



Multi-let Industrial & Commercial Property Investment Opportunity with Development Potential

 BW Estate and Crown Works, Oldmixon Industrial Estate, Weston-super-Mare, United Kingdom, BS24
9AY

FOR SALE  PRIVATE TREATY

£ 6,395,000 Subject to contract

Location



Weston-super-Mare is a thriving seaside town in North Somerset, England, offering excellent transport links ideal for commercial and industrial businesses. The town is conveniently located near Junction 21 of the M5 motorway, providing direct routes to the South West and Midlands. Major cities are easily accessible, with Bristol just 20 miles north-east, Exeter 60 miles south-west, Cardiff 50 miles west, and London 140 miles east.

Weston-super-Mare benefits from direct rail services to Bristol, London, and Birmingham, enhancing its connectivity for commuting and freight transport. Additionally, Bristol Airport is only 15 miles away, offering both domestic and international flights. The town is also located 20 miles from the Port of Bristol, providing extensive facilities for commercial shipping and international trade.

Overall, Weston-super-Mare's strategic location and excellent transport links make it an excellent location for commercial and industrial investment.

Summary

- Multi-let investment opportunity
- Diverse income stream proving secure cashflow
- Longevity of occupation of tenants/licensees
- Active Management / Redevelopment Opportunity
- Provably reversionary income with opportunities to increase in the short term
- Low capital value of £67 per sq ft / £725 per sq m overall
- Opportunity to develop on the site to increase accommodation.
- Low site cover of 37.5%
- Price £6,395,000
- 7.24% Net Initial Yield
- 10.13% Net Reversionary Yield

Situation

BW Estate and Crown Works are prominently located within the Oldmixon Industrial Estate, Weston-super-Mare, positioned adjacent to each other, being 1.2 miles south of the A370. The town centre is some 2 miles to the north west.

Situated near the M5 motorway, both estates offer easy access to Junction 21, ensuring efficient connectivity to major transport routes. This strategic location allows for swift distribution and logistics operations, with direct routes to the South West, Midlands, and beyond.

The estates benefit from proximity to local amenities and services within Weston-super-Mare, making them convenient and practical choices for businesses. Both estates are well-integrated with the local infrastructure, providing businesses with access to essential services and amenities.

Description

The BW Estate and adjoining Crown Works provide accommodation typically associated with such industrial locations. A combination of storage units, production, warehousing, trade, office and yard areas are provided.

Full details of the uses are provided on the detailed tenancy schedule. The extensive photo library shows the nature of the estate and units.

Appropriate asbestos surveys from 2022 are provided within the data room.

A fork-lift truck is provided for use by the tenants. A compressed air system is also provided for use of the tenants on the outer-facing units.

Accommodation

The BW Estate provides total accommodation of 72,814 sq ft / 6,764.64 sq m (GIA) in 63 units. Crown Works provides 5 units totalling 28,210 sq ft / 2,620.79 sq m. Included within these totals are units 51, 52 and 54 at BW Estate. Therefore, the total accommodation of the lettable units forming the investment for sale is 92,003 sq ft / 8,547.36 sq m.

However, it should be noted that the corridor areas which are not mean the envelope of the property for sale is as follows:

Total GIA of BW Estate	73,096 sq ft	6,790.62 sq m
Total GIA of Crown Works	30,798 sq ft	2,861.13 sq m
Overall GIA Total	103,894 sq ft	9,651.75 sq m
Less units 51,52 & 54 (sold)	-9,021 sq ft	838.08 sq m
Total GIA of Property Envelope	94,873 sq ft	8,813.99 sq m

It should be noted by reference to the site plan that the property provides large yard areas, offering opportunities for open storage facilities as well as the opportunity to extend the accommodation on the site.

Also note that the areas for the office element are referenced gross internal for consistency across the property. The net internal areas can be seen in the measured survey.

Rates

The only rates liability to the freeholder at present relates to the vacant Unit 2A, currently amounting to £5,475 (rates bill can be viewed in the data room).

Site

By reference to the site plan, available to download, the site area extends to 5.855 acres (2.369 hectares), providing a low site cover of **37.5**. Note that this area includes units 51, 52 and 54 which are sold on long leases.

A Phase I Environmental Site Assessment by ASP Environmental Limited of July 2024 confirmed that the site is “considered suitable for continued industrial use” with a “Risk Rating” of “Moderate risk” noting “...it is relatively unlikely that any ..harm would be severe, or if any harm were to occur it is likely that the harm would be relatively mild”. A copy of the report is available to download in the data room. The vendor is in the process of organising an update to the report which will be assigned to a purchaser; the purchaser will be charged the costs of the assignment at £1,970+VAT.

Tenure

Freehold.

Tenancy

In accordance with the attached schedule, the property provides a total income of **£603,111 per annum**. Please refer to the detailed Tenancy Schedule.

The offices at BW Estate are occupied under a lease by **B.W.O.C. Limited**. The tenant has been in occupation under a lease ending March 2025 at **£110,400 per annum**. A new reversionary lease has been signed which provides for a reversionary term of ten years from 24 March 2025, with a day one rent review and a mutual break option 23 March 2030; a five month rent free takes effect from 24 March 2025.

The day one rent review is based upon the increase in the retail price index from 23 March 2020, subject to a cap at £123,648 per annum. Based upon the current Index of 387.50, and the Index January 2020 of 290.60, the cap will be exceeded and hence the rent will increase in March 2025 to **£123,648 per annum**.

North Somerset Council occupy Unit 1 at Crown Works, paying a rent of **£80,000 per annum** on a lease expiring July 2031. The lease provides for a tenant's break option in July 2026. The Council operates the "Voyage Learning Campus" from the property, providing a school "supporting vulnerable young people from across North Somerset" ([website](#)); given the tenant is heavily invested in the unit, we suggest it unlikely the break option will be operated. Note that the lease is full repairing in nature, subject to a Schedule of Condition.

The remainder of the accommodation is occupied under licences with many companies, providing the security of a diverse range of income. The estate maintains a high occupancy rate and is currently 92% let with new licensees expected shortly to increase the rate; please refer to the tenancy schedule showing where new licences have recently been issued. Note that the licences at Crown Works allow for recover of insurance and water costs.

Please see the schedule of rent deposits, where available, within the data room. Note that not all the licences have deposits, there are none in relation to the licences at Crown Works.

A rent payment history is provided in the data room.

The vendor has started to develop a self-storage brand at the property ([website](#)). This presents another opportunity to enhance value.

Running Costs

The costs incurred in managing the property by the vendor may be summarised as follows:

Property Management	Heywood & Partners	£30,000
Cleaning	Fairway Support Services	£4,611
Waste	Smiths (Gloucester) Limited	£7,128
Insurance	non-recoverable element	£13,392
Phones	Office	£455 (approximately)
Caretakers		£48,000
Water Charges		£6,113
Total		£109,6996

As a result, the net income to an investor is currently **£493,412 per annum**.

The property is currently managed by Heywood & Partners at a charge of £7,500 per quarter. Cleaning services are provided by Fairway Support Services at £384 per month. Waste clearance services are provided by Smiths (Gloucester) Limited at £594 per month. There are two caretakers at the property. Water charges are recovered from the occupiers in respect of Crown Works, but not in respect of BW Estate.

There are two insurance policies in place, copies of the cover and premium being provided in the data room. The cost for insurance at BW Estates is £13,392.40, this being non-recoverable from the tenants. The second policy for Crown Works incurs a premium of £11,962.44, this being recovered from the tenants.

Appropriate invoices in relation to the above-mentioned costs can be found in the data room.

Rental Value

The attached tenancy schedule shows how rents have recently been set at levels towards £10 per sq ft.

- Unit 2C was let in August 2023 at £9.43 per sq ft;
- Unit 3 as let in March 2022 at £9.78 per sq ft;
- Unit 11 rent increase May 2024 to £9.77 per sq ft;
- Unit 14B was let November 2023 at £9.47 per sq ft;
- Unit 24 rent increase May 2024 to £10.49 per sq ft;
- Unit 433 rent increase May 2024 to £9.67 per sq ft.

The tenancy schedule details how the current owners commenced implementing a gradual increase in the passing rents during 2024, these being the first increases for 3.5 years. Whilst there is market evidence to justify levels towards £10 per sq ft, the strategy adopted has been to gradually increase to maintain good relationships with the occupiers; rents had been held during Covid and beyond.

We have adopted rental values of £9.50 per sq ft generally across the BW Estate. The office letting to B.W.O.C will increase in March 2025 to £123,648 per annum, based upon the RPI increase provided in the reversionary lease. We have adopted a conservative rental value of £5.00 per sq ft for the school. As a result, we can fairly justify that the rental income can be increased to a level of **£800,549 per annum**.

After the operating costs, an investor can be expected to increase the net income to **£690,850 per annum**.

Covenants

For the year ending 31 December 2022, B.W.O.C. Limited reported a turnover of £1,092m, a pre-tax profit of £17.066m and a balance sheet of £17.291m. Hence, a strong covenant active in the fuel supply business.

bwoc.co.uk.

The school is operated by North Somerset Council.

The overall security of income for an investor is provided by the diverse and multi-let nature of the property.

VAT

The property is elected for VAT. We anticipate that the sale should be capable of being treated as a Transfer of Going Concern (TOGC).

Proposal

We are instructed to seek offers of **£6,395,000** (Six Million, Three Hundred and Ninety Five Thousand Pounds), subject to contract, reflecting a net initial yield of **7.24%** assuming standard purchaser's costs of 6.65%.

Based upon the provable estimated rental value, a purchaser can be expected to receive a reversionary net yield of 10.13%.

A purchase at the asking price reflects an attractive capital value overall of **£67 per sq ft / £725 per sq m**, this including the offices which account for 13% of the accommodation.

Please note that a purchaser will be re-charged the costs of the measured survey (£1,645 + VAT) and searches (£1,266.22) which are provided in the data room. Furthermore, the Phase I Environmental Report will be assigned to the purchaser at a cost of £2,364 + VAT

Investment Considerations

1. An opportunity to acquire a reversionary commercial investment;
2. The diverse income provides an investor with overall cashflow security;
3. The tenants have a history of longevity within their accommodation;
4. The low site cover provides opportunities to develop on the site;
5. The income is provably reversionary;
6. The high occupancy rate is maintained by issue of simple licences with little marketing or agency costs, nor legal fees;
7. The option to develop a self-storage brand at the property.

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