

FREEHOLD MODERN BUILDERS MERCHANT & TRADE COUNTER INVESTMENT

MKM BUILDING SUPPLIES, CROMER ROAD, NORTH WALSHAM, NORFOLK, NR28 0NB

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 Google Maps



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Investment Summary

- **Freehold builders merchant and modern trade investment let to MKM Building Supplies Ltd**, the UK's largest independent builders' merchant.
- Situated on a prominent site within North Walsham's established industrial area, and adjacent to Waitrose Supermarket; **approximately 15 miles north of Norwich**, with excellent access to the A149 and A140, serving the wider Norfolk region.
- Extending to **15,039 sq ft GIA**. There is an internal mezzanine providing an additional **5,655 sq ft GIA**.
- EPC Rating: **B (28)**.
- **Low site coverage of approximately 12%**.

- Site extends to **2.91 acres (1.18 hectares)**.
- Let to MKM Building Supplies Ltd (5A3 D&B) on a **20-year FRI lease** from 18 October 2022, with **16.71 years unexpired**.
- **Passing rent of £192,575 per annum**, with a **low rent breakdown of approximately £6.78 psf** on the industrial and **£0.92 on the additional yard**, subject to 5-yearly RPI-linked rent reviews annually compounded (collared at 1% pa and capped at 3% pa).
- **Next rent review on 18th October 2027**.
- We are instructed to seek offers in excess of **£2,785,000**, subject to contract and exclusive of VAT. A purchase at this level reflects a **net initial yield of 6.50%** after purchaser's costs of 6.42%.

Assuming an RPI forecast of 3% per annum this would show the following running yield:

Year	Running Yield
2026	6.50%
2027 (Forecast Reversionary Yield Oct)	7.53%
2032	8.73%
2037	10.12%
Equivalent Yield	7.72%







Connectivity

North Walsham is a key town in the northeast of Norfolk, benefiting from excellent transport links and a broad catchment area extending 20–30 miles, including, Norwich, Cromer, Sheringham, Burnham Market, and surrounding locations.

Strategic road links include the A11 and A47, providing direct access to Cambridge, London, and the Midlands, while the A140 and A149 connect Norfolk's market towns and coastal destinations. Rail services from Norwich deliver fast connections to London Liverpool Street (approximately 1 hour 50 minutes), Cambridge, and Ipswich. Norwich International Airport offers domestic and European flights, and the Port of Felixstowe is 62 miles to the south.

Roads

Town	Distance (Miles)	Drive Time
Cromer	8.4	17 mins
Stalham	9.5	18 mins
Norwich	14.2	27 mins
Great Yarmouth	25.8	45 mins
Kings Lynn	47.8	1 hr 20 mins

Source: Google Maps.

Location

Norfolk is a key economic region in the East of England, with a population of over 916,000 and a diverse economy spanning agriculture, manufacturing, logistics, energy, and tourism (Source: ONS Norfolk). The county benefits from its strategic location, offering access to major UK markets while maintaining strong links to Europe via the Port of Felixstowe and regional airports.

Norfolk's economy is supported by significant infrastructure investment and housing growth. The Norfolk Local Plans collectively target the delivery of more than 100,000 new homes by 2038, with major allocations across Greater Norwich, North Norfolk, and the coastal belt. This expansion underpins demand for construction materials, trade services, and commercial space, creating opportunities for businesses serving both residential and infrastructure sectors.

Norfolk also benefits from a thriving tourism economy, attracting 7.5 million visitors annually (visitnorfolk) to its coastline, Broads National Park, and historic market towns. This seasonal influx supports retail, hospitality, and leisure sectors, complementing the county's viable property development.



Rail

Town	Travel Time
Norwich	23 mins
Ipswich	1 hr 20 mins
Bury St Edmunds	1 hr 36 mins



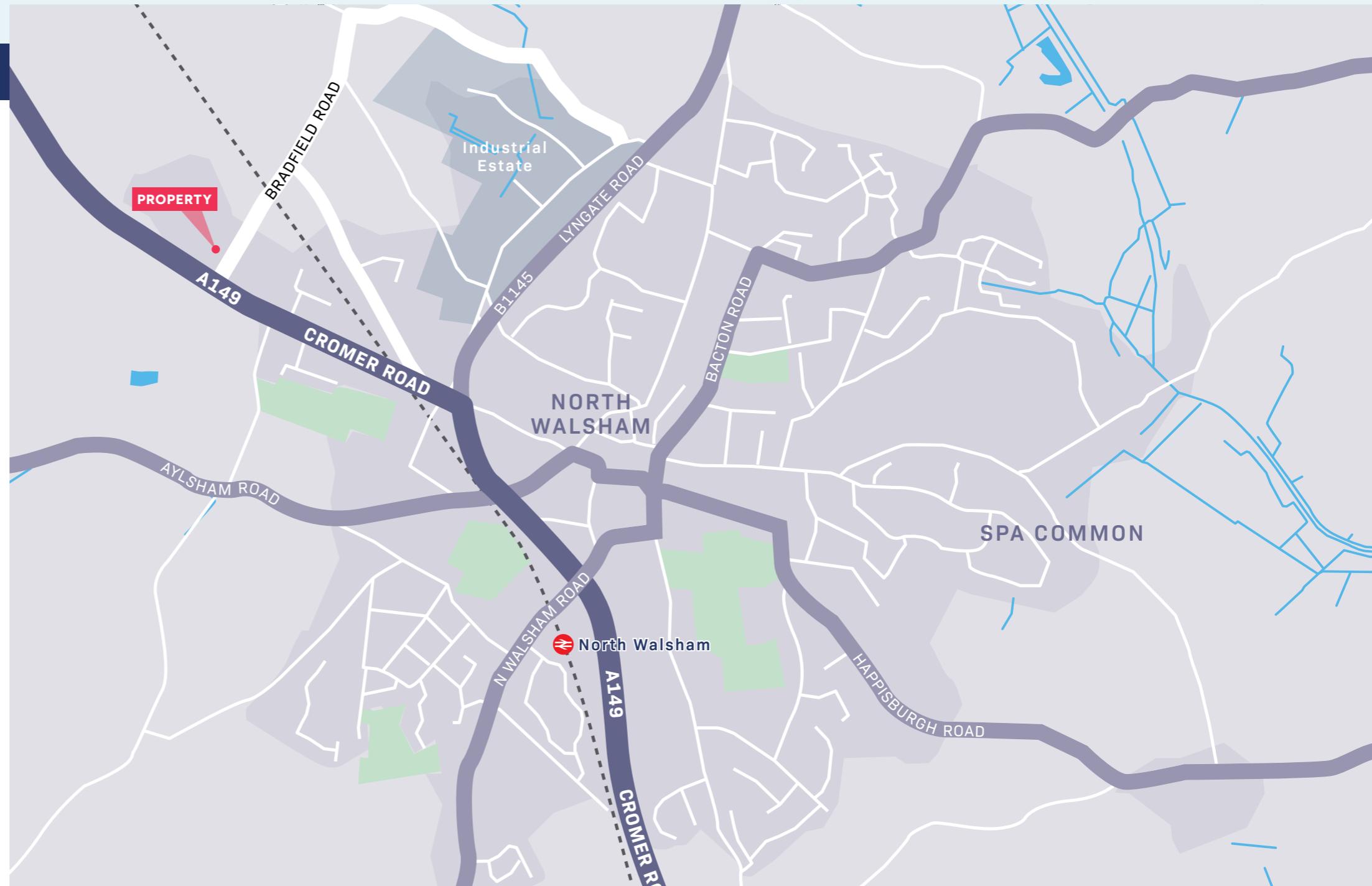
Distance from North Walsham Station.

Situation

North Walsham is the largest settlement in North Norfolk, with a population of approximately 12,800, and acts as the principal commercial centre for the district. The town offers strong local amenities and a well-established retail and trade presence, with the MKM branch serving as a leading builders' merchant supporting coastal development.

The property is positioned around 18 miles north of Norwich, 8 miles southeast of Cromer, and 25 miles northwest of Great Yarmouth, providing excellent access to regional hubs. MKM's catchment area spans 20–30 miles, drawing customers from across North Norfolk.

North Walsham's role as a regional hub is reinforced by a diverse mix of national and independent businesses, including Waitrose, Sainsbury's, Toolstation, and Screwfix, catering to both local residents and the wider rural economy.



Description

The building was originally built in 2014 and then was substantially refurbished in 2022 to provide the completed specification below. The property comprises a purpose-built trade counter unit, with a large yard.



Specification

- Steel portal frame construction
- Clear internal height of 6.26m
- Secure, fully concreted yard with perimeter fencing (2.4m) and gated entrance
- 3 Level access loading doors
- 100KVA 3 phase electricity supply
- Floor loading to 30 KN per sq m
- Mezzanine floor loading 7.2 KN per sq m
- Internal LED lighting and external LED floodlighting
- 32 customer parking spaces (including 3 disabled spaces) and 12 staff car parking spaces.

Accommodation

The property has been measured in accordance with the RICS Code of Measuring Practice (6th Edition) on a gross internal area.

There is an assignable measured survey, provided by Lane and Frankham, available in the data room.

Areas

Unit	Area	Sq M	Sq Ft
MKM Office & Warehouse	Ground Floor	1,397	15,039
Sub-total		1,397	15,039
Mezzanine Storage	Mezzanine	525.4	5,655
Total		1,922.4	20,694





Site

The combined site extends to approximately 2.91 acres (1.18 hectares). Providing a 12% site cover.



Tenure

Freehold.

The principal MKM facility is comprised within freehold title number NK363874. Upon disposal, the MKM facility will be extracted from this title by way of a carve-out.

The property benefits from rights of way over the areas delineated in green, blue and brown on the accompanying plan.

The title further imposes an obligation on the landlord to contribute towards the maintenance of communal roads, with such costs being contractually recoverable from the tenant.

Tenancy

The property is let to MKM Building Supplies Ltd on a 20-year FRI lease from 18 October 2022, expiring on 17 October 2042 on full repairing and insuring terms.

The passing rent is £192,575 per annum. While MKM is in occupation, they pay rent monthly in advance. Rent reviews are every five years, the next being 18th October 2027. The rent review is linked to RPI with a 1%-3% collar and cap annually compounded.

MKM Rent Breakdown

Description	Sq Ft	Rate (psf)	Rent (pa)
Warehouse	15,039	£6.78	£101,964
Mezzanine	5,655	£1.69	£9,557
Additional Yard	Up to 2.03 acres	£40,000 (£0.92 psf)	£81,075
Total			£192,575



Tenant Covenant

MKM Building Supplies Limited is the UK's largest independent builders' merchant, operating 135 branches across more than 20 counties in England and multiple locations in Scotland. The company has expanded significantly, from 73 branches in 2020 to over 135 by 2025. Established in Hull in 1995, MKM has developed a strong reputation for delivering high-quality customer service. Each branch is part-owned and led by dedicated Branch Directors, who are responsible for selecting their own team of experienced local specialists (MKM).

- Employees: **Over 1,650**
- Annual Revenue: **Exceeds £985 million**
- Dun & Bradstreet Rating: **5A3**
- Company Number: **03100815**



Financial Summary

	AUG 2024 (£000'S)	AUG 2023 (£000'S)	AUG 2022 (£000'S)
Sales Turnover	986,171	926,830	818,030
Profit / (Loss Before Taxes)	12,202	23,366	49,501
Tangible Net Worth	36,510	45,655	48,904



Market Commentary

North Walsham sits within one of Norfolk's most established commercial catchments, supported by a resilient local workforce and strong regional connectivity to Norwich, the A149 and the broader North Norfolk growth corridor.

The town's industrial and trade counter market has historically been characterised by limited modern supply, with occupier demand driven by builders' merchants, local distributors and service-led industrial occupiers seeking well-positioned sites with prominent roadside profiles.

The North Norfolk industrial market has a relatively low vacancy rate of 4% compared with the UK average for the industrial market of 6%. While the vacancy rate has risen slightly over the last two years as some occupiers have retrenched, the lack of new development in North Norfolk has limited the increase and supported continued rental growth.

Average industrial rents in North Norfolk rose by 4.5% in 2025 to £6.10 and have increased by 6.3% p.a. over the last five years. There is currently no industrial space under construction in North Norfolk and the construction of new off shore wind farms should boost demand in the area. We expect industrial rents in North Norfolk to rise by 3-4% p.a. over the five years to the end of 2030 (CoStar).



Investment Market

Date	Property	GIA (sq ft)	Tenant	Term Certain (years)	Rent Review	Price	NIY
Marketing	MKM, Barrow In Furness, Cumbria, LA14 4DE	20,700	MKM Building Supplies Ltd	13	5 yearly to RPI, 1.5% - 3.5% pa, collared & capped (compounded).	Q. £3,220,000	Q. 5.25%
Marketing	MKM, Hambridge Road, Newbury, RG14 5UP	15,152	MKM Building Supplies Ltd	17	5 yearly to RPI, 1.0% - 3.0% pa, collared & capped (compounded).	Q. £3,450,000	Q. 5.44%
Dec-25	MKM, 27 Vulcan Road North, Norwich, NR6 6AQ	15,010	MKM Building Supplies Ltd	14.3	5 yearly to RPI, 1.0% - 3.0% pa, collared & capped (compounded).	Sale price confidential	Q.5.50%
Nov 25	MKM, Unit 1 Buntsford Drive, Bromsgrove, B60 3AJ	15,062	MKM Building Supplies Ltd	16.82	5 yearly to RPI, 1.5% - 3.5% pa, collared & capped.	£4,100,000	5.27%
Jul 25	Sompting Road, Worthing, BN14 9EP	21,560	Travis Perkins Trading Co Ltd	15	5 yearly, upward only to OMV, capped at 4% per annum (compounded).	£5,572,000	5.39%
Jul 25	Travis Perkins, Apex Business Park, Cambridge Road, Bedford, MK42 0AW	25,724	Travis Perkins Trading Co Ltd	15	5 yearly, upward only to OMV, capped at 4% per annum (compounded).	£7,800,000	5.05%
Jul 25	Travis Perkins, Radway Road, Shirley, Solihull, B90 4NS	24,900	Travis Perkins Trading Co Ltd	15	5 yearly, upward only to OMV, capped at 4% per annum (compounded).	£5,250,000	5.16%
Jan 25	Travis Perkins, Phoenix Mill, King Street, Blackburn, BB2 2DT	11,830	Travis Perkins Trading Co Ltd	15	5 yearly, upward only to OMV, capped at 4% per annum (compounded).	£2,000,000	5.93%



EPC Rating

B28. Full details available upon request.

VAT

The property is elected for VAT. It is assumed this transaction will be structured as a Transfer of a Going Concern.

Data Room

Data room access will be granted upon 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 vendors. Bidwells LLP accepts no liability of any type arising from your delay or other lack of co-operation.

Capital Allowances

Any vendor held capital allowances will be available to the purchaser.

Proposal

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Further information

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