

Kings Heath Traincare Facility and the
National Training Academy for Rail (NTAR)

FREEHOLD GROUND LEASE INVESTMENT

Unit 5, Heathfield Way, Kings Heath, Northampton NN5 7QP



Outline for indicative purposes only



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Located on the Northampton Loop half a mile north of Northampton Station with direct access to the West Coast Mainline Railway

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INVESTMENT SUMMARY

- Rare opportunity to acquire **a unique mission critical train care facility and National Training Academy for Rail.**
- **Located on the Northampton Loop** half a mile north of Northampton Station with direct access to the West Coast Mainline Railway
- **Large 20.39 acre (8.25 hectares) site**, situated in the heart of Northampton
- **Freehold**
- **Let to Siemens Mobility Limited** (5A2 D&B rating) on a 30 year ground lease expiring 23rd April 2035, subject to a tenant break option on 1st May 2030, providing approximately **10 years** unexpired and **5 years** to break.
- Tenant chose **not to activate its 2025 break option** demonstrating commitment to the site
- The tenant has **invested in excess of £40m into the site** since lease commencement developing everything there today
- The lease sits **outside** of the Landlord & Tenant Act 1954
- Highly reversionary passing rent of **£434,226 per annum** subject to a rent review to 70% of OMRV for open storage use on the 1st May 2025.
- The passing rent reflects an extremely **low rental level of £27,707 per acre / £0.64 psf** based on the rent review area of **15.672 acres**
- Buildings on site will total **c. 114,129 sq ft**
- We are instructed to seek offers in excess of **£5,000,000** subject to contract and exclusive of VAT
- A purchase at this level reflects a **net initial yield of 8.15%** after deducting purchaser's costs of 6.59% and a **low capital value of approximately £245k per acre**

Based on open storage evidence in the area we consider the investment to be **highly reversionary, with the benefit of a "day one" rent review**





LOCATION

Northampton is a key logistics and transport hub at the heart of the UK's renowned Golden Triangle, offering connectivity to national and regional infrastructure.

Junctions 15 and 15A of the M1 motorway are close by allowing approximately 90% of the UK's population to be reachable within a four-hour drive, with Birmingham 52 miles away and London 70 miles. The A45 dual carriageway further strengthens regional connectivity, linking Northampton to Milton Keynes, Coventry, and other key business hubs.



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SITUATION

The property is situated to the east of Gladstone Road, with access via the Kings Heath Industrial Estate. The site benefits from direct rail connections via the Northampton Loop railway line, providing access for train operators servicing London Euston, Birmingham New Street, and other key UK destinations. This exceptional rail connectivity enhances the facility's appeal for transport and rail-related operations.

The surrounding area provides a mix of industrial and residential uses. Nearby commercial occupiers include Carlsberg, Alert Self Storage, Screwfix and other national occupiers.

Northampton railway station is approximately 0.5 miles away from the facility, providing frequent rail services to London Euston, Birmingham New Street, and beyond. In addition, local bus routes serve the area, with the nearest stop on Gladstone Road, approximately a 9-minute walk away.

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THE SITE

The site is long and thin in shape extending to approximately **8.25 hectares (20.39 acres)** and has been fully serviced with palisade fencing.

Vehicular access is via Heathfield Way with additional pedestrian access off Spencer Bridge Road.



Outline for indicative purposes

TENANCY

The entire property is let to Siemens Mobility Limited (Company No. 00016033) on a lease dated 22 June 2005 for a term expiring on the 23 April 2035. The lease is outside the Landlord & Tenant Act 1954.

There is a tenant break option on 1st May 2030, with 6 months' notice. If the tenant exercises its break option it will not remove any fixed plant, fixtures or buildings on the site. The tenant chose not to activate its break option in May 2025 demonstrating its commitment to the site.

The current rent passing is £434,226 per annum and is subject to review on the 1st May 2025 and 2030 on the following assumptions:

- **70% of market rent of the site, as a whole with vacant possession.**
- **Assuming open storage use.**
- **Assuming a net site area of 6.34 hectares (15.672 acres).**
- **Assuming a new ten-year term, outside the Act, with a rent review at year 5, rent payable quarterly in advance.**
- **Ignoring all tenant works**
- **Assuming a cleared site, levelled and ready to receive surfacing and fencing.**

At the review in 2025, the rent is to be upwards only from the initial rent of £285,230 per annum. In 2030, the rent is upwards only from the 2025 rent.

The depot is a regulated railway facility, and the lease incorporates the Depot Access Conditions as imposed by the Office of Rail Regulation.

Assignment of the Lease is only permitted to another service provider under the provisions of the Depot Access Agreement and Service Agreement, which were entered into with Siemens on 20th August 2004.

TENURE

Freehold.



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NTAR



NTAR



Kings Heath Traincare Facility



New Build Extension

TENANT'S IMPROVEMENTS

Siemens has developed a state-of-the-art train care depot on the site, complete with sidings, access roads, security gate, car parking, the National Training Academy for Rail, and a train wash facility.

KINGS HEATH TRAINCARE FACILITY

- The main facility was constructed in 2005 as a tenant obligation under the agreement for lease at a reported cost of £31m.
- It features a steel portal frame with profiled metal walls and roofing.
- The main warehouse is designed for train repairs, servicing, and upgrades incorporating multiple railhead bays with sunken pits and hoists, bogie drop units and a wheel lathe.
- There are modern offices on the ground and first floors that have recently been refurbished in part to a high standard including LED lighting and A/C.
- The latest addition is a new build extension currently being constructed that is anticipated to PC later this year.

NTAR - NATIONAL TRAINING ACADEMY FOR RAIL

- The National Training Academy for Rail sits to the south of the site and was constructed in October 2015.
- The academy was a 50/50 funding between Siemens and several government bodies, at a cost of £7m.
- Northampton was chosen for NTAR due to its central England location. The facility is operated by Siemens.

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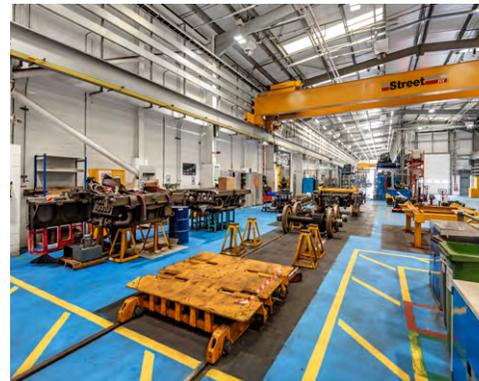
ACCOMMODATION

The accommodation has been developed under a series of licences for alterations by the tenant and has been measured in with the RICS Code of measuring practice on a gross internal area basis as follows.

There is an assignable measured survey available in the data room.

DESCRIPTION	SQ M	SQ FT
Kings Heath Traincare Facility	7,352	78,845
New Build Extension*	1,419*	15,274*
NTAR	1,859	20,010
TOTAL	10,630	114,129

*Areas based on planning designs, not measured as construction incomplete.



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TENANT COVENANT

Siemens Mobility Limited (Company No. 00016033) has a Dun and Bradstreet rating of 5A2.

Siemens are the leading supplier of mobility solutions for the UK rail industry. Siemens Mobility has a significant UK footprint and continues to invest in local economies employing over 5,000 people across more than 30 sites in the UK, including manufacturing facilities at Ashby-de-la-Zouch in Leicestershire, Chippenham in Wiltshire, and Goole in the East Riding of Yorkshire.

Siemens has a service agreement with various train operating companies but are the leading service provider for London North-western whose fleet includes 87 trains.

Siemens Mobility Limited	31 Dec 2023 £'000s	31 Dec 2022 £'000s	31 Dec 2021 £'000s
Turnover	1,115,931	1,024,340	949,261
Profit Before Taxes	162,819	122,374	122,531
Net Current Assets (Liabilities)	114,798	98,676	146,281
Tangible Net Worth	290,107	281,455	226,120



Train Wash Facility

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OCCUPATIONAL MARKET

The industrial market saw rental growth of 6% last year and we expect it to continue at 4% p.a. over the next three years (Bidwells UK Economy & Real Estate Outlook – Feb 25). We believe this asset to be highly reversionary at the May 2025 rent review.

Prime industrial rents in Northampton are currently around £11.50 psf with little in the way of discount for good quality second hand space at £10.00 psf. Bidwells forecasts industrial rental growth for Northampton at an average annualised rate of 3.6% over the next 5 years.

The Industrial Open Storage (IOS) sector is experiencing significant growth, traditionally utilised by the construction industry, IOS is now increasingly supporting supply chain distribution networks, e-commerce expansion, and vehicle fleet storage. The demand for IOS surged during the COVID-19 pandemic due to supply chain disruptions and the growth of e-commerce. The shift in the occupier base has led to longer lease structures with occupiers often taking 15, 20 and 25 year leases for prime IOS assets.

Despite strong demand, the supply of IOS sites remains constrained. Demand is particularly high in central and urban areas, ideally located for last mile distribution.

Prime open storage rents across the core UK markets have grown annually by 24% between Q3 2023 and Q3 2024. Northampton prime rents previously stood at £2.30 psf in 2023 but have experienced a 52% year on year change, with Knight Frank reporting prime rents breaking £3.50 psf in Q3 2024.

DATE	SITE	SIZE	RENT (PER ACRE)	RENT (PSF)	COMMENTS
Quoting	Former Dairy, Horsley Road, Northampton	0.69 acres (30,056 sq ft)	£130,680	£3.00	Hard surfaced open storage compound close to Northampton town centre. Secured and gated.
Quoting	42 Salthouse Road, Brackmills Industrial Estate, Northampton	2.82 acres (122,839 sq ft)	£120,000	£2.75	The site benefits from a good quality concrete and grouted macadam surface throughout. Fully fenced with gated access. Perimeter flood lighting. 2 x on-site portacabins. Fully serviced with power and water. Separate car park 40 car parking spaces.
Quoting	Mansard Close, Northampton, NN5 5DL	0.35 acres (15,246 sq ft)	£128,571	£2.95	Fully hard surfaced with good perimeter fencing and security gate. Good central location.
Under Offer	Crow Lane, Great Billing, Northampton	11.5 acres (500,940 sq ft)	£45,000	£1.03	Let as bare fields / grass land, not surfaced. Subject to planning deal. Let on a 25 year lease with 4 years rent free for tenant to undertake works to provide hard standing, fencing and lighting.
Mar-24	25-29 Tweed Road, Northampton	0.55 acres (23,958 sq ft)	£113,636	£2.61	Secure yard with palisade fence, concrete hardstanding, office and storage buildings on site. Let to a franchisee of Easy Storage on a 15 year lease with a TBO at year 5, with 6 months RF. 5 yearly upwards only reviews to the higher of OMV or RPI (3% - 5%).
Sep-24	Grendon Road, Earls Barton, NN6 0RB	3.00 acres (130,680 sq ft)	£70,000	£1.61	Fully fenced, mostly hard surfaced storage area, with security, lighting and entrance gates. On site Portakabin for office and amenity accommodation.
Jul-23	Former Oliver Adams Bakery Site, Land at Gladstone Road, Northampton	1.23 acres (53,579 sq ft)	£45,001	£1.01	Significant tenant works required including security fencing, new gated access, ground works to create a clear and level yard. The tenant also intends to construct temporary warehouse and office structures on site.

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ERV

Based on the rental evidence provided on the previous page it is clear there are a number of lettings achieving ERVs substantially in excess of the passing rent on the site today. As such, we believe the property to be highly reversionary at the next open market rent review on 1st May 2025.

Upon lease expiry, the landlord will inherit any fit-out left behind by the tenant including buildings, structures, surfacing, access roads, car parks, security gate and perimeter fencing etc. As such, in the open market the property could be re-let for traditional industrial use as well as IOS leading to a substantially greater reversion.

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INVESTMENT MARKET

Liquidity is starting to return to the M1 South industrial investment market and there were £127.8 million of investment transactions in the first six months of 2024. The biggest transaction in H1 2024 was the purchase of Brackmills Central industrial estate in Northampton by Greater Manchester Pension Fund for £35 million. The price equates to £128 per sq ft. The purchaser will start a refurbishment programme, with an emphasis on improving energy efficiency.

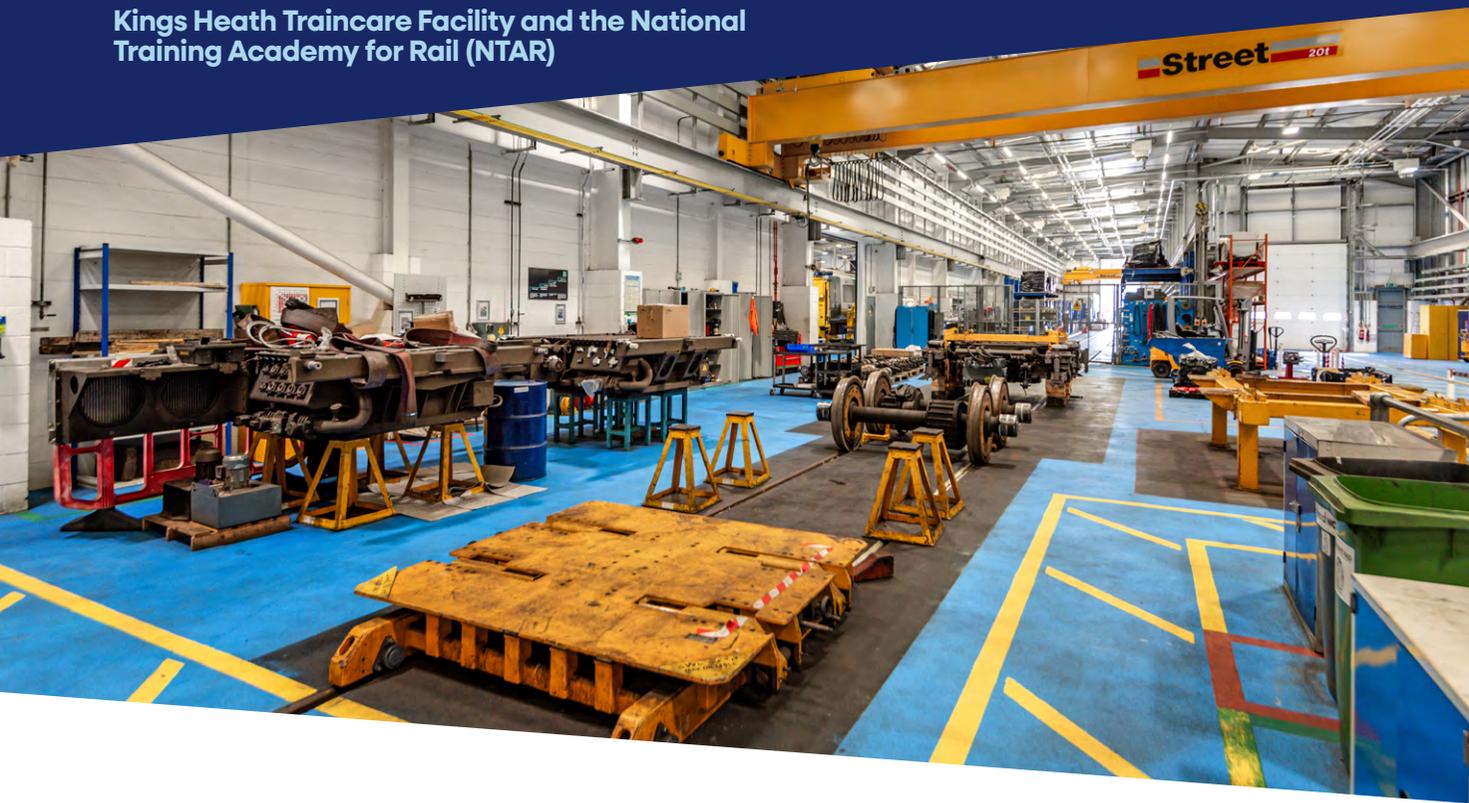
The IOS sector is poised for continued growth due to its critical role in supporting supply chain logistics and the increasing need for flexible storage solutions. The sector offers significant investment opportunities, particularly in urban areas where land suitable for IOS is in short supply. Over the last 18-24 months there has been a significant increase in the number of investors looking to deploy capital into the industrial and open storage sectors.

The revival in investor interest not only echoes the upturn in occupier demand but also reflects the fall in debt costs. 5 year swap rates have eased by 1.5% over the last 15 months and prime industrial yields in Northampton fell to 5.75% in June 2024 from 6.00% in December 2023.

Average yields have stabilised over the past two of quarters in Northampton, reflecting robust investor appetite for 'mission critical' logistics facilities in the best locations. At 6.2%, average industrial yields in Northampton have decompressed by around 150 basis points since early 2022, a similar level of outward movement to the UK overall. Further yield compression is expected in the coming months in line with robust investor appetite and further falls in interest rates.

DATE	PROPERTY	SIZE	TENANT	LEASE TERMS	PRICE	YIELD	PURCHASER
Sep-24	IOS - Atlas Leisure Homes, Hull, HU4 6SH	18 acres	Atlas Leisure Homes Ltd	New FR&I 20-year lease reviewed 5 yearly to RPI (2.00% - 5.00%) lease expiring in 2044 with a passing rent of £540,000 per annum.	£7.5m	6.75%	Realty Income Corporation
Dec-23	IOS - Project Rota Portfolio of vehicle auction sites (Chelmsford, Leeds, Whitchurch, Westbury)	39 acres	Aston Barclay	Sale & leaseback for 10 years with a tenant break in year 5. Chelmsford and Leeds featuring an additional break in year 2. Passing rent of £2,280,000.	£25m	7.46%	Paloma Capital
Jun-23	Eastleigh Works, Campbell Road, Eastleigh	47.7 acres / 488,830 sq ft	Multi-let	69% let to Arlington Fleet Services Ltd undertaking rail maintenance contracts with 12.6 years unexpired.	Q. £35.48m	Q. 7.50%	
Jun-23	Wolverton Railway Works, Wolverton, Milton Keynes	522,172 sq ft	Gemini Rail Services UK Ltd	Single let to Gemini Rail Services UK Limited with 4.04 years to break and 9.04 years to expiry.	£14.5m	7.06%	AEW
Sep-21	IOS - Rockingham Logistics Hub, Corby, NN15 5AF	69 acres	STVA	25-year sale and leaseback. Rent reflected £35,000 per acre.	£45.75m	4.25%	Speedway Ltd
Dec-20	IOS - BCA Automotive, Willowbrook Industrial Estate, Corby, NN17 5AE	121 acres	British Car Auctions (Webuyanycar.com)	Fully let to BCA for 25 years expiring in June 2045. Rent passing at point of sale of £3,241,000 per annum, reflects £26,785 per acre.	£67.65m	4.80%	DTZ Investors
Jan-19	Leicester Train Maintenance Depot, Beal Street, Leicester	7.68 acres	UK Rail Leasing Limited	UKRL have been operating at the depot since January 2014 providing servicing and maintenance contracts to East Midlands Railway.	£3m	N/A	UK Rail Leasing Ltd

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EPC RATING

Kings Heath Traincare Facility: 97D
NTAR facility – 61C

VAT

The property is elected for VAT, it is assumed this transaction will be structured as a Transfer of a Going Concern.

DATA ROOM

Data room access will be granted upon request.

AML / KYC

In accordance with the Money Laundering Regulations prospective purchasers will be asked to produce identification of the intended Purchaser and other documentation in order to support any offers submitted to the vendors. Bidwells LLP accepts no liability of any type arising from your delay or other lack of co-operation.

SUSTAINABILITY

On any future developments, the purchaser of the property will be expected to target an EPC rating of A and without any use of natural gas in the operation of the building.

PROPOSAL

We are instructed to seek offers in excess of **£5,000,000** subject to contract and exclusive of VAT

A purchase at this level reflects a **net initial yield of 8.15%** after deducting purchaser's costs of 6.59% and a **low capital value of approximately £245k per acre**. Based on open storage evidence in the area we consider the investment to be highly reversionary, with the benefit of a "day one" rent review.

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FURTHER INFORMATION

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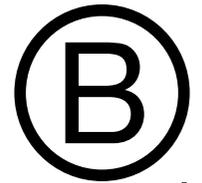
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