

FREEHOLD WAREHOUSE / R&D SALE AND LEASEBACK INVESTMENT NEW 15 YEAR LEASE

COLSTON HOUSE, 200 LANCASTER WAY BUSINESS PARK, ELY, CB6 3NX



INVESTMENT SUMMARY

- Freehold modern warehouse / production / R&D unit
- Located on Ely's most established industrial and business park comprising 175 acres, over 1m sq ft and in excess of 85 companies
- 13 miles north of Cambridge and part of the Oxbridge Arc, the property sits alongside many science and tech occupiers
- Total of 1,394.73 sq m (15,015 sq ft) including warehouse/production and office/laboratory accommodation completed in 2017
- 1.05 acre site - low site cover of just 26.5% providing future land for expansion
- Sale and leaseback
- New 15 year unbroken term from completion to Ellutia Ltd, a long established science and technology occupier
- Rent £188,500 per annum reflecting £12 per sq ft on the building and £0.57 per sq ft on the expansion land
- Upwards only rent reviews every 5 years to the higher of open market value or RPI capped at 4% pa and collared at 2% pa compounded
- Rent deposit - Ellutia Ltd will provide a 12 month rent deposit to be held on account until financial tests are met

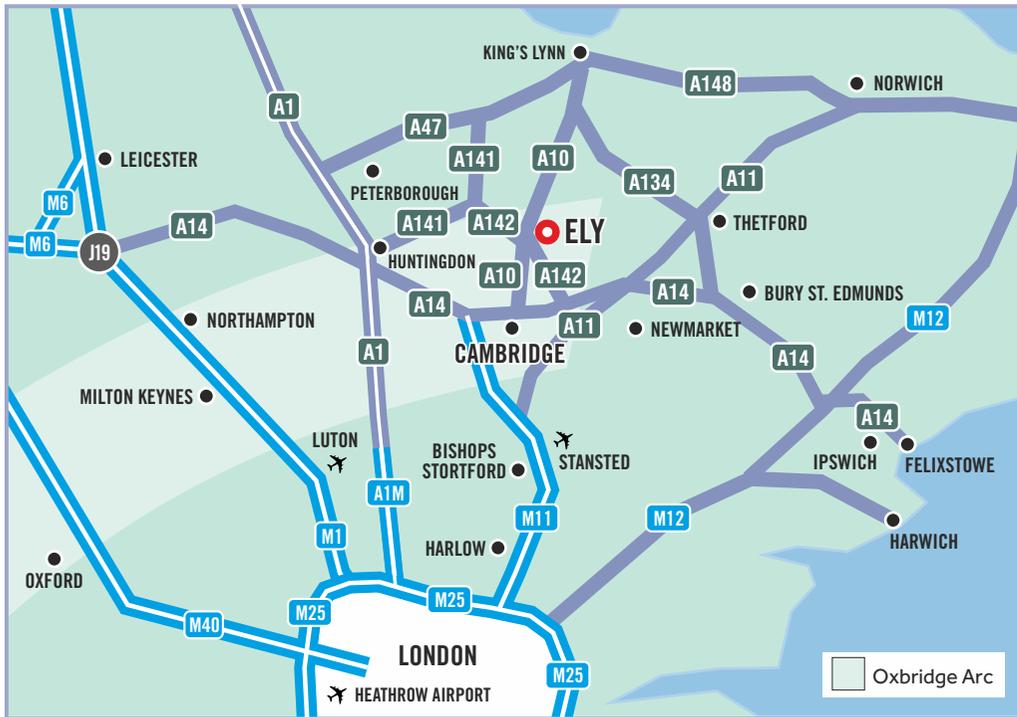
Proposal

Offers are invited **in excess of £3,330,000**, subject to contract for our client's freehold interest in the property. A purchase at this level will reflect a net initial yield of 5.31% after purchaser's costs calculated at 6.48%.

Minimum and maximum yield profile based on rent reviews linked to RPI:

	Minimum (Collar at 2%)	Maximum (Cap at 4%)
1st Review	5.87%	6.48%
2nd Review	6.48%	7.87%
Equivalent Yield	6.08%	6.88%





Not to scale - for indicative purposes only.

Location

Ely is a city in Cambridgeshire, approximately 16 miles north east of Cambridge and 80 miles north east of London, situated at the eastern end of the Oxbridge Arc. The city is well connected by both road and rail. Two major 'A' roads, the A10 (north-south) and A142 (east-west) connect Ely to the national road network. Ely train station is an important interchange point with services to key destinations including Cambridge (15m), Stansted Airport (51m), Norwich (52m), London (1h10m), and Peterborough (34m) with connections to the north.

Ely has undergone expansion in recent years, with a significant amount of new housing development, particularly on its north-western edge, together with a number of 'infill' sites. However, employment, services, and infrastructure have not kept pace with the rising population. As a consequence, there is now a focus on promoting future commercial and employment growth.

Transport Links

Location	miles	mins
Ely	2.2	7
Cambridge	16	30
Peterborough	28	45
London	80	130

Road	miles	mins
A10	1.1	3
A14	13	22
M11	16	27

Airports	miles	mins
Stansted	47	54
Luton	60	90
Birmingham	104	115

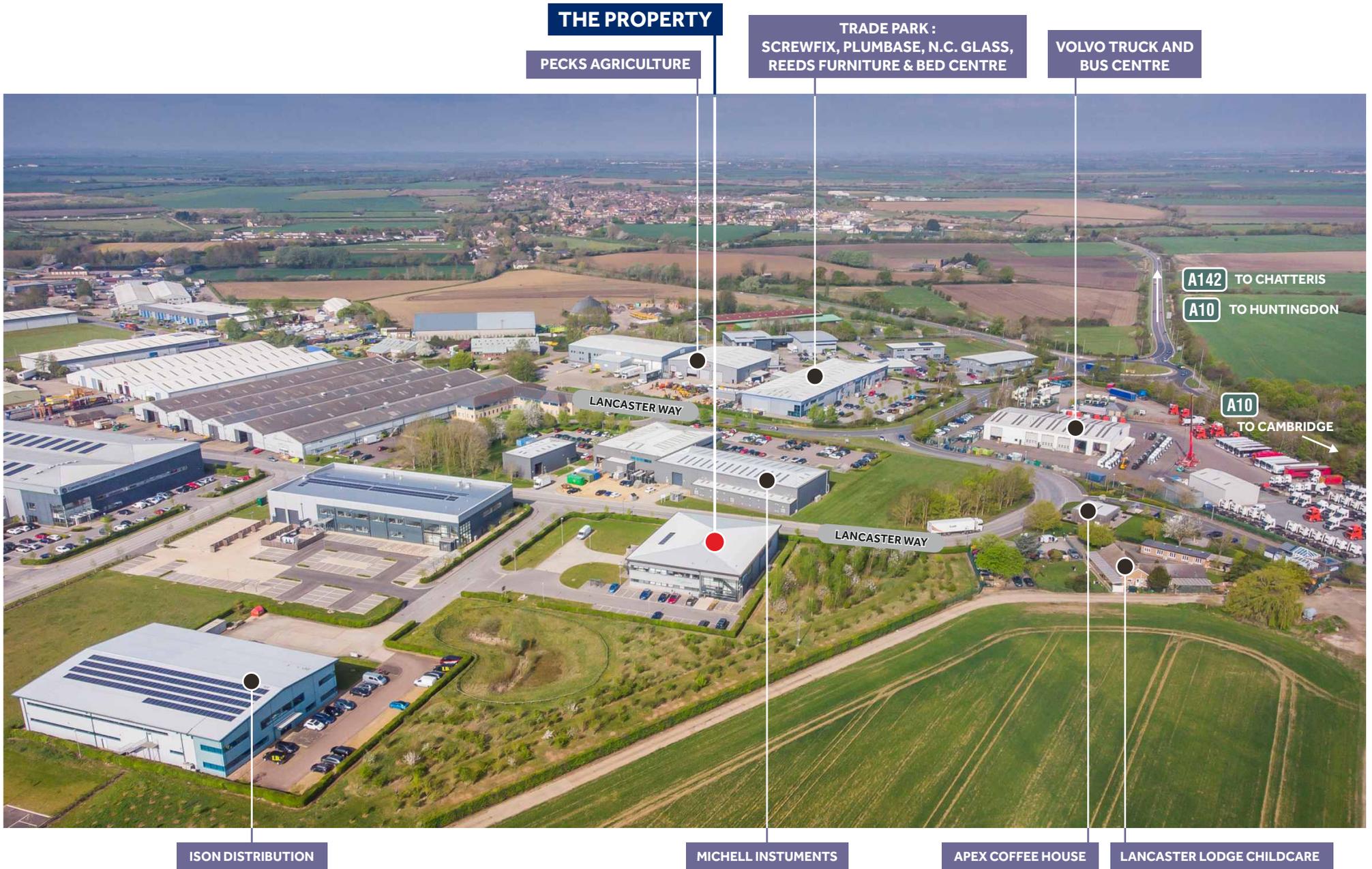
Ports	miles	mins
Felixstowe	70	85
Tilbury	81	90

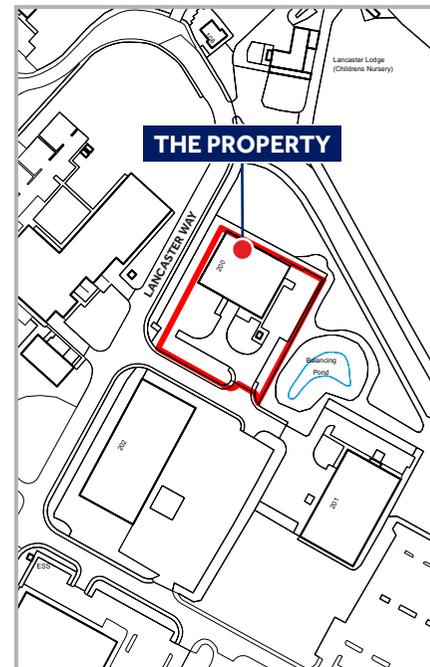
Distances	miles
Ely Train Station	2.8
Cambridge Science Park	14.8
Cambridge Research Park	9.5



THE PROPERTY







Description

The Property was completed in 2017 and is of steel frame construction, providing a modern warehouse / production area together with two-storey office and laboratory accommodation to the front elevation. The Property benefits from the following specification:

- Clear internal eaves height of 6.55m
- 1 x level loading bay
- Warehouse lighting and heating
- Fire and security alarm
- Roof mounted solar panels
- 1 x 8 person passenger lift
- Double glazed aluminium windows
- Profile steel cladding
- Double height feature glazed reception area
- Laboratory (Ground) and Offices / Meeting Rooms (1st) with sealed / carpeted floors, suspended ceilings, recessed LED lighting and A/C
- Kitchen facilities at ground and first floors
- WC/disabled WC and shower facilities
- 27 car spaces including 2 disabled spaces and 4 electric car charging points
- Bicycle shed
- Concrete service yard
- External landscaping
- Land for future expansion and car parking

Site

The total site area extends to approximately 0.4275 hectares (1.05 acres). The site cover reflects a very low 26.5%, thus providing around 0.1376 hectares (0.34 acres) of future expansion land.



Accommodation

The Property has been measured in accordance with the RICS Code of Measuring Practice and provides the following approximate gross internal area:

Floor	Description	sq m	sq ft
Ground	Warehouse/Production	690.09	7,428
Ground	Reception/Laboratory/Ancillary	354.78	3,819
1st	Office	349.86	3,768
Total		1,394.73	15,015



Tenure

Freehold.

Sale & Leaseback Terms

From completion, the Property will be let on a new 15 year lease on full repairing and insuring terms to Ellutia Ltd. The initial rent will be £188,500 per annum, equating to £12 per sq ft on the building and £0.57 per sq ft on the expansion land. Rent reviews will be 5 yearly upwards only to the higher of open market value or RPI capped at 4% pa and collared at 2% pa compound.

To establish open market value at rent review, a multiplier of 1.0475 will be applied to the estimated rental value of the building with an assumed standard site cover of 40% to reflect the existence of the expansion land.

Rent Deposit

Ellutia Ltd will provide a 12 month rent deposit, to be held on account until such time they can demonstrate 3 consecutive years of profits after tax of 3 x the annual rent then payable and net assets of 5 x the annual rent then payable.



Business Park Service Charge

The purchaser will be required to be party to the Park Service Charge Deed. The service charge payable for the previous 12 months was £7,435.88 plus VAT, reflecting £0.49 per sq ft. This will be recovered from the tenant under the terms of its lease.

Tenant Covenant



Ellutia is headquartered in the subject property in Ely and is a leading independent manufacturer of innovative chromatography instruments. Formerly Cambridge Scientific Instruments Ltd, formed in 1994, the company became Ellutia Chromatography Solutions in 2010 and now has divisions in the UK, USA and Germany as well as a network of distributors worldwide. Since then, the company has grown from strength to strength and supplies its range of innovative instruments to a broad range of markets from education, pharmaceutical and brewing, to materials testing and forensics. The company offers a range of gas chromatographs, autosamplers, specialist detectors, supporting software and accessories as well as creating bespoke solutions to solve customers problems.

Ellutia's turnover has been down over the last couple of years due to Covid-19 and supply chain issues. However, it is predicting a return to pre-pandemic trading levels for FY22/23. In FY20/21 a decision was taken to write off £250,000 of long term bad debts without this a profit of £201,000 would have been shown.

Its most recent financial results are set out below:

	Forecast to year 30/06/2022 (£000s)	Year to 30/06/2021 (£000s)	Year to 30/06/2020 (£000s)	Year to 30/06/2019 (£000s)
Sales Turnover	1,500	1,881	1,958	2,678
Profit / (Loss Before Taxes)	0	-49	-29	394
Tangible Net Worth	2,127	2,127	2,202	2,169
Net Current Assets (Liabilities)	1,437	1,437	1,277	1,278

Occupational Market

Both the industrial, research and development sectors have been experiencing increasing demand in recent years due to the growth in e-commerce and science and technology across the Oxbridge Arc.

Despite Brexit and the various national lockdowns that have proved difficult for many other sectors, the industrial, science and technology sectors have continued to perform strongly, both in terms of occupiers still able to operate their businesses and with heightened investor demand, driving yields down for these assets.



Date	Address	Tenant	Area sq ft	Rent (£ per sq ft)	Term Years (Break)	Comment
Quoting	Gateway, Cambridge	-	20,000 - 32,000	£12.00 - £13.50	-	Several units are under offer at between £12- £13.50 per sq ft.
Quoting	Unit 3, Royston Gateway	-	33,000	£12.50 - £13.00	-	Immediately available.
September 2022	9a Coldhams Lane, Cambridge	Evonetix Ltd	41,920	£13.12	10	Mutual break at year 8.
June 2022	Unit 1, Royston Gateway	Lancaster Group	12,000	£12.50	10	No break.
May 2022	Unit 2, Royston Gateway	Grant Instruments	22,000	£11.50	10	PC is expected in June 2022. Brand new unit.
March 2022	207 Lancaster Way Business Park, Ely	CMR Surgical Ltd	67,653	£12.10	15 year lease	New build 2022.
March 2022	Unit 4, Gateway, Cambridge	Domino	13,552	£11.50	15	Pre-let.
November 2021	Unit 100, Buckingway Business Park, Swavesey	Sense Biodetection Ltd	24,137	£12.06	10 (7)	Built in 2017. No rent free.
September 2021	Unit 2, Bourn Quarter	Cambridge Design Partnership	27,150	£12.50	TBC	Pre-let.
March 2021	Unit 3, Bourn Quarter	Cambridge Design Partnership	56,340	£12.50	TBC	Pre-let. Landlord has enhanced unit significantly. Base rent represents £12.50 psf.
March 2021	Unit 2, 'Enterprise' Research Park	University of Cambridge	6,961	£12.50	10	New unit.
January 2021	Unit 5, Cambridge Research Park	Xaar	7,559	£13.50	10	New unit.
June 2020	Unit 7, 'Enterprise' Cambridge Research Park	Biochrom	6,523	£12.50	10 (5)	New unit.
March 2020	Units 8 & 9, Cambridge Research Park	Griffols UK Ltd	13,879	£12.58	10	New unit.



Investment Market

Date	Address	Tenant	Area sq ft	Price £	NIY	Term Years (Break)	Comment/Buyer
May 2022	Huntingdon - Cardinal West, Cardinal Way, Godmanchester	Comtec and Coburn Sliding Systems	87,253	£14.5m	3.8%	4.2	Mayfair Capital.
February 2022	Seven 60, Northampton - Nectar Way	Hellermann Tyten Group	63,485	£11m	3.75%	10	Kennedy Wilson.
December 2021	Birmingham - Aston Hall Road	Truflo Marine Ltd	56,800	£11m	4.6%	15 (10)	BMO Real Estate Partners.
November 2021	Bury St Edmunds - SP160 Suffolk Park	Hermes Parcelnet	160,000	£19.35m	3.48%	15	CBRE Global Investors
November 2021	Loughborough - Ashby Road	Meggitt Aerospace	98,800	£12m	4.5%	20	RPI cap & collar (1-3%). Fiera Real Estate.
July 2021	Nuneaton - Bermuda Park	Hermes Parcelnet	75,000	£22.25	3.65%	15	Aviva Investors
May 2021	Cambridge South - Dales Manor Business Park	Multi-let	63,680	£20.15m	4.15%	-	5 vacant units. Warehouse REIT.
March 2021	Ipswich - Futura Park	Hubbard Products	80,000	£11.6m	4.5%	20 years	Pre let. PC due April 2021 BMO Real Estate Partners.
June 2021	Peterborough - Papyrus Road	Royal Mail	207,151	£22.1m	3.9%	10 years	Kennedy Wilson Europe.
November 2020	Cambridge - 4 Kilmaine Close	Bunzl UK Ltd	21,119	£2.4m	4.4%	TBC	1980s warehouse. University of Cambridge.
July 2018	Ely - Unit 203 Lancaster Way Business Park	Cambridge Commodities Ltd	88,573	£10m	4.57%	20 years	5 yearly reviews to RPI 2-4% pa compound London Metric Property Plc.



EPC

C59

Capital Allowances

Capital allowances are available.
The pool is £240,000.

VAT

The property is not elected for VAT.

Data Room

Data room access is available on request.

AML / KYC

Prospective purchasers will be asked to produce identification of the intended purchaser and other documentation in order to support any conditional offers submitted to the vendor. Bidwells LLP accepts no liability of any type arising from your delay or other lack of co-operation.

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Further Information

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