



FOR SALE

SOUTH EAST SINGLE-LET LOGISTICS INVESTMENT OPPORTUNITY

9-11 CONSORT WAY, BURGESS HILL, WEST SUSSEX, RH15 9TJ

Boldmore.

INVESTMENT SUMMARY

- Rare opportunity to acquire a very reversionary South East logistics investment located in a strong West Sussex submarket.
- Located on a well established industrial estate in Burgess Hill, within the Gatwick Diamond economic area.
- Freehold.
- Single let for a term of 10 years to Muller Group UK & Ireland LLP (Muller Group), trading as Milk & More, to expire in August 2025. Lease is to be incorporated into a new entity, with an AGA to Muller Group, who remain the controlling shareholder.
- Floor area of 19,667 sq. ft. (GIA) and a site area of 0.86 acres.
- The tenant has not exercised their break option for August 2022, which demonstrates a solid commitment to the location.
- Passing rent of **£150,000 per annum**, reflecting a low average of **£7.62 per sq. ft.**
- Highly reversionary rental prospects, with an estimated rental value of **£206,504 (£10.50 per sq. ft.)**
- We are instructed to seek offers in excess of **£2,935,000** (Two Million Nine Hundred and Thirty Five Pounds), subject to contract and exclusive of VAT, which reflects a low capital value of **£149 per sq. ft.**
- A purchase at this level reflects a **net initial yield of 4.81%** (assuming purchasers costs of 6.44%) and a **reversionary yield of 6.62%**, based on an ERV of £10.50 per sq. ft.



DESCRIPTION

The property comprises a 19,667 sq.ft. logistics/distribution unit, currently used as a delivery hub for "Milk & More" covering East & West Sussex. The warehouse benefits from an eaves height of approximately 5.49 metres and is clear-span except for a line of columns separating the two equal-sized bays. There are four roller-shutter doors (all offering floor-level loading) two at the side and two at the front therefore offering the flexibility of gable-end or side-level loading. The current business has invested considerable capital-expenditure in creating a valuable cold-store benefitting a significant proportion of the property.

As well as the main warehouse, ancillary offices are located at ground and first floor at the front of the property.

The site itself extends to approximately 0.86 acres and benefits from a low site cover of approximately 52%

ACCOMMODATION

Floor	Use	Sq. Ft.	Sq. M.
Ground	Warehouse	16,883	1,568.43
	Office	1,392	129.31
First	Office	1,392	129.31
	Total	19,667	1,827



LOCATION

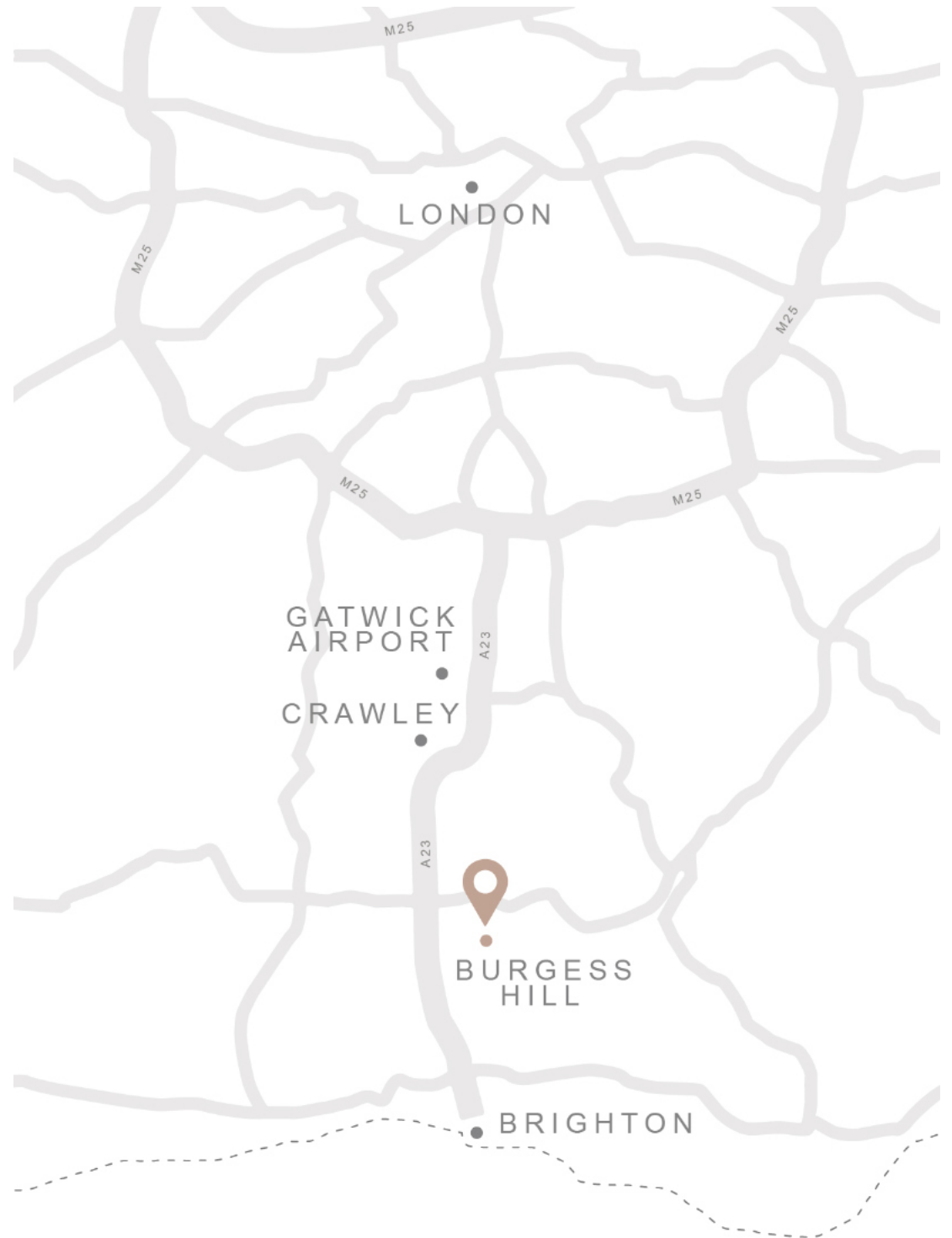
Burgess Hill is a key location within West Sussex, situated on the A23 corridor between Crawley (14 miles) and Brighton (10 miles) on the south coast. Central London (50 miles) and Gatwick airport (20 miles) are both easily accessible to the north via the A23/M23. The town is part of the 'Gatwick Diamond', a high performing economic area encompassing parts of West Sussex and East Surrey.

The town is set for major growth, with plans for 5,000 new homes delivered by the Northern Arc project, in addition to a £65m regeneration investment in the town centre. Furthermore, there are plans underway for a groundbreaking new 1m+ sqft science and technology park, as part of the Burgess Hill masterplan.

SITUATION

The property occupies a prominent position on Consort Way, within Burgess Hill's well-established industrial area. The property is located very close by to the town centre and just an 8 minute drive to the A23.

Key local occupiers include DPD, Roche Diagnostics, Porsche, CAE UK, Edwards Vacuum, Boeing and Royal Mail.





LEASE

The property is single-let to Muller Group UK & Ireland LLP (OC384928) on a 10-year FRI lease subject to a schedule of condition expiring in August 2025, at a rent of £150,000 per annum, 'equating to a very low rent of £7.62 per sq. ft.

Following their continued success, the Milk & More brand is becoming a standalone business from Muller Group and the lease is to be assigned to a newly incorporated company – Moreco Group Limited (13537233). The assignment will be subject to an Authorised Guarantee Agreement (AGA) from Muller Group UK & Ireland LLP. The lease is held outside the provisions of the Landlord & Tenant Act 1954. Muller Group UK & Ireland LLP remain a major shareholder and 'person of significant control' of the new company.

The rent shows significant reversion potential, with an ERV of £10.50 per sq. ft., which equates to a total rent £206,504 per annum.

The tenant has elected to not exercise their August 2022 break option, which further emphasizes their commitment to the property and location.



COVENANT

Milk & More is the UK's largest doorstep milk delivery service and regularly supplies over 400,000 households in the UK. As well as traditional dairy delivery, the company has expanded into organic produce, bread, plant based alternatives and other artisanal groceries.

Following unprecedented growth of the business in 2020-2021, Milk & More is set to become a standalone business from its current owner, Muller Group - however Muller will still remain the company's largest shareholder.

Muller UK & Ireland LLP (OC384928) recorded a turnover of £1,916,794,000, a gross profit of £507,232,000, a total comprehensive income of £16,468,000 and net assets attributable to members of £324,147,000 in their most recent 2020 accounts

OCCUPATIONAL MARKET

Along with the wider south east, the West Sussex submarket is subject to a very limited supply of industrial and logistics stock, which is further compounded by a strong occupier demand. Prime rents in Burgess Hill are rapidly increasing and currently in excess of £11.50 per sq. ft.

Fueled by the demand for convenience, the doorstep and rapid delivery grocery sectors are seeing unprecedented growth, due to well documented changes in consumer shopping habits. The wider grocery delivery market is expected to be worth more than £3b+ in the UK alone in coming years.

Key recent transactions:

Address	Date	Size Sq. Ft.	Rent (per Sq. Ft)
1 Albert Drive, Burgess Hill	Dec-21	15,000	£9.91
5 William Way, Burgess Hill	Jul-21	2,267	£11.69
Unit 5, York Road, Burgess Hill	Jul-21	23,686	£11.51
4 York Road, Burgess Hill	Jun-21	19,513	£11.53



INVESTMENT MARKET

The south east industrial and logistics market remains at the forefront of the wider UK investment market and continues to break new ground in both yields and capital values. It is bolstered by a severe lack of supply, strong rental growth prospects and a compelling demand from the occupational markets. The sector has outperformed in recent years, despite wider uncertainty.

COMPARABLE TRANSACTIONS

Address	Location	Date of Transaction	Size	Price	NIY	Capital Value	Buyer
Halfords, Masons Hill	Bromley	Dec-21	8,031	£3,480,000	4.30%	£433.32	Amsprop
Link 23	Haywards Heath	Sep-21	43,075	£9,500,000	4.89%	£220.55	Mileway
Telford Place	Crawley	Aug-21	27,545	£5,250,000	4.49%	£190.60	Clipstone
Ideal Bathrooms, Brandbourne Drive	Milton Keynes	Aug-21	39,473	£6,300,000	4.18%	£159	-
Deralam Laminates, Foster Avenue	Dunstable	May-21	18,619	£3,000,000	4.08%	£161	LondonMetric
11 & 12 Wintersells Road	Byfleet	Mar-21	6,891	£2,850,000	3.30%	£414	Private



EPC

The property benefits from an Energy Performance Certificate rating of C (65)(available on request).

AML

The purchaser will be required to satisfy the AML requirements of both the vendor and Boldmore.

VAT

The property is elected for VAT and it is the intention to treat the transaction as a Transfer of a Going Concern (TOGC).

CAPITAL ALLOWANCES

All available capital allowances will be retained by the vendor.

PROPOSAL

£2,935,000 (Two Million Nine Hundred and Thirty Five Pounds) exclusive of VAT. A purchase at this level represents a **net initial yield of 4.81%**, (assuming purchasers costs of 6.44%) and a **reversionary yield of 6.62%**.

CONTACT

James Hogg

Boldmore Real Estate

M: 07901 333 789

T: 020 7459 4580

E: jh@boldmore.co.uk

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Boldmore Real Estate Limited

85 Great Portland Street,
London, W1W 7LT

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