

HEREFORD

CONTRACT CANNING

1 STANIERS WAY
HEREFORD, HR1 1JT



LONG INCOME INDUSTRIAL SALE & LEASEBACK OPPORTUNITY

INVESTMENT SUMMARY

- Fully refurbished industrial HQ building
- Mission critical location for the tenant who also occupies the adjoining building
- Extending to 38,038 sq ft (3,534 sq m) on a site of 2.06 acres (0.83 ha)
- Fully refurbished in 2021
- EPC C (66)
- The Property will be let to Hereford Contract Canning for a term of 15 years without break
- The lease will be subject to 5-yearly CPI linked rent reviews (1%-4%)
- The passing rent will be £285,622 pa reflecting a rent of £7.50 per sq ft
- Freehold



We are instructed to seek **offers in excess of £3,665,000** (Three Million, Six Hundred and Sixty Five Thousand Pounds) Subject to Contract and exclusive of VAT. A purchase at this level is reflective of a **net initial yield of 7.25%** and **low capital value of £96 psf** allowing for **purchasers costs of 7.54%**.





THREE MILLS TRADING ESTATE

INCOTEST

MOTORCARE

HEREFORD AUDI

GOTSWOLD BMW

STONewater HOMES SCHEME

HARTWELL FORD

BOOKER

BOULDER BARN

VERTU VOLKSWAGEN

HCC

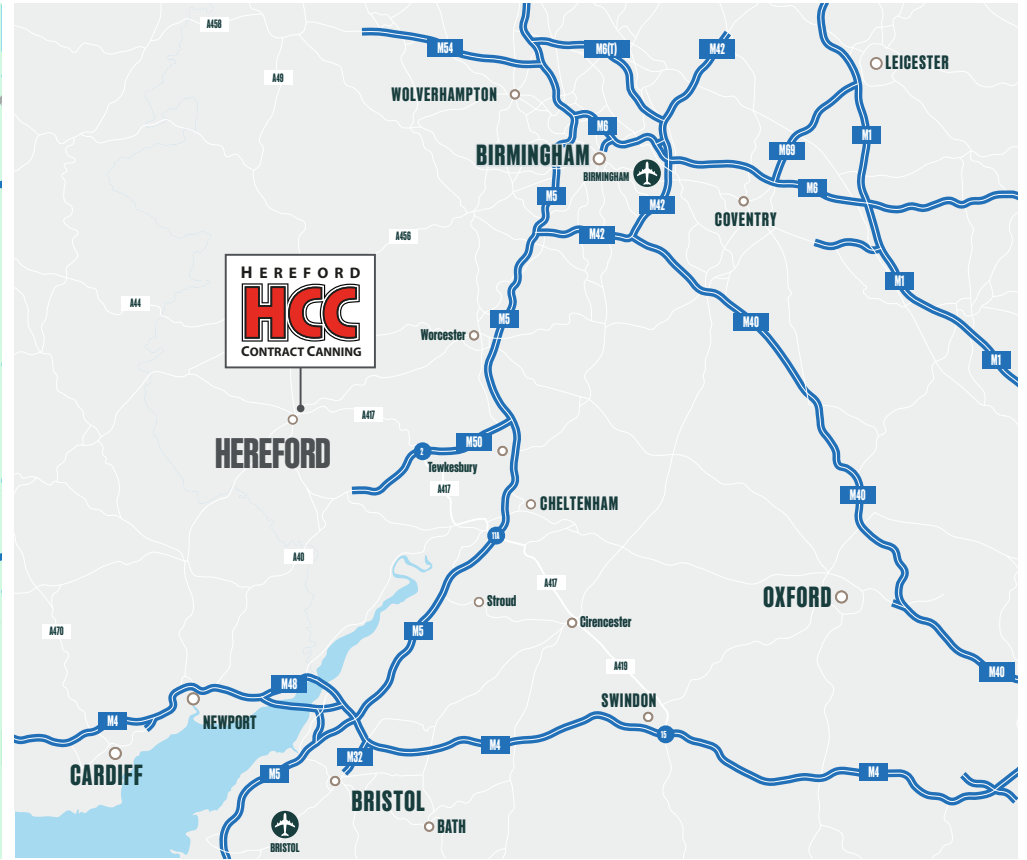
HEREFORD
HCC
CONTRACT CANNING

A4103 ROMAN ROAD

DOLE FOODSERVICE

LISTERS LAND ROVER HEREFORD





SITUATION

Hereford Contract Canning is located off Roman Road, A4103 on the north side of Hereford. This is the main road out of Hereford to Worcester and the M5. The surrounding areas are made up of industrial, automotive retail and farmland. Hereford train station is 2 miles to the south providing rail services to Welsh and Midland cities.

Other local occupiers include Booker, Listers Land Rover, Vertu Audi and IncoTest.

Road	Distance
M50 (Junction 2)	19 miles
M5 (Junction 7)	28 Miles
M4	55 miles

Train Station	Train Time
Cardiff Central	1hr 5 mins
Birmingham New Street	1hr 29 mins
London Paddington	2hr 40 mins

LOCATION

Hereford is a city in the south-west of the Midlands with a population of approximately 60,000. It is located 24 miles south-west of Worcester and 23 miles north-west of Gloucester.

The city is served by three trunk roads: the A49, running north from Ross-on-Wye to Chester; the A465 from Bromyard to Hereford and the A438 from Hay-on-Wye to Hereford.

DESCRIPTION

The Property comprises a 38,038 sq ft (3,534 sq m) industrial building of steel portal frame construction with brick and steel-clad elevations. HCC also occupies the adjoining unit which is under separate ownership. They have merged the two units together as part of their production facility.

Externally there is a concrete surface loading yard and two loading doors to the southern elevation. There is a separate tarmac surface car park on the eastern side of the building. There are single storey offices also to the east elevation.

The occupier undertook significant refurbishment works in 2021 which include:

- New roof
- Refurbished floor to the warehouse
- Fully refurbished offices
- New LED lighting
- New external cladding to the elevations



TENANCY

The Property will be let by way of a 15-year lease to Hereford Contract Canning (HCC) Limited - Company Number 07415621. The lease will commence from the day of sale and will benefit from 5-yearly CPI linked rent reviews (1%-4%).

The initial rent will be £285,622 which reflects a rent of £7.50 psf.

The lease will be subject to a schedule of condition and there will be a re-instatement provision within the lease to cover the central wall in between the neighbouring unit.

As the building is used for the canning of alcoholic beverages, it is BRCGS compliant and has an automated Clean in Place (CIP) system which ensures the entire processing equipment is clean and contamination free.

TENANT/ COVENANT

Hereford Contract Canning is a leading packer of alcoholic and non-alcoholic beverages. Their operation at Hereford is the second largest independent contract canning facility in the UK and was set up to answer the growing demand from brand owners for up-to-the-minute, efficient, responsive, flexible beverage canning.

They have capacity to produce 425 million cans per year and have major contracts with many leading drinks brands.

They have been in occupation of the neighbouring site since their founding in 2012 (not part of this sale).

Accounts:

Year to Date	Turnover	Profit for financial year	Shareholders Funds
31/12/2023	£37,741,153	£3,051,135	£18,191,858
31/12/2022	£24,135,672	£1,573,573	£15,140,723
31/12/2021	£19,914,604	£2,524,675	£13,567,150



VAT

The Property is elected for VAT, as such VAT will be payable on the purchase price.

OCCUPATIONAL MARKET

The UK industrial and logistics occupational market follows this trend in 2024. The Herefordshire sub-market continues to see strong demand, fuelled by a vacancy rate of just 1.0%.

Much of this vacancy is driven by a lack of new development with just 55,000 sq ft currently under construction, representing a 0.5% increase in the total market stock. This lack of stock is continuing to increase rents in the sector.

We have set out some recent lettings in the south-west midlands region below:

Property	Date	Tenant	Size (sqft)	Term	Rent (psf)
Unit 1 Berkely Business Park Worcester	Q2 2024	Athena Worksurface Fabrications	47,278	10	£9.00
Unit 24 Eastern Avenue Trading Estate, Gloucester	Q2 2024	WB Services Power	16,856	10 (5)	£10.00
Unit D Nexus, Gloucester Business Park, Gloucester	Q2 2024	Atlas Copco Limited	16,997	10	£10.00
Nit 6 St Modwen Park, Gloucester	Q4 2022	Radmat	37,785	10	£8.25



INVESTMENT MARKET

Sentiment has remained strong in the industrial and logistics market which continues to be underpinned by high levels of occupational demand.

Investor confidence has improved throughout 2024 with increased confidence that further interest rate cuts will come in Q4 2024 and early 2025. This has brought about an uptick in activity which is expected to compress yields in the coming months.

We have set out some recent transactions below:

Property	Date	Size (sqft)	Rent (psf)	WAULT	Price (Yield)	Comments
Vertik-AL, Yardley Brook Industrial Estate, Birmingham	Quoting	47,717	£6.00	10	£3,400,000 (7.94%)	Sale & Leaseback
GSF Car Parts, 26 Knutsford Way, Sealand Industrial Estate, Chester	Quoting	24,634	£9.50	10	£3,350,000 (6.5%)	Sale & leaseback
Travis Perkins, 12 Love Lane, Cirencester	Q3 2024	20,465	£9.14	15	£3,300,000 (5.32%)	Low site cover
PHS, Claymore Tame Valley Industrial Estate, Tamworth	Q2 2024	44,915	£5.97	5.3	£3,800,000 (6.63%)	Imminent rent review to realise reversion

HEREFORD

CONTRACT CANNING

1 STANIERS WAY
HEREFORD, HR1 1JT

We are instructed to seek offers in excess of **£3,665,000** (Three Million, Six Hundred and Sixty Five Thousand Pounds) Subject to Contract and exclusive of VAT. A purchase at this level is reflective of a **net initial yield of 7.25%** and **low capital value of £96 psf** allowing for **purchasers costs of 7.54%**.



**CUSHMAN &
WAKEFIELD**

Ned Jones

ned.jones@cushwake.com
07826 549393

Harry Abell

harry.abell@cushwake.com
07827 553132

The Misrepresentation Act 1967. Cushman & Wakefield (and any joint agent appointed) for themselves and for vendors or lessors of this property, whose agents they are, gives notice that: 1 The particulars are produced in good faith, but are a general guide only and do not constitute any part of a contract. 2 No person in the employment of the agent(s) has any authority to make or give any representation or warranty whatsoever in relation to this property. 3 The property is offered subject to contract and unless otherwise stated all rents are quoted exclusive of VAT. 4 Nothing in these particulars should be deemed a statement that the property is in good condition, or that any services or facilities are in working order. 5 Unless otherwise stated, no investigations have been made regarding pollution, or potential land, air or water contamination. Interested parties are advised to carry out their own investigations if required. Designed and Produced by Creativeworld. Tel: 01282 858200. October 2024.