

# ETNA WORKS

DUKE STREET | FENTON | STOKE-ON-TRENT | ST4 3NS



HIGH YIELDING, WELL LET INDUSTRIAL INVESTMENT OPPORTUNITY (C. 8 YEARS UNEXPIRED)



## SUMMARY

---

- An excellent opportunity to acquire a well let industrial investment offering secure income.
- Situated in an established commercial location in Fenton, Stoke-on-Trent.
- Excellent strategic location, immediately adjacent to the A50, a key arterial route linking the M6 and M1 Motorways.
- Providing **63,333 sq ft** of industrial accommodation across a large 4.16 acre site (low site cover of 35%).
- Let to the established Barkers Engineering Limited providing a passing rent of **£177,000 pa**, reflecting just **£2.79 per sq ft** (2015 rent review outstanding).
- Tenant has been **on site since 1863** and has invested heavily in the property.
- Unexpired term of **7.9 years**.
- Virtual Freehold.
- We are instructed to seek offers in excess of **£1,850,000 (One Million, Eight Hundred and Fifty Pounds)**, subject to contract and exclusive of VAT.
- A purchase at this level reflects an attractive net initial yield of **9.0%** after purchaser's costs of 6.23%.
- Low capital value of **£29.21 per sq ft**.





## KEY

- 1 DHL / Sainsburys
- 2 XPO Logistics
- 3 Dunelm
- 4 Marks and Spencer
- 5 Michelin
- 6 Dunelm
- 7 Britannia Stadium
- 8 Glen Dimplex
- 9 Pets at Home
- 10 Screwfix





# LOCATION

Stoke-on-Trent is the largest commercial area in Staffordshire, located in the North Midlands, approximately 43 miles south of Manchester, 45 miles north of Birmingham, 35 miles west of Derby and 163 miles north west of London.

The town benefits from an excellent strategic location, situated within a 1 hour travel time of many of the UK's major cities including Manchester, Liverpool, Chester, Birmingham, Sheffield, Derby, Wolverhampton, Nottingham and Leicester. The town also benefits from excellent transport communications, putting 90% of the UK population within 4 hours or less.

Road communications are excellent, given the close proximity of the M6 and also the A50, which provides fast dual carriageway access west-east between Stoke and the M6, and Derby, Nottingham and the M1.

Stoke-on-Trent railway station is located on the West Coast Mainline providing fast and frequent rail services to Manchester (40 minutes), Birmingham (50 minutes) and London (just 90 minutes). The proposed HS2 access will bring London and Europe ever closer.

Four international airports are located within an hour's drive of Stoke-on-Trent. These are Manchester, Birmingham, East Midlands and Liverpool John Lennon all of which fly daily across Europe and beyond enabling international business to flourish.



## STOKE-ON-TRENT: KEY INFO



90% of the UK population within 4 hours



Just 90 minutes from London by train



4 international airports within a 1 hour drive



## SITUATION

Etna Works benefits from an excellent strategic location, with good access to the regions key arterial routes. This includes the A50 to the South, A52 to the North and A500 to the West of the property. The property can be accessed from both Birrell Street and Duke Street, which provides direct and immediate access to the A50, which is now a key East-West commercial route, linking the M6 and M1 motorways.

Trentham Lakes is located to the South West of the property, comprising a 400 acre mixed use business park with occupiers including Holiday Inn, Glenn Dimplex, Rieter Automotive and H W Plastics. Other nearby occupiers include RJ Lift Services, Bella Access, BKW, Midlands Power Network, PFE Medical and Technical Solutions amongst many others.

## APPROXIMATE JOURNEY TIMES

STOKE RAILWAY STATION	6 minutes
J15 M6	7 minutes
J24A M1	40 minutes
BIRMINGHAM	47 minutes
MANCHESTER AIRPORT	48 minutes
MANCHESTER	1 hour
LONDON	2 hours, 40 minutes
EDINBURGH	4 hour, 45 minutes

## DESCRIPTION

The property comprises approximately 63,333 sq ft of industrial buildings of varying ages and types built across a large secure site of 4.16 acres.

Units typically comprise a mixture of steel truss and steel portal frame construction with metal clad elevations beneath pitched metal roofs with each unit benefitting from roller shutter loading provisions. The units have been extensively fitted out by the tenant with both the main workshop and Tipton shed benefitting from numerous 5 tonne gantry cranes.

The site also benefits from office and canteen facilities.

The site is secure and fully fenced and benefits from dedicated parking for approximately 51 vehicles.



## ACCOMMODATION

The property provides the following floor areas:

UNIT	DESCRIPTION	AREA (SQ FT)	AREA (SQ M)
1	Main Workshop	31,077	2,887.15
2	Tipton Shed	8,363	776.93
3	Premier Fasteners	2,066	191.94
4	Galv Plant	9,715	902.55
5	Powder Coating / Fettling Bay	8,551	794.41
6	Main Office	2,142	199.00
7	Canteen	1,419	1131.82
	TOTAL	63,333	5,883.80

We have calculated the total site area to be 4.16 acres, providing a low build density of approximately 35%.

## TENURE

The property is held on a 999 year long lease from 16 December 2005, subject to an annual rent of one peppercorn (if demanded).



# TENANCY

The property is let to Barkers Engineering Limited on a 20 year lease from 16 December 2005 and expiring on 15 December 2025 (7.9 years unexpired).

The passing rent is £177,000 per annum reflecting £2.79 per sq ft. The lease is subject to upwards only rent reviews on a 5 yearly basis to OMR . Both the 2010 and 2015 rent reviews remain outstanding.

The property is held on FRI terms subject to a schedule of condition.



# TENANT COVENANT

Barkers Engineering Limited has been designing and manufacturing perimeter security solutions for more than 40 years and during that time has developed an extensive service relating to security and infrastructure of projects.

The Company’s occupation at Etna Works can be traced back to 1863 and currently employ approximately 200 local staff, undertaking a 24-7 operation. The company is fully ensconced on the site and has invested heavily in this operation over the many years they have been in operation. They undertake all of the various manufacturing processes required to produce their products from this site including fabrication, galvanising and powder coating amongst others.

Barkers Engineering Limited has been granted a Dun and Bradstreet rating of 2A1 and has reported the following accounts:

	31/12/2016 (000's)	31/12/2015 (000's)	31/12/2014 (000's)
Turnover	21,502	23,527	21,000
Pre-tax profit	1,657	1,839	908
Tangible Net Worth	3,795	3,430	2,700

# INDUSTRIAL INVESTMENT MARKET

The North-West industrial investment market has seen unprecedented levels of investor demand, with over £800m of transactions occurring in 2017, a post-recession record.

The schedule of comparable investment transactions below highlights the appetite within the current market for well-let assets such as this property:



Date	Property	Size	Tenant	AWULT	Price	NIY
Under offer	Lock Street, St Helens	200,722	JB Global Ltd	10.7	£9.0m	6.50%
Under offer	Swan Street, Preston	120,576	Tetrad Ltd	10	£2.9m	8.50%
Dec 2017	Crewe Gates, Crewe	204,128	Buffaload Logistics Ltd	9.7	£11.4m	7.00%
Nov 2017	Stakehill Industrial Estate, Middleton	143,051	Footasylum	4.7	£9.85m	6.20%
Nov 2017	SPL House, Ellesmere Port	48,896	SPL International	10	£3.5m	6.45%
Jun 2017	Widow Hill Court, Burnley	143,051	Safran Nacelles	9.7	£5.1m	8.25%
Mar 2017	Bredbury Industrial Estate, Bredbury	54,134	Smiths News Trading	3.2	£3.0m	7.52%



## EPC

---

An EPC certificate is available upon request

## VAT

---

The property is elected for VAT and it is intended to treat this transaction as a Transfer Of a Going Concern (TOGC).

## PROPOSAL

---

We are instructed to seek offers in excess of £1,850,000 (One Million, Eight Hundred and Fifty Thousand Pounds), subject to contract and exclusive of VAT.

A purchase at this level reflects an attractive net initial yield of 9.0% and low capital value of £29.21 per sq ft.

## CONTACT

---

For further information please contact:



SIMON WOOD

01925 320520  
simon@b8re.com

JOHN BURROWS

01925 320520  
johnb@b8re.com

MISREPRESENTATION ACT: B8RE act for the vendors or lessors of this property whose agents they are, give notice that (i) these particulars are produced in good faith, are set out as a general guide only and do not constitute any part of an offer or contract. They are believed to be correct but any intending purchasers or tenants should not rely on them as statements or representations of fact but must satisfy themselves as to the correctness of each of them. (ii) no person in the employment of all agents has any authority to make or give any representation or warranty in relation to this property. This i-brochure was designed by i-creative.com, January 2018.