

INDUSTRIAL INVESTMENT OPPORTUNITY

- / High specification warehouse
- / Undergoing refurbishment
- / New lease recently agreed
- / Tenant with D&B Rating of 5A2



41 ABBOTSWELL ROAD / WEST TULLOS / ABERDEEN / AB12 3AD

EXECUTIVE SUMMARY

Currently being refurbished, prominent industrial property on a site of 0.43 hectares (1.07 acres).

Total gross internal area of 834 sq. m (8,981 sq.ft) with yard of 1,524.58 sq.m (16,411 sq.ft).

High specification warehouse: 9.25 metre eaves height, 20 tonne crane, ambi-rad heating and high bay lighting.

New lease agreed to Siemens Energy Ltd who have a Dun and Bradstreet rating of 5A2 and tangible net worth of £80,076,000.

5 year FRI lease (tenant break option at the 3rd anniversary) at a passing rent of £92,500 per annum.

Long leasehold interest until 2069 (49 years unexpired) with current rent payable of £30,600 per annum providing a net rent of £61,900 per annum.

We are instructed to seek offers in the region of £500,000 exclusive of VAT. A purchase at this level will reflect an attractive net initial yield of 11.85% after allowing for standard purchasers costs and LBTT.



ABERDEEN & ENERGY ECONOMY

Aberdeen is Scotland's third largest city and is the energy capital of Europe making it one of the most business focussed cities in the UK. The population of the city is estimated at 220,000 people with a catchment population in excess of 500,000.

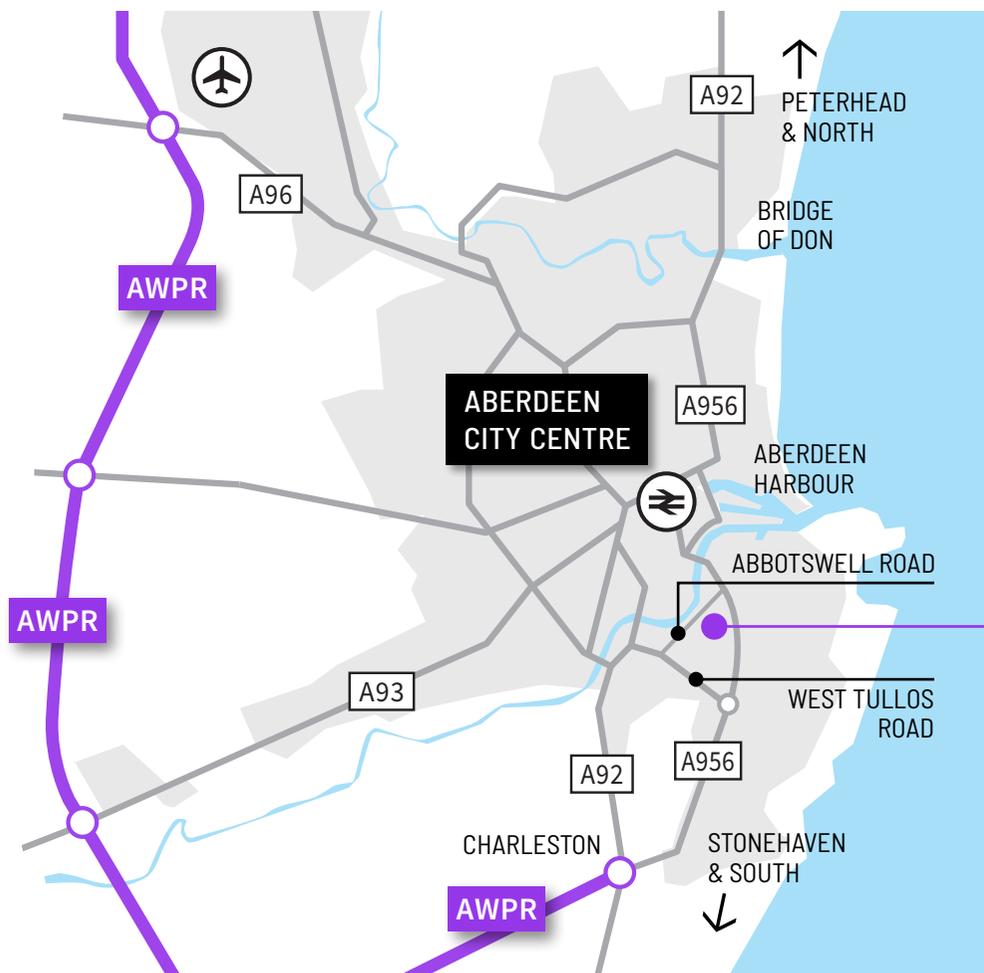
Aberdeen is the long established energy capital of Europe, largely from its extraction of fossil fuels. However, there is an accelerated movement towards renewal energy alternatives from both the private and public sector. Earlier this year the Scottish Government set up a £62 million Energy Transition Fund to support businesses over the next five years as they grow and diversify. The combination of the existing energy companies in Aberdeen, the on/offshore infrastructure, research and development and a highly skilled workforce means that Aberdeen is at the forefront of making energy transition a reality.

Aberdeen has strong communication links with the rest of Scotland, the UK and Europe. The A90 trunk road links Aberdeen/shire with the Scottish motorway network, making Edinburgh and Glasgow accessible in just over 2 hours. The recently completed Aberdeen Western Peripheral Route (AWPR) was Scotland's largest construction project and has already proven to provide significantly shorter commuting times across all parts of the region. The city is also linked to major towns and cities throughout the UK by rail and air travel.

LOCATION & SITUATION

The subjects are prominently located on Abbotswell Road, within West Tullis Industrial Estate, 2 miles to the south of Aberdeen City Centre. Abbotswell Road forms a link between Wellington Road (A956) and West Tullis Road, both of which form part of the main road network leading to the south of the city. The Aberdeen Western Peripheral Route (AWPR) has a junction at Charleston approximately 2 miles to the south of West Tullis Industrial Estate providing excellent access to the west and north of the city.

The surrounding occupiers within the vicinity include a wide mix of office, industrial, trade counter and a number of car showrooms including Volkswagen, BMW, Volvo and Skoda.



DESCRIPTION

The property comprises a detached office and workshop facility with additional modern high bay workshop extension at the rear constructed in 2008. The property benefits from an exclusive car park to the front and an extensive and secure concrete yard to the side and rear. The property is undergoing a refurbishment prior to the new lease commencing.

The high bay workshop is constructed of a steel portal frame with insulated cladding to walls and roof. It has a highly attractive specification of:

- / Eaves height of 9.25 metre
- / 20 tonne overhead crane
- / High bay lighting
- / Ambi-rad heating

The original warehouse adjoins the new extension. It is constructed of a concrete frame with concrete block walls and new insulated clad roof. This area further benefits from internal workshop offices and a mezzanine storage area.

The offices are situated at the front of the unit, facing Abbotswell Road, providing offices, canteen, WC and shower room. The offices have gas central heating and will benefit from new LED lighting throughout.

The approximate site area is 0.43 hectares (1.07 acres) and the site coverage is approximately 19%.



ACCOMMODATION

We calculate the approximate gross internal floor area of the premises as follows:

Description	sq.m	sq.ft
Original Warehouse	218.50	2,352
Highbay Warehouse	376.15	4,049
Ground Floor Offices	239.68	2,580
Total	834.33	8,981
Concrete Yard	1,524.58	16,411

The above area have been calculated in accordance with the RICS Code of Measuring Practice (Sixth Edition).

TENURE

The property is held on a Long Leasehold basis from Aberdeen City Council. The lease term is 99 years from 4th March 1970 and expires on 3rd March 2069 with a current passing rent of £30,600 per annum. The lease contains five yearly rent reviews to open market rental value with the next review due in November 2021.

TENANCY

The property is to be leased upon completion of the refurbishment works to Siemens Energy Ltd on a new 5 year FRI Lease at a rent of £92,500 per annum. There is a tenant only break option at the 3rd anniversary. The tenant received a three-month rent-free period from the date of entry. This will be "topped up" by the vendor.



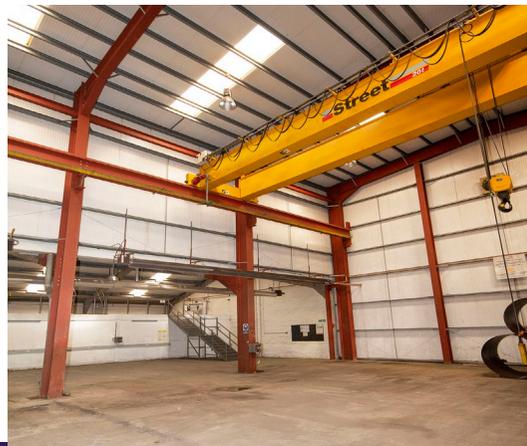
COVENANT INFORMATION

Siemens Energy is an energy technology company, which comprises the fossil fuel and renewable energy and electricity divisions of Siemens AG. Siemens AG is a German multinational conglomerate company headquartered in Munich and the largest industrial manufacturing company in Europe.

Further information is available here: <https://www.siemens-energy.com>

Siemens Energy have a Dun & Bradstreet Credit Rating of 5A2 based on 30 September 2019 with a tangible net worth of £80,076,000. A summary of their financial accounts are below:

	30/09/2019	30/09/2018	30/09/2017	30/09/2016
Turnover	£389,732,000	£214,501,000	£232,172,000	£223,236,000
Profit (loss) before Tax	£46,089,000	£36,507,000	£24,626,000	£12,812,000
Net Tangible Assets	£85,134,000	£41,903,000	£68,667,000	£98,960,000
Shareholders Funds	£81,976,000	£29,773,000	£65,154,000	£84,463,000



EPC

The property has an EPC rating of D49.

CAPITAL ALLOWANCES

No capital allowances are available.

VAT & TOGC

The property has been elected for VAT. It is however anticipated that the sale will be treated as a Transfer of Going Concern (TOGC).

PRICING & YIELD PROFILE

We are instructed to seek offers in the region of **£500,000** exclusive of VAT. A purchase at this level reflects an attractive **net initial yield of 11.85%** after allowing for standard purchasers costs and LBTT.

FURTHER INFORMATION



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