

HIGHLY REVERSIONARY OFFICE INVESTMENT OPPORTUNITY LET TO

BENTLEY MOTORS LTD











## SUMMARY

Highly reversionary office investment opportunity.

Excellent location, immediately to the East of Middlewich town centre and within 1.8 miles of J18 of the M6 Motorway.

High quality detached office building providing **23,705 sq ft** across three floors.

Large 4.13 acre site, providing a site cover of 14% and car parking ratio of just 1:66 sq ft.

Let to the excellent covenant of **Bentley Motors Ltd** on a lease from 1 July 2017, subject to a 12 month rolling tenant break.

Extremely low rent of **£120,000 per annum (£5.06 psf)**.

Long leasehold for a term of 999 years, subject to a peppercorn rent.

Offers sought in excess of **£1,300,000 (One Million, Three Hundred Thousand Pounds)**. No VAT is payable as there is no Option to Tax.

A purchase at this level would reflect the following (assuming purchaser's costs of 5.99%):

**Net initial yield – 8.71%**

**Reversionary yield assuming – £6.00 psf – 10.32%**

**Reversionary yield assuming – £8.00 psf – 13.76%**

**Reversionary yield assuming – £10.00 psf – 17.20%**

**Extremely low capital value of just £54.84 per sq ft**







## LOCATION

Middlewich is one of Cheshire's principle employment locations, located approximately 26 miles South of Manchester, 39 miles East of Liverpool and 67 miles North of Birmingham. The proximity to these major regional cities together with Stoke on Trent to the South, means that there are over 2 million people of working age within a 30 minute drive of Middlewich.

### Road

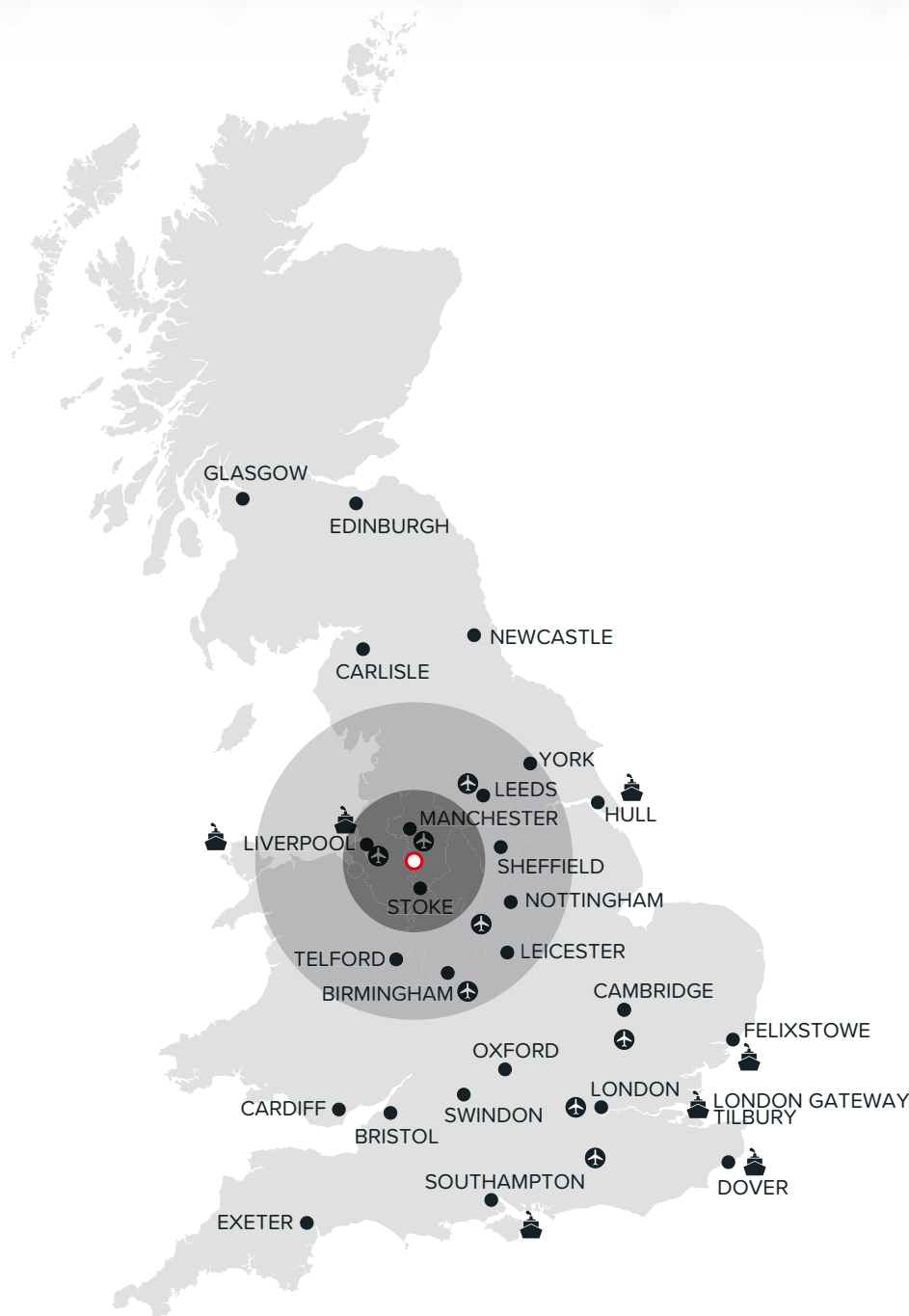
The location has excellent transport links, benefitting from immediate access to the M6 via junction 18 just 1.8 miles to the East, providing direct access to the regional and national motorway network. Furthermore, Middlewich is located close to the convergence of 3 major A roads, namely the A54, A533 and A530, providing excellent access to all areas of the North West region.

### Rail

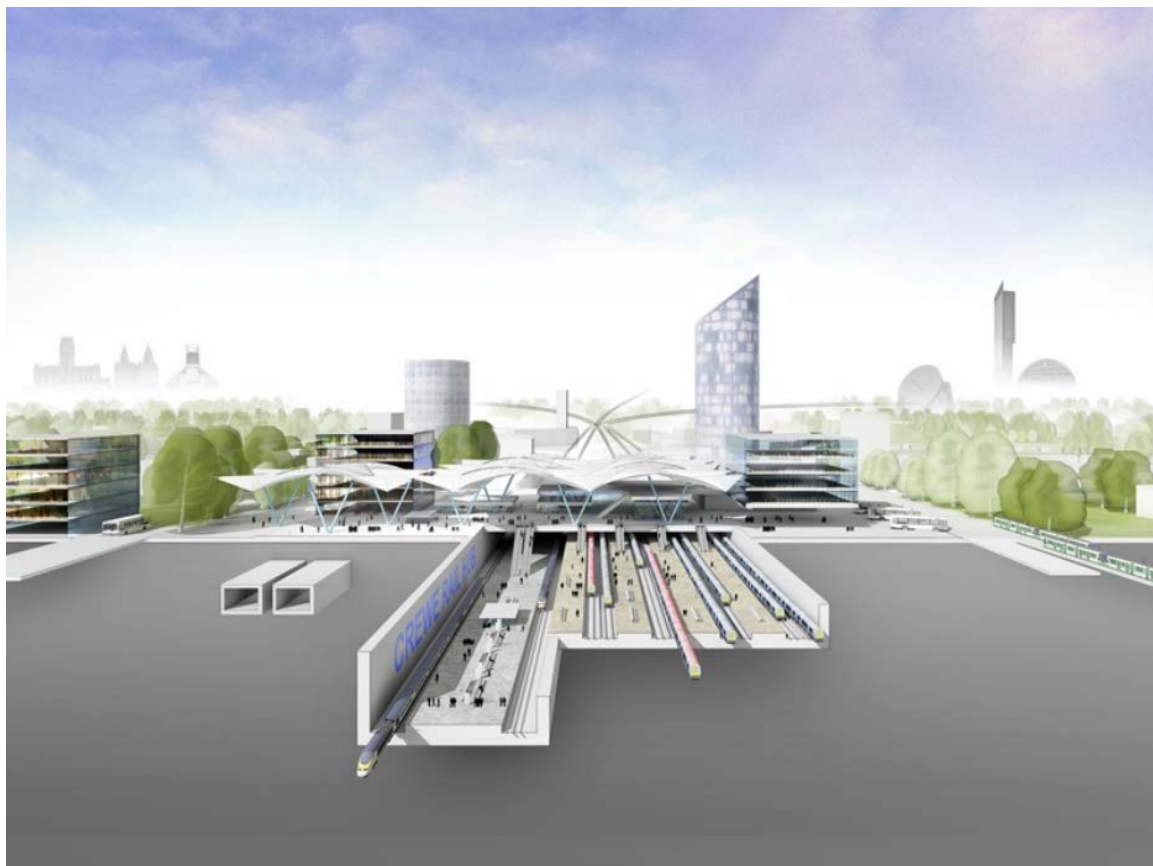
Crewe railway station is just 15 minutes from Middlewich, which acts as a key transport hub in the North West providing connectivity for passengers to all areas of the UK. The station provides fast and direct services to major UK cities, including London Euston (1 hour 33 minutes – up to 4 trains per hour).

### Air

The closest Airport to Middlewich is Manchester International Airport, just 21 miles to the North. The Airport saw record passenger numbers of 27.8 million in 2017 and is currently undergoing major investment to further enhance the Airport.







## MAJOR INFRASTRUCTURE AND IMPROVEMENTS

Middlewich will be further enhanced on the completion of major infrastructure improvement schemes including:

### Middlewich Bypass

A £58m road improvement scheme which will provide a new bypass around Middlewich town centre, running adjacent to Midpoint 18, improving connectivity and alleviating traffic through the town centre.

### M6 Smart Motorway Upgrade

A £192m project to upgrade the M6 motorway between junction 16 (Crewe) and junction 19 (Knutsford) by upgrading it to a smart motorway, reducing congestion and smoothing the flow of traffic. The project is set to be completed in March 2019.

### Crewe HS2 Hub

The Secretary of State has recently confirmed Government support for the Crewe Hub vision. Plans for HS2 now include the provision of a 400 metre platform at Crewe, enabling longer trains to ride into and filter off to different northbound locations. Up to 7 HS2 trains an hour could be calling at Crewe once the new junction is built just North of the town.

### Manchester Airport Transformation Programme

The £1bn investment on the Manchester Airport Transformation Programme represents the most significant programme of investment ever made at Manchester Airport including the expansion of Terminal 2 and the improvement of Terminal 3.



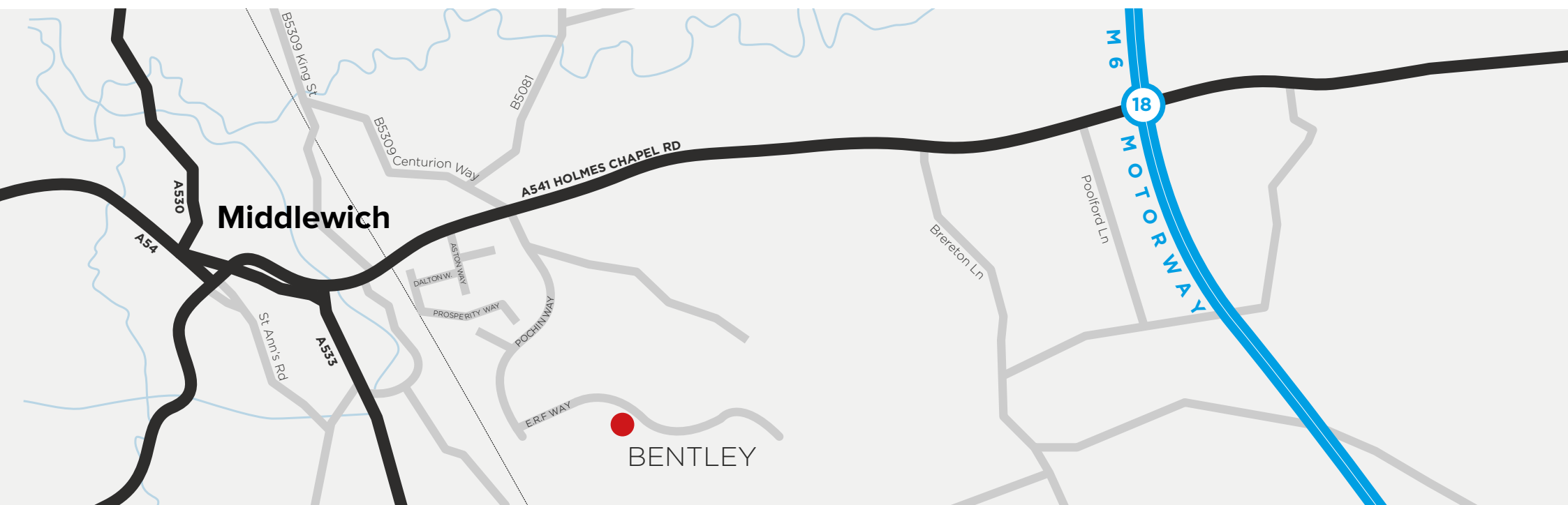


## SITUATION

Universal House is situated on the well-established and highly successful Midpoint 18 Business Park immediately to the East of Middlewich Town Centre. The property fronts onto E.R.F Way which is accessed from the A54 via Pochin Way, providing a quick and direct link to both Middlewich Town Centre and junction 18 of the M6 motorway, just 1.8 miles to the East.

Midpoint 18 also benefits from adjacent amenities including a Travelodge, Starbucks, Subway, Shell Service Station and Harvester Pub, together with numerous additional amenities within Middlewich Town Centre.

The location has proven an attractive destination for many Blue Chip occupiers, including Optima Logistics, B&M Bargains, Wincanton, Kuehne & Nagel, and Scottish Power.





## DESCRIPTION

Universal House comprises a quality, modern headquarters style office property. The premises is arranged over ground and 2 upper floors and accessed via a central reception. The accommodation is predominantly open plan with areas of self-contained offices and meeting rooms together with on-site amenity areas.

### Universal House benefits from the following features:

- Full accessed raised floors
- Comfort cooling and central heating
- Suspended ceiling with Cat 2 lighting
- Full height glazed reception
- Two 8-person passenger lifts
- Double glazed windows

The property is situated on an extensive 4.13 acre site providing landscaped external areas and a secure car park for approximately 359 vehicles providing an excellent ration of just 1:66 sq ft.

## ACCOMMODATION

The property has been measured in accordance with the RICS Code of Measuring Practice (6th Edition) and provides the following net internal areas:

LOCATION	NIA SQ M	NIA SQ FT
Ground Floor	775.37	8,346
First Floor	663.37	7,140
Second Floor	763.57	8,219
<b>TOTAL</b>	<b>2,322.11</b>	<b>23,705</b>

## SITE

The site extends to approximately 4.13 acres (1.67 hectares) and has a very low site coverage of just 14%. Please note that the area highlighted in yellow on the adjacent site plan is demised to the neighbouring occupier. These 51 spaces will revert back to this property when the neighbouring tenant vacates.





## TENURE

The property is held long leasehold for a term of 999 years subject to peppercorn rent.

## TENANCY

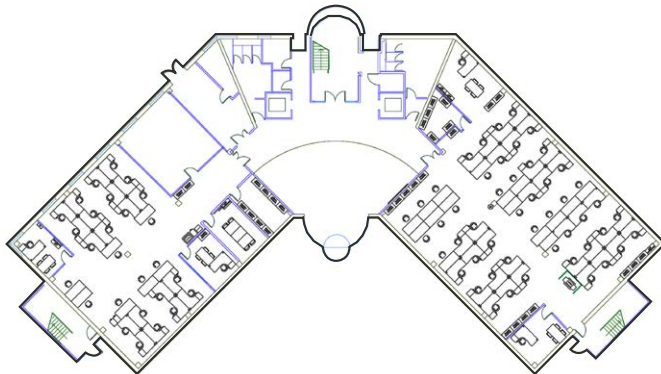
The property is let to Bentley Motors Limited on a lease commencing 1 July 2017 and is subject to a rolling tenant break option on giving not less than 12 months' notice.

The passing rent is £100,000 per annum reflecting just £4.21 per sq ft. The rent is subject to 3 yearly reviews, with the first review in 30 June 2020 fixed at £120,000 per annum (£4.91 per sq ft), with reviews thereafter to open market rent.

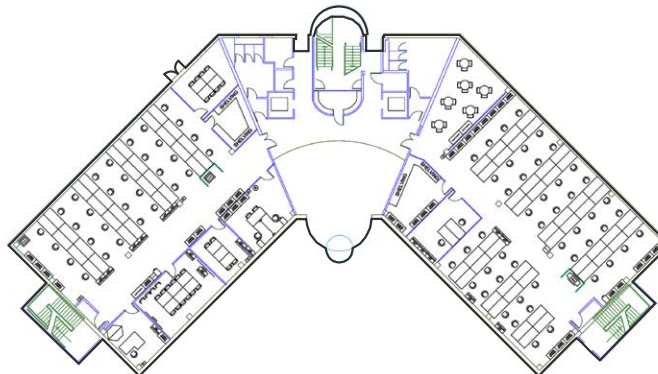
It is the intention to top the rent up to the fixed uplift of **£120,000** per annum (**£5.06 per sq ft**). The lease is held on Full Repairing and Insuring terms subject to a schedule of condition. Whilst this is a new lease from 2017, the tenant has previously been in occupation on a prior lease from 2014.

## UNIVERSAL HOUSE FLOOR PLANS

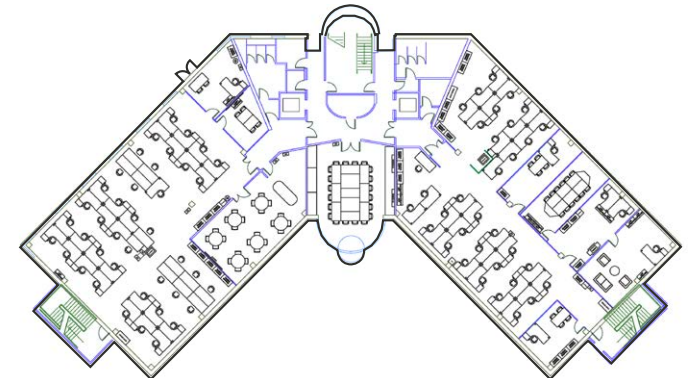
Ground Floor Plan



First Floor Plan

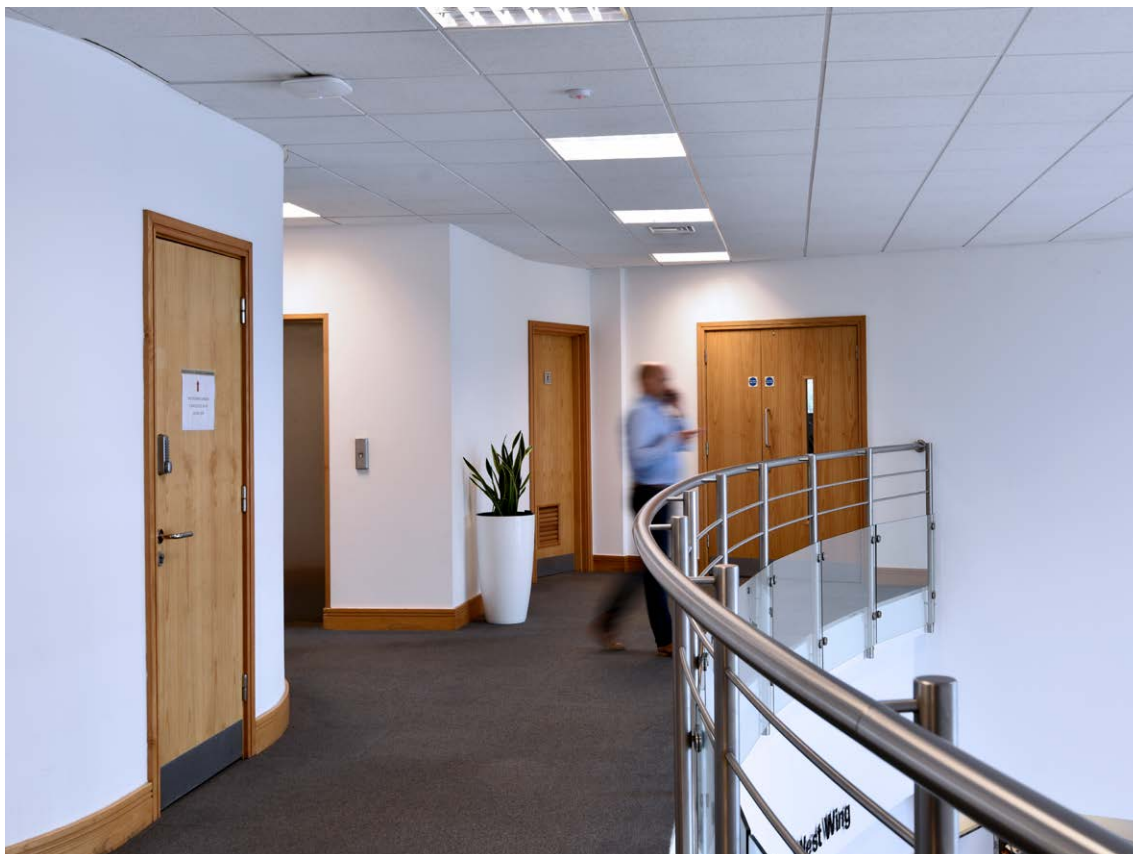


Second Floor Plan



Full size versions and CAD plans are available to view within the dataroom





## TENANT COVENANT

Bentley Motors Limited is a British manufacturer and marketer of luxury cars and SUV's. The company is deeply rooted within the Cheshire region, being head quartered in Crewe and operating out of various other locations within the region.

The tenant is in full occupation of the property, which is their head office for sales and marketing.

Bentley Motors Limited have reported the following accounts:

	Y/E 31/12/2017 (000s)	Y/E 31/12/2016 (000s)	Y/E 31/12/2015 (000s)
<b>Sales Revenue</b>	£1,593,800	£1,660,600	£1,397,700
<b>Research and Development Expenditure</b>	(£419,800)	(£555,200)	(£370,900)
<b>Operating Result before R&amp;D Expenditure</b>	£283,800	£374,000	£350,900









## EPC

The property has an EPC Rating of D(78)

## VAT

The property has not been elected for VAT and no VAT is payable on the rent or purchase price.

## PROPOSAL

We are instructed to seek offers in excess of **£1,300,000 (One Million, Three Hundred Thousand Pounds)**, subject to contract. No VAT is payable as there is no Option to Tax. A purchase at this level would reflect the following (assuming purchaser's costs of 5.99%):

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