



INDUSTRIAL INVESTMENT OPPORTUNITY

655 SHEFFIELD ROAD

CHESTERFIELD | S41 9ED



INVESTMENT SUMMARY

- **Industrial Warehouse & Business Centre** investment opportunity, extending to a total of **73,927 sq ft (GIA)**
- Situated on the well established and popular **Sheepbridge Industrial Estate**
- **Centrally located within the UK**, benefitting from excellent road links
- **Freehold**
- **£251,446 pa (69% of rent)** secured on the main warehouse unit against the strong covenant of **Heraeus Electro-nite (UK) Ltd**, guaranteed by **Heraeus Holdings GmbH**, who have invested over £5m in the property in recent years
- **£113,314 pa (31% of rent)** produced by the successful business centre, which has a **10-year average occupancy rate of 92%**
- Both the warehouse and the business centre are currently under rented, with a total **ERV of £412,344** compared to the current rental income of **£364,760 pa**
- We are instructed to seek offers in excess of **£3,800,000 (Three Million and Eight Hundred Thousand Pounds)**, which equates to a **low capital value of £51.40 psf** and a **net initial yield of 9.01%**, assuming standard purchaser's costs of 6.52%

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LOCATION

Chesterfield is a large commercial centre located in North East Derbyshire. It is located centrally within the UK and has excellent motorway links. The M1 north J30 is accessible via the A619 approximately 7 miles to the north east. Southwards, the M1 J29 is accessed by the A617 approximately 5 miles to the south east. The town is situated 10 miles south of Sheffield, connected via the A61, 21 miles north of Derby and 21 miles north east of Nottingham.

Chesterfield's railway station provides excellent connectivity with regular direct services to: Sheffield, Derby, Nottingham, Leeds, Manchester, Birmingham and London.

The nearest airports, which are accessible in under an hour and a half's drive time include: Manchester (MAN), Leeds Bradford (LBA), East Midlands (EMA), Birmingham (BHX) and Humberside (HUY).



SITUATION

The property is situated on the north side of Sheffield Road, and can also be accessed to the rear via Carlisle Close. It sits adjacent to the Unstone-Dronfield By-Pass (A61), which can be accessed in under two minutes. Located approximately 2.5 miles north of the town centre, the property is located in the Sheepbridge area, which is one of Chesterfield's principle industrial areas and is home to a number of national occupiers.

Location	Distance
Chesterfield Station	2 miles
Sheffield	10 miles
Mansfield	15 miles
Derby	32 miles
Central London	150 miles

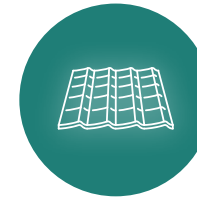
DESCRIPTION

HERAEUS

The main ground floor unit comprises a substantial manufacturing and warehousing facility extending to a total of 53,099 sq ft (GIA) including ground and first floor office accommodation. The unit has undergone substantial improvements in recent years and benefits from the following specification:



New LED lighting throughout



Newly overclad roof with new roof lights



New extensive solar PV system



EPC 'B' rating



Separate staff car park with 6 EV spaces



Remotely operated security gate for the service yard



Sprinkler system



New epoxy resin floor



450 kVA power



SHEEPBRIDGE BUSINESS CENTRE

The lower ground floor has been converted into a business centre, which provides predominantly warehouse/storage units together with offices.

There are a total of 22 lock-up storage units, ranging from 77 sq ft to 994 sq ft and 19 individual offices, which range from 94 sq ft to 593 sq ft. The total GIA for the lower ground floor is 20,828 sq ft.

ACCOMMODATION

HERAEUS

Description	sq ft	sq m
Ground Floor	49,671	4,614.59
First Floor (Office)*	3,428	318.47
Sub-total	53,099	4,933.06

SHEEPBRIDGE BUSINESS CENTRE

Description	sq ft	sq m
Lower Ground Floor	20,828	1,934.98
TOTAL	73,927	6,868.04

*Tenant improvement – not rentalised



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*The passing rent on the main unit
is £245,871 per annum (£4.95 psf).
There are 5-yearly OMV rent reviews.*

ESTIMATED RENTAL VALUE

The current ERV for Heraeus is £273,191 pa (£5.50 psf) based on the GIA of 49,671 sq ft excluding the first floor tenant office.

TENANCY

HERAEUS

The ground floor industrial unit is let to Heraeus Electro-nite (UK) Ltd by way of a 15 year FRI lease (subject to a Schedule of Condition) from 23 December 2023, therefore expiring 22 December 2038 and providing an unexpired term of 13.9 years.

The lease is subject to 5 yearly breaks (if the 2028 break is not exercised the tenant receives a premium of £20,500).

The passing rent on the main unit is £245,871 per annum (£4.95 psf). There are 5-yearly OMV rent reviews.

In 2011 the tenant installed a new 450,000 litre sprinkler tank and pump. The land on which this was situated was outside of their demise so a coterminous 'Tank Lease' was entered into for this area at a rent of £5,575 per annum. Taking the total rent to £251,446 per annum.

Heraeus also occupy one of the Sheepbridge Business Centre units (429 sq ft).

TENANT COVENANT

Heraeus have operated on this site for approximately 30 years, having originally owner occupied the premises before signing an initial sale & leaseback in 2008, followed by the most recent lease renewal. They employ over 70 staff members on site and have invested heavily into the property, with works including:

- Constructing new ground and first floor offices in 2008 at a cost of approximately £400,000. The offices have recently been fully refurbished at a cost of approximately £100,000.
- Overcladding the entire roof and installing new roof lights at a cost of approximately £500,000 in 2018.
- Installing a PV system to the roof in 2023 at a cost of £450,000, which generates £140,000 per annum (if the tenant leaves, this system reverts to the landlord, subject to a performance specification).
- In 2011, a new 450,000 litre sprinkler tank plus pump and sprinkler system was installed at a cost of approximately £250,000.
- In 2023 the entire warehouse floor was painted with new epoxy resin at a cost of approximately £200,000.
- Recently spent approximately £3,000,000 installing new plant and machinery at the premises, with plans to add more.
- Recently installed 6 EV charging points, with capacity and plans to add more.

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Heraeus



Heraeus Electro-nite (UK) Ltd are leaders in the advanced manufacturing sector of producing technology for the measurement of molten metals; in 2024 they won King's Award for Enterprise for their innovative products and global success in the steel industry. Their recent accounts are as follows:

Year End	31/12/2023	31/12/2022	31/12/2021
Turnover	£22,505,000	£22,509,000	£19,951,000
Pre-tax Profit	£3,304,000	£4,305,000	£1,784,000
Net Worth	£18,411,000	£20,854,000	£17,755,000

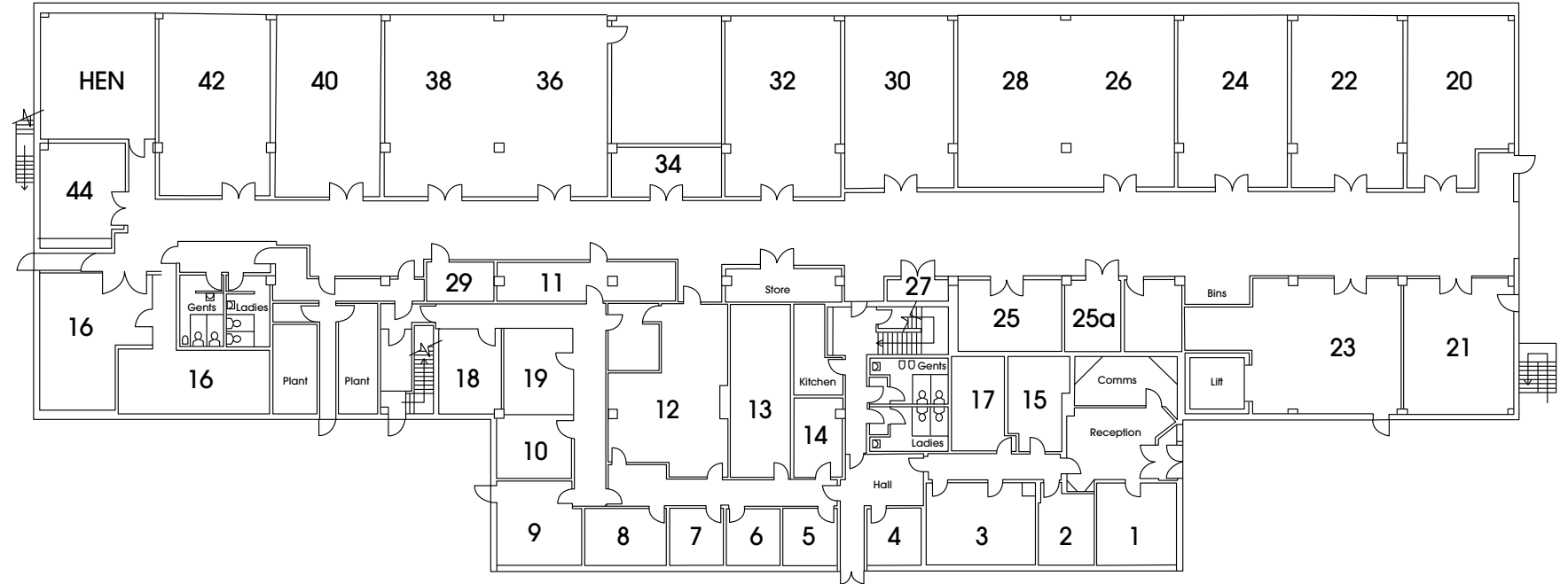
The lease is guaranteed by their parent company, Heraeus Holdings GmbH, who are a family-owned global technology group headquartered in Hanau, Germany. It's companies are predominantly focused on precious and special metals, medical technology, quartz glass and sensors as well as electronic components. Heraeus employs 16,400 employees worldwide and had a total revenue of £25.6bn in 2023.

SHEEPBRIDGE BUSINESS CENTRE

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SHEEPBRIDGE BUSINESS CENTRE LAYOUT



Sheepbridge Business Centre is operated by the vendor and the majority of units are let via 6 month license agreements. The 10-year average occupancy of the Centre is 92%.

Tenants pay a 'Service Charge Rent' towards the cost of upkeep on the common areas in addition to security monitoring etc. The current total amount of Rent plus Service Charge Rent received is £160,042 and the budgeted cost for 2024/25 is £39,000 – therefore, the current annual profit for the centre is £121,042.

Should a new owner not wish to manage the Business Centre, the vendor has sourced a third party management proposal from CPP to undertake this. Details can be provided on request.

Warehouse / storage units are individually sub-metered and pay for their own electricity. Office tenants have utilities included in their rent.

10 YEAR OCCUPANCY/PROFIT

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
% Occupancy	98%	92%	90%	85%	92%	93%	97%	93%	85%	87%
Total Income	£104,576	£102,223	£99,651	£99,161	£109,493	£104,748	£114,871	£118,477	£107,779	£135,684
Operating Costs	£24,463	£25,378	£22,638	£25,679	£21,439	£24,630	£22,282	£23,390	£32,384	£35,968
Profit	£80,112	£76,845	£77,013	£73,482	£88,054	£80,118	£92,589	£95,088	£75,394	£99,716

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EPC

Heræus demise has an EPC B-40. The warehouse / storage area of Sheepbridge Business Centre has an EPC of B and the office area has an EPC of D. EPCs are available on request.

VAT

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

AML

In accordance with Anti Money Laundering Regulations the purchaser will be required to satisfy the relevant checks prior to exchange of contracts.



PROPOSAL

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CONTACTS

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