

LONG LET WAREHOUSE INVESTMENT

UNIT 1, ROMALDKIRK ROAD, BRITANNIA PARK,
MIDDLESBROUGH, TS2 1XA



LLOYDS
BANKING
GROUP



Britannia Business Park



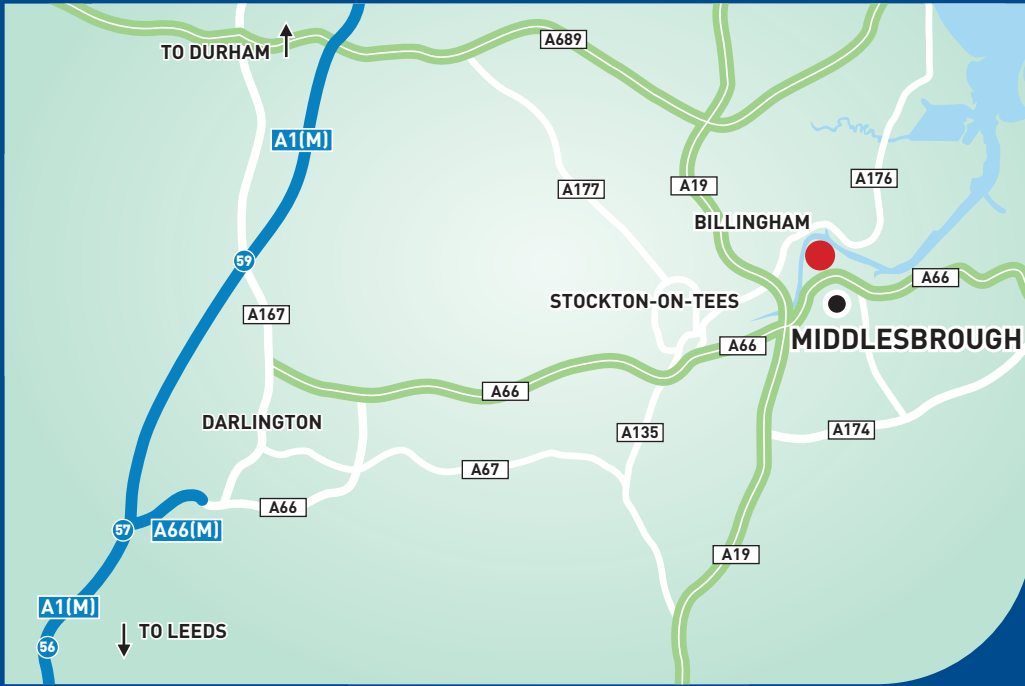
JOINER CUMMINGS

CHARTERED SURVEYORS
& PROPERTY INVESTMENT



INVESTMENT SUMMARY

- Well specified warehouse totalling 64,207 sq ft providing modern warehouse accommodation with ancillary offices on 1st floor.
- Prominently located on the well established Riverside Park Industrial Estate 1 mile west of Middlesbrough Town Centre.
- Clear internal eaves height of 6.1m rising to 7.3m with 3 surface level loading doors to the side elevation.
- Extensive car parking provision of 135 spaces.
- Let to Halifax Limited on FRI terms for a term expiring on 31 March 2022 providing 10.6 years unexpired with a tenants option to break on 1 April 2019.
- The property is integral to Lloyds UK operation being one of only three UK archive storage facilities for Lloyds Banking Group, utilised for the archiving of current account, loan & mortgage documents.
- Rent passing is £210,000 (£3.27psf) rising to £237,000 (3.70psf) from 1 April 2012. The vendor will top up the rent to £237,000 from completion.
- Seeking offers in excess of £2,715,000 (Two million seven hundred and fifteen thousand pounds) subject to contract and exclusive of VAT, which reflects a net initial yield of 8.25% after deducting purchasers costs at 5.8%.



LOCATION

Middlesbrough is situated on the southern bank of the River Tees approximately 40 miles south east of Newcastle upon Tyne, 30 miles south of Sunderland and 67 miles north of Leeds. The UK's third largest port, Teesport lies approximately 3 miles to the east.

Middlesbrough has a resident population of approximately 139,000 (2008 estimate) and is the commercial and administrative capital of Teeside. There is a population of 626,000 within 12 miles of the town centre (2001 estimate).

Middlesbrough has excellent communication links with the A66 and A19 providing dual carriageway access to the A1(M). There is an hourly rail service from Middlesbrough to London Kings Cross via York in approximately 3 hours. Teeside Airport is located 15 miles to the east of the town.

SITUATION

The property is part of Britannia Park which in turn forms part of the established Riverside Industrial Estate and is prominently situated adjacent to the junction of the A178 and A66 dual carriageway (Hartington Interchange). The A66 provides access to the extensive retail facilities of Middlesbrough town centre approximately 1 mile to the south east, the A1(M) approximately 16 miles to the west and the A19 dual carriageway 1 mile to the west. The A19 is the principle trunk road linking Yorkshire and Tyneside. Nearby occupiers include Glanbia Nutritionals, Baker Bedford and Greentyre.





DESCRIPTION

The property was constructed in 1997 and comprises a modern detached warehouse building of steel portal frame construction with profile metal clad elevations.

The main warehouse area has a minimum eaves height of 6.1M rising to 7.3M. In the north west corner of the property there are 3 surface level access doors.

To the front of the property there is an integral amenity block which provides offices, WC's and staff facilities. The offices are fitted out to include suspended ceiling with recessed lighting, carpeting throughout, perimeter sockets and gas fired central heating.

Internally the tenant uses the property for archive storage and has installed an extensive mezzanine across 95% of the

warehouse accommodation. The tenant has also installed an extensive sprinkler system across both levels of the mezzanine. The property provides 80,000m of linear shelving capable of storing 6 million boxes.

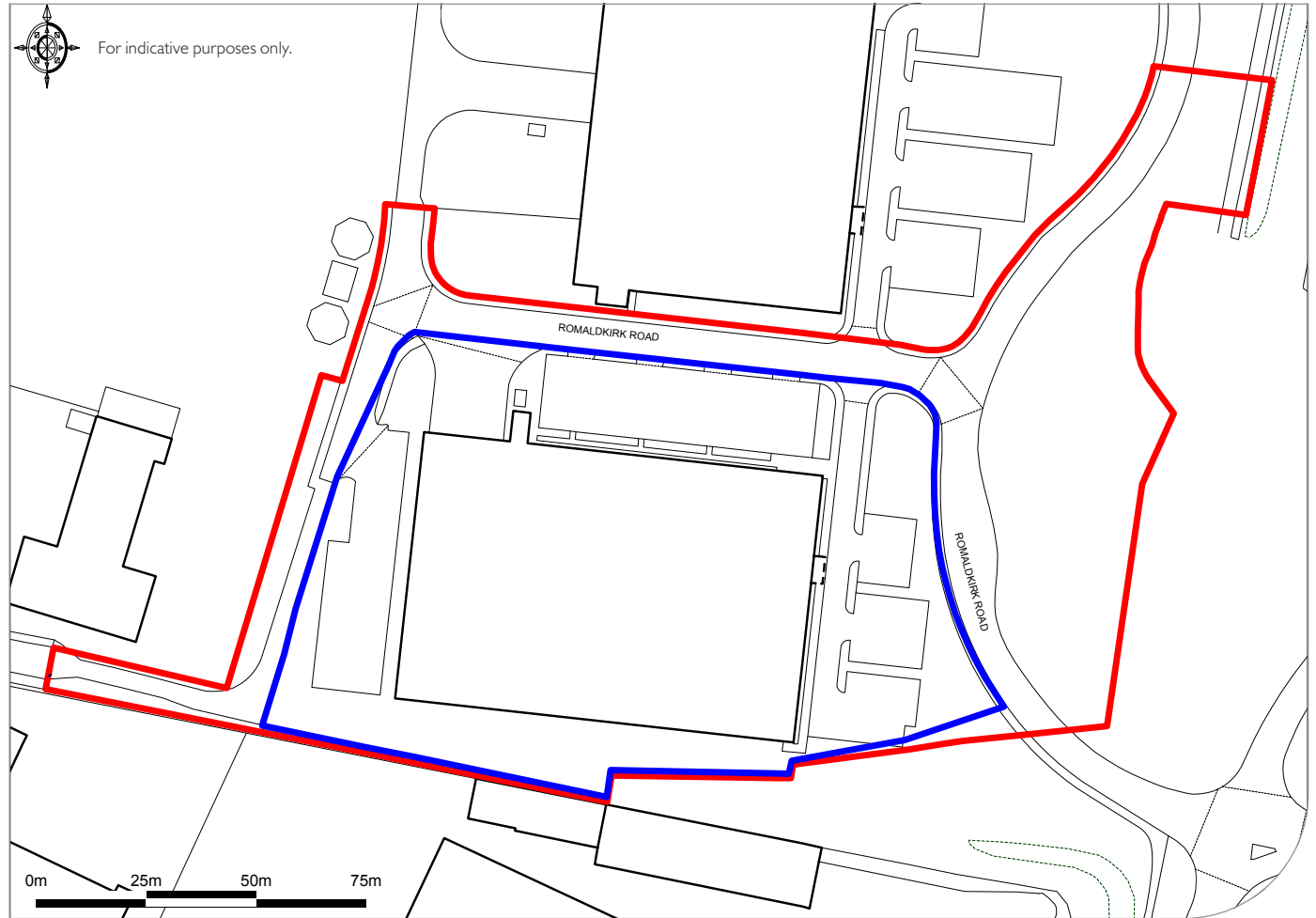
Externally there is extensive parking for 135 vehicles.



ACCOMMODATION

The property was measured in accordance with the RICS Code of Measuring Practice (6th edition) and has a gross internal floor area of 64,207 sq ft (5,965 sq m) on a site of 3.21 acres (1.3 ha) providing a site coverage of 45.9% on the demised area.





TENURE

The property is held on a long lease which is for a term of 990 years from 24 March 2004 subject to a peppercorn rent. Under the terms of the lease the tenant has the right to purchase the freehold for £10 in the event the landlord decides to sell their interest. The area demised under the long lease is shown edged red on the site plan above. The Local Highways Authority are responsible for the maintenance, repair and upkeep of the roadways and verges included in the demise.

TENANCY

The property is let to Halifax Limited by way of an FRI lease for a term of 25 years from 1 April 1997 providing 10.6 years unexpired. The current rent passing under the lease is £210,000 pax (£3.27 psf) and is subject to a fixed uplift to £237,000 pax (£3.70 psf) from 1 April 2012. The lease is subject to an upward only rent review on 1 April 2017 and a tenant only option to break on 1 April 2019 operable on the tenant providing a minimum of 6 months written notice.

The area demised under the occupational lease is shown edged blue on the site plan above.

Our client will provide a rental top-up on completion to £237,000 per annum until 31 March 2012.

COVENANT INFORMATION

Halifax Limited (formerly Halifax Plc) is a wholly owned subsidiary of HBOS Plc who in turn are a wholly owned subsidiary of Lloyds Banking Group Plc. Lloyds Banking Group plc is the largest retail bank in the UK. One in three people in the UK bank with Lloyds and HM Treasury have a significant share holding in the company.

The property has recently been rebranded with Lloyds Banking Group signage and the rent is paid by Halifax Bank of Scotland Plc (HBOS) who have reported the following financial figures:

	Yr ending 31/12/2010	Yr ending 31/12/2009
Turnover	£18,502,000	£19,246,000
Pre Tax (Loss)	(£3,871,000)	(£15,996,000)
Shareholders' Equity	£19,842,000	£22,147,000

The property is integral to Lloyds UK operation being one of only three UK archive storage facilities for Lloyds Banking Group, utilised for the archiving of current account, loan & mortgage documents.

INVESTMENT CONSIDERATIONS

- Well specified warehouse
- Established business park location
- One of three national archive stores for Halifax & HBOS and Lloyds loans, mortgages and current accounts
- Let to Halifax Limited with 10.6 years unexpired with a tenant only option to break on 1 April 2019
- Attractive net initial yield



VAT

The property is elected for VAT purposes and therefore it is anticipated that the sale will be treated as a transfer of a going concern.

PROPOSAL

We are instructed to seek offers in excess of £2,715,000 (TWO MILLION SEVEN HUNDRED AND FIFTEEN THOUSAND POUNDS) which reflects a net initial yield of 8.25% after deducting purchasers costs at 5.8%.

FOR FURTHER DETAILS PLEASE CONTACT

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