

CRICK

UNITS 8-16 ELDON WAY, CRICK
NORTHAMPTONSHIRE, NN6 7SL

LEWIS ELLIS

A5

M1 J18

← London

M1/M6/A14 →
Interchange

A428

PRIME GOLDEN TRIANGLE REVERSIONARY INDUSTRIAL INVESTMENT OPPORTUNITY





DIRFT



M1/M6/A14 intersection -
4 miles North.



Major investment into
infrastructure, commercial and
residential projects locally.



£50 million new rail
freight terminal



2.5 million sq ft proposed
logistics development



6,200 new homes



Strong workforce catchment

INVESTMENT CONSIDERATIONS

- Crick, located within the 'Golden Triangle', is widely considered as one of the UK's **premier locations** for distribution and logistics.
- Crick is **adjacent to Junction 18 of the M1** motorway, providing excellent north-south connectivity. Furthermore the M6/A14 interchange (4 miles to the north at junction 19 of the M1) allows for easy access to major conurbations in the east (Cambridge) and west (Birmingham).
- Daventry International Rail Freight Terminal (**DIRFT**) lies to the west of Crick and is one of the **busiest rail freight terminals** in the UK, serving all major European and domestic rail freight locations via the West Coast Main Line.
- The **exceptional connectivity** and **highly skilled local workforce** has attracted major occupiers such as Royal Mail, NHS, Eddie Stobart, Dunelm, Clipper Logistics, Boohoo, DHL, Tesco, Eddie Stobart, Butcher's Pet Care and Sainsbury's.
- There are major commercial and residential development projects ongoing in Crick including the largest Royal Mail parcel delivery hub (**840,000 sq ft**) at DIRFT and **6,200** new homes at Houlton.
- The property comprises two recently refurbished industrial units totalling **53,926 sq ft (5,009.89 sq m)** with the ability to sub divide.
- Multi let to two tenants including XPO Transport Solutions UK Ltd and Patrick Shoes Ltd generating a rental income of **£258,500 per annum** (low average passing rent of **£4.79 per sq ft**). The low base rent provides excellent scope for rental growth in the future.
- The property benefits from an **AWULT of 3.6 years** to expiry and 2.3 years to break.
- The site extends to **1.74 acres** (0.7 hectares).
- **Freehold.**
- **74%** of the income secured against XPO Transport Solutions UK Ltd (D&B rating of 5A2), a leading global provider of freight transportation solutions.
- The shortage of good quality industrial stock and strong levels of demand continues to put upwards pressure on rents. Prime headline rents in Crick/Northampton currently stand at **£7.50 per sq ft**.
- Offers sought in excess of **£4,850,000 (Four Million, Eight Hundred and Fifty Thousand Pounds)** subject to contract and exclusive of VAT. This reflects an attractive net initial yield **5.00%**, after deduction of purchase costs of **6.58%**, equating to a low capital value of **£90 per sq ft**.

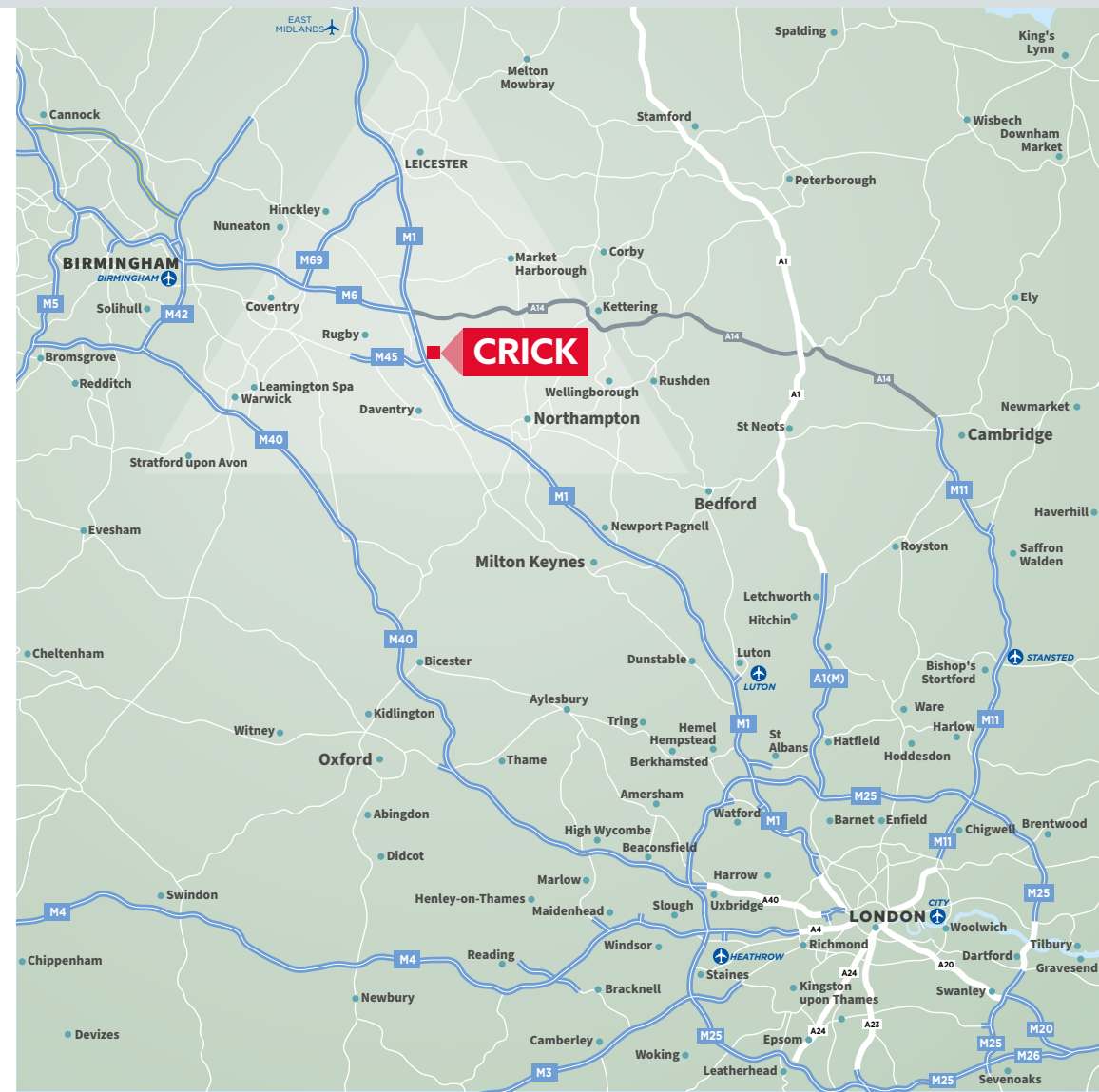
LOCATION

Crick, located within the 'Golden Triangle', is widely considered one of the UK's premier locations for distribution and logistics and benefits from excellent multi connectivity to the UK and mainland Europe. Approximately 47 million customers (80% of the UK population) can be reached in under 4.5 hours (HGV drive time).

Daventry International Rail Freight Terminal (DIRFT) lies to the west of Crick and is one of the busiest rail freight terminals in the UK, serving all major European and domestic rail freight locations via the West Coast Main Line.

Crick is adjacent to Junction 18 of the M1 motorway, providing excellent north-south connectivity as well as easy access to the wider national road network. The M6/A14 interchange is just 4 miles to the north. The M6 connects to Manchester in the north and the A14 provides a dual carriageway link to the East Coast and deep sea ports of Harwich and Felixstowe via Cambridge.

Rugby Railway Station is a 15 minute drive from the property and provides up to eight services an hour to Birmingham New Street and London Euston in 34 minutes / 57 minutes respectively.



ROAD

	Miles
M1 (J18)	0.2
M6 / A14	4
Rugby	6
M45	9
Birmingham	40
M25 (J21)	58
Central London	80

SEA

	Miles
Tilbury	106
London Gateway	109
Southampton	121
Felixstowe	134

AIR

	Miles
Birmingham	32
East Midlands	37
Luton	52
London Heathrow	80
London Stanstead	96
London Gatwick	117

RAIL

From Rugby Station	Minutes
Birmingham New St	34
London Euston	57
Reading	94
Manchester	137



SITUATION

The subject property occupies a prime position on Crick Industrial Estate fronting Eldon Way with J18 of the M1 motorway less than 300m to the west (via the A428).

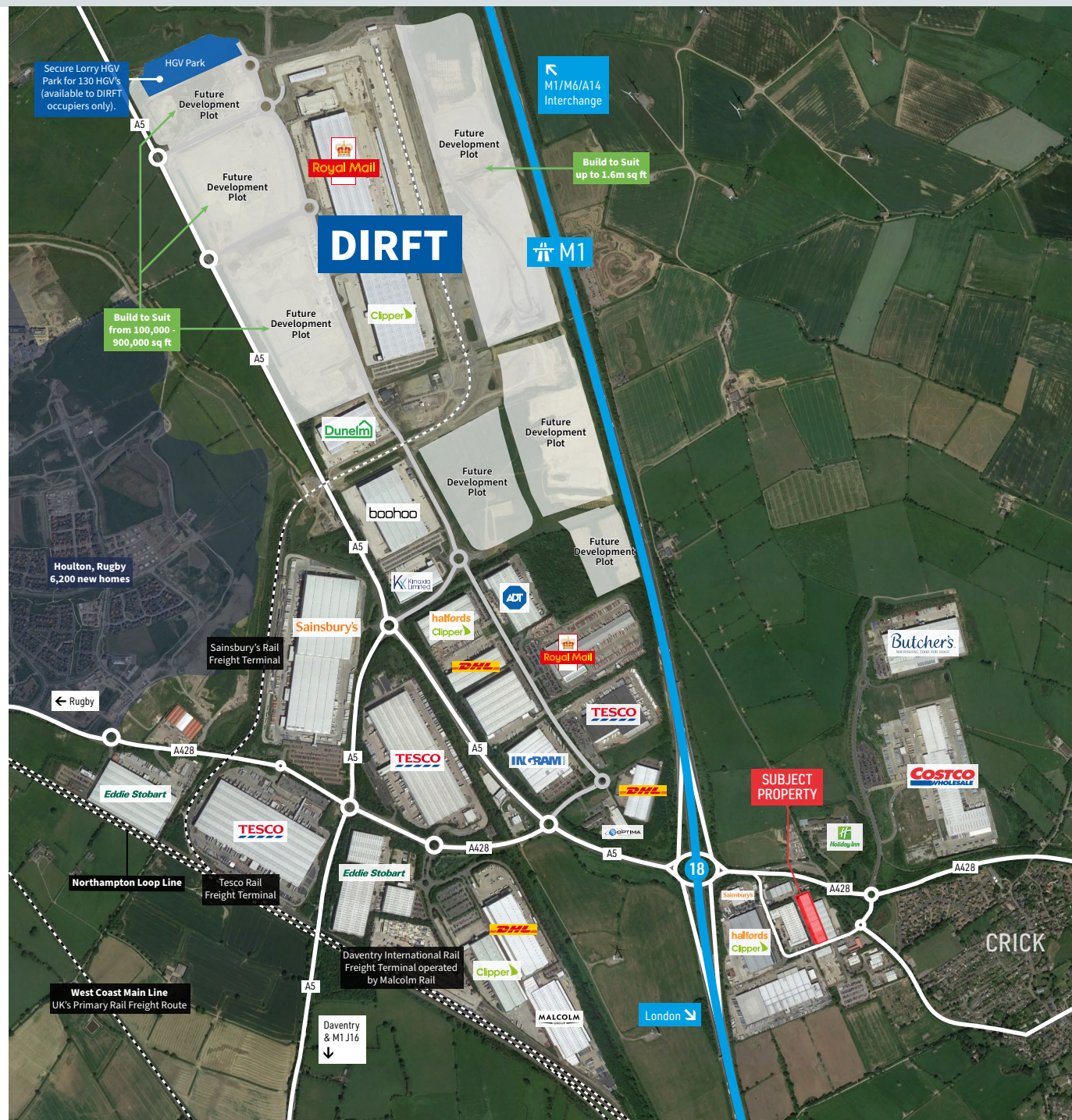
Prologis DIRFT is located on the western side of the M1 motorway at J18 and is considered the UK's premier logistics location due to its exceptional connectivity to the road and rail networks.

As a result of its connectivity and highly skilled local workforce, Prologis have attracted major occupiers such as the NHS, Eddie Stobart and Dunelm. Other national occupiers operating out of Crick include Clipper Logistics, Boohoo, DHL, Tesco, Eddie Stobart, Butcher's Pet Care and Sainsbury's.

Prologis have the ability to build units from 100,000 sq ft to 1.6m sq ft and have invested £50m into a new rail freight terminal and HGV amenity to benefit their occupiers.

Royal Mail have committed to an 840,000 sq ft distribution warehouse at DIRFT which is currently under construction (PC due 2023). The unit will offer the largest parcel hub in the UK and will be fitted with state-of-the-art parcel automation machinery processing more than one million items a day.

In addition to the large scale commercial development, Urban and Civic / Aviva are building 6,200 new homes on 1,200 acres at Houlton, one mile west of J18 of the M1 motorway.



DESCRIPTION

The property comprises a single linear terrace comprising two industrial units totalling 53,926 sq ft (5,009.89 sq m) (GIA). The buildings are of concrete portal frame construction beneath pitched steel clad roofs with brick elevations and can be readily subdivided.

The units benefit from the following institutional specification:

- Three level access electronically operated loading doors
- Clear eaves height of 7.6 metres.
- Three phase power.
- In August 2019, Units 10-16 were refurbished prior to the letting to XPO. In September 2021, Units 8-9 were refurbished prior to the letting to Patrick Shoes. The refurbishment works consist of new lighting, roof lights and internal/external redecoration throughout.
- Units 8-9 benefit from a secure self contained yard with perimeter fencing.
- Units 10-16 benefit from a loading yard and car park at the front of the units.
- The accommodation is highly flexible and could be reconfigured to provide a terrace of nine units if required.

The site extends to 1.74 acres (0.7 hectares).

ACCOMMODATION

The property was measured in accordance with the RICS Code of Measuring Practice (6th Edition) and comprises the following gross internal floor areas:

UNIT	TENANT	AREA (Sq ft)	AREA (Sq m)
8-9	Patrick Shoes Ltd	11,137	1,034.66
10-16	XPO Transport Solutions UK Ltd	42,789	3,975.23
TOTAL		53,926	5,009.89

TENURE

The property is held freehold.





TENANCY DETAILS

The property is fully let to two tenants in accordance with the tenancy schedule below generating a total rental income of £258,500 per annum reflecting a low average rent of £4.79 per sq ft. The property benefits from an AWULT of 3.6 years to expiry and 2.3 years to break.

Unit	Tenant	Area Sq Ft	Area Sq M	Lease Start	Rent Review	Lease Expiry	Break Date	Rent £p.a.	Rent £psf	Comments
8-9	Patrick Shoes Ltd	11,137	1,034.66	29/09/2021	29/09/2026	28/09/2031	29/09/2026	£66,000	£5.93	Outside the Act. Rent paid monthly. £19.8k rent deposit. Schedule of condition.
10-16	XPO Transport Solutions UK Ltd	42,789	3,975.23	27/08/2020	-	26/08/2023	-	£192,500	£4.50	Outside the Act. Schedule of Condition.
Total		53,926	5,009.89					£258,500	£4.79	

COVENANT INFORMATION

XPO Logistics

XPO Logistics is a leading global provider of freight transportation solutions for customers across a range of supply chains including food and beverage, e-commerce, industrial and consumer goods. XPO have a global network of 756 locations in 30 countries employing 42,000 personnel and reported a global revenue of \$16bn in 2020. Every year, the company transports in excess of 12.4m shipments for more than 20,000 customers.



XPO Transport Solutions UK Ltd has a Dun & Bradstreet rating of 5A2 representing a 'lower than average risk' of business failure. The company recorded the following accounts information over the last three years:

	31st Dec 2020 (000's)	31st Dec 2019 (000's)	31st Dec 2018 (000's)
Sales Turnover	£418,718	£446,078	£385,953
Profit / (Loss) Before Taxes	(£1,874)	£10,530	£11,138
Tangible Net Worth	£38,298	£41,080	£35,834
Net Current Assets (Liabilities)	(£1,532)	£10,135	£30,172

Patrick Shoes

Patrick Shoes is a leading British men's shoe wholesaler established in Towcester in 1972. The company is based in Daventry and stocks an impressive range (over 300 products) of men's shoes which are distributed nationwide to retailers.



Patrick Shoes Ltd has a Dun & Bradstreet rating of A2 representing a 'lower than average risk' of business failure. The company recorded the following accounts information over the last three years:

	30th April 2020	30th April 2019	30th April 2018
Tangible Net Worth	£60,516	£56,366	£53,759



CRICK OCCUPATIONAL MARKET

Crick is widely considered as one of the strongest logistics and distribution locations in the UK due to its excellent road and rail connectivity. The investment into local infrastructure projects over the last decade has improved the attractiveness of the location further and many global logistics occupiers have representation.

Availability of good quality stock in Crick, Rugby and Northampton is low with a reported 900,000 sq ft available across the region (sub 3.5%). The letting to Patrick Shoes completed immediately after the completion of the landlord refurbishment works under an agreement for lease. There are strong future rental growth prospects with supply/demand dynamics currently highly in favour of landlords. Average rental growth forecasts across the region currently stand at 2.5% p.a. for the period 2022-2026.

Prime and secondary rents currently stand at £7.50 per sq ft and £6.50 per sq ft respectively. Prime headline rents are forecast to achieve £8.00 per sq ft in the first half of 2022.

Recent industrial occupational evidence of note includes:

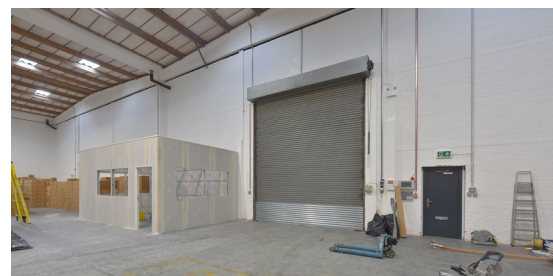
Location	Date	Tenant	Area (sq ft)	Headline Rent (psf)
Midland 42, Rugby	Dec 2021	Deponti	42,238	£6.50
Unit D, Swift Valley, Rugby	Sept 2021	Resource Secure Recovery	33,611	£7.58
Europark 44, Rugby	Aug 2021	Coba Europe	44,120	£7.25
Unit 14, Brackmills Trade Park, Northampton	Dec 2020	Belgrade Insulations	23,124	£7.54
Odette 58, Swan Valley Industrial Estate, Northampton	Dec 2020	Fisher & Paykel	58,080	£7.50
2 Mansard Close, Northampton	Sept 2020	Ubbink (UK)	24,024	£7.25

INVESTMENT MARKET COMMENTARY

Investor sentiment towards UK industrial remains extremely positive, with buyers competing for growing exposure to a sector which boasts increasingly positive fundamentals of restricted supply, low obsolescence, and compelling rental growth prospects. Despite the effects of the pandemic on other asset classes, appetite for well let industrial assets in core markets remains very strong and COVID-19 has highlighted the sector's vital importance in servicing end consumers and critical supply chains.

Listed below are some recent transactions showing evidence of current pricing levels:

Location	Date	Tenant	Area (sq ft)	Term Certain	Price	Yield (NIY)	Cap Val (psf)
Knaves Beech, High Wycombe	Dec 21	Dreams	42,570	8.3	£7.82m	4.50%	£184
Home Farm Estate, Aylesford	Dec 21	Homeleigh Building Supplies, Howdens, TNT	26,502	3.7 (1.5)	£5.7m	4.20%	£215
Centrus, Dunstable	Nov 21	Kelerbay / Restore	50,756	3.2	£10.15m	3.60%	£200
Bradbourne Drive, Milton Keynes	Sep 21	Saint Gobain	39,473	4.0	£6.275m	4.18%	£159
Foster Avenue, Dunstable	May 21	Deralam	18,619	4.4	£3.0m	4.07%	£161
Gemini West, Warrington	May 21	Ikea / Activate Accident Repair	73,273	6.3	£10.4m	4.25%	£142



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

Units 8-9 and 10-16 have EPC ratings of 63 (Band C) and 70 (Band C) respectively. Copies of the EPC's are available on the dataroom.

DATA ROOM

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

PROPOSAL

We are seeking offers in excess of **£4,850,000 (Four Million, Eight Hundred and Fifty Thousand Pounds)** subject to contract and exclusive of VAT.

This reflects an attractive **net initial yield of 5.00%**, after deduction of the usual purchaser's costs of **6.58%**, equating to a **low capital value of £90 per sq ft.**

FURTHER INFORMATION

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

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