

MOSTYN ROAD BUSINESS PARK

MOSTYN ROAD,
HOLYWELL, FLINTSHIRE
CH8 9DQ



FULLY REFURBISHED MULTI-LET INDUSTRIAL ESTATE
OFFERING REVERSION ON A LOW DENSITY SITE

christopher
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B8
REAL ESTATE

INVESTMENT SUMMARY

- Excellent opportunity to acquire a comprehensively refurbished multi-let industrial Estate
- Comprising 71,004 sq ft across 56 industrial units (155 sq ft–12,002 sq ft)
- Significant 11.87 acre site, providing an extremely low site cover of just 14%.
- Fully let to 55 tenants with 100% occupancy since completion of refurbishment
- Net passing rent of £569,962 pa (£7.12 psf on the built units)
- Net ERV of £684,675 pa
- The units are let on flexible lease terms, offering the immediate opportunity to capture reversion
- Opportunity to add significant value through creating new units which would provide a new gross rent of over £1.15m
- Diverse spread of income with no single tenant accounting for more than 8.6% of the total rent.
- Freehold

Seeking offers in excess of **£8,000,000 (Eight Million Pounds)** subject to contract and exclusive of VAT. A purchase at this level reflects an attractive Net Initial Yield of **6.63%** (assuming purchaser's costs at 7.52%) and reversionary yield of **7.96%**.



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LOCATION

Flint is located on the North Wales coast on the estuary of the River Dee. The town is situated at the junction of the A548 and the A5119, approximately six miles north of Mold, 12 miles North West of the City of Chester and approximately 24 miles south of Liverpool.

The town historically grew as a result of its position on the main coastal road running in an east/west direction, linking to Holyhead, a major ferry port to Ireland. The locality forms one of the key Deeside industrial/warehouse centres, together with Connah's Quay, Wrexham Industrial Estate and Chester to the South East.

The main arterial route through North Wales is the A55 (Expressway), which lies approximately four miles to the south of Flint. The A55 provides swift dual carriageway access to the M56 in the east, (approximately 12 miles) as well as the port of Holyhead to the west.

Flint Railway Station lies on the North Wales Coastline providing east west services between Manchester Piccadilly Station (1 hour 22 minutes) and Llandudno Railway Station (53 minutes). A north south service between Cardiff Central Railway Station (3 hours 10 minutes) and Holyhead (1 hour 30 minutes) also calls at Flint as do selected West Coast mainline services between London Euston (2 hours 22 minutes) and Holyhead.

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SITUATION

Mostyn Road Business Park occupies a prominent 11.45-acre site situated in Holywell approximately four miles to the west of Flint Town Centre. The Estate is accessed from Holywell Road (A548) which is the main arterial road linking Deeside and Flint to Prestatyn. The Business Park is easily accessible from the A55 (Expressway) being only five miles from both Junction 31 and 32 which in turn provides quick and direct access to Conway to the West and Chester to the East.

The estate is ideally located to capture tenants from all across North of Wales and into the North West of England.



DESCRIPTION

Mostyn Road Business Park has recently undergone a major refurbishment programme with the current owners completely re-positioning the site to provide a modern secure multi-let industrial estate. This has involved comprehensive refurbishment of existing units (including new roofs to most) as well as creating new units, all within a very secure setting.

The estate provides for all size requirements from small storage containers through to units of 155 sq ft right up to 12,002 sq ft.

Units are generally constructed to the following specification:

- Steel portal frame construction with part brick and metal clad elevations
- Pitched metal clad roofs with translucent roof lights
- Level access loading door (minimum of one door per unit) to the front of each leading to shared yard areas
- Integral office accommodation and w/c facilities to each unit
- Fully lit internally
- Concrete floors
- All lighting has been upgraded to LED
- Eaves height ranging from 3.66m – 9.04m.
- Each unit is separately metered
- Internet provision thought the estate should the tenants require it.
- Excellent circulation space allowing for plenty of car parking for tenants and their clients.

ESTATE SECURITY

The estate is extremely secure with a gated entrance which is automated and with several internal security gates throughout the Estate. The site also benefits from a full CCTV system.



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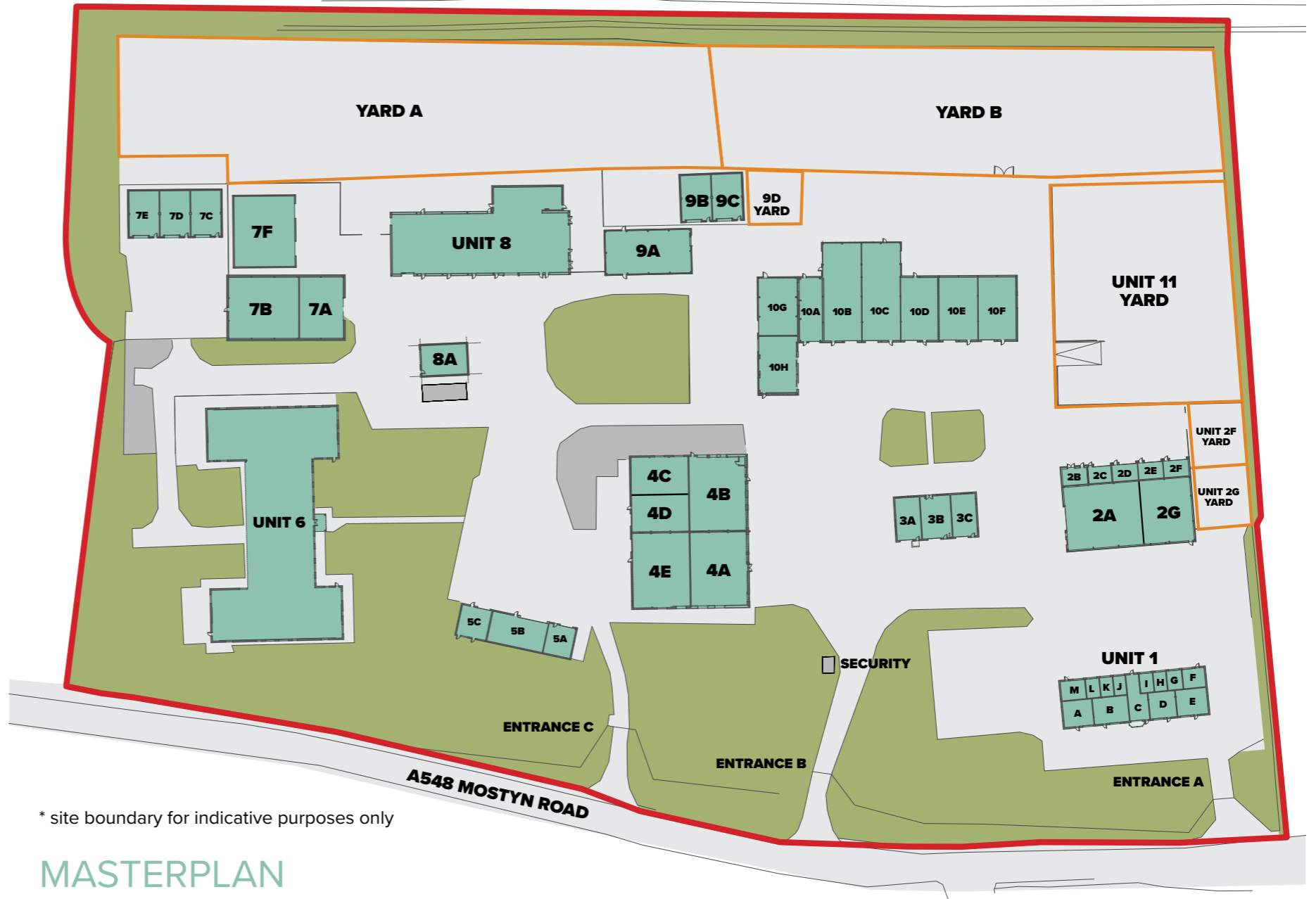


ACCOMMODATION

The property provides 71,004 sq ft of accommodation across 56 industrial units (155 sq ft–12,002 sq ft).

At present there are approximately 2.68 acres of yard space currently let to tenants, with the opportunity to create additional storage compounds throughout the Estate,

Mostyn Business Park has a total site are of 11.86 acres (4.80 hectares) which provides a **site cover of just 14%**.



* site boundary for indicative purposes only

MASTERPLAN

TENANCY

The units were let extremely quickly following the refurbishment and the estate has enjoyed 100% occupancy. It is currently fully let to 55 tenants and provides a gross rent of £605,475 pa (£7.12 psf on the built accommodation).

Tenants are responsible for business rates (where applicable) and utility payments (all sub-metered), however the leases are inclusive of estate charge. The annual landlord shortfall in respect of estate charge is £35,513 pa, providing a net rental income of £569,962 pa.

TENURE

The property is held freehold.

Building	Unit No	Tenants	Area (sq ft)	Lease Start	Lease Expiry	Passing Rent (£pa)	Passing rent (£ psf)	ERV (£ pa)	ERV (£ psf)	Comments
1	1A	Private	534	01/07/2020	30/06/2021	£6,000	£11.24	£7,209	£13.50	
	1B	IBI Media Ltd	530	07/02/2022	06/02/2023	£6,000	£11.32	£7,155	£13.50	
	1C	Green Paws Pets Ltd	308	01/12/2021	31/05/2022	£3,480	£11.30	£4,620	£15.00	
	1D	Private	535	01/04/2021	31/03/2022	£6,000	£11.21	£7,223	£13.50	
	1E	Dine A Design Catering Ltd	531	09/04/2022	10/04/2023	£6,000	£11.30	£7,169	£13.50	
	1F	Private	290	15/03/2021	14/09/2021	£3,360	£11.59	£4,350	£15.00	
	1G	Al Woods Ltd	178	01/06/2019	31/05/2020	£1,800	£10.11	£2,670	£15.00	
	1H	Private	162	01/08/2019	31/07/2020	£1,200	£7.41	£2,430	£15.00	
	1I	Private	168	01/08/2021	31/07/2022	£1,800	£10.71	£2,520	£15.00	
	1J	Private	155	17/05/2019	16/11/2019	£1,800	£11.61	£2,325	£15.00	
	1K	Private	168	01/06/2020	31/05/2021	£1,680	£10.00	£2,520	£15.00	
	1L & M	Cartello Ambulance Ltd	485	14/05/2019	13/05/2020	£6,600	£13.61	£7,275	£15.00	
2	2A	Silver Fern Performance Ltd	2,976	01/04/2020	31/03/2023	£19,200	£6.45	£23,808	£8.00	
	2B	Private	141	01/02/2020	29/02/2020	£1,320	£9.36	£2,115	£15.00	
	2C	Private	346	08/03/2022	07/03/2023	£4,095	£11.84	£5,190	£15.00	
	2D	Rutter Commercials Ltd	285	01/08/2021	31/07/2023	£3,600	£12.63	£4,275	£15.00	
	2E	Private	280	01/03/2022	28/02/2023	£2,880	£10.29	£4,200	£15.00	
	2F & Yard	Flintshire Property Development and Maintenance Ltd	280	15/05/2022	14/11/2022	£6,000	£21.43	£4,200	£15.00	Yard is approx 110sqm
	2G	Fish & Pet World Ltd	1,984	01/03/2022	28/02/2023	£15,600	£7.86	£15,872	£8.00	
	Yard 2G	All Round Holdings Ltd		01/04/2022	monthly	£3,000		£3,000		Yard is approx 180 sq m
3	3A	Private (café)	637	01/03/2020	28/02/2021	£7,500	£11.77	£8,600	£13.50	
	3B	Hydrosave Uk Ltd	720	01/03/2020	28/02/2021	£7,500	£10.42	£10,800	£15.00	
	3C	Private	637	01/01/2021	30/06/2021	£6,840	£10.74	£8,600	£13.50	
4	4A	Private (Hermes franchise)	2,531	10/08/2020	09/08/2021	£15,000	£5.93	£20,248	£8.00	
	4B	Baxter Kelly Ltd	2,531	03/03/2022	02/03/2023	£16,080	£6.35	£20,248	£8.00	
	4C	IBI Media Ltd	1,261	01/06/2022	31/05/2023	£10,500	£8.33	£10,088	£8.00	
	4D	Eldridian Logistic Ltd	1,261	01/09/2020	31/08/2021	£8,700	£6.90	£10,088	£8.00	
	4E	Event Detection Dogs Ltd	2,515	01/07/2021	30/06/2023	£13,440	£5.34	£20,120	£8.00	

Building	Unit No	Tenants	Area (sq ft)	Lease Start	Lease Expiry	Passing Rent (£pa)	Passing rent (£ psf)	ERV (£ pa)	ERV (£ psf)	Comments
5	5A	Private	517	13/06/2020	12/06/2021	£4,800	£9.28	£6,980	£13.50	
	5B	Lifting Products Ltd	1,033	01/07/2019	31/05/2022	£7,200	£6.97	£8,264	£8.00	
	5C	Jib & Cranes UK Ltd	1,021	01/07/2019	31/05/2022	£3,600	£3.53	£8,168	£8.00	Area include 1st floor office
6	6	The Football Lab Mostyn Ltd	12,002	01/04/2020	31/03/2025	£50,000	£4.17	£84,014	£7.00	Passing rent of £40,000 pa with rent increases to £45,000 pa in April 2023 and £50,000 pa in April 2024. Topped up to £50,000 pa by vendor.
7	7A	BM Wirral Limited	1,785	01/06/2022	31/05/2023	£15,000	£8.40	£14,280	£8.00	
	7B	All Round Holdings Ltd	2,695	01/04/2021	31/03/2023	£18,000	£6.68	£21,560	£8.00	
	7C	Acoustivent Limited	835	01/06/2022	31/05/2023	£9,600	£11.50	£11,273	£13.50	
	7D	Liquid Metal FX Ltd	835	01/05/2021	30/04/2022	£9,000	£10.78	£11,273	£13.50	
	7E	Dark Water Technologies Ltd	835	01/03/2021	28/02/2023	£8,400	£10.06	£11,273	£13.50	
	7F	Insignia Label Solutions Ltd	2,906	01/02/2022	31/01/2025	£30,000	£10.32	£23,248	£8.00	
8	8 & Yard A	Mavericks Motorcycles Ltd	7,556	20/12/2019	19/12/2029	£52,000	£4.07*	£62,758	£5.50*	*Rent assumes £20,000 per acre on the 1.06 acre yard.
	8A	Private	821	01/05/2020	30/04/2021	£9,000	£10.96	£11,084	£13.50	
9	9A	Clwyd Bakeries Ltd	2,278	01/04/2021	31/03/2026	£14,400	£6.32	£18,224	£8.00	RPI linked review (2.5% - 5.0% cap and collar) on 04/2023 , 04/2024 and 04/2025
	9B	Defect Doctor Ltd	527	01/11/2021	31/10/2022	£6,960	£13.21	£7,115	£13.50	
	9C	Smart Stone Energy Solutions Ltd	527	01/07/2021	30/06/2022	£6,300	£11.95	£7,115	£13.50	
	9D & Yard	Private		01/02/2022	31/01/2023	£4,200		£4,200		Yard is approx 282 sq m
10	10A	Decons Decontamination & Hygiene Services Ltd	951	01/01/2020	30/06/2020	£6,600	£6.94	£12,839	£13.50	
	10B	Northwest Services (UK) Ltd	2,211	01/08/2020	31/07/2021	£15,000	£6.78	£17,688	£8.00	
	10C	Now To Bed Ltd	2,229	01/05/2021	30/04/2022	£14,400	£6.46	£17,832	£8.00	
	10D	Now To Bed Ltd	1,454	01/05/2021	30/04/2022	£12,000	£8.25	£11,632	£8.00	
	10E	BRGP Ltd	1,474	01/06/2020	31/05/2021	£12,000	£8.14	£11,792	£8.00	
	10F	Private	1,462	28/10/2019	27/10/2020	£15,480	£10.59	£11,696	£8.00	
	Yard adj 10F	Private (same as 10F)		28/10/2019	27/10/2020	£960		£1,000		
	10G	Sunrise Patisserie Ltd	1,310	01/02/2022	31/03/2023	£10,800	£8.24	£10,480	£8.00	
	10H	Dragon Repairs Ltd	1,311	01/10/2019	30/09/2020	£10,800	£8.24	£10,488	£8.00	
		11 Yard	Denbighshire County Council		08/09/2021	07/09/2024	£27,000		£30,000	
	Yard B	24 Hr Self Store Ltd		01/01/2022	31/12/2023	£45,000		£45,000		Yard is approx 0.88 acres
TOTAL			71,004			£605,475		£720,188		
Estate Charge						£35,513		£35,513		
Net Income						£569,962		£684,675		

* No Rental incentives have been agreed on any of the lettings

* Rent deposits are held for most of the tenants (further info available on request).

ESTATE CHARGE

Each tenant is responsible for business rates and utility payments (sub-metered) in addition to the annual rent. The rents are inclusive of estate charge, which is paid for by the Landlord.

The current annual estate charge is as follows:

Cost	£ pa	Comments
Communal Electric Site Charges	£7,800	
Insurance	£7,915	
Pest Control	£800	
Gardener	£2,400	
Site Handyman & Maintenance	£5,220	
Lease Line (Broadband)	-£432	Contribution of £3,060 pa from tenants for broadband services.
Security	£7,380	
Communal Toilet Cleaner	£480	
Landlord Annual Risk Assessment and HS Review	£350	
Bookkeeper/ Administrator	£3,600	
Total Charges	£35,513	





FUTURE DEVELOPMENT OPPORTUNITY

Given the extremely low site cover, there is ample opportunity to increase the amount of units within the site whilst not compromising the low site density nor the flow of the estate.

The future layout plan to the left shows a possible scheme (subject to planning) that would create an additional 56,714 sq ft. Once built, we calculate that the total site would offer 120,478 sq ft of built accommodation together with 1.46 acres of yard space. This scheme would also show only a 23% site cover.

The new scheme would provide a gross ERV for the site of £1,168,692 pa.

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INVESTMENT MARKET

The UK industrial investment market continues to go from strength to strength, with considerable global appetite for industrial assets resulting in approximately £12.5bn national industrial transactions, making 2021 the strongest trading year on record, 55% above the 5-year annual average. Strong industrial investment demand has continued in 2022, with investment volumes £1.9 billion in Q1 2022.

The industrial sector continues to be buoyed by structural changes to retail and the shift to e-commerce, low vacancy rates with a limited supply of modern / new build accommodation and the loss of land to higher value uses. There has also been a consistently strong tenant occupational market with significant rental growth in certain key areas. Many of these structural changes have been accelerated by the pandemic and also accompanied by the onshoring of many manufacturing processes / supply chains in the wake of Brexit.

The North West Investment market has mirrored the national picture, with investment transactions in 2021 at a record £1.30bn (106 deals). This is the first time the £1bn mark has been broken and represents an 86% increase on the £695m (62 deals) transacted in 2020. Investor demand has remained exceptionally strong throughout H1 2022, with a current lack of supply to meet current needs.

Given the significant demand / supply imbalance, robust occupier market and constrained development supply, we believe the strong industrial market dynamics will continue for the foreseeable future.

Address	Date	Size (Sq Ft)	Price	NIY	Cap Val (psf)
Bredbury Industrial Estate, Bredbury	Feb 22	74,979	£10,000,000	4.20%	£133.37
Rhodes Business Park, Manchester	Dec 21	192,127	£17,830,000	4.50%	£92.80
Manchester Trade Park, Manchester	Dec 21	60,000	£7,000,000	3.50%	£117.00
Longford Trading Estate, Manchester	Dec 21	122,097	£10,500,000	5.19%	£85.43
Barton Business Park, Eccles	Dec 21	69,861	£5,600,000	4.79%	£80.16
Ringway Trading Estate, Huddlesfield	Aug 21	136,000	£15,900,000	5.26%	£116.46
Bradley Hall Trading Estate, Wigan	Jul 21	287,667	£20,600,000	6.42%	£71.61

OCCUPATIONAL MARKET COMMENTARY

The North West and North Wales industrial property market has reached unprecedented highs with consecutive years of record take up. Showing no signs of demand slowing down the outlook for the sector remains strong however further speculative development in the SME / multi-let market is required.

The availability of modern industrial units in North Wales is extremely limited. This is due to the lack of recent development and shortage of sites. Much of the existing supply is older stock and increasingly obsolete which does not satisfy the needs of today's occupiers.

As such, good quality second-hand refurbished units tend to be occupiers' preference, however demand for this type of space has been significantly outstripping supply, leading to record rents achieved on multi-let estates. We are now seeing rental figures for second hand refurbished units now eclipsing where new build rents were of similar unit sizes in 2020.



PROPOSAL

We are instructed to seek offers in excess of **£8,000,000 (Eight Million Pounds)**, subject to contract and exclusive of VAT.

A purchase as this level reflects a Net Initial Yield of **6.63%** (assuming purchaser's costs at 7.52%), reversionary yield of **7.96%**.



ASSET MANAGEMENT

- Build an additional 49,474 sq ft of accommodation across the Estate as detailed in the 'Future Development Opportunity'.
- Create further open storage compounds throughout the Estate to generate additional rental income.
- Approximately 47% of the occupiers are holding over, providing the opportunity for immediate reversion though lease renewals.
- Enhance the branding and signage across the Estate.

EPC

97% of the units have an EPC rating of B or better. The remaining 3% have an EPC of C.

VAT

The property is elected for VAT and it is the intention to treat this transaction as a transfer of a Going Concern.

DATA ROOM

Data room access can be provided upon request.

FURTHER INFORMATION

For further information or to arrange an inspection please contact:



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