

Freehold Office - 9+ Year Unbroken Term - 15% Site Cover

ND House, Lodge Way, Lodge Farm Industrial Estate, Northampton NN5 7SL

Let to Norbert Dentressangle Logistics Ltd
with a Guarantee from Norbert Dentressangle Logistics SAS



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Investment Summary

- **Northampton is at the heart of the 'golden triangle' for distribution and is one of the most sought after locations in the UK, being almost equidistant between London and Birmingham.** It is easily accessible to the UK's principal motorway network being located directly on the M1, and within easy reach of the east coast ports.
- **Excellent access to the M1.** Situated on the well established Lodge Farm Industrial estate north west of Northampton, approx 4.5 miles from junctions 15a and 16 of the M1. Access to these junctions will be further improved on completion of the Sandy Lane Relief Road.
- **Freehold.**
- **Refurbished** two storey freehold offices (and separate training centre) with 146 car parking spaces (1:183 sq ft).
- Total Net Internal Area of 26,756 sq ft (2,485.69 sq m) on a site of 3.67 acres (1.48 ha).
- **Low site cover - 15%.**
- **9+ years unbroken term to expiry.** Lease from 1st January 2009 to 15th May 2021 to Norbert Dentressangle Transport Services Logistics Ltd with a guarantee from Norbert Dentressangle Logistics SAS. **Upward only rent review 16th May 2016.**
- **Good covenants:** ICC gives Norbert Dentressangle Logistics Limited a credit score of 82 ("confidence, low risk potential"). Norbert Dentressangle Logistics SAS reported pre-tax profit of €25.4 million on a turnover of €426 million and net assets of €67.2m for the year ended 31st December 2010. ⁽¹⁾
- **Reversionary:** Initial rent £163,000 pa (£6.09 psf overall on the rentalised area). ERV £175,000 (£6.50psf).
- **Price: £1.75 million** subject to contract and exclusive of VAT, equating to a net initial yield of **8.8%** and a reversionary yield of **9.45%** after 5.8% purchase costs.

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Location

Northampton occupies an important strategic location almost equidistant between London and Birmingham, and enjoys direct access to the UK's principal motorway infrastructure via the M1. It is often referred to in distribution terms as being at the heart of the 'Golden Triangle'.

With a town population of circa 190,000 people, Northampton serves a much wider catchment area and includes many notable occupiers such as: Carlsberg, Barclaycard, Nationwide Building Society, Coca Cola, Panasonic and National Grid.

Direct rail service to London Euston (approx 55 mins), with London's Heathrow, Stansted and Luton airports all within one and a half hours reach.

Major expansion is proposed for the town (up to 30,000 new homes, and 37,000 new jobs) up to 2012. Some of that new development will be to the south west and north west of the town centre within close proximity to Lodge Farm. The proposed Dallington Grange development (housing and employment) is adjacent to the estate, which will have a significant impact on the local economy and demand for business space.

Situation

The premises are situated on the well established Lodge Farm Industrial estate, which is located approx 3 miles to the north west of Northampton town centre.

The estate already provides good access to junctions 15a and 16 of the M1 motorway (approx 5 and 4 miles respectively), which will be even further enhanced on completion of the Sandy Lane Relief Road linking the A428 to the A4500 directly.

Access to J18 of the M1 (approx 15 miles) and in turn the M1/M6 and A14 interchange is available at Crick directly via the A428 (approx. 14 miles).

Lodge Farm is the location for the national headquarters of Travis Perkins PLC, and also includes a major manufacturing facility for TMI Foods Ltd and a substantial logistics operation for Kuehne & Nagel.

Location plans are attached for identification purposes only.

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Description

The site comprises two storey recently refurbished offices, being a headquarters facility for Norbert Dentressangle Logistics Ltd.

The offices are fully fitted to a high standard providing cat II lighting, air conditioning, double glazing and canteen facility and as a result provide a good modern working environment.

A separate training centre is located to the north west of the site and comprises a single storey building to a more basic specification than the main offices.

Externally there is a large car park to the front of the property as well as smaller parking areas to either side. Total number of car parking spaces in the order of 146, providing a generous allocation of 1:183 sq ft.



Accommodation

Description	GIA Sq Ft	GIA Sq M
Lower Ground Floor Office	7,197	668.59
Upper Ground Floor Office	17,425	1618.80
Training Centre	2,134	198.30
Total	26,756	2,485.69

Site area 1.48 ha (3.67 acres), providing a low site coverage of 15%

The floor and site areas are approximate.



Extensive Car Parking

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Tenancy

Lease from 1st January 2009 to 15th May 2021 **without break (9+ years unexpired)** to Norbert Dentressangle Logistics Ltd with a guarantee from Norbert Dentressangle Logistics SAS, at a passing rent of £163,000 pa excl. (£6.09 psf).

The lease is drawn on FRI terms (subject to a schedule of condition) and subject to an upward only rent review 16th May 2016.

The tenant has an option to renew the lease at expiry upon giving at least 12 months prior notice, for a term of 9 years, subject to tenant's options to break on the third and sixth anniversaries, each on 12 months' notice.

Covenants

ICC gives Norbert Dentressangle Logistics Limited a credit score of 82 ("confidence, low risk potential"). The company reported a pre-tax profit of £4.53 million on a turnover of £326.73 million and net assets of £36.43 million for the year ending 31st December 2010. ⁽¹⁾

Norbert Dentressangle Logistics SAS reported pre-tax profit of €25.4 million on a turnover of €426 million and net assets of €67.2m for the year ended 31st December 2010. ⁽¹⁾

Comparable Lettings

Transactions worthy of note include:

The letting of Royal Pavilions, Summerhouse Road, Moulton Park, Northampton, approx 11,000 of first floor office accommodation. in January 2010 to Opus Energy Ltd at a rent of £11.35psf.

The letting of 800 Pavilion Drive, Northampton Business Park, Brackmills, Northampton, approx 25,180 sq ft of office accommodation, in March 2010 to Ricoh at a rent of £13.90psf.

As demonstrated by these Grade A business park stock lettings, ND House, consisting of refurbished second hand offices, provides economical space at a substantial discount to prime, and in our view the passing rent is reversionary to **£175,000 pa** (£69.96 per sq m / £6.50 per sq ft).

Further Information

An information pack including

- Copy leases and lease summaries.
- Title pack.
- Phase 1 Environmental Survey capable of assignment.

is available from the online data room. Please contact the agents by email for the web page downloads link.

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VAT

We are informed exemption from VAT has been waived and, therefore, that VAT will be payable.

Proposal

Price: £1.75 million subject to contract and exclusive of VAT, equating to a net initial yield of **8.8%** and a reversionary yield of **9.45%** after 5.8% purchase costs.



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Viewing / Further Information:

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Source Note: 1. ICC and Hays MacIntyre

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