

Langley Park, Chippenham SN15 1GE

**STRATEGIC MULTI LET INDUSTRIAL ESTATE WITH NUMEROUS
ASSET MANAGEMENT & DEVELOPMENT OPPORTUNITIES**

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INVESTMENT CONSIDERATIONS

- **Chippenham is an affluent market town** in Wiltshire and benefits from excellent road and railway connections being strategically located on the M4 motorway and Great Western main line.
- Langley Park **occupies a strategic edge of town centre location within 300m of Chippenham Railway Station** and is of significant economic and historic importance.
- Langley Park comprises approximately **396,935 sq ft (36,876.50 sq m)** of warehouse and office accommodation across three main buildings. In addition, there is extensive car parking provision across the site which is a major benefit to all tenants.
- The park is let to five tenants including **Siemens Mobility Ltd, Schneider Electric Ltd, NHS Property Services Ltd, Vysiion Ltd and Littlefuse Inc.**
- **Total passing rent of £1,814,014 per annum** reflecting a **very low rate of £4.51 per sq ft**. The low rents across the site represent excellent value for money for the occupiers.
- Net income after deduction of the service charge shortfall is £1,707,085 per annum.
- **Attractive AWULT of 4.9 years to expiry and 4.05 years to breaks.**
- The site extends to approximately **26.5 acres (10.75 ha)** providing a **low site cover of approximately 32%**.
- Strong and diversified income profile.
- **Freehold site fully underpinned by residential values.**
- The largest tenant **Siemens (53.4% by income)** is **currently the largest employer in Chippenham** with some 800 people based on site.
- The proximity to Bristol, Bath and Swindon attracts a highly skilled workforce.
- **Numerous asset management angles** to explore in the short-medium term including possible lease extension/re-gear with Littlefuse and Siemens at upcoming lease expiries, capturing rental growth at upcoming lease events or obtaining vacant possession for residential redevelopment.
- Wiltshire Council are committed to developing brown field sites and have a **target of 4,500 homes to build in Chippenham by 2026**. House building has been substantially below anticipated rates mainly due to a lack of suitable sites to develop.
- **Unconditional offers invited for the freehold interest, subject to contract.**



CHIPPENHAM TOWN CENTRE

RESIDENTIAL SITE
CURRENTLY UNDER CONTRACT
333 new homes to be developed

 CHIPPENHAM RAILWAY STATION

WILTSHIRE COLLEGE

HATHAWAY RETAIL PARK

CREST NICHOLSON
44 x 1 & 2 bedroom flats
recently developed

TRAVELODGE
Developed in 2019

ALDI
Developed in 2019

SUBJECT PROPERTY
LANGLEY PARK

LOCATION

Chippenham is a historic affluent market town and the third largest centre in Wiltshire. The town is located 13 miles (20.9 km) north east of Bath, 21 miles (33.8 km) east of Bristol, 19 miles (30.5 km) west of Swindon and 94 miles (151.2 km) west of London.

Chippenham benefits from excellent road and railway connections being strategically located on the M4 motorway and Great Western main line.



ROAD

Junction 17 M4 Motorway	4 miles	6.4 km
M5 Motorway	22 miles	35.4 km
M25 Motorway	77 miles	123.9 km



RAIL

Bath Spa	10 mins
Bristol Temple Meads	24 minutes
London Paddington	50 minutes*



AIR

Bristol International Airport	36 miles	57.9 km
Heathrow Airport	84 miles	135.2 km

* Once the electrification of the railway line has completed (Q1 2021)

DEMOGRAPHIC & ECONOMIC

Chippenham has a population of 45,000. Notable employers taking advantage of the highly skilled workforce include Siemens, Wavin, Herman Miller, Wincanton, Capita, Alliance Pharmaceuticals' and Good Energy.

The business bias sets Chippenham apart from other centres in the county as it benefits from a young and vibrant working population and yet still maintains its unique Wiltshire character.

The Chippenham Site Allocations Plan, which was adopted in May 2017, has two clear main objectives - to deliver economic growth and provide housing for the growing population.

There are several large-scale proposed investment initiatives in Chippenham:-

- £16m railway station improvement funded by Swindon and Wiltshire Local Enterprise Partnership. Network Rail and GWR forecast a significant increase in passenger numbers from 1.8 million users per annum to 2.5 million users (approximately 40%) by 2029.
- Redevelopment of former Sadlers Mead car park into a brand new 32,000 sq ft office building (Good Energy HQ) and multi storey car park providing an additional 237 spaces.
- Chippenham Site Allocations Plan identifies land for at least 4,500 additional homes and around 26.5 hectares of employment land by 2026.
- £40m expansion of Chippenham College.
- £75m secured from central Government for infrastructure funding and upgrade works to Junction 17 of the M4 motorway and, more significantly, the delivery of an eastern relief road for the town.
- 'BID' status awarded to assist with town centre regeneration.



HISTORY OF LANGLEY PARK

The site was historically owned and operated by Westinghouse Brakes & Signals Limited from approximately 1935 to 2002. Invensys Rail Group (previously Westinghouse Brakes and Signals) sold its rail signalling division to Siemens in May 2013 for £1.7 billion. Siemens have effectively been in continuous occupation of Langley Park for approximately 85 years.

The site has employed a large workforce within Chippenham for decades and is of great economic importance. The largest tenant Siemens is currently the largest employer in the town with some 800 people based on site.



SITUATION

Langley Park occupies a strategic town centre location within 300m of Chippenham Railway Station.

The site is accessed from Langley Road (B4069) and is approximately 4 miles (6.4 km) south of Junction 17 of the M4 motorway.

Langley Park is less than a mile from Chippenham High Street and is in close proximity to a brand new Aldi foodstore, Travelodge hotel and Hathaway Retail Park.

The site is surrounded by residential and industrial uses. Immediately to the south west of Langley Park a 15 acre industrial site is under contract and will be converted into residential (333 homes). As part of the development, a new dual access link road into Langley Park will be built and the security hut will be relocated. Furthermore, Crest Nicholson have recently developed 44 one and two bedroom apartments. To the north east of the site is the Wavin manufacturing plant which employs 500 people.

Langley Park has employed a large workforce within Chippenham for decades and is of great economic importance. The largest tenant Siemens is currently the largest employer in the town with some 800 people based on site.

DESCRIPTION

Langley Park comprises approximately 396,935 sq ft (36,876.50 sq m) of warehouse and office accommodation across three main buildings. There is extensive car parking provision across the site which is a major benefit to all tenants.

Building 1 (R5-10) is let entirely to Siemens Mobility and comprises five interconnected bay style warehouses of steel portal frame construction extending to 209,762 sq ft (19,487.54 sq m). The buildings are used and fitted out by the tenant for a combination of manufacturing, warehouse storage, R&D and office uses. Four of the five bays have full mezzanine floors which are fully utilised by the tenant. The roof was over clad in 2018 and the external cladding was refurbished in 1990s. The eaves height is approximately 8m.

Building 2 (E5 & E6) is let entirely to Littlefuse Inc and comprises a mixture of steel portal frame warehouses extending to 84,582 sq ft (7,857.93 sq m). The property is used and fitted out by the tenant for a combination of warehouse storage, R&D and office uses. The eaves height is approximately 8m.

Building 3 (Connect 17 / E3-E4) is multi-let to four tenants including NHS Property Services, Vysiion, Schneider Electric and Siemens Mobility. The building extends to approximately 96,597 sq ft (8,974.16 sq m) and is of steel portal frame construction. Connect 17 offers both office and warehouse accommodation and provides the best quality space on the park. The recently refurbished offices offer modern open plan accommodation benefitting from double glazed windows, raised floors, air conditioning, suspended ceilings, WC's and an internal lift. In addition, there is a 1.5MW solar installation on the roof of Building 3.

Avon House and Barn is a Grade II listed former residential building. The property is currently vacant and sits on a 1.15 acre site.

In addition there is a 3 acre cleared development site adjacent to Building 3.

The total site extends to approximately 26.5 acres (10.75 ha) providing a low site cover of approximately 32%.

ACCOMMODATION

The property has been measured by Plowman & Craven in accordance with the RICS Code of Measuring Practice (6th Edition) and comprises the following gross internal floor areas:

Description	Tenant	Sq Ft	Sq M
Building 1 (R5-R10)	Siemens Mobility	209,762	19,487.54
Building 2 (E5 & E6)	Littlefuse Inc	84,582	7,857.93
Building 3 (Connect 17)	NHS Property Services	12,452	1,156.82
Building 3 (Connect 17)	Vysion	11,987	1,113.63
Building 3 (Connect 17)	Schneider Electric	21,560	2,002.99
Building 3 (Connect 17)	Siemens Mobility	50,598	4,700.71
Avon House and Barn (Grade II Listed)	Vacant	5,994	556.86
Total		396,395	36,876.50

The measured survey can be made assignable to the purchaser and is currently being updated by Plowman & Craven. The full report can be accessed in the data room.

TENURE

Freehold

SERVICE CHARGE

The service charge budget for the year ending 30th June 2020 is £606,140, up from £541,650 for the year before. The current service charge budget is currently being reconciled.

We have calculated the current annual service charge shortfall to be £106,929 per annum.



TENANCY

The property is fully let in accordance with the tenancy schedule below. The total current passing rent is £1,814,014 per annum reflecting a very low rate of £4.51 per sq ft.

The current service charge shortfall totals £106,929 p.a, with £4,120 considered as a structural void shortfall (vacant Avon House and Barn), and the remainder resulting from a service charge cap in one of the Siemens leases. The net income after deduction of the service charge shortfall is £1,707,085 per annum.

The AWULT to expiry is 4.9 years and the AWULT to break in 4.05 years.

Building	Demise	Tenant	Area sq ft	Lease Start	Lease Expiry	Break	Review	Rent p.a.	Rent per sq ft	Comments
Building 1	R5 to R10	Siemens Mobility Ltd	209,762	24/06/2001	23/06/2026	-	24/06/2021	£658,000	£3.14	Service charge cap of 26% of expenditure, currently £103,480 p.a.
Building 2	E5 & E6	Littlefuse Inc	84,582	19/12/1997	18/12/2022	-	19/12/2017	£355,000	£4.20	Outstanding rent review.
Building 3	E3.A1(C17) (Bldg 200)	NHS Property Services Ltd	12,452	20/04/2018	19/04/2023	-	-	£143,198	£11.50	-
Building 3	E3.A2 (C17)	Vysion Ltd	5,181	30/08/2018	29/08/2028	30/08/2021	30/08/2023	£49,000	£9.46	-
Building 3	E4.5 (C17)	Vysion Ltd	6,806	20/01/2018	19/01/2028	20/01/2023	20/01/2023	£47,000	£6.91	-
Building 3	E3.B & E4.4 (C17)	Schneider Electric Ltd	21,560	21/03/2017	20/03/2027	21/03/2022	21/03/2022	£201,333	£9.34	Tenant break in 2022 & 2025 on 6 months notice with Penalty at 2022 only.
Building 3	E4.1 (C17)	Siemens Mobility Ltd	18,727	15/09/2009	23/06/2026	-	24/06/2021	£93,000	£4.97	Service charge cap of £60,863
Building 3	E4.2 (C17)	Siemens Mobility Ltd	11,493	22/12/2015	23/06/2026	-	24/06/2021	£56,583	£4.92	-
Building 3	E4.2A (C17)	Siemens Mobility Ltd	12,867	21/07/2016	23/06/2026	-	24/06/2021	£66,400	£5.16	-
Building 3	E4.3 (C17)	Siemens Mobility Ltd	7,511	15/09/2011	23/06/2026	-	24/06/2021	£95,000	£12.65	Service charge cap of £22,533
Building 3	PV Roof Panels	FIT	-	-	-	-	-	£45,000	-	-
Avon House	Avon Barn & Extension	VOID (Unlettable)	3,850	-	-	-	-	-	-	Service charge shortfall of £4,120.32 p.a across Avon House
Avon House	Avon House	VOID (Unlettable)	2,144	-	-	-	-	-	-	-
Compound	Telephone Mast	Arqiva Ltd	-	16/01/2014	15/01/2024	-	16/01/2019	£4,500	-	Mutual break at any time on 12 months notice.
			396,935					£1,814,014	£4.51	

COVENANT INFORMATION

Siemens Mobility Limited

Siemens is a German multinational engineering and electronics conglomerate, headquartered in Berlin and Munich. It is one of Europe's largest engineering companies and its principal activities are in the fields of industry, energy, healthcare and its most profitable division, transportation. Siemens and its subsidiaries employ around 360,000 people across nearly 190 countries. Siemens Mobility has four core business units: Mobility Management, dedicated to rail technology & intelligent traffic systems, Railway Electrification, Rolling Stock and Customer Services. The company has contracts with many UK rail providers including Great Western (electrification of line) and Transport for London (replacement of Piccadilly Line stock).

In the year ending 30th September 2019, Siemens generated revenue of €86.8 billion and net income of €5.6 billion. The company has around 385,000 employees worldwide across nearly 190 countries.

Siemens Mobility Limited (company number 00016033) have a D&B rating of 1A2 and the latest accounts information is set out below.

	30 Sept 2019 (000's)	30 Sept 2018 (000's)	30 Sept 2017 (000's)
Turnover	1,343,309	1,052,771	457,214
Pre Tax Profit (Loss)	150,577	116,211	67,307
Tangible Net Worth	1,221	(93,214)	182,029
Net Current Assets (Liabilities)	(37,215)	(149,012)	210,677

Littlefuse Inc

Littlefuse is a global manufacturer of leading technologies in circuit protection, power control and sensing. The company was founded in 1927 and is headquartered in Chicago employing over 11,000 people. Their products are found in many automotive and commercial vehicles, industrial applications, data and telecommunications and medical devices. In 2019, Littlefuse had a global revenue of \$1.5bn.

Littlefuse Inc (company number 005212246) have a D&B rating of 5A2 and the latest accounts information is set out below.

	29 Dec 2019 (000's)	29 Dec 2018 (000's)	29 Dec 2017 (000's)
Turnover	1,503,873	1,718,468	1,221,534
Pre Tax Profit (Loss)	-	-	-
Tangible Net Worth	-	-	-
Net Current Assets (Liabilities)	-	-	-

Schneider Electric Limited

Founded in 1978, Schneider is a European corporation that provides digital transformation of energy management and automation. It is headquartered in Rueil-Malmaison, France and the group is reported to employ over 137,000+ employees worldwide. Schneider Electric is a Fortune Global 500 company and in 2019 had a global revenue of 27.2 billion EUR.

Schneider Electric Limited (company number 01407228) have a D&B rating of N3 and the latest accounts information is set out below.

	29 Dec 2019 (000's)	29 Dec 2018 (000's)	29 Dec 2017 (000's)
Turnover	646,637	636,821	640,494
Pre Tax Profit (Loss)	26,878	10,497	15,667
Tangible Net Worth	(16,461)	22,861	3,081
Net Current Assets (Liabilities)	226,956	213,174	207,406

The largest tenant Siemens (53.4% by income) is currently the largest employer in Chippenham with some 800 people based on site.

COVENANT INFORMATION

NHS Property Services Limited

NHS Property Services is a government owned property manager, advisor and service provider to the NHS. The portfolio is one of the largest in the UK comprising more than 3,000 properties with 7,000 tenants across England.

NHS Property Services Limited (company number 07888110) have a D&B rating of 5A1 and the latest accounts information is set out below.

	31 March 2019 (000's)	31 March 2018 (000's)	31 March 2017 (000's)
Turnover	797,743	780,541	792,269
Pre Tax Profit (Loss)	(100,229)	(31,048)	(32,786)
Tangible Net Worth	3,649,490	3,674,454	3,269,287
Net Current Assets (Liabilities)	410,175	404,590	320,882

The park is let to five tenants including Siemens Mobility Ltd, Schneider Electric Ltd, NHS Property Services Ltd, Vysiion Ltd and Littlefuse Inc.

Vysiion Limited

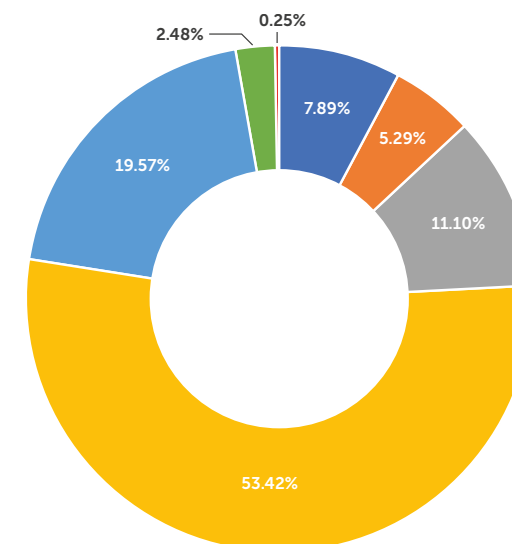
Vysiion is an innovative and well respected supplier of IT and telecommunications services, solutions and products. The company delivers and supports mission critical services and systems within the public sector, utility, defence and blue light markets. Revenues at Vysiion have improved significantly in recent years due to substantial contract wins across the utilities, defence, central and local government and emergency services sectors.

In March 2020, Vysiion was acquired by Exponential-E, a British connectivity and cloud specialist on undisclosed terms. The complementary nature of their products, services, skills, experience, relationships, clients and capabilities is significant and the combined group will employ approximately 700 staff.

Vysiion Limited (company number 03208975) have a D&B rating of N2 and the latest accounts information is set out below.

	30 June 2019 (000's)	30 June 2018 (000's)	30 June 2017 (000's)
Turnover	19,028,674	12,823,095	14,681,085
Pre Tax Profit (Loss)	135,829	(896,311)	(738,124)
Tangible Net Worth	(1,701,636)	(2,490,286)	(2,059,597)
Net Current Assets (Liabilities)	1,179,666	371,364	736,431

Langley Park Income Profile



- NHS Property Services
- Littlefuse Inc
- Vysiion Ltd
- FIT
- Schneider Electric Ltd
- Arqiva Ltd
- Siemens Mobility Ltd



PLANNING AND DEVELOPMENT

The Chippenham Site Allocations Plan was adopted in May 2017 in line with the Wiltshire Core Strategy. The two main objectives are to deliver economic growth and provide housing for the growing population. At least 4,500 homes are to be delivered in Chippenham alongside 26.5 ha of employment land by 2026.

Langley Park remains the only significant site in the town centre and as such will always attract interest from residential developers given its proximity to the train station and local services.

ASSET MANAGEMENT OPPORTUNITIES

There are several asset management initiatives available to an incoming purchaser in the short to medium term.

- Enter into early re-gear conversations with Littlefuse Building 2 (E5 & E6) prior to December 2022 lease expiry and improve low existing base rent of £4.20 psf.
- Obtain vacant possession of Littlefuse Building 2 (E5 & E6) site and explore residential development options on c.6 acres. The views over Chippenham from this part of the site are highly desirable and would produce the best sales rates per sq ft. Furthermore, a separate entrance could be created from Cocklebury Lane further enhancing the development and not compromising the existing commercial site access.
- Continue to drive the rental tone forward on Building 3 (most recent evidence created at £11.50 per sq ft on the NHS letting in April 2018).
- Establish possibility of longer term re-gear with Siemens on Building 1 (R5-R10) expiring June 2026 or explore residential development given proximity to Chippenham railway station.
- Siemens are a longstanding tenant with a large local workforce. Their total cost of occupation on this site is low and it would be difficult to replicate the scale or quality of this building elsewhere.
- Redevelop/convert the Grade II listed Avon House & Barn (5,994 sq ft) which is currently vacant and sits on a 1.15 acre site.
- Redevelop cleared 3 acre site into industrial or alternative uses.
- Sell 99 year lease over the telephone mast to Arqiva for £40,000.
- Conversations have taken place with National Grid to acquire the site.





INDUSTRIAL MARKET COMMENTARY

The Covid-19 pandemic has had a sudden and significant impact on the UK commercial property investment market as valuation challenges and broader economic uncertainty affected investors' ability to appropriately price risk.

However, there is evidence within the industrial sector that confidence is returning to the market. The Covid-19 pandemic has emphasised the importance of industrial and logistics assets with robust occupational dynamics and positive rental growth projections.

The wider South West region remains an attractive place to invest. The proximity of Chippenham to Bristol, Bath and Swindon attracts highly skilled workers whilst offering significant rental and capital value discounts.

Supply across the South West and Wales region currently stands at 3.99 million square feet and is heavily skewed towards poorer quality units with just 18% classed as grade A.

Over half a million sq ft is reported to be under offer which will put further pressure on rents in the next 12 months.

Take-up in H1, 2020 totalled approximately 705,000 sq ft, a 23% increase from H1 2019. Occupiers are targeting better quality space with 62% of deals transacted being built-to-suit Grade A, the remaining space was second hand.

From a development perspective, there is just one speculative unit (106,200 sq ft) under construction across the region at phase I of Chippenham Gateway (73 acre site) next to J17 of M4 motorway. Quoting rents are £6.95 per sq ft and practical completion is expected in Q3 2020.

RESIDENTIAL MARKET COMMENTARY

Chippenham is an affluent market town in the heart of Wiltshire and is an attractive place to live and work. Langley Park is located just 300m from Chippenham railway station and near all town centre amenities.

The local land market remains robust with demand currently exceeding supply, causing upward pressure on land values, as evidenced by the following sales:-

- 1.5 acre site sold to Aldi (£1.3m per acre) in 2016.
- 0.75 acre site sold to Crest Nicholson for two blocks of residential apartments (£1.02m per acre) in 2019.
- 15 acre residential site currently under contract. 333 new homes to be developed.
- Recent land sales agreed in excess of £1m per acre.

VAT

The property is elected for VAT and it is proposed that the sale will be treated as a Transfer of Going Concern (TOGC).

ENERGY PERFORMANCE CERTIFICATE

Unit	EPC	Rating
C17	107	E
E4	69	C
E4.3	74	C
E4.5	146	F
E3A & E3B	95	D
E5-E6	166	G
R5	76	D
R6	130	F
R7	114	E
R8	77	D
R9	166	G
R10	75	C
Avon House	87	D

Further information on the EPC's can be accessed in the dataroom.

DATA ROOM

There is a dataroom for the property with key tenancy information, title documents, service charge and the EPC. Access to it can be obtained via Lewis Ellis.

PROPOSAL

Unconditional offers invited for the freehold interest, subject to contract.

FURTHER INFORMATION

Should you require further information or wish to view the property please contact either: -

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