant occupies a large manufacturing facility fronting Brownsover Road and Cosford Lane and uses the subject property for storage and distribution.

The property lies in a very prominent position on the park with visibility from three frontages Brownsover Road and Old Leicester Road, which both provide direct access to the A426, and Swift Park which provides vehicle access and entrance to the unit.
DESCRIPTION
The property comprises a purpose built detached warehouse unit constructed in circa 1990.

The building is of two bay steel portal frame construction with elevations of plastic coated steel profile cladding on the outer skin and a block work inner skin to a height of 2.3m. The roof is metal clad with translucent roof panels and there is a concrete floor. The eaves height is 7.8 metres. The tenant has installed a substantial mezzanine within the warehouse.

Loading for the warehouse is from two level access and two dock level loading doors at the rear of the unit fronting onto a concrete surfaced yard.

To the north west corner of the warehouse is an integral two storey office building which has brick elevations. Internally the offices have suspended ceilings, recessed lighting and central heating.

There are 80 car parking spaces on site along the western elevation of the warehouse.

SITE AREA
We understand the building occupies a site of 1.11 hectares (2.74 acres) with a site coverage of approximately 35%.

ACCOMMODATION
The property has been measured on a gross internal area basis in accordance with the RICS Code of Measuring Practice (6th Edition) and provides the following floor areas.

<table>
<thead>
<tr>
<th>Description</th>
<th>Sq.m</th>
<th>Sq.ft</th>
</tr>
</thead>
<tbody>
<tr>
<td>Warehouse</td>
<td>3,689.75</td>
<td>39,813</td>
</tr>
<tr>
<td>Offices Ground Floor</td>
<td>249.77</td>
<td>2,688</td>
</tr>
<tr>
<td>Offices First Floor</td>
<td>249.77</td>
<td>2,688</td>
</tr>
<tr>
<td>TOTAL</td>
<td>4,198.29</td>
<td>45,189</td>
</tr>
</tbody>
</table>

TENURE
Freehold.
TENANCY
The property is let for a term of 25 years from 25 March 1990 to H&K Equipment Limited, on assignment from H&K Rugby Limited, expiring 24 March 2015. The lease is held on full repairing and insuring terms subject to five yearly upward only reviews. The current rent is £214,210 per annum (£4.74 per sq.ft).

COVENANTS
H&K Equipment Limited is a major manufacturer and supplier of stainless steel kitchen and catering equipment to the food service industry. The company’s clients include Subway and McDonalds. In the UK the company manufacture products from their facility on Cosford Lane in Swift Valley and use the subject property for storage and distribution due to its proximity to the Cosford Lane site. A summary of their last three years accounts is set out below.

<table>
<thead>
<tr>
<th></th>
<th>31/12/2009 £'000</th>
<th>31/12/2008 £'000</th>
<th>31/12/2007 £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover</td>
<td>66,912</td>
<td>57,563</td>
<td>48,536</td>
</tr>
<tr>
<td>Pre-tax profit</td>
<td>2,380</td>
<td>3,290</td>
<td>2,434</td>
</tr>
<tr>
<td>Shareholder's Funds</td>
<td>7,675</td>
<td>6,078</td>
<td>3,995</td>
</tr>
</tbody>
</table>

VAT
The property has been elected for VAT and therefore VAT will be payable on the purchase price, it is however anticipated that the sale will be dealt with by way of a TOGC.

PROPOSAL
We are instructed to seek offers in excess of £2,250,000 (Two Million Two Hundred and Fifty Thousand Pounds), subject to contract and exclusive of VAT. Assuming costs of purchase at 5.80% this reflects a net initial yield of 9.00% and a capital value of £50.00 per sq.ft.

FURTHER INFORMATION
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