



Single-let, long income industrial investment opportunity with indexation

Summary:

- Single let industrial industrial comprising of 4 units.
- Total GIA of 38,195 sq ft (3,548 sq m) on a site totalling approximately 1.8 acres.
- Let to 3K Engineering for a term of 20 years
- Low initial rent of £100,000 per annum (£2.62 per sq ft).
- Guaranteed by a strong parent company MBH Corporation PLC.
- RPI linked reviews at each 5 year anniversary of the lease.
- Established industrial location situated approximately 6 miles south-west of J48 of the M4.
- Freehold.

Quoting Price - £1,880,000
NIY 5.01%
[Low Capital Value of £49 per sq ft]

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FOR SALE
LONG INCOME INDUSTRIAL
INVESTMENT OPPORTUNITY
3K Engineering, Morfa Works, Embankment
Road, Machynys, Llanelli, SA15 2DN

Location

Morfa Works is located in the south-west Welsh coastal town of Llanelli. The Property is situated in an established industrial location which has recently been transformed into a more modern environment with a mix of high end residential accommodation, a golf course, business space and retail facilities.

The Property is well located with direct access to J48 of the M4 via the new Costal Bypass.

The Property is surrounded by mostly council owned land and properties with LBS holdings builders merchants directly to the west.

Description

The Property extends to 38,195 sq ft GIA across 4 buildings. The site itself extends to approximately 1.8 acres reflecting a density of 48%.

The units are a mix of fabrication shops, machine shops, storage and other ancillary space.

The production areas have high headroom's ranging from 8.4m to 12.4m and are provided with travelling gantry facilities.

We advise prospective purchasers to rely on their own internal inspection.

Tenancy

The Property is let to 3K Engineering, a wholly owned subsidiary of MBH Corporation PLC who are also guarantor on the lease. The lease will be for 20 years from completion with no breaks. The lease is on an FRI basis, not limited by a schedule of condition & outside the 1954 L&T Act. There are RRI-linked upwards only rent reviews at the 5th, 10th and 15th anniversary of the term.

3K Engineering are a local company who offer large fabrication & heavy machining services and were established over 50 years ago. They are one of the largest companies offering this in the UK.

For the year ending December 2020 the guarantor MBH Corporation Plc reported a turnover of £60.4m (£50.78m in 2019) and a pre-tax profit of £1.095m (£3.91m in 2019) with Shareholders Funds of £59.78m (£43.28m in 2019).

Further details, including both companies latest Annual Reports are available in the technical pack.

Total Rent is £100,000 per annum reflecting a low overall rent of £2.62 per sq ft.

Legal and Surveying Costs

Each party to bear its own legal and surveying costs.

Tenure

The Property is held freehold and will be sold subject to the occupational lease to 3K Engineering.

Price

We are seeking offers in excess of **£1,880,000 (One Million Eight Hundred & Eighty Thousand Pounds)**

A purchase at this price reflects a Net Initial Yield of 5.01% allowing for standard purchasers costs.

This also reflects a low capital value of £58 per sq ft.

EPC

The Properties EPC rating is a D (100). A copy of the EPC available upon request.

Business Rates

The Properties 2017 Rateable Value is £34,000.

Planning

We understand the Property benefits from B2/B8 planning consent for its existing use.

All parties are advised to contact Carmarthenshire County Council for any planning enquiries.

Further information and Viewings

Please contact Cushman & Wakefield or joint agent Barney Estates:

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Site Plan
(For identification purposes only)



Photos:



Particulars prepared

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