



VERTICAL

BARBERRY 14

NEW BUILD, SINGLE LET INDUSTRIAL INVESTMENT OPPORTUNITY

VERTICAL AEROSPACE | BARBERRY 14 | SEVERN ROAD | AVONMOUTH | BRISTOL | BS10 7SB



INVESTMENT

INVESTMENT SUMMARY

- ▲ Located 1.5 miles south of J1 of M49 and a similar distance north of J18/18A of M5
- ▲ Part of the wider Central Park area and located on a recently released new industrial development land parcel
- ▲ Newly constructed detached industrial unit
- ▲ 13,402 sqft on a 1.01 acre self contained site - 26% site cover
- ▲ EPC A rating
- ▲ New 10 year lease from 25th November 2022 to Vertical Aerospace Group Ltd
- ▲ Rent guaranteed for duration of lease by Barclays Bank plc
- ▲ Rent of £170,000 per annum
- ▲ Year 5 annually compounded RPI rent review with collar and cap of 2% & 4% per annum
- ▲ Offers in excess of £2,905,000
- ▲ Net initial yield - 5.50%
- ▲ Reversion at Year 5, assuming 3% per annum RPI growth – 6.37%



LOCATION

Bristol is the UK's 5th largest city and is the premier industrial and logistics location in the south west, benefitting from excellent road communications with the M5, M4 and M32.

Avonmouth is located under 5.5 miles to the north west of Bristol city centre. Cardiff is 23 miles to the west. Avonmouth is located directly to the west of the M5 and is served by Junctions 18&18A. The M4 lies to the north of the area, served by Junction 22. The M49 and the new Junction 1 will provide further access to the motorway network.

Avonmouth Docks are 2.3 miles to the south with Royal Portbury Docks under 4 miles away to the south, these local ports handle over 6 million tonnes of dry bulk goods and 750,000 vehicles each year. Bristol airport is 20 miles to the south east.

Avonmouth lies just to the south of the two River Severn crossings which 25 million people use annually for free.

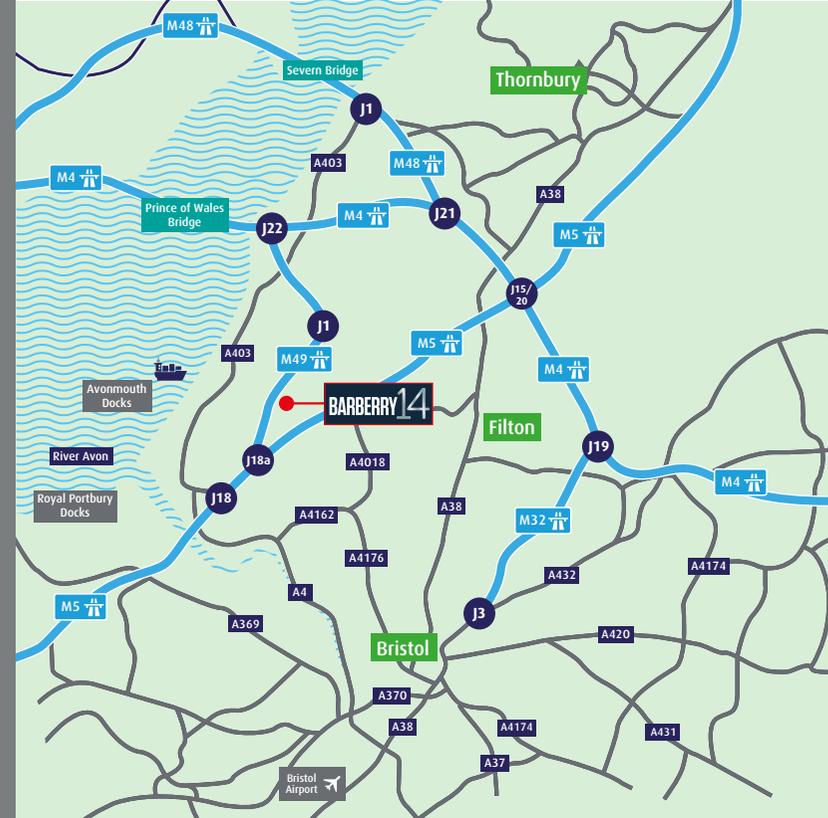
Bristol is growing and has over 1 million people within a 30 minute drive time and has seen significant development over recent years. Avonmouth is Bristol's most established industrial and logistics area. The majority of recent development has been focused at the northern end of the wider area. Labour costs in the region are 4% lower than the national average with a strong skill base in manufacturing and logistics and is ahead of the national average with over 265,000 employed in the sectors. The A403 is the main road leading north-south through Avonmouth from the M5 junction to the south all the way north to the M4 and M48. The area will be further enhanced by the opening of Junction 1 of the M49.

The wider Central Park, Western Approach area of Avonmouth has seen phased development in recent years providing the South West's premier distribution location fronting the M49. Over 6 million sqft of logistics accommodation has already been developed.

Central Park is already home to the likes of Amazon, Lidl, The Range, DHL, Tesco, Royal Mail, Farm Foods and Warburtons.

Further south in Avonmouth St Modwen have been developing Access 18 in phases which now provides over 1m sqft of industrial and logistics facilities for the likes of Ocado, DB Schenker, Nisbets, Evri and Movianto.

Further development around Avonmouth is underway or planned by the likes of Panattoni, St Modwen, Equation, Tungsten and Opus.



SITUATION

Severn Road (B4055) provides access to one of the recent expansion areas of Avonmouth. The wider land area totalled 40 acres and has been brought forward for development in individual plots. Sites to the west of the subject development are occupied by the likes of Wren Kitchens, Volvo Trucks, Flo Gas and B&A Transport.

Junction 1 of the M49 is 1.5 miles to the north which will provide access a mile further north to J22 of the M4 and a similar distance to the south to J18/18A of M5.

The subject property has been developed by Barberrry at the front of their larger 4.23 acre plot. Two further land plots share the same access road off Severn Road.

The unit directly to the north of Barberrry 14 has also been developed by Barberrry and is a 44,500 sqft detached purpose built facility for The Hill Company. Other adjoining land has been acquired by Bowland Stone and Taste Tech.

Directly west other developments include:

- ▲ An owner occupied industrial unit for Holleys Fine Foods
- ▲ Parallel 49 - a new build, two unit scheme totalling 55,000 sqft, with 30,000 sqft prelet to Falcon Panel Products
- ▲ Link 49 – a new build 15 unit scheme totalling 26,300 sqft in two terraces with unit sizes all under 2,200 sqft



DESCRIPTION

The development was undertaken by Barberry Industrial and their main contractor Barnwood. Practical Completion was December 2022. Barberry have worked hard to use the latest environmentally friendly technology to help reduce CO2 emissions and occupational costs for the tenant. The subject property comprises a newly built detached unit of steel portal frame construction with optimal performance, profile clad elevations under a profile sheet roof with 10% roof lights.

The unit has a clear internal height of 8.0m and a 50 kN/sqm floor loading. There are two level access doors to the northern elevation.

There are ancillary ground and first floor office areas all fitted with LED lighting. Landlord enhancement works and the tenant's additional fit out works to provide testing rooms within the main industrial space totalled c. £1 million.

Heating is provided by a high efficiency air source heat pump. The unit's power supply was upgraded to 450 kVA.

The self contained site is fully secured with a perimeter palisade fence. There are 23 allocated car parking spaces along the northern boundary of the site and in front of the ground floor offices. There is provision for four EV charging points. The yard is concrete surfaced and has a depth of 37m.

Another development by

BARBERRY



8m clear
internal height



2 level access
doors



50 kN/m²



37M
service area



23 parking
spaces



Landscaped
environment



Ground floor and
first floor offices



Gated secure yard/
self contained site



450 KVA



24hr/7 day access





ACCOMMODATION

The unit provides the following floor areas, measured by Plowman Craven, on a Gross Internal Area basis:

	SQM	SQFT
Industrial/Warehouse	953.1	10,259
Ground Floor Offices	116.3	1,252
1st Floor Offices	175.7	1,891
TOTAL	1,245.1	13,402

The subject site extends to 0.41 ha (1.01 acres) with a site coverage of only 26%.

TENURE

Freehold.

TENANCY

The unit is let on an FRI lease to Vertical Aerospace Group Ltd on a 10 year term from 25th November 2022. The passing rent is £170,000 per annum. There is a Year 5 rent review to annually compounded RPI increases, with an annual collar and cap of 2% & 4%. The tenant was granted an initial six month rent free period which will be topped up by the vendor.

Barclays Bank plc are a guarantor to the rent for the duration of the lease term.

The tenant has agreed initial works under a Licence to Alter, further details of the tenant's works can be provided on request.

PLANNING

The unit benefits from a 1957 planning consent which enabled development without the need for a further detailed application, allowing for a wide variety of employment related purposes and complementary uses.

COVENANT



Founded in 2016 the company was incorporated in May 2020 and are pioneering electric flight through design and manufacture. Over recent years the business has built up an experienced senior team of industry specialists and have the VX4, a piloted, electric vertical take off and landing vehicle. Vertical's ordinary shares and warrants began trading on the New York Stock Exchange in December 2021.

The company has conditional pre orders in excess of \$5bn from some of the world's leading airlines including American Airlines and Virgin Atlantic. In September 2022 the Civil Aviation Authority issued a Permit to Fly for the VX4. Target entry into service is 2025.

A summary of the company's accounts is as follows:

	31/12/2021 (£'000s)	From 7/5/20 to 31/12/2020 (£'000s)
Turnover	-	-
Pre-Tax Loss	(81,056)	(5,167)
Total Assets	24,176	7,086
Total Equity	(32,955)	(2,795)

The company has received £8.8m of government grants from the Aerospace Technology Institute Programme in the last financial year.

In August 2022 the company secured an equity subscription line with Nomura to support ongoing capital requirements and allow the company to issue upto \$100m in new ordinary shares.

As of September 2022 the company had cash in the bank and short term deposits of £145m which will be invested in the development of the company's test and certification activities.

Further information can be found on the company's website – vertical-aerospace.com



Barclays Bank are acting as a guarantor to the rent for the full lease term. The bank is a multi national bank headquartered in London. The bank has a primary listing on the London Stock Exchange and is a constituent of the FTSE 100 index. It has a secondary listing on the New York Stock Exchange.

The bank operates in over 40 countries and employs over 80,000 and is Europe's 5th largest bank by total assets. Its market capitalisation is over £25bn.

	31/12/2021 (£'000s)	31/12/2020 (£'000s)
Revenue	£21,940,000	£21,766,000
Pre-Tax Profit	£8,414,000	£3,065,000
Total Equity	£70,211,000	£66,882,000



AVONMOUTH OCCUPATIONAL MARKET

The South West region saw industrial take up achieve c. 6 million square feet during 2022, significantly up on 2021 figures. The take up of new, quality buildings is at record levels with ESG metrics high on occupiers agendas. Vacancy rates have dropped below 4% across the whole sector with limited new build stock available in the region. Grade A stock levels make up under 30% of the total accommodation.

Development around the Avonmouth area has continued over the past 18 months or so.

Speculative developments by St Modwen at Access 18 and Richardson Barberry at More+ have provided the market with a variety of “mid box” units ranging from 40,000 sqft up to 100,000sqft. Panattoni are currently speculatively developing over 1.2m sqft in two units with Panattoni 882 being the UK’s largest ever speculatively built unit.

All the smaller units at Access 18 have been let through 2022 with no availability now under 40,000 sqft. The smallest unit at More+ is 29,000 sqft and the quoting rent on this unit is £11.00 per sqft.

Loc8 have speculatively developed two schemes on adjoining land to Barberry 14. Parallel 49 comprises 55,000 sqft in two units, the larger of which was pre-let to Falcon Panel Products on a 10 year term. The 25,000 sqft unit is available with a guide rent of £9.50 per sqft.

Opposite is Link 49 a development of 15 units in two terraces with individual sizes all under 2,200 sqft. The scheme completed in Q4 2022 and over 25% is already let at rents of £15.00 per sqft.

The residual part of Barberry’s site on Severn Road was developed for The Hill Company, a 44,500 sqft high bay, purpose built document storage unit which they took occupation of in November 2022.

INVESTMENT MARKET

ADDRESS	SQFT	UNEXPIRED TERM	TENANT	PRICE YIELD	DATE
8&9 Cakemore Road, Rowley Regis	13,282	10 years	Howden	£2,100,000 5.35%	Jan 2023
U11 Lodge Bank, Horwich, Bolton	11,840	4 years	Howden	£1,200,000 5.09%	Jan 2023
Arndale Road, Littlehampton	22,084	2.7 years	Jewson	£4,000,000 4.95%	Dec 2022
Units 1A1 Sills Road, Castle Donington	23,897	3 years	Expeditors	£2,400,000 4.89%	Dec 2022
1A&B Tungsten Park, Oakham	11,000	10 years	Howden & Screwfix	£1,700,000 5.27%	Dec 2022
Atex Business Park, Stowmarket	9,942	6.5 years to breaks	Howden & Toolstation	£1,600,000 4.53%	Nov 2022
Budlake Road, Marsh Barton Trading Estate, Exeter	24,076	4.5 years	SIG Trading	£2,710,000 4.68%	Sep 2022
4&6 Ashbrooke Park, Sherburn in Elmet	51,029	3.5 years	Kinnerton Confectionary	£5,050,000 5.30%	Sep 2022
1A Fourth Avenue, Trafford Park, Manchester	12,837	6 years	EVRI	£2,910,000 3.80%	Aug 2022

WARRANTIES

Full suite of warranties available to include main contractor, architect, engineer and employer's agent.

VAT

The property has been elected for VAT and therefore VAT will be payable. It is intended that the property will be sold as a TOGC.

EPC

The property has an EPC rating of A-23. A copy of the certificate is available on request.

PROPOSAL

We are instructed to seek offers in excess of **£2,905,000 (Two Million, Nine Hundred & Five Thousand Pounds)** subject to contract and exclusive of VAT.

A purchase at this price would reflect a **net initial yield of 5.50%**, assuming costs of purchase of 6.45%.

The reversion at Year 5, assuming 3% per annum RPI growth is **6.37%**.



FURTHER INFORMATION

For further information or to arrange a viewing please contact :



INVESTMENT

ANDREW PRICE

07798 656 360

andy@apinvestment.co.uk

Misrepresentation Clause: The accuracy of any description, dimensions, references to condition, necessary permissions for use and occupation and other details contained herein are not guaranteed and are for general guidance only and prospective purchasers or tenants must not rely on them as statements of fact or representations and must satisfy themselves of their accuracy. Andrew Price Investment Ltd, nor any of their employees or representatives has any authority to make or give any representation or warranty or enter into any contract whatever in relation to the property. Prices and rents quoted in these particulars may be subject to VAT in addition. The reference to any mechanical or electrical equipment or other facilities at the property shall not constitute a representation (unless otherwise stated) as to its state or condition or that it is capable of fulfilling its intended function. Prospective tenants/purchasers should satisfy themselves as to the condition of such equipment for their requirements.