

MAGNA 34

SHEFFIELD ROAD, ROTHERHAM S60 1DX (JUNCTION 34 M1)



PARCEL  FORCE
WORLDWIDE


COMMERCIAL PROPERTY PARTNERS
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INVESTMENT SUMMARY

- Modern, single-let regional distribution warehouse constructed in 2007
 - Fitted, high quality unit with 12.0m clear height, 40m deep yard, 14 dock level doors, 3 ground level doors, single storey offices and capacity for approximately 29,500 pallet positions
 - Unrestricted 24/7 use
 - Site area of 7.72 acres (3.12 Hectares) providing a site cover of 45.32%
 - Excellent strategic distribution location 1 mile from J34 M1 giving immediate access to the Midlands and the Northern region via the M1, M62 and M18 Motorways.
 - Major occupiers nearby include: Rolls-Royce, Boeing, Meadowhall Shopping Centre, M&S Plc, Toyoda Gosei, UK Mail and Newburgh Engineering.
 - The property extends to approximately **152,421 sq ft** (14,161 sq m) with 83 car parking spaces.
 - Let to **Royal Mail Group Ltd** on full repairing terms from 24 March 2013 expiring 23 March 2028.
 - Unexpired term of approximately **14 years**
 - Current passing rent of **£650,000 per annum** (£4.26 psf) with fixed increases to:
 - **£708,900** from 24 March 2018
 - **£773,139** from 24 March 2023
 - Freehold
 - Offers are sought in excess of **£9,830,000** (Nine Million Eight Hundred and Thirty Thousand Pounds) subject to contract and exclusive of VAT, reflecting the following yield profile:
 - Net Initial Yield of **6.25%**
 - **6.82%** from 24 March 2018
 - **7.43%** from 24 March 2023
 - Equivalent Yield of **7.01%**
 - True Equivalent Yield of **7.32%**
- The above yields allow for purchaser's costs of 5.80%.
- A purchase at this level equates to £64.50 psf



LOCATION

THE PROPERTY IS LOCATED IN ROTHERHAM, SOUTH YORKSHIRE APPROXIMATELY 5 MILES (8 KM) NORTH EAST OF SHEFFIELD AND HAS AN URBAN POPULATION OF 257,800. IT BENEFITS FROM EXCELLENT TRANSPORT LINKS IN THE FORM OF THE M1 AND M18. THE M1 PROVIDES DIRECT ACCESS TO THE NORTH (LEEDS AND WAKEFIELD) AND SOUTH (NOTTINGHAM, MILTON KEYNES AND LONDON). IN ADDITION, THE M18, ACCESSED AT JUNCTION 32 OF THE M1, PROVIDES ACCESS TO THE HUMBERSIDE PORTS. THE A57 AND M67 PROVIDE ACCESS TO MANCHESTER, APPROXIMATELY 42 MILES (67 KM) TO THE WEST.

Over the next 20 years, Rotherham is expected to receive £2 billion in investment from private industry. The town's economy, when combined with that of Sheffield, is growing faster than Leeds and Manchester. Major new investment has been received from Rolls-Royce for their Advanced Blade Casting Facility (ABCF) to cast Advanced Single Crystal Turbine Blades. This will be one of three Rolls-Royce facilities eventually planned for the area.

Key to the economy of the region is Meadowhall, a 1.5 million sq ft shopping centre situated within a 5 minute drive of the property, adjacent to J34 M1.

City	Distance
Sheffield	5 miles
Leeds	32 miles
Manchester	42 miles
HumberSide Ports	59 miles
Birmingham	87 miles
London	164 miles





AIR

Robin Hood Airport is 19 miles (31 km) from the property and serves approximately 2.5 million passengers a year and more than 45 European cities within 3 hours' flying time. Manchester, East Midlands and Leeds-Bradford International Airports are located 47 miles (76 km), 50 miles (80 km) and 45 miles (72 km) respectively and are all within an hour's drive of the property. All provide a range of national, European and international services.

RAIL

Via a 12 minute link to Sheffield, rail access to Rotherham is as follows:

- London: 2 hr 7 mins
- Manchester: 52 mins
- Leeds: 41 mins
- Birmingham: 1 hr 5 mins

The proposed High Speed 2 Station is to be located next to Meadowhall Shopping Centre with a journey time to London of 1 hour 15 minutes.

SITUATION

THE PROPERTY IS SITUATED ON THE SUCCESSFUL MAGNA BUSINESS PARK DEVELOPMENT APPROX 1.2 MILES FROM J34 M1 GIVING EXCELLENT CONNECTIVITY TO YORKSHIRE, THE MIDLANDS AND, VIA THE M18 AND M62, TO THE HUMBERSIDE PORTS.



DESCRIPTION

The property comprises a high quality, 2 bay, steel portal framed distribution warehouse with ancillary office accommodation constructed in 2007. The unit benefits from the following specification:

- Clear height of 12.0m
- 50 kN/sq m floor loading
- FM2 floor
- 14 dock level loading doors (the tenant has adapted 3 of the doors by enlarging the shelters to fit double deck trailers).
- 3 level access doors (tenant has added 1 additional door)
- 40m yard with additional trailer parking and external security lighting.
- 83 car parking spaces
- 750 kVA dedicated power supply
- Unrestricted 24 hour use
- Pallet capacity for 29,500 pallets
- CCTV System
- Single storey offices with air conditioning, suspended ceilings, recessed lighting and

perimeter trunking. The unit has been designed to accommodate an additional (7,036 sq ft) first floor office.

The landlord gave £325,000 to the tenant to fit heating and lighting. The tenant has also created additional toilets and office space within the warehouse together with a new HGV fuel/wash station and 69 further car parking bays. The tenant also parks 141 delivery vans within the unit and has therefore installed 3 automatic louvres linked to CO2 emissions. The landlord can request the tenant to remove the fit out at lease expiry.

The property was constructed by JF Finnegan Ltd who are one of the region's best known contractors having been established since 1945 and with a strong track record of delivering quality warehouse units and contracts up to £50m in value. For more information on JF Finnegan please see www.j-f-finnegan.co.uk



ACCOMMODATION

The property has been measured in accordance with the RICS Code of Measuring Practice (6th Edition) and has a GIA of 152,421 sq ft (14,161 sq m) arranged as follows:

It should be noted that the tenant has created additional toilet and office accommodation within the warehouse. These are tenant's improvements.

Use	Sq ft	Sq M
Warehouse	145,385	13,507
Ground Floor Office	7,036	654
Total	152,421	14,161

The site area is 7.72 acres (3.12 hectares) providing a site cover of 45.32%.

TENANCY DETAILS

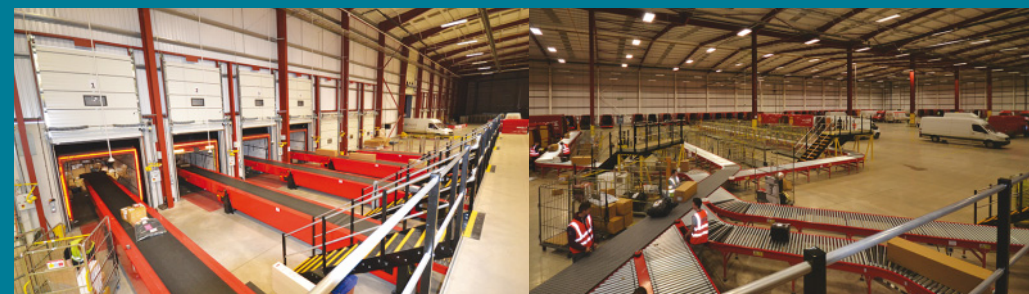
The property is let on full repairing and insuring terms to Royal Mail Group Limited from 24 March 2013 expiring 23 March 2028. This provides an unexpired term of approximately 14 years.

The current rent is **£650,000** (£4.26 psf).
The lease includes fixed increases as follows:

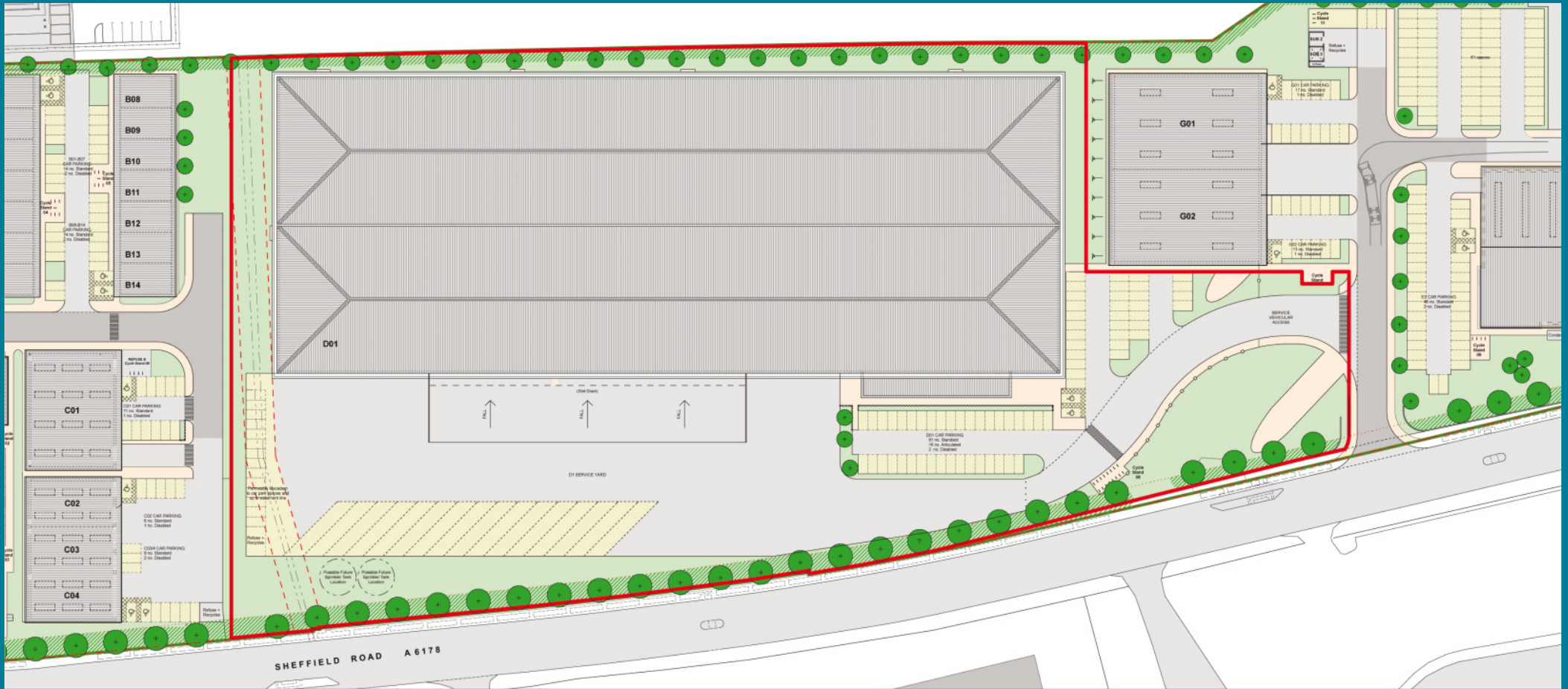
- **£708,900** from 24 March 2018
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TENURE

Freehold



THE SITE



ROYAL MAIL GROUP LIMITED & PARCELFORCE WORLDWIDE

PARCELFORCE WORLDWIDE IS A TRADING NAME OF ROYAL MAIL GROUP LIMITED. ROYAL MAIL GROUP LIMITED IS THE PRINCIPAL TRADING ENTITY OF ROYAL MAIL PLC WHICH WAS LISTED ON THE LONDON STOCK EXCHANGE ON 15TH OCTOBER 2013. IN DECEMBER 2013 IT BECAME A FTSE 100 COMPANY WITH A MARKET CAPITALISATION IN EXCESS OF £6BN.

Royal Mail Group Limited includes UK Parcels, International & Letters (UKPIL) which comprises the Group's UK and international parcels and letters delivery businesses operating under the "Royal Mail" and "Parcelforce Worldwide" brands. Parcelforce Worldwide operates a separate UK network which collects and delivers express parcels.

As the sole provider of the Universal Service in the UK, Royal Mail Group delivers a six-days-a-week, postal service to more than 29 million addresses across the UK. In 2012-13, Royal Mail Group collected and delivered more than 1 billion parcels and 14 billion letters across the country.

Royal Mail Group is number one in the UK parcels market. In 2012-13 it had one-third of the market share in revenue terms and more than 50 per cent of the market share for parcel volumes. Express parcels are delivered through the Parcelforce Worldwide UK network, which supports the delivery, primarily, of express and larger parcels throughout the UK, Europe and the rest of the world. In 2012-13, Parcelforce Worldwide handled approximately 71 million items in the UK using a "hub and spoke" model. This comprises the network's national hub in Coventry and 54 depots located around the UK.

PARCELFORCE WORLDWIDE OPERATION AT MAGNA 34

Parcelforce Worldwide have 150 staff that manage up to 90 vehicle deliveries per day on average which peaks at 200 per day in busy periods. This translates into approx. 12,000 parcel movements per day on average, peaking at 25,000 per day in busy periods. Currently, Parcelforce only utilise approx. 80% of the warehouse which will be fully occupied within 2-3 years to keep pace with the rapidly expanding home delivery market resulting from internet sales through customers such as Amazon. The unit also provides a customer service collection point.

The property is the largest parcel distribution centre in the country outside of the main Coventry hub, covering a large geographical area from Huddersfield across to Grimsby and south through Yorkshire and Lincolnshire.



MARKET COMMENTARY

THE SUPPLY OF LARGE WAREHOUSE UNITS IN THE YORKSHIRE REGION HAS REDUCED SIGNIFICANTLY OVER RECENT YEARS WITH APPROX 3.12M SQ FT OF SPACE BEING OCCUPIED IN 2013. THERE IS NOW APPROX. 12 MONTHS OF SUPPLY REMAINING IN THE MARKET. WITH A LACK OF GOOD QUALITY SPACE RETURNING TO THE MARKET, THERE WILL INEVITABLY BE AN INCREASE IN DESIGN AND BUILD ACTIVITY OVER THE NEXT 5 YEARS WHICH WILL STIMULATE RENTAL GROWTH AND LEAD TO REDUCED INCENTIVE PACKAGES.

Date	Address	Size sq ft	Occupier	Rent psf
Nov 2013	SIRFT, Sheffield	625,924	M&S Plc	£4.15
July 2013	Traxpark, Doncaster	163,000	Armstrong Logistics	£4.53
July 2013	Woodhouse Link, Rotherham	110,000	Home Décor	£5.25
Oct 2012	Nimbus Park, Doncaster	750,000	The Range	£4.11
Mar 2012	Redhouse Interchange, Doncaster	263,806	Next Plc	£4.50
Nov 2010	Aspect, Doncaster	122,519	Next Plc	£4.30

We are of the opinion that the Estimated Rental Value of the property is **£686,000 pa** (£4.50psf) based on recent comparable transactions in the immediate vicinity.

COVENANT

Royal Mail Group Limited (Company No. 04138203) has a Dun & Bradstreet rating of 5A 1 which is the highest rating and represents a minimum risk of business failure.

We have detailed below the main financial highlights:

Year Ending	31 March 2013 (£m)	25 March 2012 (£m)	27 March 2011 (£m)
Turnover	7,758	7,167	6,863
Pre-tax Profit/(Loss)	520	239	(343)
Tangible Net Worth	1,114	(3,053)	(4,719)

Accounts for Royal Mail Group Limited can be found at <http://www.royalmailgroup.com/investor-centre/report-download-centre>

VAT

The property has been elected for VAT. The sale will be treated as a Transfer Of a Going Concern (TOGC)

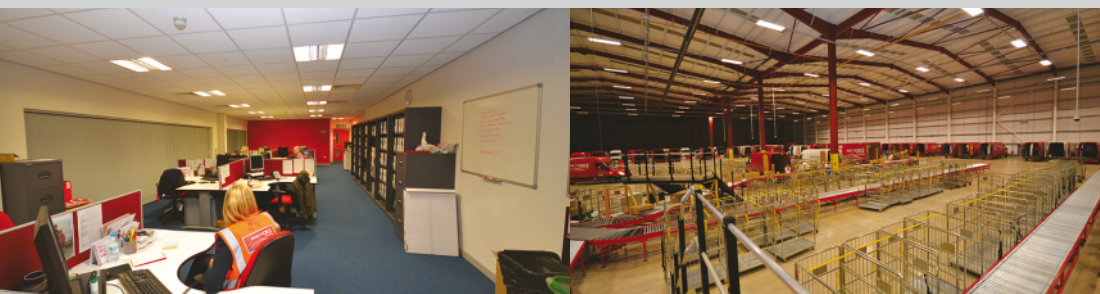
PROPOSAL

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FOR MORE INFORMATION CONTACT:

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MISDESCRIPTIONS ACT 1967 AND PROPERTY MISDESCRIPTIONS ACT 1991 These particulars shall not form part of any offer or contract and no guarantee is given to the condition of the property or the accuracy of this description. Any intending purchaser or tenant is not to rely on any representation made in these particulars and must satisfy themselves as to their own investigations before entering into any contract. February 2014.