





Junction 8 Trade Park

J8

Proposed Retail / Lesiure

Pioneer Business Park Plot 2

Proposed Residential

Pioneer Business Park Plot 1

POOLE HALL INDUSTRIAL ESTATE

Scania

To Chester / Warrington Manchester

Regatta

M53

Prowell

To Liverpool / Birkenhead

J7

SUMMARY

- Excellent opportunity to purchase a self-contained, purpose built industrial estate.
- Well established industrial location, forming part of Poole Hall Industrial Estate, Ellesmere Port and benefitting from excellent transport communications.
- Immediate access to both Junction 7 and Junction 8 of the M53.
- Comprising **82,863 sq ft** across 14 units with a good range of sizes from 4,134 sq ft to 37,680 sq ft.
- Site area of 5.05 acres, providing a low density of just 37%.
- Currently **fully let to 5 tenants** with low rents ranging from £3.25 psf to £4.85 psf.
- Current net rent of **£285,793 per annum**.
- Potential net ERV of **£361,219 per annum**.
- Long leasehold.
- Opportunity to further enhance value through pro-active asset management.
- Seeking offers in excess of **£3,355,000 (Three Million Three Hundred and Fifty Five Thousand Pounds)**, subject to contract and exclusive of VAT.
- Attractive NIY of **8.0%**, with a reversionary yield of **10.1%**.
- Low capital value of **£40.48 per sq ft**.



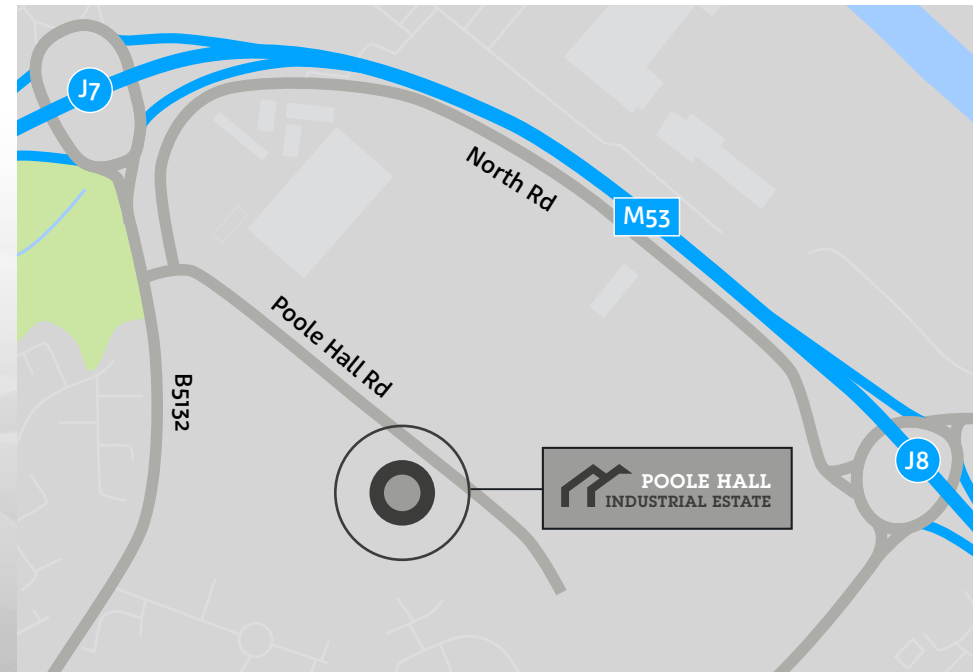
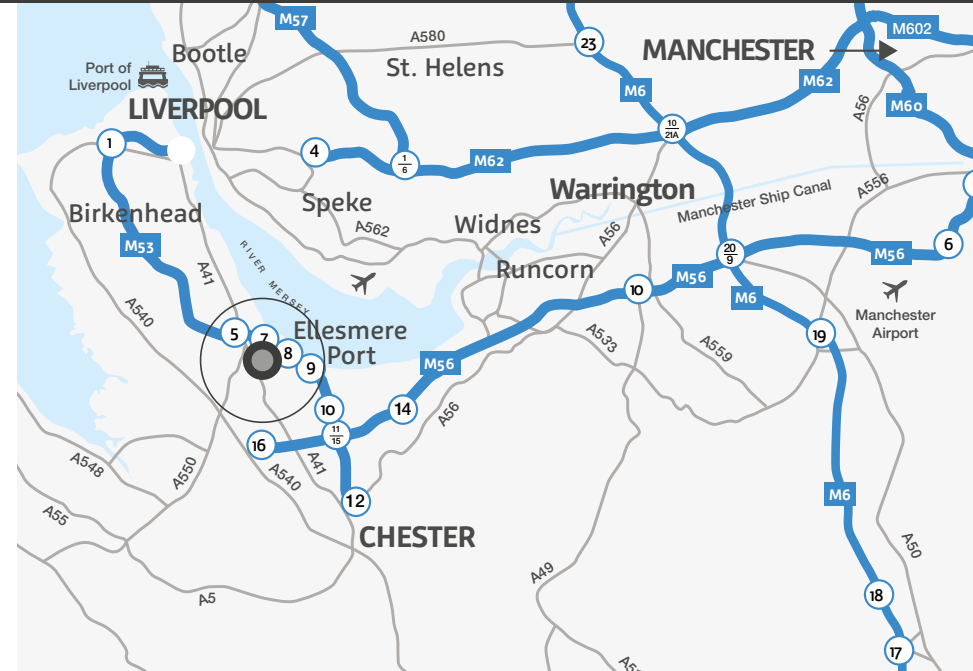
LOCATION

Ellesmere Port is an established commercial location situated approximately 13 miles south of Liverpool, 7 miles north of Chester and 39 miles south west of Manchester. The town enjoys an excellent industrial heritage with a workforce of 560,000 located within a 30 minute drive and 20% of the local jobs in manufacturing – well above the national average.

Ellesmere Port benefits from excellent road communications being situated adjacent to the M53 providing access to Birkenhead and Liverpool via the Mersey Tunnel to the north and the M56 to the south. The M56 in turn links to the M6 approximately 20 miles to the east. Furthermore, the A55 provides quick and easy access to North Wales, Anglesey and The Port of Holyhead.

High speed direct Virgin Pendolino Trains travel from Liverpool, Chester and Runcorn to London on the West Coast Mainline, with a journey time of around 2 hours. A comprehensive local rail system also links Ellesmere Port to Liverpool, Warrington and Manchester. Ellesmere Port is fortunate in being close to both Manchester Airport – the busiest Airport in the UK outside the London region - and Liverpool John Lennon Airport. There are 30 minute drive times to both Airports which link the region to the rest of the world.

Ellesmere Port has its own commercial Port facilities linking to the Manchester Ship Canal and the River Mersey. The town's location and infrastructure also mean it will be able to play a key role following the recent completion of the Liverpool 2 Container Port which doubles the handling capacity at the Port.



Units 1, 2 & 3



SITUATION

The property forms part of Poole Hall Industrial Estate, located adjacent to Junctions 7 and 8 of the M53 and benefits from an excellent communications network being served by a multi-model transport of road, rail and sea.

Pioneer Business Park, a 70 acre business park, is located immediately adjacent to the property and over the last 5 years has seen considerable development. There is also a significant residential development in the area with phases 1 and 2 of Rossfield Park under way just of junction 8 of the M53.

Major occupiers in the immediately vicinity include Regatta, SPL International, Scania, Prowell, DBH Service Business Centre, Evans Easy Space amongst others.

The subject property has excellent frontage onto Poole Hall Road, which in turn links directly with Junction 7 of the M53 motorway and also Junction 8 via North Road.



DESCRIPTION

The property comprises a secure, self-contained multi-let industrial estate of 14 purpose built units arranged in 4 blocks. The estate was constructed in early 1980's and provides high quality units of traditional steel portal frame construction with part brick and part profile clad elevations beneath metal clad roofs. The units typically have an eaves height of 5.5m and each unit benefits from integral offices, with roller shutter loading doors leading to generous, secure service yards. The estate is self-contained and fully fenced, benefiting from gated access and 24 hour CCTV surveillance.



ACCOMMODATION

The property comprises 82,863 sq ft across 14 units with a good range of unit sizes from 4,086 sq ft through to 32,361 sq ft.

The total site area is approximately 5.05 acres, providing a built density of just 37.6%.



TENANCY

- The property is currently fully let to 5 different tenants and producing £305,793 per annum
- Low passing rents currently range from £3.25 per sq ft through to £4.85 per sq ft
- The property as an AWULT of 3.01 years to expiry (1.81 years to break)
- Units 11, 13 and 14 benefit from fixed rental increases throughout the duration of the term
- We consider the property to have a potential gross ERV of £381,219 (£4.38 per sq ft)
- The leases are on effective FRI terms via the service charge

TENANCY SCHEDULE



UNIT	TENANT	AREA (SQFT)	START	EXPIRY	BREAK	GROSS RENT (PA)	GROSS RENT (PSF)	ERV (PA)	ERV (PSF)	COMMENTS
Unit 1-5	Booker Timber Ltd	23,140	09/08/10	08/08/20	-	£81,000	£3.50	£104,130	£4.50	FRI subject to schedule of condition
Unit 6-8	SPL International Ltd	8,459	24/03/15	23/03/20	24/03/18	£38,250	£4.52	£41,026	£4.85	Break penalty of £9,562.50. FRI terms subject to schedule of condition. Outside 1954 Act
Unit 9-10	Advantage Office Supply Systems Ltd	9,450	12/11/17	10/11/19	-	£45,833	£4.85	£45,832	£4.85	New 2yr lease renewal agreed at £45,832.50 pa. Currently in legals
Unit 11, 13 & 14	Ecorrugated Ltd	37,680	18/01/17	17/01/22	18/01/19	£122,460	£3.25	£169,560	£4.50	Rent increases to £137,532pa (year 3), £150,720 (year 4) and £160,140 (year 5). Break subject to £61,230 penalty. Additional break 18/01/20 (£34,383 penalty). FRI subject to schedule of condition. Service charge fixed at £19,913.78
Unit 12	E. R. Aluform Ltd	4,134	15/08/16	14/08/18	-	£18,250	£4.41	£20,670	£5.00	Outside 1954 Act
TOTAL		82,863				£305,793		£381,219		

TENANT COVENANT

The estate is let to a variety of established tenants as detailed below:

Booker Timber

Booker Timber Ltd has been established on The Wirral for over 20 years and are an independent timber merchant specialising in cutting and routing timber based materials, supply nationally as well as international clients.

SPL International

SPL International is a leading ingredients supplier servicing the alcoholic drinks and home brew industries. The company was founded in 1992 and has established itself as a market leading manufacturer and supplier of home brew kits as well as bulk supply to commercial alcoholic drinks manufacturers.

Advantage Office Supply Systems

Complete Office Solutions is a UK leader in delivering a broad range of services and products to assist with business solutions. The company operates out 10 locations nationwide and offer services including racking & storage solutions, managed print solutions, partitioning & workspace solutions and print solutions.

Ecorrugated

Ecorrugated was established in 2011 as an independent manufacturer of high volume glued cases, supplying a variety of fefco styles. The company has established a reputation for the highest level of customer service, guaranteed timed deliveries and product quality levels that can be relied upon for every order.



MARKET COMMENTARY

The north west industrial sector continues to experience significant demand for well specified buildings in locations with good motorway access. The aftermath of the BREXIT decision has seen little impact on the occupier market, particularly on smaller multi-let and SME units, with new prime rents achieving £7.50 per sq ft.

Economic conditions and pressures from competing land uses has resulted in little speculative development of smaller multi-let schemes. The lack of supply, but strong demand is providing opportunities for rental growth across the region, with recent lettings on The Wirral including Unit 5 The Powerstation, Bromborough (13,100 sq ft at £5.80 psf), Unit 1 Cloisters Way, Ellesmere Port (21,969 sq ft at £5.16 psf) and Unit 16, Junction 1 Business Park, Birkenhead (4,183 sq ft at £4.75 psf).

The industrial market in Ellesmere Port remains particularly strong with the focus on both distribution and manufacturing. This area is well known for attracting high profile companies from a wide range of sectors, including chemicals (Innospec), energy (Essar Energy / EIC / BP), automotive (Vauxhall Motors / Jaguar Land Rover), distribution (Wincanton / Reynolds Logistics) and cutting-edge technology companies (EA Technology, URENCO, Quinn Glass, Growhow UK).

Major infrastructure works in the region will support the growth in the distribution sector over the forthcoming decade including the Liverpool 2 Container Port which will double the handling capacity at the Port and also permit direct entry to larger vessels from Asia into Liverpool, rather than the redistribution of goods onto smaller vessels at Rotterdam. The new Mersey Gateway Bridge is also due to be completed in 2017 which will provide faster links to the region including linking the M56 and M62 with south Liverpool.

The North West industrial investment market continues to generate strong demand, particularly for ring-fenced multi-let estate. We consider that this investment opportunity represents good value when compared the recent multi-let industrial transactions detailed to the right:

Address	Date	Area (sq Ft)	Rent pa (Rent psf)	Price	NIY	Cap Val (psf)
Thames Trading Estate, Irlam	u/o	31,146	£159,411 (£5.12)	c. £2,220,000	c. 6.75%	c. £71.27
Coopers Lane, Knowsley	u/o	56,846	£244,781 (£4.31)	c. £3,500,000	c. 7.00%	c. £61.57
Stag Industrial Estate, Altrincham	Q3 2017	80,909	£475,080 (£5.89)	£7,500,000	5.93%	£92.70
Bridge Trading Estate, Bury	Q2 2017	49,880	£166,492 (£3.34)	£2,200,000	6.70%	£44.11
Lyntown Trading Estate, Eccles	Q2 2017	261,915	£940,330 (£3.59)	£13,400,000	6.44%	£51.16
Holmes Chapel Business Park, Holmes Chapel	Q2 2017	82,498	£519,168 (£4.76)	£7,250,000	6.71%	£66.52
Blackpool Trade Park, Blackpool	Q1 2017	26,233	£190,633 (£7.57)	£2,600,000	6.89%	£99.11
Parkway 4 Trading Estate, Trafford Park	Q1 2017	64,924	£330,442 (£5.09)	£4,968,000	6.24%	£76.52
Brymau One, Saltney	Q1 2017	25,404	£123,342 (£4.86)	£1,710,000	6.80%	£67.31



ASSET MANAGEMENT

The property comprises a high quality, fully ring-fenced estate in a single ownership and offering a range of different unit sizes. Accordingly there are numerous asset management opportunities which will further enhance value, including:

- Undertake a refurbishment program across the estate
- Improving the weighted average unexpired term through proactive re-gears and lease renewal initiatives
- Remove some of the lawn areas to open up the estate and improve circulation
- Improving the rental tone across the estate at rent reviews/renewals
- Improving the signage and branding of the estate
- Sell off units to owner occupiers
- Sub-divide some of the larger units on the estate
- Re-gear the head lease

TENURE

- The property is held long leasehold for a term of 125 years from 23 July 1979
- The current ground rent is £20,000 per annum, subject to 5 yearly rent reviews (next review 23 July 2019)
- The rent review is based on 7.2% of the ERV of the whole premises (all the buildings and the land) assuming a lease term of 35 years
- The net passing rent is therefore **£285,783** per annum



Units 7 & 8



FURTHER INFORMATION

Service Charge

A service charge is administered throughout the estate. The service charge budget for the current year is £43,100 (£0.52 psf).

The service charge includes estate security, common area repairs, landscaping, signage and management.

EPC

Energy Performance Certificates are available upon request.

VAT

The property is elected for VAT and it is the intention to treat the transaction as a Transfer of a Going Concern (TOGC).



PROPOSAL

We are instructed to seek offers in excess of £3,355,000 (Three Million Three Hundred and Fifty Five Thousand Pounds) subject to contract and exclusive of VAT. A purchaser at this level will reflect an attractive net initial yield of 8.0%, reversionary yield of 10.1% and low capital value of just £40.48 per sq ft.

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