UNITS 1A & 1B

DEMUTH WAY | OLDBURY | B69 4LT

MODERN MULTI-LET INDUSTRIAL INVESTMENT

JUNCTION 2 **M5 MOTORWAY**

INVESTMENT SUMMARY

PHOTO GALLERY

- Opportunity to acquire a pair of adjacent modern industrial/warehouse units in a **prime West Midlands location**.
- 0.5 miles from **Junction 2 M5** Motorway.
- Extending to a total of **26,861 sq ft (2,495.5 sq m)** on a site of approximately **1.33 acres (0.54 ha)**.
- Let on full repairing and insuring terms to two tenants at a total rent of £167,144 per annum equating to **only £6.22 per sq ft** overall.
- **Reversionary** to around £201,500 per annum equating to £7.50 per sq ft.
- AWULT of **4.20 years to expiry** and **2.09 years to breaks**.
- Freehold.
- Underpinned by VP value.

OFFERS IN EXCESS OF
£2,100,000

NET INITIAL YIELD
7.5%

REVERSIONARY YIELD
9%

PROPOSAL

Offers sought in excess of **£2,100,000** (Two Million, One Hundred Thousand Pounds), subject to contract and exclusive of VAT. A purchase at this level reflects a **Net Initial Yield of 7.5%**, **Reversionary Yield of 9%** and a low capital value of £78.18 per sq ft. (assuming purchaser's costs of 6.31%).

LOCATION

Oldbury, adjacent to West Bromwich, is recognised as one of the Black Country's most established industrial hubs, with a long history of supporting manufacturing, warehousing, and logistics activity. Just 6.8 miles west of Birmingham city centre and 8 miles from Wolverhampton, Oldbury is in the heart of the West Midlands. The property sits on Demuth Way, immediately off the A4034, and less than half a mile from Junction 2 of the M5. This provides unrivalled access to the M6, M42, M40 and the wider UK motorway network, placing 70% of the UK population within a 2.5 hour drive. Birmingham City Centre can be reached by train within 20 mins, from Langley Green station, only half a mile distant.

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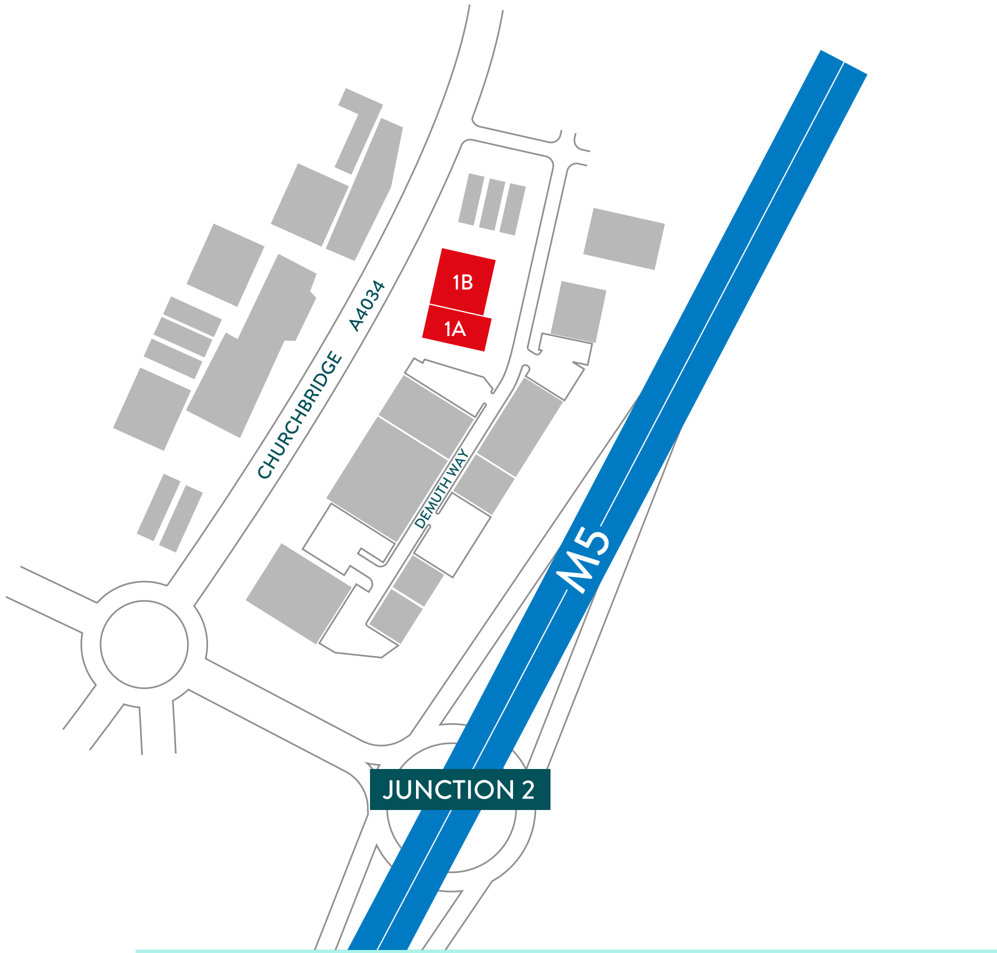
OPEN GOOGLE MAPS



DISTANCES

M5 (Junction 2)	0.5 miles
Oldbury Town Centre	0.5 miles
M6 (Junction 8)	6.3 miles
Birmingham City Centre	6.8 miles
Birmingham Airport	23.6 miles
M1 (Junction 19)	42 miles
Manchester	84 miles
London	131 miles

SITUATION

Demuth Way is a no through road serving the Junction 2 Industrial Estate only, running adjacent to, and parallel with, the M5 Motorway. The property sits prominently fronting the road, only 150m from the A4034 dual carriageway that takes you to Junction 2 of the M5, with nearby occupiers including DPD, Caparo PLC, Rotala PLC, Altrad, Crown, ERIKS, Metsec PLC. Within a short distance of the property are amenities such as McDonalds and Tim Hortons drive-thru's, Holiday Inn Express, pubs and restaurants, JD Gyms, B&M, Farmfoods, Halfords, Asda, Aldi etc.

Boundaries are indicative only

DESCRIPTION

The property comprises two adjacent detached industrial units, unit 1A built in the early 1980's and 1B in c.1990

The units are of steel portal frame construction, being brick/block and steel clad under both asbestos (Unit 1A) and steel (Unit 1B) multi pitched roofs. There are integral two storey offices to both units, of blockwork and timber construction. Double glazed UPVC windows are fitted at both ground and first floor levels. Each unit has one level access roller shutter loading door, concrete floors, roof mounted gas blower heaters and lighting, WC facilities and a working height to underside of haunch of 5.53m. Both units have tenant installed mezzanine floors, excluded from our areas and do not attract a rent.

There is a single shared asphalt covered loading and car parking area to the front/side of the two units with a single point of access onto Demuth Way (adopted).

ACCOMMODATION

UNIT	SQ FT	SQ M	FIRST FLOOR (SQ FT)
Unit 1A	12,809	1,190	1,207
Unit 1B	14,052	1,305.5	1,109
TOTAL	**26,861**	**2,495.5**	

The site, as delineated on the site plan herewith extends to 1.33 acres (0.54 Ha). The property has a site density of 42%.

TENANCY & COVENANT STRENGTH

The property is let to two tenants;

Unit 1A – Glentworth Formulations Limited (11673488)

10 year FRI lease from 24th November 2021 with a tenant's break clause, on six months' notice, and open market rent review on 24th November 2026. The current passing rent is £70,504.50 per annum, equating to only £5.50 per sq ft.

Glentworth are a UK supplement contract manufacturer and packer of health and dietary supplements, specialising in bespoke formulations and private label supply of capsules, tablets, and powder blends. Incorporated in 2018 they have an Experian risk score of 88 (Low Risk) with a Net Worth for Nov 2024 of £337,505.

Unit 1B – Digraph Transport Supplies Limited (01287659)

10 year FRI lease from 7th September 2018, expiring on 6th September 2028, without break. The passing rent is £96,640, equating to £6.75 per sq ft (adopting Landlords floor area – 14,317 sq ft). The lease is subject to a schedule of condition dated June 2018.

Digraph Transport Supplies Limited (DTSL) is a UK-based distributor and retailer of motor vehicle parts and accessories, specialising particularly in commercial vehicle, bus, coach, trailer and HGV components operating from 19 UK branches.

In July 2023, Digraph was acquired by LKQ Corporation (formally Euro Car Parts) via its European division, and now operates as part of the LKQ UK & Ireland group (under "LKQ Digraph"), while continuing to trade under the Digraph brand. See https://www. digraph.co.uk. Through the integration process into LKQ the bank account for DTSL has now been closed and going forward, whilst not creating a new lease, all obligations under the exiting lease, including rent payment and future dilapidations etc, are accepted by, and will fall to, LKQ.

LKQ Group (UK) Limited (02680212), have an Experian risk score of 100 (Very Low Risk) showed the following performance for Dec 2024:

TURNOVER	PRE TAX PROFIT	NET ASSETS
£1,294,958,000	98,486,000	£427,641,000

LKQ Corporation, the ultimate parent, has a market capitalisation of c$8bn, operating from over 1,600 locations and employing over 27,000 people.

Sub-tenant:

The tenant has sublet the unit to Gogna Schoolwear and Sports Limited (05740551) for a term, outside the Act, expiring on the 3rd September 2028. Incorporated in 2006 they have an Experian risk score of 100 (Very Low Risk) having a Net Worth of £540,749 for March 2024.

The mezzanine floors within Unit 1B are undocumented.

Both units have protection under the L&T Act 1954.

LOCAL INDUSTRIAL MARKET

The rental tone for mid-sized industrial units in the Oldbury and West Bromwich areas remains firm, underpinned by consistently strong occupier demand. These locations benefit from excellent road links via the M5 and M6 motorways, making them highly attractive to distribution, manufacturing and trade counter occupiers. Availability of good quality stock in this size bracket is relatively tight, and when units do become available, they are typically let quickly. As a result, quoting rents have steadily climbed upwards in recent years, with landlords able to secure competitive terms and reduced incentives compared to other regional markets.

Current evidence suggests that rental values for units of this scale are generally in the region of £7.00–£8.50 per sq ft, with premiums achievable for newer or well-specified refurbished premises offering fast access to the motorway, and strong visibility. Occupiers in these markets value both the accessibility and the established industrial base of the Black Country, where a strong SME presence underpins consistent take-up. This healthy balance of demand and supply indicates continued rental resilience, offering investors confidence in income growth prospects.

Examples of letting transactions in the area are shown in the adjacent table.

ADDRESS	DATE	SIZE	TENANT	RENT	RENT PSF
Unit 1 Demuth Way, Oldbury	April 2024	12,289	Midland Oak Furniture Ltd	£92,168	£7.50
Unit 4 Demuth Way, Oldbury	May 2023	8,756	Rapid Park Fulfilment	£61,292	£7.00
Springfield Estate, Oldbury	Under Offer	8,321	P&C	£68,648	£8.25
12-14 Oldbury Point, Oldbury	Nov 2024	15,003	Sortimo	112,522	£7.50
5&6 Oldbury Point, Oldbury	Nov 2024	8,636	Swansway	63,733	£7.38
11 Oldbury Point, Oldbury	Dec 2024	4,968	Sunbelt Rentals	£38,502	£7.75
Rabone Park, Smethwick	To Let	21,941	-	£164,557	£7.50
Unit 1 Richardson Parkway, Wednesbury	June 2023	23,057	Cemen Tech Holdings	£219,000	£9.50

EPC

Unit 1A has an EPC rating of C63
Unit 1B has an EPC rating of C59

TENURE

The property is held freehold.

SERVICE CHARGE

The maintenance of common areas and general estate costs have for many years been managed on an ‘ad hoc’ basis. Each lease provides for the landlord to be able to recoup such costs on a pro-rata basis.

VAT

The property is elected for VAT and it is anticipated that the sale will be treated as a transfer of a going concern (TOGC).

ANTI-MONEY LAUNDERING

A successful purchaser will be required to provide the appropriate information to satisfy current Anti-Money Laundering regulations when Heads of Terms are agreed.

DATA SITE

Access to the Data Room is available on request.

PROPOSAL

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FURTHER INFORMATION

Further information is available by contacting the sole agents:

harrislamb
PROPERTY CONSULTANCY
0121 455 9455
4 Brindleyplace Birmingham B1 2LG
www.harrislamb.com

JUSTIN MARSHALL
07793 142 178
justin.marshall@harrislamb.com

MATTHEW PEARCEY
07764 269 803
matthewpearcey@sellers-surveyors.co.uk