

MKM BUILDING SUPPLIES

SPRINGFIELD WAY, ANLABY, NEAR HULL, EAST YORKSHIRE, HU10 6RJ

SINGLE TENANT TRADE COUNTER INVESTMENT, WITH LONG UNBROKEN INCOME TO DECEMBER 2045 (NO BREAKS)



INVESTMENT SUMMARY

- Modern trade counter unit
- Let to MKM Building Supplies, the UK's leading independent Builders Merchant
- MKM have been in occupation of the site for over 25 years
- Front site totally rebuilt in 2011 for MKM
- Additional site and building added in 2020
- Adjacent to one of the North's leading retail parks
- Long-term income expiring in **DECEMBER 2045 (NO BREAKS)**
- Guaranteed minimum rent reviews
- Rental income £315,161 rising to a minimum of £403,432 (or potentially at the cap £490,836 per annum)
- Freehold



Hull Trains provides seven trains to London Kings Cross each weekday. The TransPenine Express provides direct services to Leeds, Manchester, Sheffield and York.



Hull is part of the UK's largest port and busiest trading estuary. P&O ferries carry over 1 million passengers between Hull and Rotterdam each year.



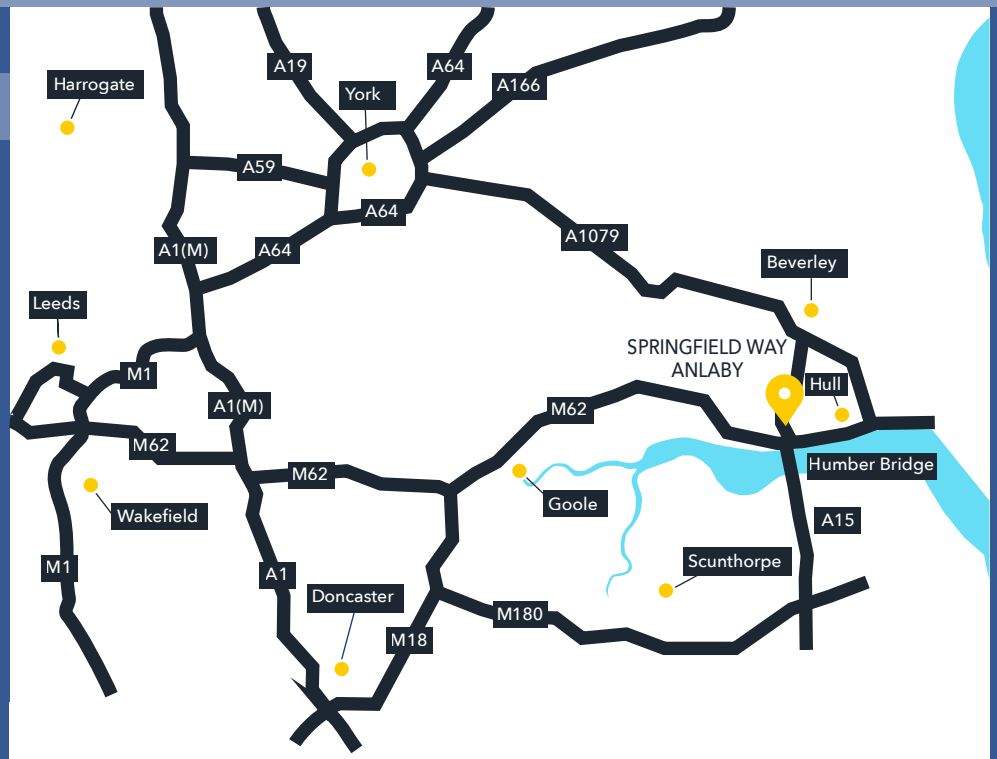
Humberside Airport is located 16 miles south of Hull. Flights regularly take off to a range of destinations.



Hull is approximately 45 miles east of Leeds and 35 miles south east of York, with good access to the A63/M62/M180 motorways.

LOCATION





The City of Kingston upon Hull is the regional capital of the Humber region, with a local population of 250,000 but drawing on a potential catchment of 800,000.

Hull is located on the North bank of the River Humber which is the UK's busiest port and trading estuary.

Anlaby is an affluent suburb of Hull, lying four miles west of the City Centre, with excellent connections to all parts of the region, including easy access to the A63-M62 motorway network, and south to the Humber Bridge and A15.

MKM

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what3words :
///roofs.olive.proof

SITUATION

The property lies adjacent to one of the regions leading retail parks with neighbours including Morrisons, Asda Living, M&S, Next, Pets at Home and many others.
The property has excellent vehicle access to the main showroom/warehouse, with a secondary access to the rear site.






Morrisons
pets at home
MARKS & SPENCER
COSTA COFFEE
British Heart Foundation
ASDA LIVING
CareCo
Superdrug
the food WAREHOUSE by Iceland
NEXT
Hotel Chocolat
PUREGYM
SCREWFIX
MKM
CANCER RESEARCH UK

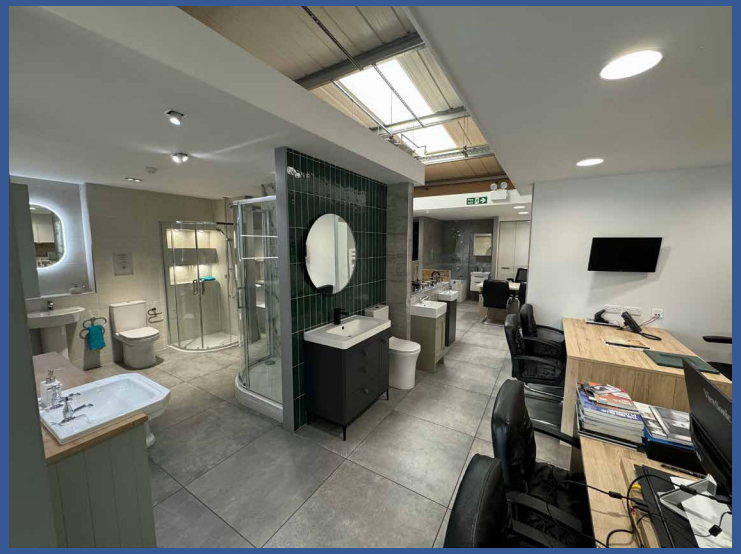
HISTORY OF MKM AND ANLABY

MKM Building Supplies was established in 1995 from a single branch in Hull. The group has rapidly expanded using a unique model in the industry, by offering branch directors a financial stake in their unit. This has attracted the highest quality management in the industry, generating a rapid, very profitable expansion. The group has grown to now over 140 branches and continues to expand exponentially.

MKM Anlaby was formed in 2000 and originally operated from this location in a range of older industrial units.

Due to the large level of business, in 2011 a decision was taken to totally redevelop the site into an industry leading builders merchants branch. This included a high quality first floor bathroom and kitchen centre to attract an additional level of private customer, which has been a tremendous success.

With continued growth and a high demand for additional space, a much needed further adjacent site was added in 2020, immediately increasing branch capacity. Anlaby is one of the longest established and most profitable branches in the Group. The evidence of the strength of business in this location is that MKM have committed to leasing the property without break options, until December 2045.





DESCRIPTION

The main building and site was completed in 2011 to a high specification. The main unit is portal frame with first floor showroom and further mezzanine storage. The unit includes part glazed frontages, and customer lift access to the first floor. The ground floor showroom has underfloor heating.

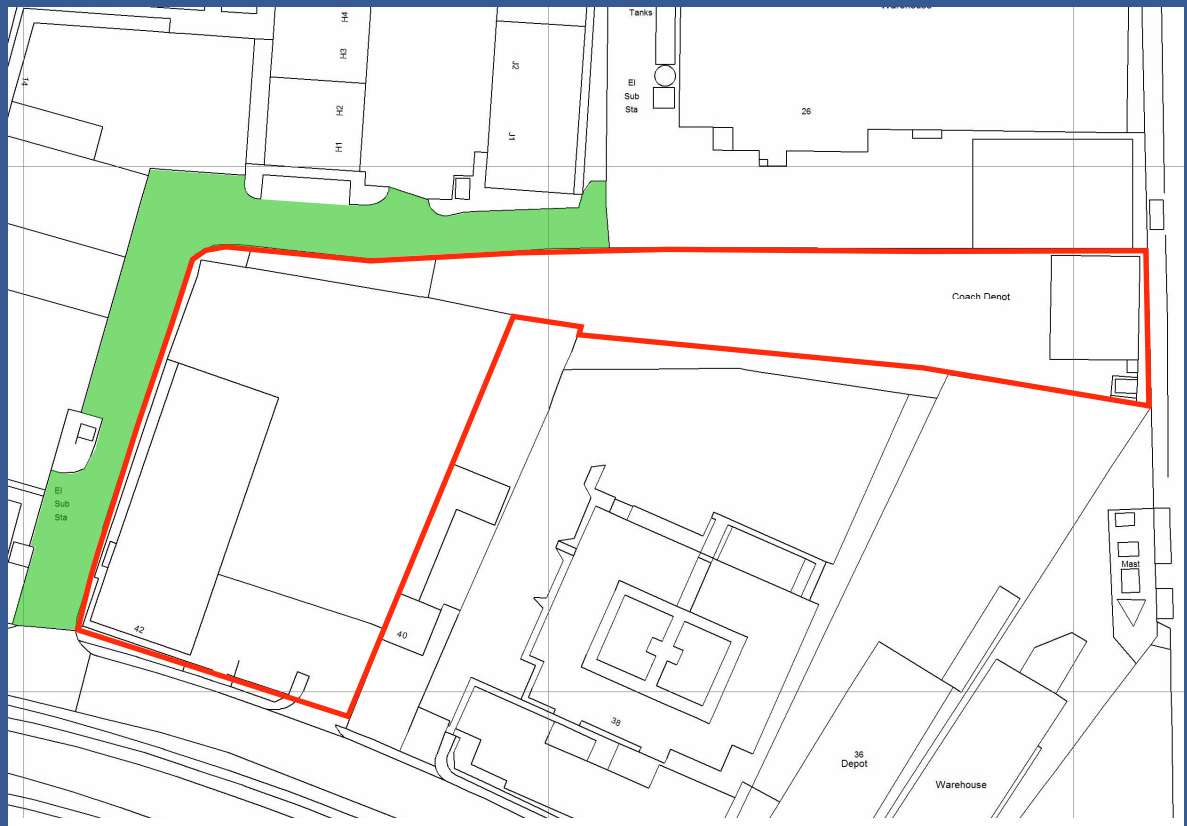
The rear unit and additional yard is single storey steel frame, with clad roof and walls. The total site is fully surfaced.

ACCOMMODATION

The property comprises :

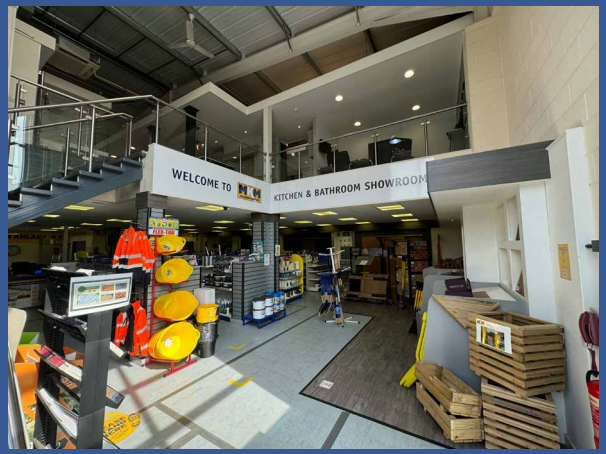
FRONT SITE		
Ground Floor		
Customer/small sales	230.0 sq m	2475 sq ft
Warehouse	754.3 sq m	8120 sq ft
First Floor		
Kitchen/Bathroom centre	206.8 sq m	2218 sq ft
Mezzanine	92.3 sq m	994 sq ft
REAR SITE		
Warehouse	312.9 sq m	3368 sq ft
Total Site Area	1.85 Acres	0.75 Hectares
(Green Area)		

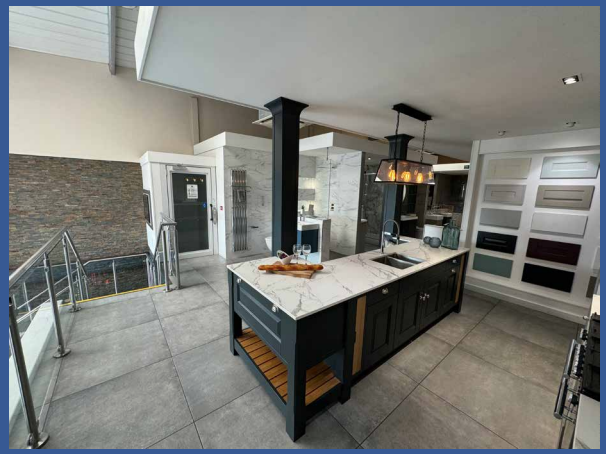
Very low site coverage of less than 20%



Boundaries for identification purposes only. Must be checked with title prior to purchase







TENURE

The property is freehold
Title numbers
Front Site YEA28416
Rear Site HS130050

TENANT

MKM Building Supplies Limited (03100815)

KEY FINANCIALS

Year	Turnover	Pre Tax Profit	Shareholders Funds
2025	£1,103,794,000	£20,254,000	£66,523,000
2024	£986,171,000	£12,202,000	£64,897,000
2023	£926,830,000	£23,366,000	£71,169,000

MKM BUILDING SUPPLIES LIMITED HAVE A CREDIT SAFE RATING OF 100/100. THE ABOVE FINANCIAL INFORMATION HAS BEEN OBTAINED FROM CREDITSAFE.

HIGHLIGHTS OF LATEST ACCOUNTING YEAR

- UK fastest growing independent builder's merchant
- Outperforming the market, increasing market share to 14.8% (FY2024: 13.4%)
- Revenue growth of 12% to £1,103.8m (FY2024: £986.2m)
- Growth driven

  - Organically across established branches
  - Continued development of newer branches
  - 7 new branches opened during the year, taking the total network to 139 branches
  - Continued investment in branch network and infrastructure

TENANCY

The property is held on a single re-geared lease (merging two previous leases) from 29th November 2024 to 10th December 2045 with NO BREAK OPTIONS.

The rent reviews are to the higher of the minimum defined figures, or Open Market Rental. The final review in December 2040 is linked to the increase in the Consumer Price Index (CPI), with a collar of 0% and a cap of 4% per annum (21.66%)

The lease is on a full repairing and insuring basis, subject to a schedule of condition on the rear building and rear yard.

RENTAL INCOME AND RUNNING YIELD

Date	Income (minimum)	Minimum Net Running Yield
December 2025	£315,161	5.63
December 2030	£356,575	6.37
December 2035	£403,432	7.21
December 2040	£445,422 (1)	7.96
or		
December 2040	£490, 836 (2)	8.77%

Total income over the lease period, assuming the above rental income, and cap is approaching £8 million.

(1) Projected December 2040 rent assuming a CPI increase of 2% per annum compounded

(2) Projected December 2040 rent assuming the rental cap.

EPC

The main warehouse/showroom has an EPC rating of B
The rear warehouse has an EPC rating of C

VAT

The property is elected for VAT and the intention is to treat the sale as a transfer of a going concern.

ANTI-MONEY LAUNDERING

In accordance with anti-money laundering regulations, identification and confirmation of the source of funding will be required from the successful purchaser.

PROPOSAL

Offers are invited in excess of £5,250,000 exclusive of VAT
(Five million two hundred and fifty thousand pounds)

A purchase at this level reflects a minimum initial yield of 5.63% rising to potentially 8.77% in December 2040 (based on the cap increase) after allowing for purchase costs of 6.6%.

PROPERTY MISREPRESENTATION, MISDESCRIPTION & FINANCIAL SERVICES ACT
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CONTACTS / VIEWING

For further information, or to arrange an inspection, please contact the sole agents:

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