

FREEHOLD INDUSTRIAL INVESTMENT AND DEVELOPMENT LAND WITH STRONG ASSET MANAGEMENT POTENTIAL

what3words

SALHOUSE ROAD, NORWICH, NR7 9AL



BIDWELLS

indicative outline

FREEHOLD INDUSTRIAL INVESTMENT AND DEVELOPMENT LAND
WITH STRONG ASSET MANAGEMENT POTENTIAL



- Norwich City Centre
- DFS
- Wren
- Ardagh Group
- Homebase
- Pets at Home
- SPROWSTON RETAIL PARK
- MSI Defence Systems
- Royal Mail
- Screwfix
- Aalco
- NORWICH AIRPORT INDUSTRIAL ESTATE
- Norwich Airport (3.7 miles)
- Sprowston Community Academy
- We Buy Any Car
- Berlin Packaging UK
- Dunelm
- Trivium Packaging
- Colman Wholesale
- Roys Distribution Centre
- PINETREES BUSINESS PARK
- Phoenix Healthcare Distribution
- Clockwork Campers
- Salhouse Road
- A1270 Outer Ring Road
- CASTON INDUSTRIAL ESTATE
- Thurne Middleby

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INVESTMENT SUMMARY

- **Excellent opportunity to acquire an income-generating industrial property**, complemented by adjacent development land offering immediate asset management prospects.
- Located on the north side of Salhouse Road, approximately **2.5 miles northeast of Norwich city centre** and just **one mile from the Norwich Ring Road**.
- The property comprises a production facility and warehouses totaling **278,214 sq ft on an 18.74 acre plot (7.584 ha)**, plus an additional development plot of **5.99 acres (2.428 ha)**.
- The combined site totals **24.73 acres (10.012 ha)**.
- The production facility is let to **Massmould Ltd (D&B 5A2)**, trading under **Berry Superfos** with a guarantee from **RPC Containers Limited (D&B 5A1)**.
- **Massmould Ltd** is currently holding over from a lease that expired on 21st December 2021. There are ongoing discussions with the tenant to re-gear their lease, in return for a landlord's contribution towards improving the property.
- The business has been in operation at the premises for over 60 years. *Source: www.packagingtoday.co.uk*
- The tenant is paying a highly reversionary passing rent of **£820,000 per annum** equating to a very low **£2.95 psf** on the total area.
- We are instructed to seek offers in excess of **£6,500,000** subject to contract and exclusive of VAT.
- A purchase at this level reflects a **low capital value of £23.36 psf** and **£263,000 per acre** overall.

LOCATION

Norwich is the commercial heart of Norfolk with a population exceeding 140,000, and is the economic hub home to over 20,000 businesses across sectors including manufacturing, logistics, and technology.

Norwich is situated 40 miles north of Ipswich, 60 miles northeast of Cambridge, and 110 miles from London.

The city enjoys strong transport connections, with the recently upgraded A11 offering direct access to the M11 and the wider UK motorway network.

The A47 provides convenient routes westward towards Peterborough and the Midlands. Norwich's mainline railway offers regular services to London Liverpool Street in just 1 hour 50 minutes, along with Intercity connections to Liverpool, Cambridge, and Peterborough.

ROADS

City	Distance (miles)
A11	3.7
A47	7.4
M11	73
Ipswich	49
Cambridge	71

RAIL

Norwich Train Station is approximately 11 mins / 2.5 miles from the property location.

Station	Travel Time
Ipswich	40 mins
Cambridge	1 hour
Peterborough	1 hour 16 mins
Kings Lynn	1 hour 34 mins
London Liverpool Street	1 hour 50 mins

PORT

Destination	Distance (miles)
Felixstowe	64.2

AIRPORTS

Destination	Distance (miles)
Norwich Airport	3.7





SITUATION

The property is situated on the north side of Salhouse Road, approximately 2.5 miles north-east of Norwich city centre and less than a mile from the Norwich ring road, providing excellent accessibility. The immediate surrounding area is a mixture of industrial and residential use.

The site benefits from prominent frontage onto Salhouse Road, with a diverse range of notable businesses in the vicinity, including Royal Mail, MSI Defence Systems, and Trivium Packaging.

Sprowston Retail Park, a short distance away, offers a variety of major retailers such as DFS, Dunelm, Homebase, Pets at Home, and Furniture Village. The retail park is also home to popular food and beverage outlets including Costa Coffee and KFC.





Eaves height
6.42m-11m



12 overhead
cranes



LED
lighting



Sprinkler
system



Reznor gas
heaters



163
parking spaces



5.5MVA
power supply

DESCRIPTION

The site comprises a substantial production facility, two adjacent warehouses, and various ancillary plant buildings. The main production facility is single-storey with a combination of brick and steel profile cladding. Inside, the building provides a mix of manufacturing space, offices and support areas.

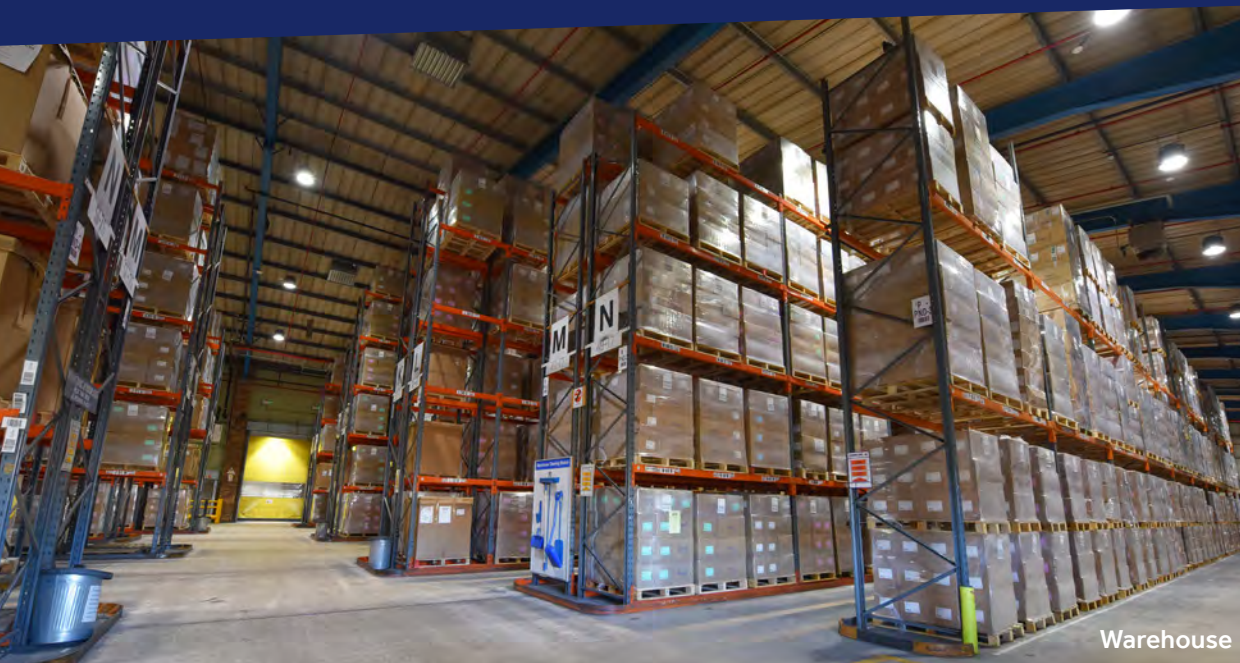
The property has a castellated roof that allows natural light from both north and south. The roof varies in height, with the front third featuring eaves of 6.42 to 7.95 metres, while the rear two-thirds benefit from increased eaves heights of 9.43 to 11.00 metres. The production facility is fitted with 12 overhead cranes.

Adjacent to the production facility are two steel-framed warehouses, both finished in brick and steel profile cladding, with eaves heights of approximately 8.5 metres. Each warehouse has a covered canopy, 9.5 metres deep. One warehouse is connected to the main production facility via a covered link.

The facilities are well-equipped, with LED lighting, sprinkler systems, and Reznor gas heaters throughout, while the offices feature air conditioning and radiant heaters.

Surrounding the production facility are various plant rooms, workshops, stores, silos for production materials, chillers, compressors, diesel tanks, and generators.

The site has car parking for approximately 163 vehicles and a substantial power supply of 5.5MVA, with capacity up to 6.5MVA.



ACCOMMODATION

The property has been measured by Lane and Frankham in accordance with the RICS Code at measuring practice (6th editions) on a gross internal area.

There is an assignable measured survey, provided by Lane and Frankham, available in the dataroom.

Description	SQ M	SQ FT
Factory	16,765.7	180,465
Warehouse 1	3,661.7	39,415
Warehouse 2	2,378.9	25,606
Ancillary and Outbuildings	1,484.8	15,982
Canopies	1,326.4	14,277
Mezzanine	229.4	2,469
Total	25,846.9	278,214

DEVELOPMENT SITE

The development site extends to 2.428 hectares (5.99 acres) and is predominantly clear and level grassland. The development site is bounded to the north by a balancing pond, the rear boundary of the Pine Trees Business Park to the east, Salhouse Road to the south and the production facility to the west.

The site could support commercial development (subject to planning).

The development site is outside of the tenant's lease demise.



Indicative outline





Indicative outline

SITE

The combined sites total 24.73 acres (10.012 ha).

The production facility is held under title number NK366678 and is 18.74 acres (7.584 ha), reflecting a low site coverage of approximately 35%.

The development site is held under title number NK205140 and is 5.99 acres (2.428 ha) of development land.

TENURE

Freehold.

TENANCY

The property is occupied by Massmould Limited with a guarantee from RPC Containers Limited (t/a Berry Superfos), who are holding over.

The original lease was granted to United Closure and Plastics Plc with a guarantee from Carnaudmetalbox Plc for 20 years on FR&I terms and expired on 24th December 2021.

The lease was assigned from United Closure and Plastics Plc to Massmould Limited in 2018 as part of an inter-company merger and restructuring.

The development site is outside of the tenant's lease demise.

TENANT COVENANT

Massmould Limited is a well-established leader in the design and manufacturing of high-volume injection moulded and thermoformed packs, plastic closures, primarily serving the food, beverage, and pharmaceutical industries.

Massmould Limited (Company No. 01597033) has a Dun and Bradstreet rating of 5A2. Its financial accounts are summarised below:



	2023 (£000'S)	2022 (£000'S)	2021 (£000'S)
Sales Turnover	123,541	118,394	98,317
Profit / (Loss Before Taxes)	7,414	2,898	(1,378)
Tangible Net Worth	46,684	39,682	36,893
Net Current Assets (Liabilities)	13,873	4,778	(2,176)



GUARANTOR COVENANT



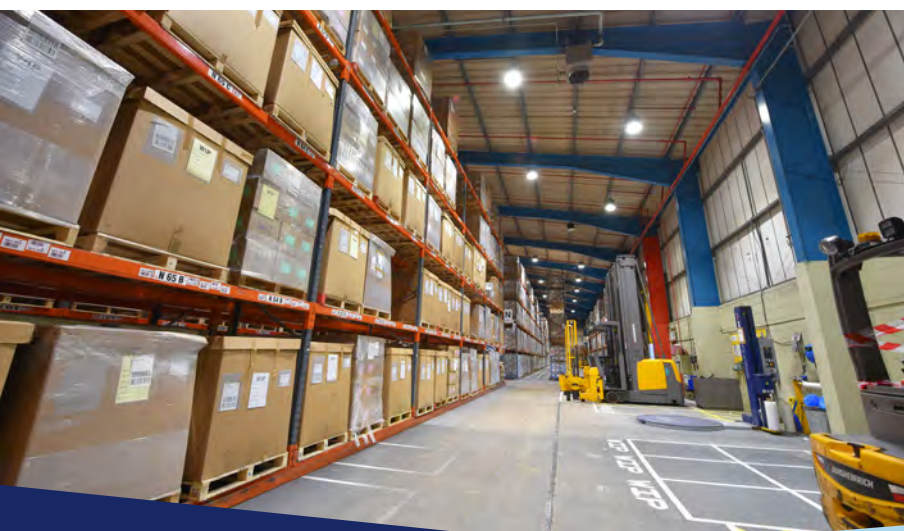
Following a merger in 2019, the RPC Group was acquired by Berry Global Group, Inc. one of the largest plastic packaging companies globally. The Berry Global brand operate over 250 facilities across the globe under a number of interlinking companies.

RPC Containers Limited, established in 1993, specialises in the manufacture of plastic packaging products, including rigid containers used in various industries such as food, personal care, and pharmaceuticals. Headquartered in Rushden, Northamptonshire, RPC Containers is part of the broader RPC Group, a leading global supplier of plastic packaging solutions. The company employs over 1,000 people and generates significant annual revenues, reflecting its scale and influence in the packaging sector. RPC Containers is committed to innovation and sustainability, focusing on creating efficient, eco-friendly packaging solutions.

RPC Containers Limited (Company No. 02786492) has a Dun and Bradstreet rating of 5A1. Its financial accounts are summarised below:



	30 SEP 2023 (£000'S)	30 SEP 2022 (£000'S)	30 SEP 2021 (£000'S)
Sales Turnover	214,100	277,500	249,800
Profit / (Loss Before Taxes)	41,200	69,800	76,000
Tangible Net Worth	291,300	271,900	293,000
Net Current Assets (Liabilities)	118,100	194,700	198,000



PLANNING

The production facility has a detailed planning history that can be found on the South Norfolk and Broadland planning portal under UPRN 200004284445. We understand that the implemented use for the production facility falls under class B1, B2 and B8.

The development site is located within the Broadland Local Plan which was adopted in March 2024 and falls under policy EMP1, which designates it as a strategic employment site. This status is intended to ensure the continued availability of land and premises within the Norwich Policy Area for employment purposes.

A historic planning consent was granted on the development site on 3rd December 2010 under application numbers 20070875 and 20101381. Subject to conditions this permitted the erection of 27 units (9,551 sq m / 102,808 sq ft) for B1c, B2 and B8 including trade counter uses with associated car parking and servicing, and the creation of a new vehicle access. We don't believe this planning permission was ever implemented and therefore assume the consent is nonextant.



indicative scheme

ASSET MANAGEMENT INITIATIVES

The tenant has expressed a willingness to remain in occupation and a desire to work with the landlord to deliver them a refurbished or new facility. As a result, the property presents a wide range of immediate asset management initiatives that a purchaser could undertake to enhance value.

- a) Refurbish the existing buildings and re-gear the lease to the tenant at an enhanced rent.
- b) Immediate development potential on the development site, with the opportunity to either design a new industrial scheme in accordance with the historic planning consent, or;
- c) Develop a new facility on the development site with a pre-let to the existing tenant.
- d) Vacant possession* achievable subject to 6 months notice allowing for redevelopment of the entire site, subject to planning.

All redevelopment scenarios are subject to the necessary due diligence and planning consents.

***Overage:** should vacant possession and redevelopment of the production facility be achieved, our client would like to include an overage provision to be agreed.



MARKET COMMENTARY

Industrial demand in Norwich has been strong, with take-up in the first six months of 2024 reaching 312,400 sq ft, equivalent to the total for all of 2023 and only 10% below the 10-year annual average. This figure was bolstered by API Holdings Ltd acquisition of the former Archant printworks (91,700 sq ft) at St Andrews Business Park for occupation. Additionally, two other lettings exceeding 30,000 sq ft contributed to the total.

Demand for smaller units under 5,000 sq ft has remained buoyant. However, due to the limited recent industrial development in Norwich, almost all available stock is second-hand. Availability increased marginally from 3.3% in December 2023 to 4.2% in June 2024 but remains low.

Rental growth measured an impressive 26% rise in 2023 alone. Whilst this stands out as a particularly high performing period, rental growth in Norwich has been consistently strong with an average annualised growth rate of 14.4% since 2020.

Prime rents currently stand at around £12.00 psf with forecasts projecting an increase to £14.00 psf by the end of 2029, reflecting an average growth rate of 2.8% pa.

RECENT LETTINGS TRANSACTIONS

Date	Address	Area (sq ft)	Lease Length	Tenant	Rent (pa)	Rent (psf)	Comments
Aug-24	Hudson Road, Viking Industrial Estate, Bedford	62,052	10 years	TBM Solution UK	£202,200	£3.26	Secondary industrial. 6-8m eaves.
Jan-24	Rearsby Business Park, Leicester	130,900	10 years	East Coast Fittings	£720,000	£5.50	Secondary 1960s warehouse.
Mar-23	Dettingen Way, Busy St Edmunds	65,669	5 years	HAL Leonard	£320,000	£4.87	1960s warehouse.
Jun-22	Easy Cleaning Solutions, Brunel Way, Thetford	303,190	10 year	Easy Cleaning Solutions Ltd	£1,000,000	£3.30	1970s warehouse facility. 6m eaves.
Dec-21	Boss Hall Business Park, Unit 50, Ipswich, Suffolk	127,563	16 years	Unknown	£675,000	£5.29	Similar specification to subject property.

NEW-BUILD LETTINGS TRANSACTIONS

Date	Address	Area (sq ft)	Lease Length	Tenant	Rent (pa)	Rent (psf)	Comments
Aug-24	Diamond Road, Norwich	5,261	3 years, 3m RF	UK Carp Competitions Limited	£55,291.00	£10.51	Brand new, EPC B, Grade A.
Jul-24	16 White Lodge Trading Estate Hall Road, Norwich	16,404	10 year, break at year 5, 12m RF	BSS	£196,848.00	£12.00	Brand new, EPC B, Grade A.
Apr-24	Diamond Road, Norwich	3,563	3 years, 3m RF	UK Carp Competitions Limited	£36,516.00	£10.25	Brand new, EPC B, Grade A.
Feb-24	15-19 White Lodge Trading Estate Hall Road, Norwich	50,289	20 year, break at year 10 & 15.12m RF	SIG	£608,016.00	£12.09	Brand new, EPC B, Grade A.

INVESTMENT COMMENTARY

While there were limited industrial investment transactions in Norfolk and Suffolk during the first half of 2024, smaller lot sizes continued to change hands, totalling a transaction volume of £36.1 million.

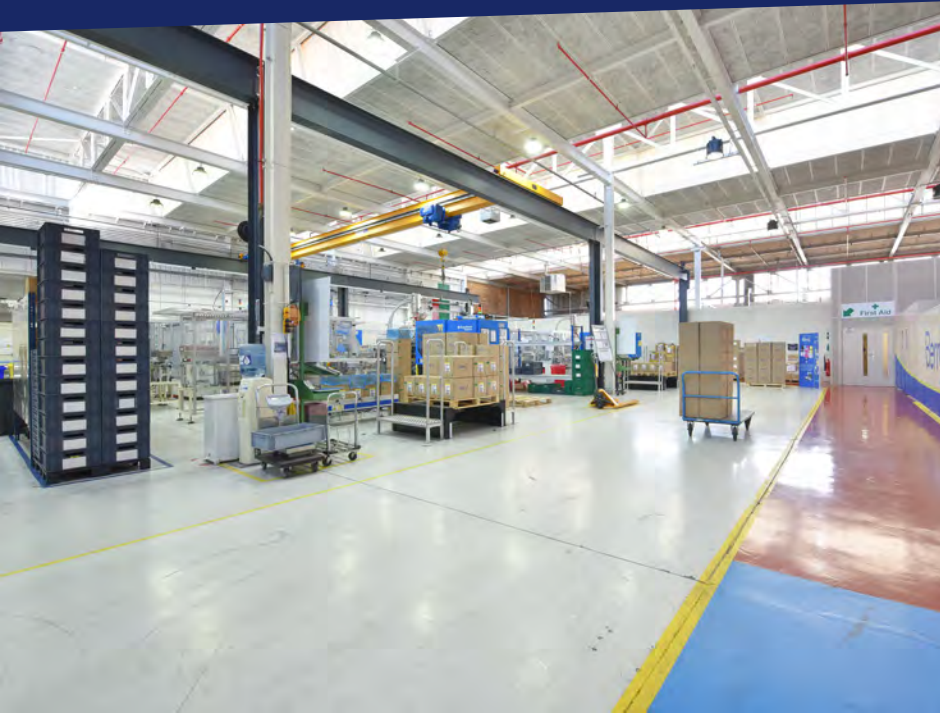
We anticipate a revival in transaction volumes in the second half of the year. Investor interest in industrial assets is growing, driven by economic improvements and decreasing finance costs.

Prime industrial yields in Norwich have decreased by 0.25% from their peak at the end of 2023, yet at 6.5%, they remain at their highest level in eight years representing an excellent opportunity for future yield compression.



Comparable Transactions

Date	Property	Size (sq ft)	Lease Term	PRICE	PRICE (psf)	Purchaser
May-24	83-84 Livingstone Road, Walworth Industrial Estate, Andover	165,133	Unknown	£6,700,000	£40.57	MCR Property Group
Mar-24	Former British American Tobacco Site, Great Oakley, Corby	215,870	Vacant Industrial Unit with opportunity to extend industrial or convert to 320 residential units.	£7,450,000	£34.51	Pontiac Estates
Feb-24	40 Fort PKY, Birmingham	293,303	c. 21 years remaining to Dunlop Aircraft Tyres. 25 year lease RPI.	£12,200,000	£41.60	Monopro Ltd
Dec-23	40 Worcester Road, Kidderminster, Worcester	219,457	The property is occupied by Victoria Carpets under a 20-year sale-leaseback. Entered into in 2014. Current rents were £2.26/sq ft.	£7,900,000	£36.00	Kidderminster Property Holdings Ltd
Nov-23	Windover Road, Huntingdon	255,934	New 10 year lease, L&T break option at year 3.	£11,943,444	£46.67	Intermediate Capital Group PLC
Nov-23	Electrolux, Milton Keynes	295,807	10.5 year lease, commencing from 01/03/2023 and expires on 31/08/2033.	£18,920,000	£63.96	Mileway
Sep-23	Wheatstone House, Wheatstone Road, Swindon	274,059	1 year sale and leaseback.	£7,900,000	£28.83	Hadleigh Timber Group



EPC RATING

The property has an EPC of E114 expiring 18th May 2031.

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 can be provided upon request.

AML

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

The vendor of the property has made a public commitment to respond effectively to the climate crisis and has set a net-zero target to decarbonise its own property investment holdings.

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 where possible.

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PROPOSAL

Our client is seeking offers in excess of **£6,500,000** subject to contract and exclusive of VAT. A purchase at this level reflects a **low capital value of £23.50 psf** and **£263,000 per acre**.

CONTACTS

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