



HIGH YIELDING OFFICE/CALL CENTRE INVESTMENT

Concentrix Call Centre | Adwick Park | Dearne Valley | Rotherham | S63 5NA



INVESTMENT

**ANDREW DIXON
& COMPANY**

Investment Summary

- ◆ Modern & detached office/call centre on established mixed commercial park
- ◆ 62,652 sqft over two floors
- ◆ 4.95 acre site
- ◆ 440 car parking spaces, a ratio of 1:142 sqft
- ◆ Site cover of only 15%
- ◆ Let to Telecom Service Centres Ltd
- ◆ Re-gearred 10 year term from March 2024
- ◆ Tenant option to break March 2029
- ◆ Tenant has been in occupation since 1999
- ◆ Rent - £430,000 per annum (**only £6.86 per sqft**)
- ◆ Rent review in 2029 with minimum uplift to £450,000 and cap of £550,000
- ◆ **£4,000,000**
- ◆ **10.09%** initial yield
- ◆ Underlying capital value of **under £64 per sqft**





SANTORO

CAPITA CALL CENTRE

THETFORD

next

next

ROYAL MAIL

NHS CALL CENTRE

BLUETREE GROUP

SOUTH YORKSHIRE POLICE

SOUTH YORKSHIRE POLICE

CALLFLEX BUSINESS PARK

DEARNE VALLEY COLLEGE

JTL TRAINING



Location

Rotherham is a major commercial centre in South Yorkshire located 6 miles north east of Sheffield and 12 miles southwest of Doncaster. Junctions 33 and 34 of the M1 are both located under 3 miles away. Junction 1 M18 is only 6 miles to the east. Junction 36 of the A1M is 8 miles to the north east.

There is a population of approximately 250,000 in South Yorkshire.

Dearne Valley is a former Enterprise Zone located between Barnsley, Rotherham and Doncaster and between the M1, M18 and A1M. Rotherham town centre is 5 miles south while Doncaster is 9 miles to the east. The Enterprise Zone was developed around Wath upon Dearne and established in 1995. 250 acres was identified for regeneration and the creation of employment opportunities for South Yorkshire. The area is now an established major business location for distribution warehousing, offices and call centres. National companies in the area include Next (national logistics hub of over 1m sqft), Capita (150,000 sqft call centre), Royal Mail (50,000 sqft call centre), NHS (call centre), Bluetree Group, South Yorkshire Police and Thetford. There are also further education establishments in the immediate area, Dearne Valley College and JTL South Yorkshire Training Centre.

There is a substantial retail warehousing presence at Cortonwood with over 450,000 sqft having been built in phases on Cortonwood Retail & Shopping Parks, anchored by the likes of Morrisons, TK Maxx, Matalan and B&Q.

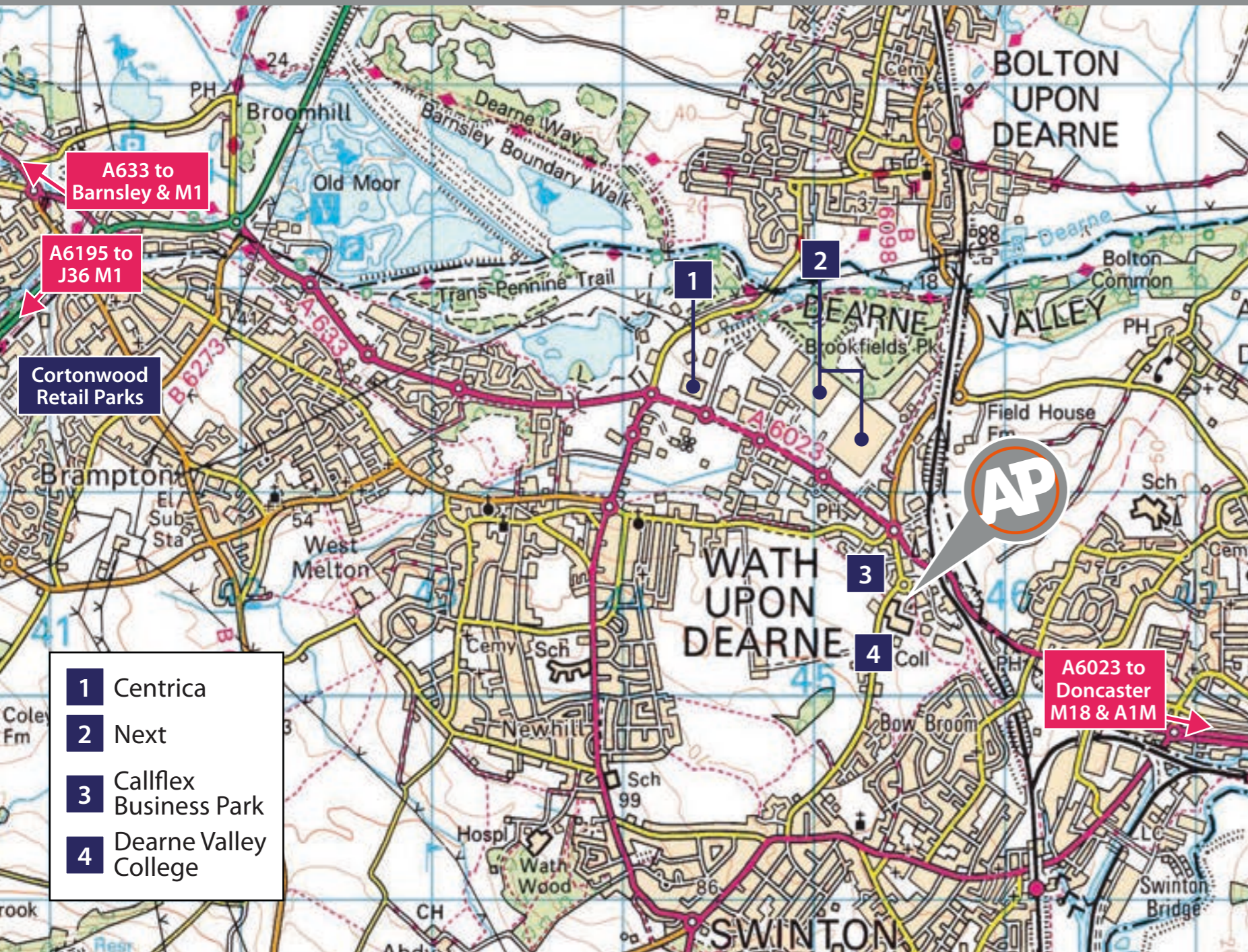


Situation

The property lies just to the south of the A6023 Manvers Way/Wath Road which leads westwards through Dearne Valley and out to Junction 36 of M1 via the A6195. The A635 runs eastwards, north of Wath upon Dearne out to Junction 37 of A1M. The A6023 leads out to the A630 connecting to A1M towards Doncaster.

Apart from the industrial and logistics centres at Dearne Valley the area has an historic call centre market. Capita have a 150,000 sqft facility on Brookfield Park, just along Manvers Way, NHS are on Callflex Business Park while Royal Mail have a facility at Cortonwood Business Park. South Yorkshire Invest are still promoting small parcels of land for commercial development in the area.

The subject property lies between Wath Road (A6023), Golden Smithies Lane and Adwick Park. Call Flex Business Park, a 100,000 sqft multi let office park is opposite occupied by a variety of businesses including the NHS and a South Yorkshire Police Training Centre. There is also a strong educational presence in the immediate location, Dearne Valley College, a higher education centre for apprenticeships is across from the subject site on Manvers Park. The JTL Training Centre opened in October 2024 in the former Morphy Richards Head Office directly across the road from the subject property. There has also been residential conversion of a former University of Sheffield educational building, Humphry Davy House was converted to 109 apartments and is located on Golden Smithies Lane.



Description & Accommodation

The subject property is a detached office arranged over two floors built and designed for call centre operations. The building has a mix of clad and glazed elevations. Internally there is a double height reception area served by a 10 person passenger lift. Staircase and wc cores are on either side of the building. Both ground and first floors are predominantly open plan offices with certain areas divided off for meeting rooms and contract led customer areas. The wc's on each floor have all recently been refurbished as well as upgrade works to the canteen.

As part of the October 2023 lease re-gear there is an agreed Deed of Works to be undertaken by the tenant before September 2025. The landlord is to contribute upto £300,000 for those works. The vendor will enter into an undertaking to cover the contribution figure. The improvements and upgrades set out in the schedule of works include:

- ◆ Installation of PV panels on the roof
- ◆ Installation of battery storage, linked to the PV panels
- ◆ Installation of EV charging points
- ◆ M&E upgrade works including removal of gas fuelled plant and replacement with electric alternatives

The building caters for upto to 2,500 working staff through on site desk space, the off site server system and flexi working. The space has been designed internally for the operation of specific contracts. The building operates generally from 7:00 am to 9:00 pm weekdays.

There is a telecom mast on site, adjoining the eastern elevation of the building.

The building extends to the following, on a Net Internal Area basis:

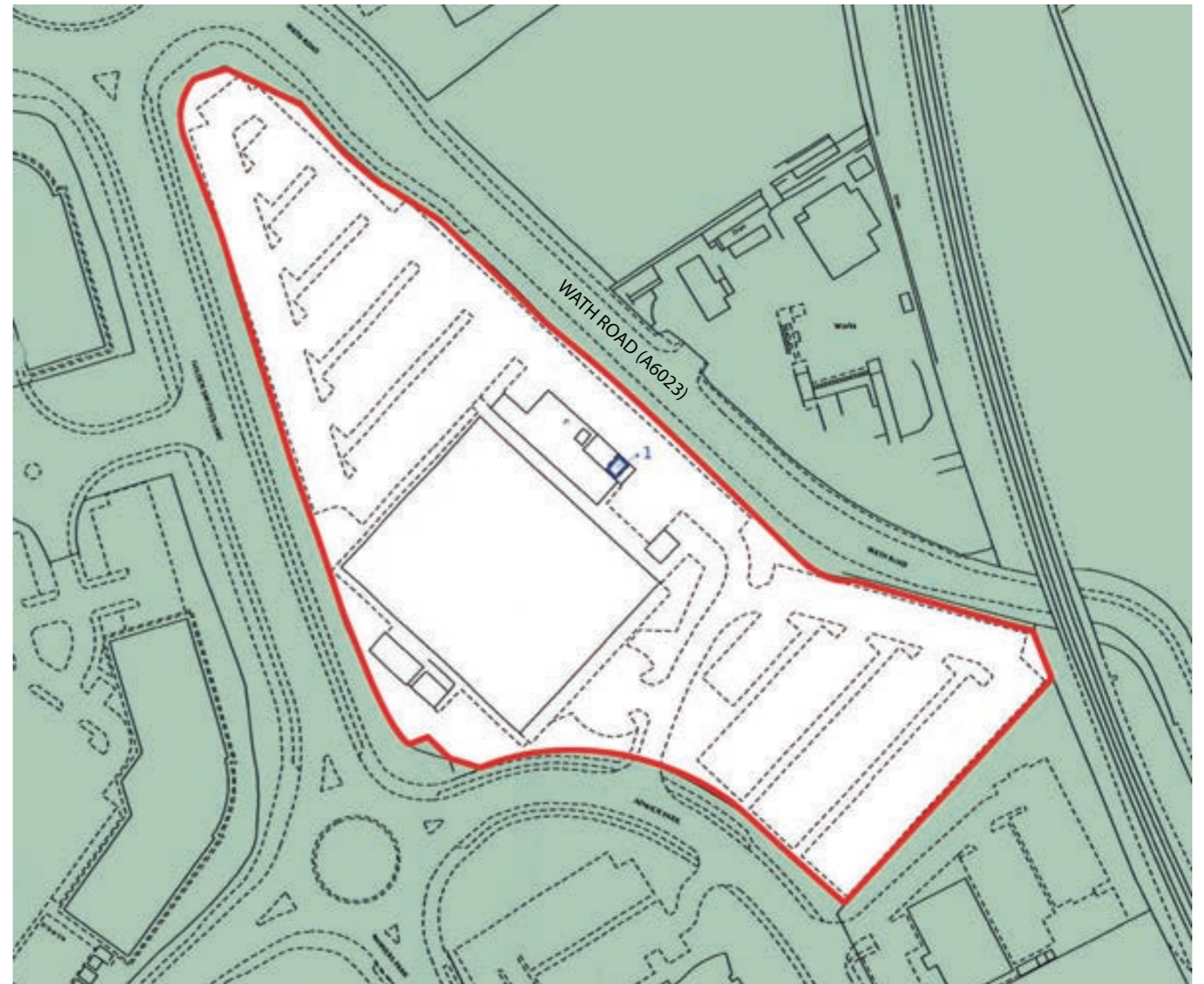
FLOOR	SQM	SQFT
Ground	3,017.7	32,482
First	2,802.9	30,170
TOTAL	5,820.6	62,652

There is car parking either side of the building providing 440 car spaces, an excellent ratio of 1 : 142 sqft.

The site extends to 4.95 acres and longer term would offer potential redevelopment options. There is currently a single access point onto the site from Adwick Park. The current site cover is only 15%. Capita recently sold one of their freehold buildings on Dearne Valley to a neighbouring occupier for redevelopment and the construction of a new industrial facility.

Tenure

Freehold.



Tenancy

The property is let on an FRI lease to Telecom Service Centres Ltd. The original lease from back in 1999 had previously been extended and was to expire in March 2024. The lease was varied in October 2023 to provide an extended term until 24 March 2034. The tenant has a break option in March 2029, requiring six months' prior notice. If the break option is not exercised the tenant will be granted a five months rent free period.

The passing rent is now £430,000, only £6.86 per sqft. As part of the re-gear the rent was reduced from the previous £677,500 per annum.

There is an open market rent review in March 2029, subject to a minimum uplift to £450,000 and a cap of £550,000. The improvement works scheduled in the Deed of Works can be reflected at review as landlord's.

The telecom mast is let separately to Hutchison 3G & EE Ltd. A 20 year lease was agreed in April 2016 at a rent of £4,750 per annum. There are 5 yearly open market rent reviews. The tenant can terminate the agreement on 6 months notice at any time. The income generated from the telecom mast is retained by Telecom Service Centres Ltd.



Covenant

Telecom Service Centres Ltd, now Concentrix TSC UK Ltd.

concentrix™

The company is now known as Concentrix TSC UK Ltd, the name was changed in July 2024. Concentrix are one of the largest contact centre businesses globally. The TSC business was acquired by Webhelp in 2013 and this business was subsequently bought in 2023 for \$4.86 billion. The wider global Concentrix parent company reported a 2024 revenue of \$9.6 billion. \$220 million was returned to shareholders through share repurchases and dividends last year.

The Concentrix business employs 16,500 people around the world with a strong business presence in South Yorkshire. The business specialises in digital customer experience outsourcing. They design and run enterprise technology for world leading organisations. Two of the main customers served from the Dearne Valley facility are Vodafone and BMW.

Summary figures from the latest available accounts at Companies House for Concentrix TSC UK Ltd are set out below:

	31/12/2022	31/12/2021	31/12/2020
Turnover	£188,355,000	£180,235,000	£172,967,000
Profit Before Taxation	£7,122,000	£4,792,000	£12,347,000
Total Assets Less Current Liabilities	£88,713,000	£83,289,000	£86,710,000
Shareholders' Funds	£80,540,000	£72,312,000	£66,954,000

Price

We are instructed to seek offers in excess of **£4,000,000**. This shows an initial yield of **10.09%**, allowing for purchaser's costs of 6.55%. The underlying capital value is under **£64 per sqft**.

VAT

The property is elected for VAT and VAT would be payable on the purchase. The intention is to sell as a TOGC.

EPC

The building has an EPC rating of C-60 and is valid through until July 2034. A copy of the certificate is available on request.

Anti Money Laundering

A successful purchaser will be required to provide the appropriate information to satisfy current Anti-Money Laundering regulations when Heads of Terms are agreed.



Further Information

For further information or to arrange inspections please contact:



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