

**MULTI LET OFFICE INVESTMENT**

**DISTINGTON HOUSE  
AND CENTRE COURT**

ATLAS WAY, SHEFFIELD S4 7QQ



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ATLAS COURT

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## INVESTMENT SUMMARY

- Distington House and Centre Court combine to form a very high quality freehold office development occupying a prominent position within 1 mile of Sheffield City Centre.
- Excellent location fronting on to Atlas Way and highly visible to Brightside Lane, the main arterial route from Junction 34 of the M1.
- A total of 41,003 sq ft arranged over ground and 2 upper floors across the two buildings.
- Total site area of 1.82 acres (0.74 ha)
- Freehold
- High quality fit out across the entirety of the accommodation
- Centre Court is fully let to Alcoa (formerly Firth Rixson) who have invested heavily in the building and use this as their HQ. Their lease runs until June 2021 at a rent of £106,000 per annum (£10.43 psf).
- Distington House is let to Amey at first floor until August 2020 at a rent of £89,004 per annum (£8.60 psf). The upper floor right hand suite is let to Gabbro Precision until April 2021 at a rent of £45,262 per annum (£7.50 psf).
- Distington House topped up rent of £278,906 per annum (ERV of £308,400 per annum)
- Total rent of £384,906 per annum (ERV of £410,030 per annum)
- Average weighted un-expired term of 3.44 years to expiry and 2.10 years to earliest determination
- Opportunity to significantly improve the existing income profile through letting of vacant accommodation
- We are instructed to seek offers in excess of £3,325,000 (subject to contract and exclusive of VAT)
- A purchase at this level reflects a Net Initial Yield of 10.87% and Reversionary Yield of 11.58%
- Extremely low capital value of £81 psf

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DISTINGTON HOUSE & CENTRE COURT

ITM POWER  
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POLICE

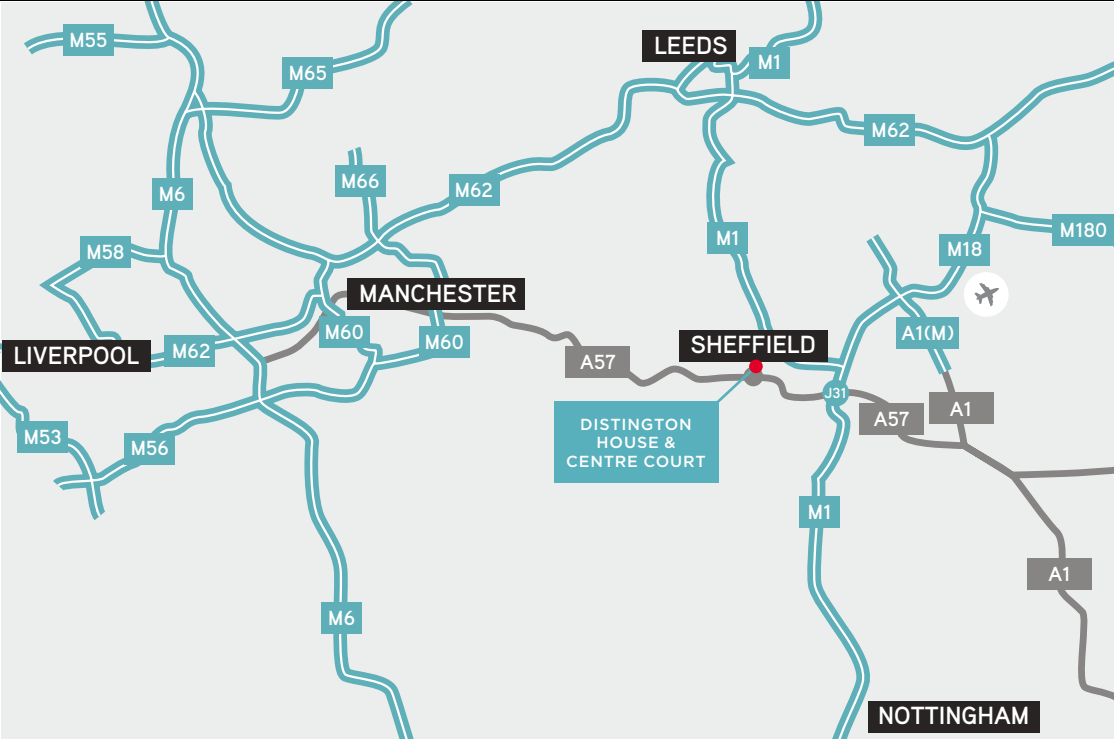
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# SHEFFIELD

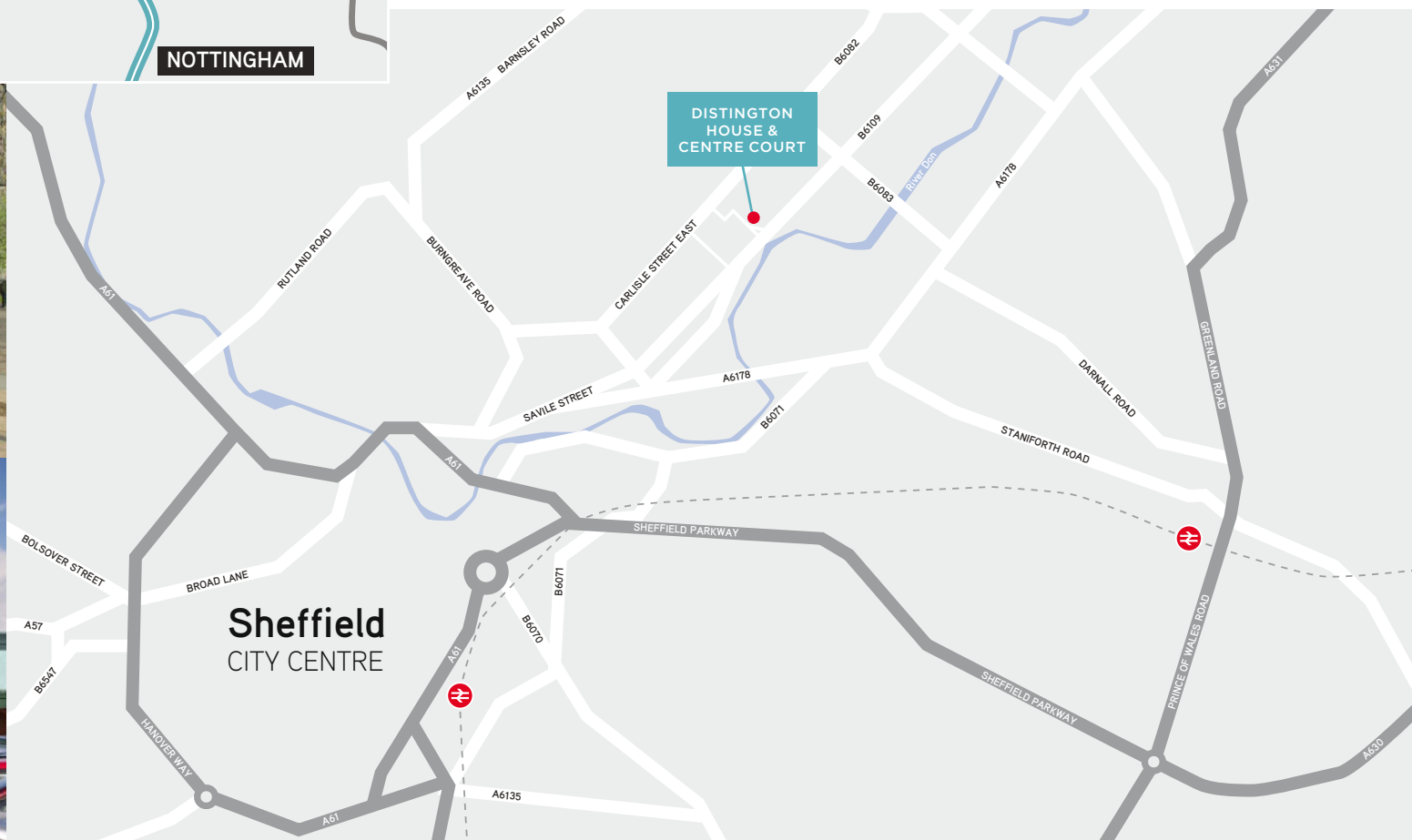
Sheffield is England's fourth largest city and is recognised internationally for its steel and manufacturing industry. The city is located approximately 68km (42 miles) south of Leeds, 70km (43.5 miles) east of Manchester, 135 km (84.4 miles) north of Birmingham and 259km (162 miles) north west of London.

Sheffield's communication links are excellent with the M1 skirting the north and east sides of the city, linking with the M62 Trans Pennine motorway to the south of Leeds. Rail services

to London St Pancras are also available with a journey time of approximately 2 hours 5 minutes.

Robin Hood Airport, which serves approximately 2.5 million passengers a year and Meadowhall, a 1.5 million sq ft shopping centre, are situated within a 10 minute drive.

The SuperTram which operates a regular city link from Middlewood in the north and Halfway in the South (via Crystal Peaks).



## SITUATION

The Lower Don Valley is built upon a strong and diverse economic base. New businesses are attracted to the Lower Don Valley for its exceptional environment and easy accessibility. Distington House and Centre Court are part of a high quality new Office Park set within a clean, green environment with strong connections to national, regional and local transportation networks.

Both Firth Rixson (now Alcoa) and Gabbro Precision are 'Sheffield steel' companies, established in the area and with strong links in both their history and future plans. Both companies have associated 'works' facilities in the immediate area and occupy Distington House and Centre Court as head offices.

Surrounding occupiers include South Yorkshire Police, Lincoln Electric, Pro Dek Design, Blatchford and Spear & Jackson Group.





## DESCRIPTION

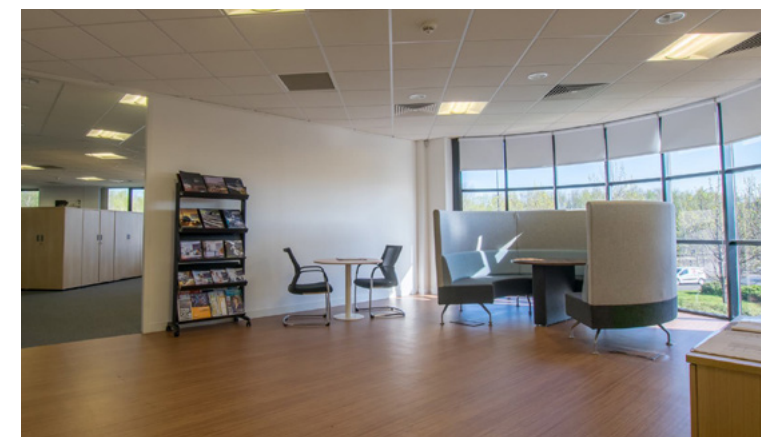
Distington House and Centre Court each benefit from excellent frontage onto Brightside Lane and Atlas Way and provide flexible, open plan accommodation lettable as a whole or on a floor by floor, suite by suite basis.

They are constructed of attractive brick facades and pitched tiled roof with a full height entrance lobby leading to the main stairwell. An 8 person passenger lift is installed in each respective building.

The office accommodation is finished to a high specification to include the following:

- Full access raised floors and suspended ceilings
- LG3/LG7 compliant lighting
- Air conditioning throughout
- Carpeted and fully decorated
- Double glazing
- Male, female and disabled WC's on each floor
- Fully DDA compliant
- 24 hour access

The properties occupy a well maintained landscaped site extending to 1.82 acres (0.74 hectares) providing 134 car spaces, a ratio of 1:295 sq ft.



## ACCOMMODATION

The accommodation provides the following approximate net internal floor areas (Measured in accordance with RICS Code of Measuring Practice 6th Edition).

Distington House		
Floor	Area Sq m	Area Sq ft
2nd	958.7	10,320
1st	960.7	10,341
Ground	947.0	10,179
<b>Sub Total</b>	<b>2,866.4</b>	<b>30,840</b>
Centre Court		
Floor	Area Sq m	Area Sq ft
2nd	316.7	3,410
1st	316.7	3,410
Ground	310.6	3,343
<b>Sub Total</b>	<b>944.0</b>	<b>10,163</b>
<b>Overall Total</b>	<b>3,810.4</b>	<b>41,003</b>

## TENANCY

The property is let in accordance with the tenancy schedule below on full repairing and insuring terms:

Description	Sq Ft	EPC	Tenant	Lease Start	Rent Review Date	Break Clause	Lease Expiry	Rent	£ per sq ft	ERV	£ per sq ft	Comments
Centre Court	10,163	C- 64	Firth Rixson Ltd	08/10/2012	-	-	07/12/2022	£106,000	£10.43	£101,630	£10.00	2017 break not exercised. Tenant completing refurbishment. Firth Rixson Limited acquired by Arconic Manufacturing (GB) Limited and assignment of lease agreed and in legals.
<b>Total</b>	<b>10,163</b>							<b>£106,000</b>		<b>£101,630</b>		
Distington House - Ground Floor	10,179		Vacant	-	-	-	-	£101,790	£10.00	£101,790	£10.00	Vendor to provide 1 year rent, rates and service charge guarantee. Comprehensively refurbished space.
Distington House - First Floor RHS	6,200		Amey OW Ltd	23/08/2012	-	-	22/08/2022	£47,594	£7.67	£62,000	£10.00	Re-gear completed to take additional first floor space. 2017 review settled. Vendor to top up to August 2017 rent.
Distington House - First Floor LHS	4,141		Amey OW Ltd	30/08/2016	-	30/08/2018	22/08/2022	£41,410	£10.00	£41,410	£10.00	Additional space taken as per above.
Distington House - Second Floor RHS	6,035		Gabro Precision Ltd	17/04/2012	17/04/2018	17/04/2018	16/04/2021	£45,262	£7.50	£60,350	£10.00	Not in occupation.
Distington House - Second Floor LHS	4,285		Vacant	-	-	-	-	£42,850	£10.00	£42,850	£10.00	Vendor to provide 1 year rent, rates and service charge guarantee. Comprehensively refurbished space.
<b>Distington Total</b>	<b>30,840</b>							<b>£278,906</b>		<b>£308,400</b>		
<b>Overall Total</b>	<b>41,003</b>							<b>£384,906</b>		<b>£410,030</b>		

## TENURE

Freehold

## SERVICE CHARGE

The service charge budget for 2017/2018 reflects £4.50 per sq ft per annum on Distington House and £0.55 per sq ft on Centre Court.

Further information on the service charge can be provided on request.

## VAT

The property is elected for VAT and therefore VAT will be payable on the purchase price. It is anticipated that the sale will be dealt with as a TOGC.



## COVENANT



### Arconic Manufacturing (GB) Limited (Reg. 633328)

Firth Rixson were originally established in Sheffield over 100 years ago and the company occupy Centre Court as their UK headquarters and principal sales office. Firth Rixson was sold to Alcoa in 2014 for £1.7 billion and is now about to form part of the new Arconic brand. They are a provider of high-quality performance materials and engineered products to the aerospace, automotive and other transport industries. They are a major supplier to industry leaders such as Boeing, Airbus, Bombardier, GE, Rolls-Royce, Ford, Chrysler and Nissan.

Arconic Manufacturing (GB) Limited (Formerly known as Alcoa Manufacturing (GB) Limited reported the following figures in their latest audited accounts:

	31st Dec 2015	31st Dec 2014	31st Dec 2013
Turnover	£135,371,000	£126,822,000	£134,688,000
Pre-Tax Profit	£333,000	£1,352,000	£9,066,000
Shareholders' Funds	£323,064,000	£330,355,000	£325,954,000



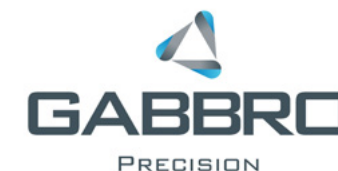
### Amey OW Ltd (Reg. 1922327)

Amey works with public and private sector clients, supporting them to deliver services to the public in Sheffield and based in Distington House. They look to increase the quality of services by introducing efficiencies and improvements to the processes and principles that underpin their delivery.

Amey have been tasked with delivering one of the biggest highways projects in the country and providing the improvements which are needed to support the Council's ongoing plans for the regeneration of the city of Sheffield. They will be responsible for bringing Sheffield's highway network up to a high standard within the first 5 years of the contract and then maintaining that standard for the remaining 20 years of the contract.

The company reported the following figures in their latest audited accounts:

	31st Dec 2015	31st Dec 2014	31st Dec 2014
Turnover	£94,139,000	£88,536,000	£84,125,000
Pre-Tax Profit	£9,489,000	£5,726,000	£4,838,000
Shareholders' Funds	£27,377,000	£19,154,000	£18,310,000



### Gabbro Precision Limited (Reg. 06451211)

The Gabbro Precision Group is a leading provider of premium quality solutions to the global upstream oil and gas industry. Centred from its corporate office in Distington House, Sheffield, the company provides integrated metals and engineered turnkey solutions to a global customer network for downhole, wellhead and subsea applications

Gabbro Precision is operated through three divisions; each one being focused on a specific oil and gas market discipline i.e. Downhole, Subsea and Engineered Products

Further information can be found at [www.gabbroprecision.com](http://www.gabbroprecision.com)

	31st May 2016	31st March 2015	31st March 2014
Turnover	£29,057,941	£43,455,109	£45,363,228
Pre-Tax Profit	(£4,083,006)	(£8,884,869)	(£5,223,799)
Shareholders' Funds	(£3,517,241)	(£14,447,326)	(£4,579,699)



## PROPOSAL

We are instructed to seek offers in excess of **£3,325,000 (Three Million Three Hundred and Twenty Five Thousand Pounds)** subject to contract and exclusive of VAT.

A purchase at this level reflects the following yield profile, after deducting purchase costs:

<b>Net Initial Yield</b>	<b>10.87%</b>
<b>Reversionary Yield</b>	<b>11.58%</b>
<b>Capital Value</b>	<b>£81 psf</b>

For further information or to arrange an inspection, please contact:

**James Kinsler**

Tel: 07825 870209

Email: [jk@christopherdee.co.uk](mailto:jk@christopherdee.co.uk)

**Chris Bathurst**

Tel: 07957 138003

Email: [cb@christopherdee.co.uk](mailto:cb@christopherdee.co.uk)

**Mark Powell**

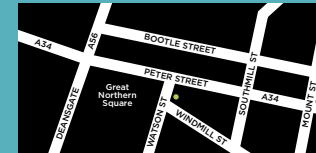
Tel: 07825 077724

Email: [mp@christopherdee.co.uk](mailto:mp@christopherdee.co.uk)

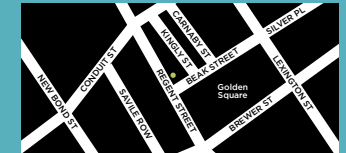
**Rob Steward**

Tel: 07768 108022

Email: [rs@christopherdee.co.uk](mailto:rs@christopherdee.co.uk)



Christopher Dee LLP  
40 Peter Street  
Manchester  
M2 5GP



Christopher Dee LLP  
315 Linen Hall  
162-168 Regent Street  
London W1B 5TD



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