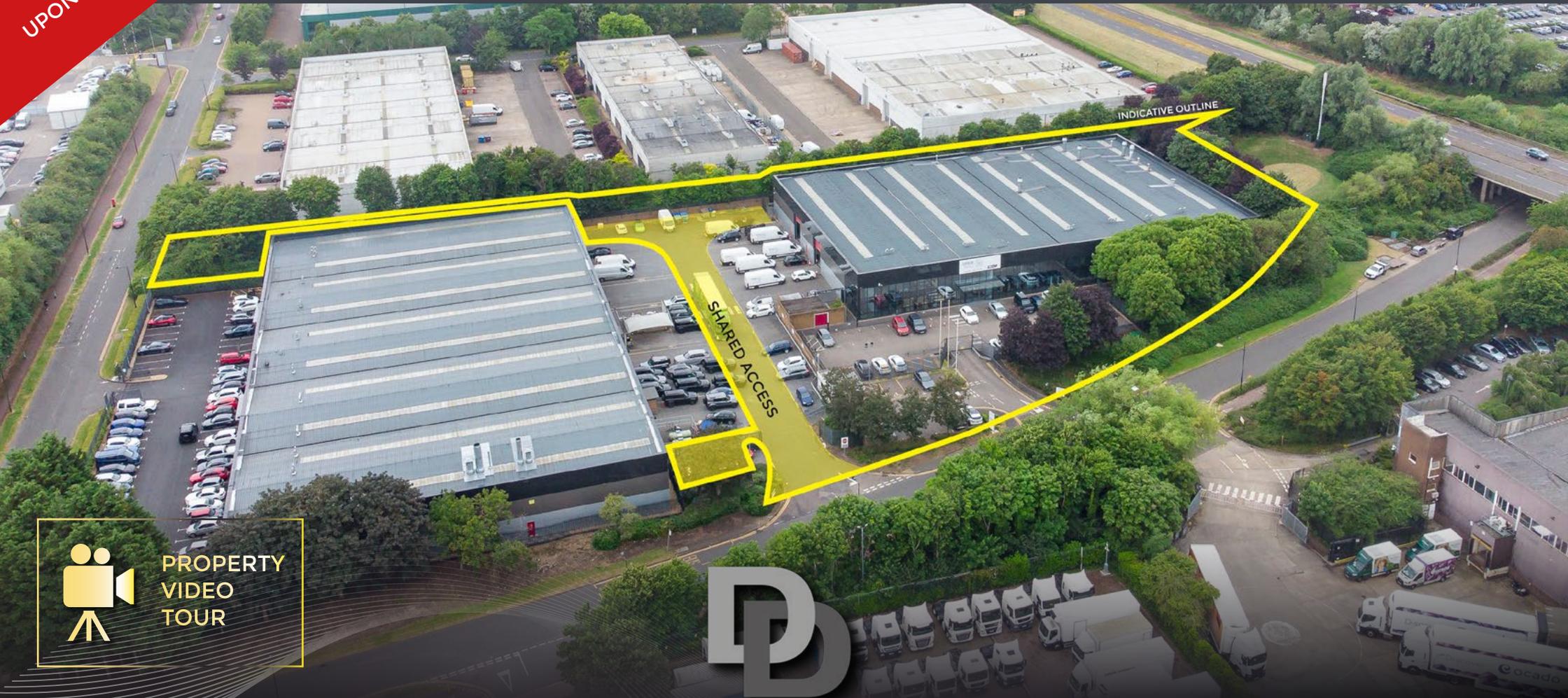


UPON INSTRUCTIONS OF LPA RECEIVERS

# FOR SALE

HIGHLY REVERSIONARY PRODUCTION/DISTRIBUTION  
INVESTMENT OPPORTUNITY

SIGNIFICANT POTENTIAL FOR RENTAL UPLIFT AT LEASE EXPIRY



UNIT 7 DELAWARE DRIVE, TONGWELL, MILTON KEYNES, MK15 8HD



John Lewis



UNIT 7 DELAWARE DRIVE

# MILTON KEYNES

MK15 8HD



FREEHOLD



TOTAL AREA  
43,460 SQ FT



SITE AREA  
2.25 ACRES



REFURBISHED  
2017

# INVESTMENT SUMMARY

- Complete Freehold.
- A prime single let industrial investment in the sought after South East of England with strong potential of rental uplift on lease expiry.
- Milton Keynes is based in a strategic location lying immediately to the west of the M1, 30 miles to the north of the M25 (Junction 21) and 46 miles north of London city centre.
- Unit 7 is situated on the corner of Delaware Drive, which is an established industrial location within Milton Keynes. Nearby occupiers include John Lewis, Ocado, Volkswagen, Screwfix and Mercedes Benz.
- The property underwent an extensive refurbishment program in 2017.
- The property comprises an industrial unit with ground and first floor offices, extending to approximately 43,460 sq ft.
- The site area is approximately 2.25 acres (0.91 hectares), reflecting a low site density of 43%.
- The property is let to Supreme Wheels Direct Ltd on a 10 year lease expiring 11th March 2030, with a tenant break option on 12th March 2025, which has not been exercised.
- Supreme Wheels Direct Ltd was acquired by Capital British Car Auction (BCA) in 2017.
- The passing rent of £360,978 per annum, which reflects a rent of £8.30 per sq ft. The lease is subject to a fixed rent review on 12th March 2025, at which point the rent will increase to £371,804 per annum, reflecting £8.55 per sq ft.
- Low capital value of £109 per sq ft overall and a reversionary yield of 8.16%.

**PRIME SINGLE LET INDUSTRIAL INVESTMENT**  
(WITHIN THE MILTON KEYNES INDUSTRIAL HUB)



We are instructed to seek offers in excess of **£4,750,000**, subject to contract and exclusive of VAT.

A freehold purchase at this level reflects an attractive **Net Initial Yield of 7.13%** and a **7.34%** following the fixed rental uplift in March 2025 and a reversionary yield of **8.16%** at lease expiry, all assuming purchaser's costs of 6.58%.

A purchase of this level reflects a low capital value of **£109 psf** overall.



### LOCATION

50 miles north of London, 17 miles south of Northampton, and 69 miles southeast of Birmingham.

#### Road Connectivity

- Adjacent to the M1 motorway with access to Junctions 13 and 14.
- Close to the A5 trunk road, 1 mile west of the town.

#### Population

- 2021 Population Census: 286,000 people.
- Milton Keynes City Council anticipate population growth to 410,000 people by 2050

#### Infrastructure and Transport

- Excellent public transport with fast, regular train services to London Euston and Birmingham New Street.
- Fastest train journey times: 35 minutes to London Euston, 50 minutes to Birmingham New Street.

#### Business Attraction

- Major national and global employers are represented in the town.
- Government Support: Ongoing support for significant future growth.
- Fastest Growing Town: Milton Keynes is one of the fastest-growing towns in the UK.



SAT NAV: MK15 8HD

# DIRECT ACCESS TO LONDON VIA M1

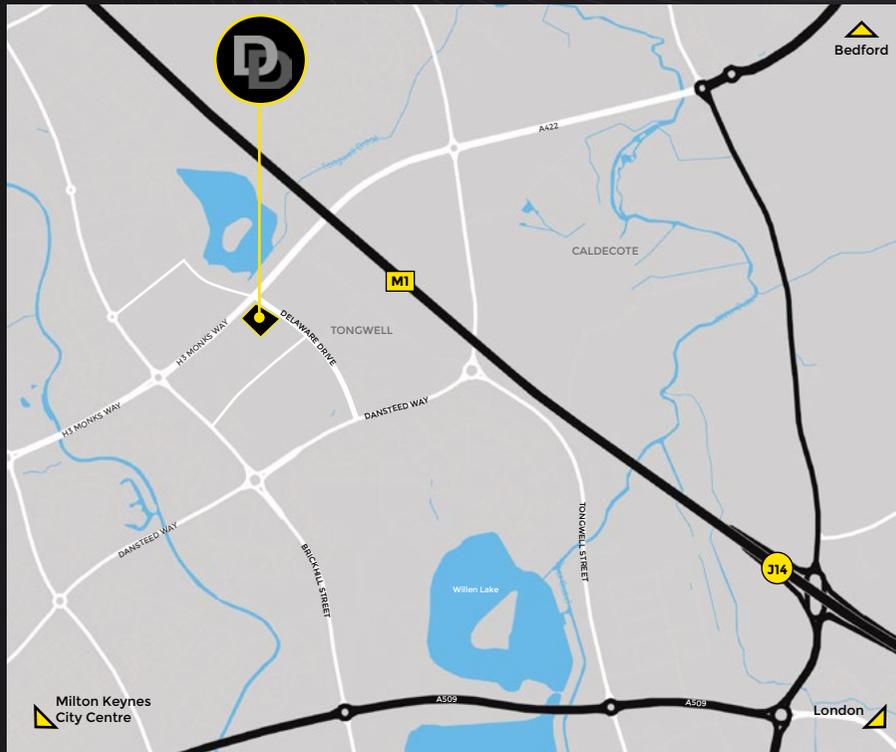
5 MIN TO M1 J14



## SITUATION

Unit 7 is situated on the corner of Delaware Drive, on the northeastern side of Milton Keynes, about 2 miles northeast of the city centre. Delaware Drive is a well-established industrial area within Milton Keynes, accessible from the A422 and approximately 1 mile from Junction 14 of the M1.

### SAT NAV: MK15 8HD



### NEARBY OCCUPIERS



## SPECIFICATION



EXTENSIVELY REFURBISHED IN 2017



MINIMUM EAVES HEIGHT OF 5.45M RISING TO 7.25M AT ROOF APEX



45 CAR PARKING SPACES



2 x 2 EV CHARGING POINTS



4 LEVEL ACCESS LOADING DOORS



TOTAL AREA: 43,460 SQ FT



SITE AREA: 2.25 ACRES

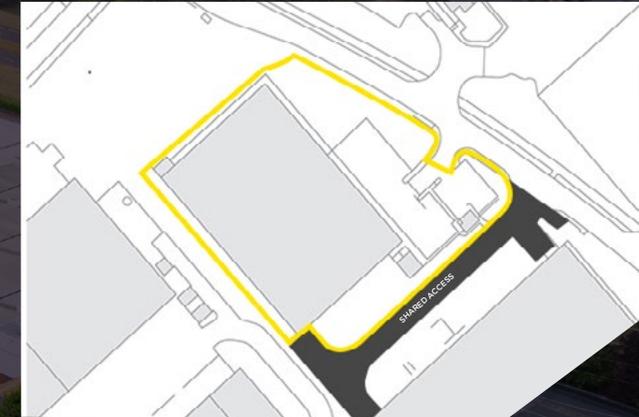


FITTED OFFICES



LOADING YARD

## SITE PLAN



## ACCOMMODATION

The subject property provides the following approximate Gross Internal Area (GIA).

AREA	SQ M	SQ FT
Ground Floor Warehouse	3,015	32,453
Ground Floor Office	472	5,082
First Floor Office	477	5,136
Outbuildings	73	789
<b>TOTAL</b>	<b>4,037</b>	<b>43,460</b>

## DESCRIPTION

The property comprises a single let production/distribution facility featuring clear open plan warehousing to the ground floor level with ancillary offices situated within a self-contained site, offering approximately 43,460 sq ft (GIA) of space. Constructed in the late 1970's/early 1980's, the property benefits from a steel frame, quadruple pitch roof. The building underwent a significant refurbishment in 2017 with approximately £2.2m worth of capital expenditure to include a new roof, new windows, new lighting, new loading doors, new concrete floors and resurfacing of the car park and yard area. The ancillary office accommodation benefits from suspended ceilings with recessed lighting, comfort cooling and curtain wall fenestration.

The two-story internal office area is equipped with suspended ceilings, heating, lighting, and curtain wall fenestration.

## TENANCY

Unit 7 Delaware Drive is let to Supreme Wheels Direct Ltd on the following terms:

- A tenure full repairing & insuring lease from 12 Mar 2020 expiring 11 Mar 2030
- Passing rent of £360,978 per annum (£8.30 per sq ft)
- Tenant only break on 12 Mar 2025 with 6 months prior written notice (not exercised)
- Fixed rent review on 12th March 2025, increasing rent to £371,804 pa (£8.55 psf)
- The lease is subject to a photographic schedule of condition
- The lease is contracted inside the 1954 Landlord & Tenant Act (part II) as amended

## COVENANT

Supreme Wheels Direct Ltd (Company No. 07257520)

Supreme Wheels is Europe's largest alloy wheel re-engineering specialist. Their core focus is the re-engineering of alloy wheels for the automotive industry, a process that takes damaged wheels and returns them back to a high-quality finish.

Following the acquisition of Supreme Wheels Direct in 2017 by British Car Auctions (BCA), the purchase has allowed BCA and Supreme to work closely together to increase efficiencies between their operations and to service the growing demand for the refurbishment of alloy wheels, both for vehicles processed through BCA's Services division and for vehicles handled through BCA's remarketing centres nationwide.

Supreme Wheels Milton Keynes is adjacent to the existing 27,000 square feet operation and together they form the largest alloy wheel re-engineering facility in Europe, with a state-of-the-art production process utilising 12 specialist Haas lathes. Combined the facilities are capable of producing up to 500,000 wheels a year.

Supreme Wheels Direct Limited was incorporated in May 2010 and has a Experian Score of 66 (below average risk). Their parent company is BCA Trading Ltd (Company No. 02340242) with an Experian score of 99 (very low risk).



## OCCUPATIONAL MARKET

Milton Keynes is a well-established industrial / logistics location, located immediately to the west of the M1 and approximately equidistant between Birmingham and London. The logistics market has grown significantly since COVID and Brexit with demand outstripping supply and leading to a significant improvement in rental levels, with the recent letting to Tesla at £13 per sq ft. Notable occupiers within the area include John Lewis, Volkswagen, Electrolux, Mercedes and Red Bull Racing.

Below are some recent comparable letting transactions:

Address	Tenant/Landlord	SF Leased/Type	Start Date/Term	Starting Rent/Effective Rent
30 High Park Drive, Milton Keynes, MK12 5NU	Empel	23,039/New Letting	May 2024/10 Years	£10.00/sq ft
Denbigh Road, Milton Keynes, MK1 1EX	Travis Perkins	26,080/New Letting	Mar 2024/15 Years	£12.50/sq ft
Alpha (Integra: MK), Foxhunter Drive, Milton Keynes, MK14 6GE	EGR Europe	60,328/Renewal	Apr 2023/15 Years	£9.93/sq ft
Falcon Centre, 7 Falcon Avenue, Milton Keynes, MK6 3HC	Peter Millar	50,381/New Letting	Jan 2023/10 Years	£9.25/sq ft
17 Tanners Drive, Milton Keynes, MK14 5BU	United-UK LLP	33,045/New Letting	Nov 2022/10 Years	£8.50/sq ft

## RENTS MAP

GRADE B INDUSTRIAL HEADLINE RENTS  
30,000 - 60,000 SQ FT



## INVESTMENT MARKET

The industrial/logistics market has continued to be the in demand sector for the past few years due to the strong occupation demand for such space and equally the uncertainties surrounding the other mainstream sectors. Whilst yields have adjusted in line with the rise in interest rates, investment demand has continued. After transaction levels dipped slightly from record breaking levels in 2022, confidence resumed in 2023 which has continued through 2024. With the recent reduction in base rates, it is generally perceived that these have now peaked and it is anticipated that they will fall going forward. Accordingly, now could be judged as the ideal time to buy, with yield compression likely over the next few years.

Below are some recent comparable letting transactions:

Date	Address	Town	Sale Price (£)	Sale NIY	Sale psf (£)	Tenant(s)	Unexpired Term(s)	Size (Sq Ft)
Jul-24	Clarks Trading Estate, Brighton & Hove	Brighton	£12,000,000	4.49%	£299.75	Undisclosed	2.9	40,034
Mar-24	Yusen Logistics GP2 Grange Park Industrial Estate, Cheaney Drive	Northampton	£25,620,000	4.80%	£121.83	Single let to Yusen Logistics (UK) Ltd	1.73	210,303
Jan-24	GXO Logistics Alchemi Eldon Way, Crick	Northampton	£27,800,000	4.14%	£142.02	Single let to GXO Logistics UK II Ltd	4.90	195,741
Jan-24	Yusen Logistics GP1 Grange Park Industrial Estate, Cheaney Drive	Northampton	£19,800,000	4.85%	£122.79	Single let to Yusen Logistics (UK) Ltd	1.80	161,255
Apr-24	Vantiva Holdings Swift Valley Industrial Estate, 1 Costford Lane	Rugby	£17,500,000	4.95%	£107.98	Single let to Technicolor Video Services UK Ltd T/A Vantiva Holdings	3.30	162,066
Jan-24	Zooplus AG Middlemarch Business Park, Siskin Parkway	Coventry	£28,250,000	4.19%	£135.70	Single let to Zooplus AG	4.50	208,186
Feb-24	Pets at Home Unit 2 Campbell Road	Stoke on Trent	£14,150,000	5.60%	£100.27	Single let to Pets at Home Ltd	0.25	141,121
Jan-24	Co-operative Group Plot B Castlewood Business Centre Farmwell Lane, South Normanton	Nottingham	£46,150,000	5.70%	£96.14	Single let to Co-operative Group Ltd	8.96	480,041
Jan-24	Cotton Traders Sherwood Business Park, Little Oak Drive	Nottingham	£8,700,000	6.64%	£63.89	Single let to Cotton Traders Group Holdings Ltd	10.25	136,162

**VAT**

We understand the property is elected for VAT and it is envisaged that the sale will be treated as a Transfer of a Going Concern (TOGC).

**EPC**

Rating C-52

**TENURE**

Freehold - Land Registry Title No. BM215277.

**SERVICE CHARGE**

Available on request.

**CAPITAL ALLOWANCES**

There are no unclaimed Capital Allowances available with the property.

**ANTI-MONEY LAUNDERING**

Interested parties will be required to provide the appropriate information to satisfy the current AML regulations at the stage of Heads of Terms are agreed.

**PROPOSAL**

We are instructed to seek offers in excess of £4,750,000, subject to contract and exclusive of VAT.

A freehold purchase at this level reflects an attractive Net Initial Yield of 7.13% and a 7.34% following the fixed rental uplift in March 2025 and a reversionary yield of 8.16% at lease expiry, \*all assuming purchaser's costs of 6.58%.

A purchase of this level reflects a low capital value of £109 psf overall.

**DATA ROOM**

Available upon request.

**OFFERS IN EXCESS OF**

**£4,750,000**

**NET INITIAL YIELD\*****CURRENT**

**7.13%**

**AFTER FIXED RENT REVIEW IN MAR 2025**

**7.34%**

**REVERSIONARY**

**8.16%**

**CAPITAL VALUE**

**£109 psf**

For more information or to arrange a viewing, please contact joint sole agents.



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