



## High Yielding Attractive Office Investment

 Unit 2, Callflex Business Park, United Kingdom, S63 5NA

FOR SALE  PRIVATE TREATY

£ 1,620,000 Offers in the region of

### Location

Rotherham is an important South Yorkshire town situated approximately 14.5 km (9 miles) north east of Sheffield, 56 km (35 miles) south of Leeds and 70.5 km (44 miles) east of Manchester.

The town benefits from good road communications being strategically located approximately 6.5 km (4 miles) from the intersection between the M1 Motorway and the M18 Motorway. Junction 34 of the M1 Motorway provides access from Rotherham town centre to the motorway network. The A1(M) is approximately 11 km (7 miles) to the east.

In addition, the town is connected to the national railway network with regular daily train services to Sheffield, Leeds and Manchester as well various other surrounding conurbations including Barnsley and Doncaster. Leeds Bradford Airport is approximately 64 km (40 miles) to the north.

## Summary

- Attractive Office Investment Opportunity
- High Yielding
- 3 years rates, service charge and insurance guarantee on vacant suite
- Secure income
- Offers in the region of £1,620,000, subject to contract
- 14% net initial yield
- 17.35% net yield on letting of vacant suite

## Situation

The subject property is situated at the heart of Rotherham's largest business district, on the established Callflex Business Park, approximately 9.6 km (6 miles) north of the town centre.

Occupiers in the surrounding area include Next, Capita, Cepac, Dearne Valley College.

The park benefits from strong road links with the M1 Motorway some 13 km (8.0 miles) to the west, the A1(M) 11 km (7 miles) to the east and the M18 Motorway 15 km (9 miles) to the south. Regular bus services run from the centre of Rotherham to the business park.

The property occupies a prominent position on Manvers roundabout and is accessed via Golden Smithies Lane.

Local amenities include the Cortonwood Retail Park which is less than a ten-minute drive to the west. Occupiers include B&Q, Matalan, Boots, Next and Morrisons. Waterfront Golf Course and Boat Club are less than five minutes to the north-west.

## Description

The property provides a detached office with dedicated car parking configured in an “L” shape. The property has a central core which contains an eight-person passenger lift, stair-wells, toilets and service areas.

The building is of steel-frame construction with cladding/curtain walling beneath a pitched roof. The specification of the office areas includes air conditioning, suspended ceilings with Category II lighting, double glazing and full access raised floors.

We have provided in the data room the Fire Risk Assessment from September 2023 which assesses the risk level as “normal”. We also provide a General Risk Assessment from July 2022 with the risk assessed as “medium” – note that the report advised “The building was constructed post 2000 and as such, no asbestos containing materials were used in the construction.” We have also provided an updated General Risk Assessment from September 2023.

## Accommodation

The property provides the following net and gross internal floor areas:

<b>Accommodation</b>	<b>Sq M</b>	<b>Sq Ft</b>
Ground Floor North	960	10,338
Ground Floor South	627	6,753
First Floor North	628.47	6,765
First Floor South	987.81	10,633
<b>Total</b>	<b>3,204.03</b>	<b>34,489</b>

A set of floor plans is available to download and the measured survey report will be re-addressed to a purchaser at a cost of £820 + VAT.

We have provided a car parking plan showing spaces allocated to Building 2 totalling 152.

## Site

We have supplied a historic Phase I Environmental Report from 2014 which was commissioned following the development of the site. The report is favourable in terms of environmental risk.

In addition, a Stage 1 Environmental Report was carried out by Access Environment in February 2024 which concluded that “the overall environmental risk at the site is low moderate” and “Subject to continued current use... the level of environmental risk associated with the site is assessed to be acceptably low for the current use.” A copy of this report is available to download.

## Tenure

Freehold.

## Tenancies

The ground floor north wing plus half the ground floor core, and first floor are let to G4S Facilities Management (UK) Limited at £90,585 per annum and £150,000 per annum respectively. The ground floor south wing is currently vacant.

Please refer to the tenancy schedule. In summary, the tenancy position is as follows:

Ground Floor North Wing	£90,585 per annum
Ground Floor South Wing	£0 per annum
First Floor	£150,000 per annum
Total Gross Income	£240,000 per annum

Given the vacant suite, the current shortfalls to the landlord are as follows:

Service Charge	-£51,197
Rates	-£22,784
Insurance	-1,903
Total	<b>-£75,884 per annum</b>

In order to ensure that the purchaser does not suffer an income shortfall whilst the ground floor south wing remains vacant, the vendor will place £230,000 in an escrow account on completion, to be drawn down by the purchaser, thereby providing three years' cover.

[Note that the tenancy schedule includes the income information for the adjoining property for sale, Building 3.]

## Service Charge

Please refer to the tenancy schedule and service charge information provided in the data room. The current service charge is £4.72 per sq ft, excluding charges relating to the utilities in the common areas; the leases provide for a cap on service charge contributions of £5.79 per sq ft (excluding charges relating to the utilities), subject to increases in accordance with the Retail Price Index. Note that the service charge cap within the leases is not breached.

## Net Income

An investor will benefit from a true net income of £240,585 per annum. Once the vacant ground floor suite has been let at the suggested rental value of £8.50 per sq ft, the income will rise to £297,989 per annum.

## Rates

We are advised that the rates payable are as follows:

	<b>Rateable Value</b>	<b>Rates Paid</b>
Ground Floor North Wing & 1st	£115,000	£58,880
Ground Floor South Wing	44,500	£22,784

The multiplier is 0.4990/0.5120

## Covenant

**G4S Facilities Management (UK) Limited** has reported the following figures:

	<b>31 December 2022</b>	<b>31 December 2021</b>
Turnover	£206.964m	£421.609m
Profit before tax	-£1.238m	-£16.49m
Net Assets	£9.29m	£11.719m

G4S Facilities Management (UK) Limited is a subsidiary of G4S Regional Management (UK&I) Limited, with the ultimate owner being Atlas Ontario LP.

**G4S Regional Management (UK&I) Limited** has reported the following figures:

	<b>31 December 2022</b>	<b>31 December 2021</b>
Turnover	£22.031m	£27.222m
Profit before tax	-£10.519m	-£90.677m
Net Assets	£215.516m	£223.763m

**Atlas Ontario LP** Consolidated Financial Statements

	<b>31 December 2022</b>	<b>31 December 2021</b>
Balance Sheet	\$18,370m	\$18,860m
Revenue	\$19,418m	\$16,449m
Loss	-\$602m	-\$481

G4S specializes in delivering employment support services across the UK. The company collaborates with local organizations to provide frontline assistance to targeted groups, aiding them in securing sustainable employment opportunities. Their Contact Centre serves as a central hub, offering guidance on various government regulations, including childcare benefits and pensions. For further information, please see: [www.g4s.com/en-gb/what-we-do](http://www.g4s.com/en-gb/what-we-do)

G4S is a British multinational private security company headquartered in London offering a range of services including the supply of security personnel, monitoring equipment, response units and secure prisoner transportation. The company has operations in more than 85 countries employing over 800,000 people, making it one of the world's largest private employers. In April 2021, G4S was acquired by Allied Universal, a global leader in integrated security solutions. For further information visit [www.g4s.com](http://www.g4s.com).

## VAT

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

## Proposal

We are instructed to seek offers in the region of **£1,620,000** (One Million, Six Hundred and Twenty Thousand Pounds) subject to contract, for the investment to reflect a net initial yield of **14%** and a capital value of £47 per sq ft (net).

The investment yield will increase to **17.35%** on letting of the vacant ground floor suite.

Please note that the purchase will be re-charged the costs of the measured survey (£820 + VAT) searches (£1,517.63) which are provided in the data room.

Please note that a purchaser will be charged a Transaction Fee of £10,000 plus VAT.

**We are also instructed to sell the adjoining property, Building 3, Callflex Business Park.**

## Investment Considerations

1. The opportunity to acquire a high yielding office investment
2. The investment provides secure income
3. Enhancement in value can be achieved by letting the vacant suite
4. The vendor is providing a full rates, service charge and insurance guarantee for three years
5. Attractive lot size
6. Attractive yield profile



## Contacts

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