

A highly reversionary multi-let industrial investment



Boulton Industrial Centre, Icknield Street, Birmingham, B18 5AU

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Investment Summary

- Reversionary multi-let industrial investment located in the popular industrial location of Hockley, adjacent to the Birmingham City Ring Road.
- The estate comprises of 34 units, totalling a gross internal area of 36,500 sq ft.
- 32 of the units are let at an annual passing rent of £221,099 equating to a low rent of £6.37 per sq ft.
- There are currently two vacant units providing the opportunity for immediate reversion.
- Freehold.

Quoting

£2,375,000

Net Initial Yield

8.75%

Capital Value Per Sq Ft

£65.07

Location

Birmingham is the UK's second city and the largest regional economy outside of London. Birmingham is a key industrial hub situated within the heart of the West Midlands benefitting from excellent motorway and rail connectivity. The M6 Motorway is within 2.5 miles (4.02 km) of the property, this in turn provides access to the M42, M1, M5 and M54.

Birmingham is an important manufacturing and engineering centre. The area has been boosted by significant investment within the Automotive and Aerospace industries facilitating growth in industries that support the supply chain across the region.

Situation

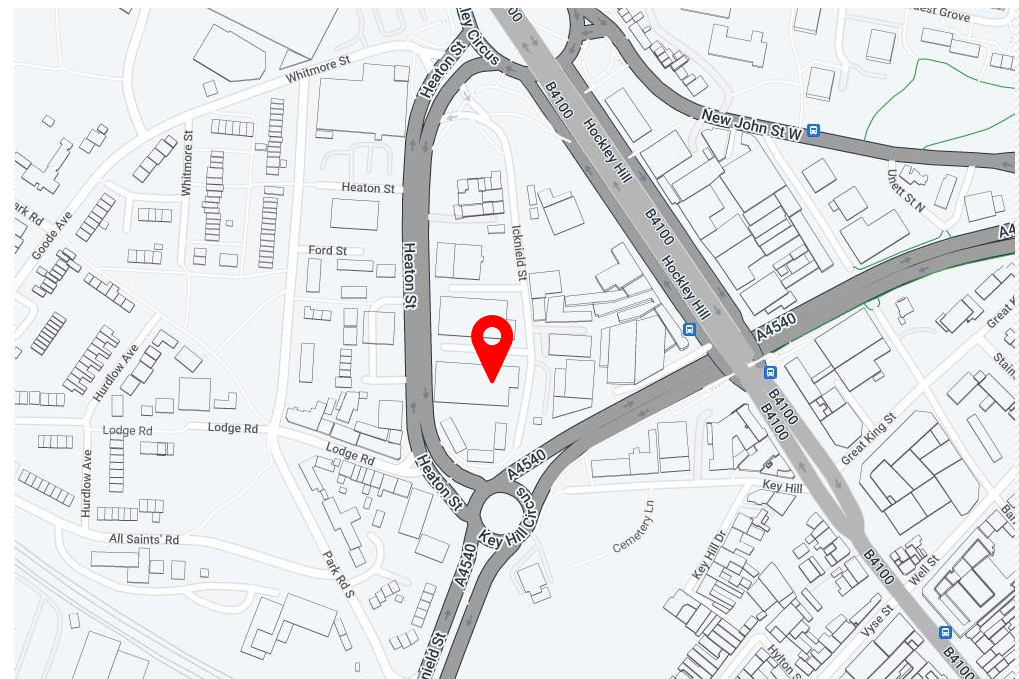
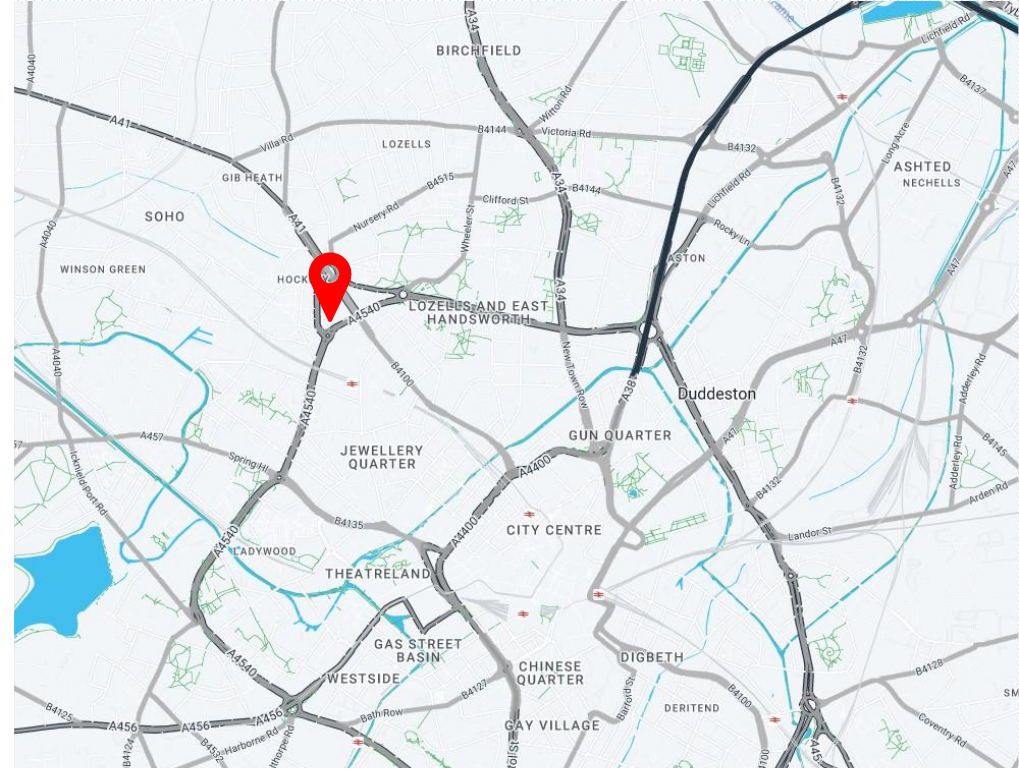
Boulton Industrial Centre is prominently located on the Birmingham City Ring Road to the west of the city centre. The estate is situated on Icknield Street and benefits from excellent connectivity to the main arterial routes in the area and the Birmingham Ring Road which is adjacent to the estate. The A38(M) is a short distance to the north and provides easy access to Junction 6 of the M6.

The property forms part of an established industrial location with occupiers including Doorfit Garage Doors, Awan Marketing and Bedestone. The estate benefits from being situated just outside of the recently introduced Birmingham Clean Air Zone charging boundary.

Description

Boulton Industrial Centre is an estate of 34 industrial / workshop starter units arranged in terraces off Icknield Street.

The units have full height brick and block elevations beneath pitched and sloped tile roofs. The estate provides units of varying sizes from 500 sq ft to 2,400 sq ft each benefitting from a roller shutter or up and over panel loading door and surfaced allocated car parking to the front. The areas cited have been provided by Birmingham City Council.



Site Area

The site extends to 0.78 hectares (1.916 acres) with three, gated points of access from Icknield Street.

Tenure

The property is held Freehold.

Service Charge

Service charge information can be found in the data room.

Tenancy Schedule

An up-to-date tenancy schedule can be found in the data room.

Asset Management Opportunities

- Formalise periodic tenancies and realise market rental value.
- Renew leases that are holding over.
- Improve EPCs.
- Consider phased refurbishment of the units to drive rental values.



Investment Market

Birmingham, renowned as the epicentre of the Industrial Revolution, maintains its status as a pivotal industrial hub. Situated strategically in England's West Midlands region, it serves as a crucial nexus for transportation and logistics. Its central positioning facilitates seamless connectivity to major road, rail, and air networks, rendering it an enticing destination for industrial enterprises.

The Birmingham industrial landscape encompasses a broad spectrum of sectors, spanning manufacturing, automotive, logistics, warehousing, distribution, and technology. Over time, the city's economic profile has diversified beyond its manufacturing origins, embracing advanced engineering, digital technology, and creative industries.

Within Birmingham's industrial realm, the starter unit market caters specifically to smaller enterprises, offering tailored spaces conducive to light manufacturing, storage, distribution, or workshops. These units fulfil the needs of diverse businesses, ranging from small-scale manufacturers to logistics firms, tradespeople, and service providers. Fuelled by Birmingham's dynamic entrepreneurial ecosystem and supportive business environment, there is notable demand for these compact industrial spaces.

Recent comparable investment transactions include:

Address	Date	Area (Sq Ft)	NIY	Price	Cap Val (£PSF)
Parkside Industrial Estate, Wolverhampton	Jul 2024	22,888	6.18%	£2,170,000	£94.74
Catesby Park, Birmingham	Jun 2024	26,190	6.20%	£2,760,000	£105.20
Units 1-5, Halesfield 22, Telford	Mar 2024	22,328	6.77%	£2,000,000	£89.57
Forest Court Industrial Estate, Nottingham	Mar 2024	16,375	7.25%	£1,370,000	£83.66
Units 1-2 & 15 & 17, Henley Industrial Park, Coventry	Jan 2024	24,798	6.92%	£2,587,000	£104.32
Units 1 -6 Wednesfield Way Industrial Estate, Wolverhampton	Feb 2023	39,882	7.10%	£2,450,000	£61.34
Units 5-8 Marnier Industrial Estate, Tamworth	Oct 2022	28,430	6.89%	£2,130,000	£74.75
Units 5- 7 Peartree Lane Industrial Park, Dudley	Sep 2022	20,955	6.07%	£1,630,000	£77.79

Occupational Market

The Birmingham industrial market is characterised by a shortage of industrial spaces coupled with high occupier demand. Small industrial units are highly sought after, primarily due to the city's vibrant economic activity and its strategic location in the West Midlands, which offers excellent transportation links and access to all major markets.

The subject estates are very much typical of supply in Birmingham, offering a size range of secondary industrial premises to a range of local and regional industrial businesses including startups, small manufacturers and service providers. The estates are particularly attractive to local and regional businesses that require manageable and cost-effective spaces for operations.

There has been a critical lack of new development coming through in recent years and where good quality has arisen, it is hotly contested by occupiers. This has resulted in Birmingham rents holding well. Two nearby leading starter unit schemes of note are Urban Express Park and Octagon Park, both located in Aston and quoting circa £15.00 and £12.50 per sq ft respectively, indicating ample room for rental growth for the subject estates.

Address	Date	Area (Sq Ft)	Occupier	Rent (Per Sq Ft)
1-3 Hale Trading Estate, Lower Church Lane, Tipton	May 2024	1,165	First Industrial Tyres Ltd	£10.30
1 Swallow Rise Business Park, Level Street, Dudley	Mar 2024	1,399	Elm Retail Limited	£9.87
24-29 Lye Business Centre, Enterprise Drive, Dudley	Feb 2024	603	Edge Groundcare Ltd	£10.00
Unit 4 Urban Express Park, Aston Hall Road, Birmingham	Dec 2023	3,829	Vitality CBD Limited	£14.99
Unit 1 Hale Trading Estate, Lower Church Lane, Tipton	Dec 2023	1,186	All Steel Fencing Nationwide Ltd	£10.11
Unit 15 Gregstone Industrial Estate, Oldbury	Nov 2023	1,004	Galvin Mechanical Engineering Ltd	£9.96
Unit 6 Stirchley Trading Estate, Birmingham	Sep 2023	1,722	Not Disclosed	£13.00
Unit 47 Kelvin Way, West Bromwich	Jul 2023	2,987	Best Retail Supplies	£8.50
Unit 8 Dunton Industrial Estate, Mount Street, Birmingham	Jun 2023	2,240	Opla Foods	£9.59
Unit 6 Icknield Square, Birmingham	May 2023	1,232	Uni HK Purchasing Ltd	£10.15

Data Room

A dedicated online data room is available on request to interested parties to review key documents.

EPCs

EPCs are available in the data room.

VAT

The Council has not opted to tax the site but reserves the right to do so, if necessary, prior to completion of the sale. The sale price will be exclusive of VAT.

Legal Costs

The purchaser is to be responsible for both their own legal costs and Birmingham City Council's legal costs that are incurred in the transaction.

Proposal

We are instructed to seek offers in excess of **£2,375,000 (Two Million Three Hundred and Seventy-Five Thousand Pounds)** exclusive of VAT, reflecting a **Net Initial Yield of 8.75%** and a **low capital value of £65.07 per sq ft**, after standard purchaser's costs of 6.36%.



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