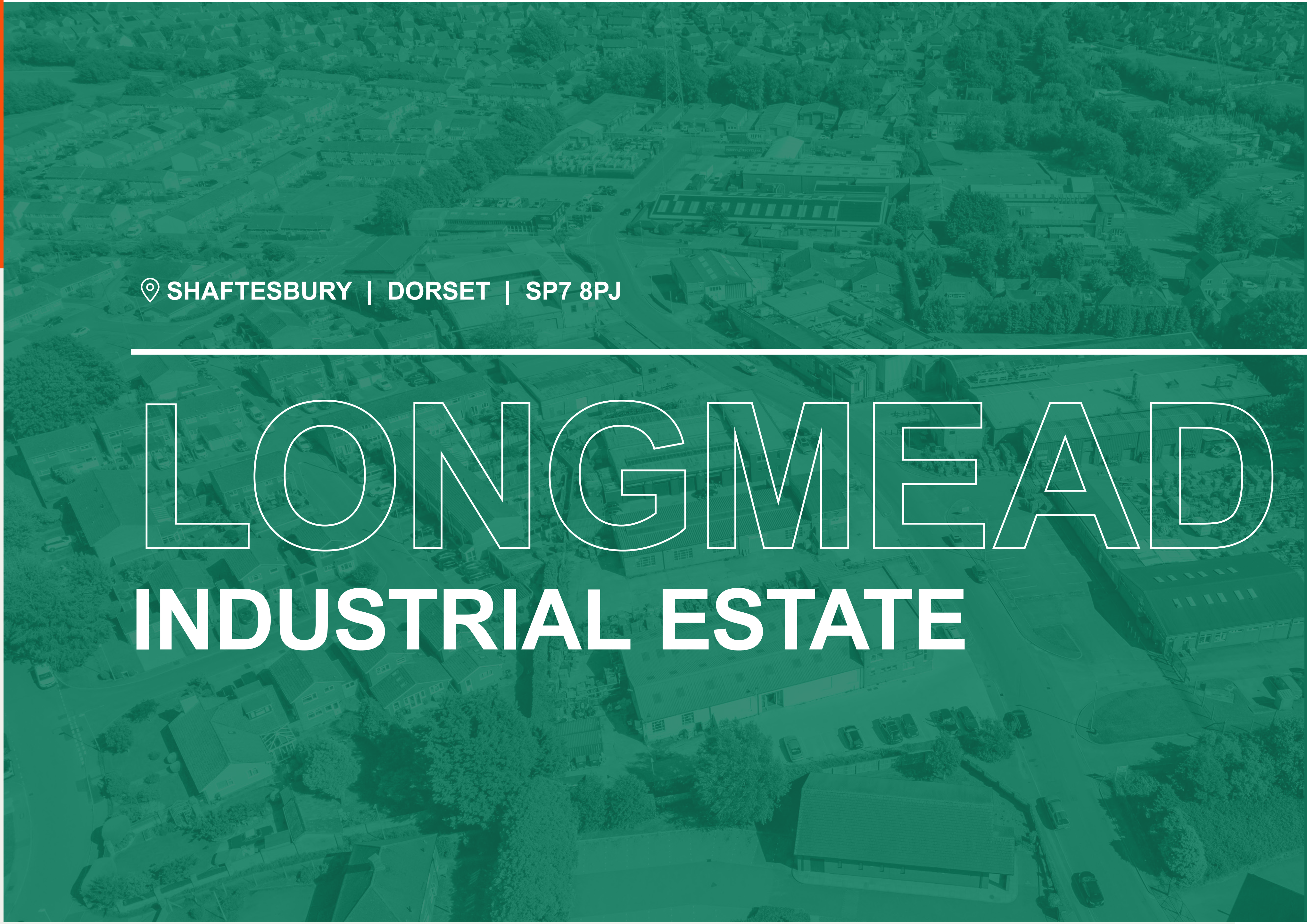

Multi-Let Industrial Ground Rent Investment with Reversionary Potential

SHAFTESBURY | DORSET | SP7 8PJ

LONGMEAD INDUSTRIAL ESTATE

Hartnell Taylor Cook

INVESTMENT SUMMARY

- Opportunity to acquire **multi-let,** reversionary ground rent industrial investment
- **Strategically located** in Shaftesbury, providing strong road connectivity to nearby commercial centres via the A30 and A350
- Comprises **16 separate parcels of land**
- Occupying **substantial 6.32-acre (2.56 hectare) site**
- **Freehold**
- Leased to 15 tenants with a **WAULT of 93.5 years,** with 13 of these leases having an **attractive WAULT of 64.2 years,** providing the opportunity to engage with tenants on lease restructuring and other asset management initiatives
- Producing £97,630 per annum, equating to a **low rent of £0.36 per sq ft** and £15,453 per acre
- **Potential to agree a surrender or restructuring of leases** on 5 parcels, all of which are currently unoccupied
- Immediate opportunity to trigger **two outstanding rent reviews**

PROPOSAL

We are instructed to seek offers in excess of **£1,840,000 (One Million Eight Hundred and Forty Thousand Pounds)** subject to contract and exclusive of VAT (assuming purchasers' costs of 6.23%)

A purchase at this level reflects a **Net Initial Yield of 5.00%,** with significant reversionary potential and a **low capital value of £291,140 per acre.**

Multi-Let Industrial Ground Rent Investment

LOCATION

The property is located in Shaftesbury, a historic market town in north Dorset, strategically positioned close to the Wiltshire and Somerset borders and serving a wide catchment across the South West.
The town lies approximately 20 miles west of Salisbury and 23 miles north-east of Dorchester, with good access to a broad regional labour pool and established commercial centres via the A30 and A350.

The A350 provides connectivity to Warminster, Melksham and Chippenham to the north, and Blandford Forum and Poole to the south. The A30 is located to the south of the town, offering east–west connections towards Salisbury and Yeovil, while the A303 provides onward access to the strategic road network, linking the South West with the M3 and London.

The nearest mainline railway station is located at Gillingham (Dorset), approximately 4 miles to the south-east, providing regular direct services to London Waterloo, with the fastest journey time of approximately 1 hour 55 minutes, and Exeter St Davids, approximately 1 hour 24 minutes.

The town also benefits from access to regional airports including Bournemouth Airport and Bristol Airport, providing domestic and international connectivity.

SAT NAV: SP7 8PJ
WHAT3WORDS: ///SUITABLY.BROADENS.STOPS

TRAIN

10 mins
Gillingham Railway Station

ROAD

12 mins
A303

AIR

51 mins
Bournemouth Airport

Multi-Let Industrial Ground Rent Investment

DEMOGRAPHICS

The wider Dorset region has demonstrated resilient long-term growth, with the population increasing by approximately 4% between 2011 and 2021 and a further 5% growth projected between 2025 and 2035. The local economy is supported by around 21,000 businesses and 149,000 employees, while Dorset's labour market remains robust, with approximately 380,800 people in employment.

The wider Dorset economy is supported by a diverse range of sectors, including manufacturing, engineering, agriculture, food production, tourism and business services. Shaftesbury continues to perform an important role as an established market town and employment location, serving both its resident population and the wider surrounding area.

WIDER DORSET REGION

4% ↑

Population increase between 2011 and 2021

5% ↑

Projected increase in population between 2025 and 2035.

21,000

Businesses

149,000

Employees

380,800

People in employment

SITUATION

Longmead Industrial Estate is situated to the east of Shaftesbury town centre. Longmead, which forms the principal internal estate road, represents the town's principal industrial and employment location.

The estate is accessed via Ivy Cross Roundabout (A30) to the west and King Alfred's Way to the east, providing convenient connectivity to the A350. The western end of the estate benefits from its proximity to Shaftesbury town centre and surrounding residential areas, while the eastern end is characterised predominantly by established commercial and employment uses.

The estate is home to a mix of trade, industrial and service occupiers. Nearby commercial locations include Wincombe Business Park, where occupiers include Travis Perkins, Johnsons and Virginia Hayward, reinforcing the area's established industrial and trade counter strength.

The immediate area benefits from good local amenity provision, with Lidl situated nearby and Ivy Cross Stores, located to the west of the estate providing a mix of food and convenience operators.

LOCAL OCCUPIERS:

TESCO

JOHNSONS Hotel, Restaurant & Catering Linen

LIDL

SINCE 1984 VIRGINIA HAYWARD THE HAMPER COMPANY

Travis Perkins

DESCRIPTION

The property comprises a 6.32-acre site, arranged either side of Longmead, an adopted highway. The site has been divided into 16 separate plots, ranging from 0.14 to 0.84 acres.

Each plot accommodates individual industrial premises, which were constructed in the 1970s by the original tenants and have been developed incrementally over time by the separate long leaseholders.

The units are of varying age and quality, generally of steel portal frame construction, with elevations of brickwork, profiled metal cladding, or a combination of both, arranged beneath pitched roofs. The majority of units incorporate office accommodation to the front elevation, with loading and parking provision located to the front and/or side of each building.

Occupiers within the estate comprise a mix of commercial, trade and service-based users, including a charity retail outlet, vehicle repair, tyre fitting and MOT centres, electrical and food wholesalers, a building services provider, roofing supplies businesses, and Royal Mail.

One of the main tenants, Poppy Property Limited, hold a leasehold interest in 5 separate plots but are not in occupation.


Plot 8a


Plot 2

6.32
Acre Site

16
Separate Plots

RANGING FROM

0.14 - 0.84
Acres

Plot 3

Multi-Let Industrial Ground Rent Investment


Plot 1


Plot 4

ACCOMMODATION

The property has been measured using Nimbus Maps.

PLOT	SITE AREA (ACRES)
1	0.288
2	0.262
3	0.318
4	0.251
5	0.235
6	0.314
7	0.250
8&9	0.841
8a (Innovation House)	0.139
29a	0.352
29b (Wessex House)	0.163
30-31	0.514
31a	0.44
32	0.512
33	0.87
34	0.569
Total	**6.318**

TENANCY

The estate is let on 15 separate leases with a weighted average unexpired lease term (WAULT) of approximately 93 years and 6 months.

13 of the leases were granted between 1965 and 1972, with expiries between 2089 and 2090, providing a WAULT of approximately 64 years and 2 months. Plot 8a and Plots 8-9 were let in 2014, expiring in 2264.

In total, the estate produces a passing rent of £97,630 per annum, equating to a low rent of £0.36 per sq ft and £15,453 per acre.

A copy of each lease is available in the data room.

The 1960's and 1970's leases are reviewed to the increase in the value of the land over the preceding 25-year period, based on the value of the land excluding buildings and are subject to 25-yearly rent reviews, with the exception of Plots 8 & 9 and Plot 8a, which are reviewed every 10 years. Both of these reviews have been outstanding since March 2023.

TENURE

The property is held on a **freehold** basis, under **title number DT353716.**

Unit	Tenant	Area (acres)	Area (sqft)	Lease Start	Period	Lease Expiry	Term Unexpired	Contracted Rent	Rate (£/sqft)	Rev. Frq.	Next Review	Notes
Plot 1	Trustees of the William Hughes Ltd Executive Pension Schemes	0.288	12,545	13/11/1968	121y 7m	03/07/2090	64y 2m	4,720	0.38	25	24/06/2040	
Plot 2	Longmead Finance Ltd	0.262	11,413	13/11/1968	121y 7m	03/07/2090	64y 2m	4,192	0.37	25	24/06/2040	
Plot 3	Longmead Finance Ltd	0.318	13,852	13/11/1968	121y 7m	03/07/2090	64y 2m	5,344	0.39	25	24/06/2040	
Plot 4	Longmead Finance Ltd	0.251	10,934	24/06/1965	125y	23/06/2090	64y 2m	4,096	0.37	25	24/06/2040	
Plot 5	Longmead Finance Ltd	0.235	10,237	24/06/1965	125y	23/06/2090	64y 2m	3,760	0.37	25	24/06/2040	
Plot 6	Poppy Property Limited & Poppy Property Holdings Limited	0.314	13,678	13/11/1968	121y 7m	03/07/2090	64y 2m	3,440	0.25	25	24/06/2040	Tenant not in occupation
Plot 7	Poppy Property Limited & Poppy Property Holdings Limited	0.250	10,890	15/02/1971	119y 4m	22/06/2090	64y 2m	3,312	0.30	25	24/06/2040	Tenant not in occupation
Plot 8 & 9	Wessex Group Limited	0.841	36,634	24/06/2014	249y 10m	23/06/2264	238y	13,850	0.38	10	25/03/2023	Mar 2023 rent review outstanding
Plot 8a	Trustees of the Minerva SIPP	0.139	6,056	24/06/2014	250y	24/06/2264	238y 2m	2,635	0.44	10	25/03/2023	Mar 2023 rent review outstanding
Plot 29a	Hine Motors Ltd	0.352	15,333	14/06/1972	118y	23/06/2090	64y 2m	3,040	0.20	25	14/06/2040	
Plot 29b Wessex House	Wessex Group Limited	0.163	7,100	02/08/1971	118y 1m	08/09/2089	63y 4m	3,065	0.43	25	02/08/2040	
Plot 30-31	Poppy Property Limited & Poppy Property Holdings Limited	0.514	22,390	01/04/1971	116y 10m	23/06/2090	64y 2m	8,160	0.36	25	24/06/2040	Tenant not in occupation
Plot 31a	Poppy Property Limited & Poppy Property Holdings Limited	0.440	18,731	01/02/1973	117y 7m	09/09/2090	64y 3m	6,832	0.36	25	24/06/2040	Tenant not in occupation
Plot 32	Poppy Property Limited & Poppy Property Holdings Limited	0.512	22,302	01/09/1973	116y 10m	24/06/2090	64y 2m	8,160	0.37	25	24/06/2040	Tenant not in occupation
Plot 33	Kavanagh Roofing (Southern) Ltd	0.870	37,897	24/06/1965	125y	23/06/2090	64y 2m	13,744	0.36	25	24/06/2040	
Plot 34	Royal Mail Group Limited	0.569	24,786	24/06/1965	125y	23/06/2090	64y 2m	9,280	0.37	25	24/06/2040	
		6.32	274,778					97,630	0.36			

ASSET MANAGEMENT

There are a number of asset management initiatives available to a potential purchaser, including:

- Ability to trigger outstanding rent reviews of Plot 8a and Plots 8-9, effective from March 2023, and immediately increase the running yield.
- Potentially further significant rental uplift at the 2040 rent reviews.
- Potential to restructure or agree a surrender of the five plots let to Poppy Property Limited, which are currently unoccupied, providing the opportunity to relet on occupational leases at market rent, or to redevelop, subject to planning and tenant engagement.


Plot 8 & 9


Plot 3


Plot 30-31


Plot 29b Wessex House


Plot 33


Plot 34

Unit 29

FURTHER INFORMATION

VAT

We understand the property is not elected for VAT.

ANTI-MONEY LAUNDERING

In accordance with the current Anti Money Laundering (AML) Regulations, the purchaser will be required to provide and satisfy the Vendor and their agents on the source of the funds used to acquire the property in advance of an exchange.

CONTACT

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