

High-yielding Long Income Industrial Investment

Walker Singleton



Prospect Works, Howarth Lane, **Huddersfield**, HD4 5AZ



Investment Summary

- High-yielding industrial investment located approximately 1.4 miles south of Huddersfield town centre.
- Industrial complex comprising 4 blocks with a GIA of 143,614 sq ft across two adjoining sites either side of Howarth Lane.
- Combined site area of 5.52 acres (2.23 hectares).
- Wholly let to David Brown Santasalo UK Limited by way of a 25 year lease expiring September 2047, subject to tenant break options in September 2037 and September 2042.
- Thereby providing approximately 22 years to lease expiry and 12 years to the first break.
- Low passing rent of £315,000 per annum reflecting £2.19 psf.
- Open Market Rent Reviews (5 yearly) subject to a minimum uplift at first review in September 2027 to £362,250 per annum reflecting £2.52 psf.

We are instructed to seek offers in excess of **£3,750,000 (Three Million Seven Hundred & Fifty Thousand Pounds)** subject to contract and exclusive of VAT. A purchase at this level provides a **Net Initial Yield of 7.89%** and a minimum reversion to **9.07% in September 2027** a **low capital value of £26 psf.**

Huddersfield

Huddersfield is the principal town and administrative centre of the metropolitan borough of Kirklees, West Yorkshire. The town, with a population of 141,692 (source: ONS 2021 Census), is located just east of the Pennines, approximately 2.5 miles from the M62 motorway, 9 miles south of Bradford, 21 miles south-west of Leeds, and 30 miles north-east of Manchester.

Huddersfield benefits from convenient access to the M62 motorway via Junctions 23, 24 and 25, all within 4 miles of the town centre, whilst Junction 38 of the M1 motorway is approximately 10 miles to the east. The town's public transport links are excellent, particularly in terms of rail, with Huddersfield being on the main railway line between Leeds and Manchester—soon to be boosted further by the Transpennine Route Upgrade, currently underway.

Situation

The property is situated about 1.4 miles southwest of Huddersfield town centre and is easily accessible via Howarth Lane. Lockwood Train Station is located immediately to the north of the site, further enhancing its accessibility by public transport.

The tenant owner occupies a site immediately to the north of the subject.



Connectivity

Huddersfield is well-connected by both road and rail, accessible within a short drive or train ride:

	Miles	Drive Time (mins)	Train Journey (mins)
Halifax	8	28	15
Wakefield	15	40	25
Leeds	21	38	22
Sheffield	27	58	45
Manchester	30	59	30



Site & Accommodation

The property comprises a substantial industrial complex of 4 buildings across two sites ('North' and 'South') separated by Howarth Lane. The property provides the following Gross Internal Areas (GIA):

Site	Acres	Unit	Sq Ft	Sq M
North	2.92	Block 6	34,274	3,184
		Block 8	54,737	5,085
South	2.60	Block 9	20,569	1,910
		Block 10	34,034	3,161
Total	5.52		143,614	13,342

The 'North' site has a primary gated entrance off Yew Green Road and a secondary access from Howarth Lane. The 'South' site has two gated entrances from Howarth Lane.

Description

BLOCK 6

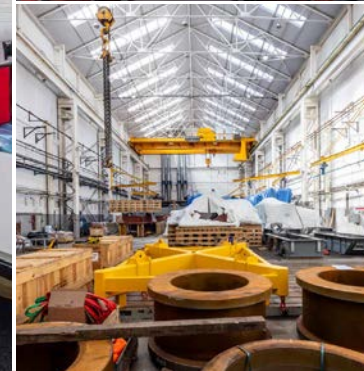
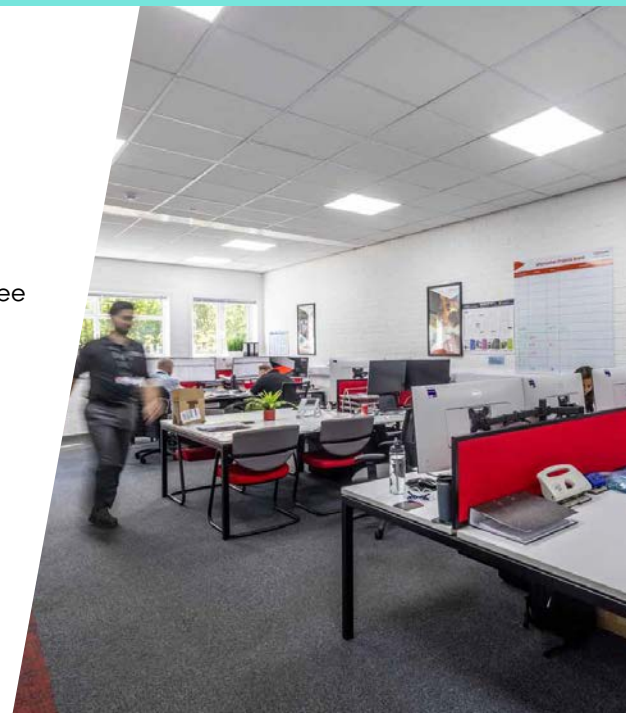
Block 6 is of framed construction with stone and brick and elevations with frontage on to Yew Green Road. Loading is provided by 2 ground level loading doors and the unit benefits from two gantry cranes. The internal eaves height is 5.9 metres. There is an adjoining 3-storey building of framed construction underneath an asbestos sheet roof.



BLOCK 8

Block 8 is of framed construction with brick elevations partly clad in both metal and asbestos sheeting with a profile metal sheet roof. Accommodation comprises three operating sections (main warehouse, upper and lower) linked internally by pedestrian access.

- The main building is a high bay warehouse with an internal eaves height of 10.0 metres. Access is via a single roller shutter loading door and the unit benefits from two gantry cranes with a load capacity of 60 tonnes.
- Block 8 Lower is currently used as storage accommodation and benefits from two gantry cranes. Loading access is via a single roller shutter to the eastern elevation.
- Block 8 Upper is an extension of the block and effectively comprises first floor industrial accommodation with a metal truss roof. Principal access to this section of the building is via a timber loading door with ramp access.



BLOCK 9

Block 9 provides a detached block comprising a steel framed unit with brick and part-render elevations with a profile metal pitch roof. The unit has been recently refurbished and benefits from two gantry cranes of 15 and 25 tonne load capacity, and has an internal eaves height of 7.6m. This block provides two separate office blocks with a staff canteen and WC and shower facilities.

BLOCK 10

Block 10 provides a detached steel frame unit with brick and part-render elevations and a profile metal pitch roof. Internally the warehouse space is configured to provide individual test rooms together with 2 storey office block, a canteen, and WCs. The unit benefits from a 6.5 tonne capacity crane and provides an internal eaves height of 6.67 metres. Loading access to the building is via 3 roller shutter doors.



Tenure

The property is held by way of four separate titles under title numbers; WYK314068, WYK198169, WYK540134 and WYK314067.

Titles WYK314068, WYK198169, WYK540134 are all held across various 999 year long leaseholds with start dates from 1948 to 1975. Further information is available upon request.

WYK314067 is Freehold.

Tenancy

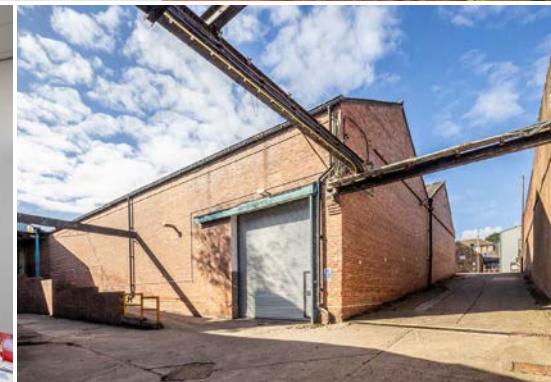
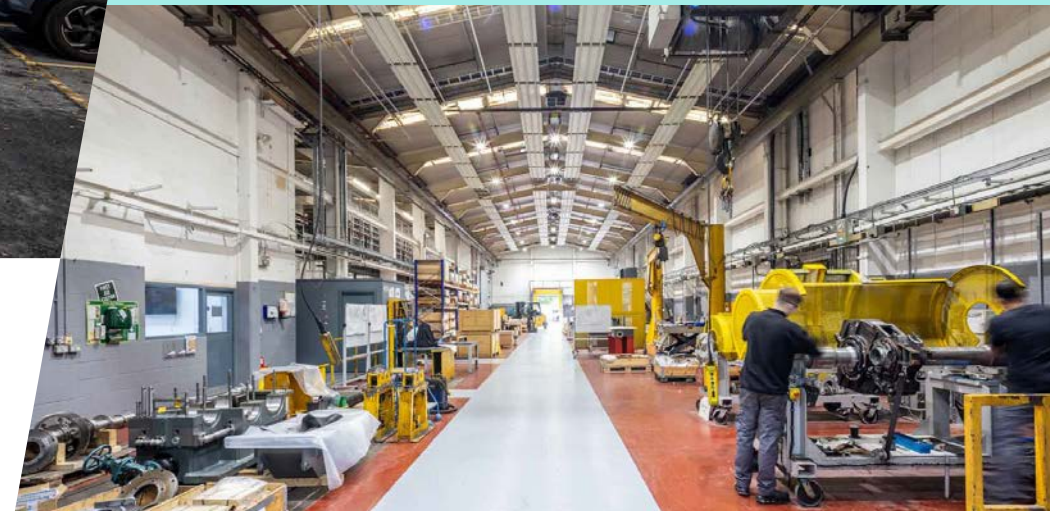
The property is wholly let on a single lease to David Brown Santasalo UK Limited for a term of 25 years from 12th September 2022, expiring 11th September 2047. The lease includes tenant break options on 11th September 2037 and 11th September 2042.

The investment therefore provides approximately 22 years to lease expiry and 12 years to the first break (term certain).

Low passing rent of £315,000 per annum reflecting £2.19 psf.

Rent reviews are 5 yearly to Open Market Rent. The first review in September 2027 includes a minimum uplift of 15%. Therefore, the guaranteed minimum uplift in approximately 2 years is to £362,250 per annum reflecting £2.52 psf.

The tenant's repair obligation is subject to a Schedule of Condition, dated September 2022. The tenant has an option to take a new 25 year lease from expiry, subject to break options at years 10, 15 and 20.



Covenant

DAVID BROWN SANTASALO UK LIMITED (CRN 6624684)

David Brown Santasalo UK Ltd (DBS) is a global engineering business designing manufacturing and servicing a wide range of products. Forming part of the David Brown Santasalo Group, they have an established international customer base in energy, mining, industrial rail and defence markets.

In March 2023 DBS was acquired by Stellex Capital Management LLC. Stellex is a private equity firm focussed on investing in businesses based in North America and Europe, with a particular focus on the industrial sector. The change in ownership provided DBS Group with greater balance sheet support (including a deleveraging of the business) enabling the Group to deliver its growth plans. In particular, the end of 2024, saw a multi-million-pound investment by Stellex in the DBS Group.

The business has a strong pipeline of marine and land defence contracts and 2024 saw the delivery of first-in-class submarine gearboxes being delivered to customers.



A summary of their recent accounts is set out below:

	Y/E 31/12/2023 £000s	Y/E 31/12/2022 £000s	Y/E 31/12/2021 £000s
Turnover	47,028	57,268	57,913
Pre Tax Profit	(13,234)	420	4,444
Shareholder's Funds	10,422	24,519	23,847

Prospect Works, Howarth Lane, Huddersfield, HD4 5AZ

EPC

Certificates are available upon request.

VAT

The property is not elected for VAT.

DATA ROOM

Access to the data room is available on request.

AML

In accordance with Anti Money Laundering Regulations the purchaser will be required to satisfy the relevant checks prior to exchange of contracts.

PROPOSAL

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CONTACT

Richard Brooke

richard.brooke@knightfrank.com
+44 7809 321 451

Graham Foxton

graham.foxton@knightfrank.com
+44 7717 546 786

Ryan Barker

ryan.barker@walkersingleton.co.uk
+44 7753 931 355

Hector Nelson

hector.nelson@walkersingleton.co.uk
+44 7810 755 248



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