



**FENCE
AVENUE
INDUSTRIAL
ESTATE**

MACCLESFIELD, SK10 1LT

**REVERSIONARY MULTI-LET TRADE/
INDUSTRIAL INVESTMENT OPPORTUNITY**



MACCLESFIELD

A523

MACCLESFIELD



A537

A523

A537

FENCE AVENUE



FORTHCOMING
RESIDENTIAL
DEVELOPMENT



HUDDERSFIELD RD

Red line for indicative purposes only



INVESTMENT SUMMARY

- Excellent opportunity to purchase a reversionary, purpose built, multi-let trade/industrial estate.
- Highly sought-after urban location on the fringe of Macclesfield town centre with a large, affluent nearby population.
- Comprising **40,396 sq ft** across 13 well specified units.
- Let to 12 tenants with an excellent letting history.
- Total site area of approximately 2.91 acres, providing a low site cover of 32%
- Low passing rent of **£274,399 pa (£5.54 psf - £7.32 psf)** offering excellent scope for reversion.
- ERV (existing condition) of **£308,679 (£7.00 psf - £8.25 psf)** with further growth to be captured through refurbishment.
- Diverse spread of income with no single tenant accounting for more the 15% of the total rent.
- Freehold
- **Immediately available asset management opportunities** to further enhance the Estate.
- Seeking offers in excess of **£4,680,000 (Four Million, Six Hundred and Eighty Thousand Pounds)** subject to contract and exclusive of VAT.
- A purchase as this level reflects a Net Initial Yield of **5.50%** (assuming purchaser's costs at 6.58%), reversionary yield of **6.19%** and a capital value of **£115.85 psf**.

LOCATION

Macclesfield is a dominant industrial location and an affluent market town in Cheshire, approximately 20 miles south of Manchester and 13 miles south of Stockport, to the west of the Peak District.

The town benefits from good road connectivity, with Junction 19 of the M6 approximately 15 miles to the west and Junction 1 of the M60 12 miles to the north, accessed via the A537 and A523 respectively.

Macclesfield train station provides direct services via the West Coast Mainline to Manchester Piccadilly (30 minutes), Stoke-on-Trent (25 minutes), Birmingham New Street (1 hour 7 minutes) and London Euston (1 hour 53 minutes). Under current proposed plans, Macclesfield is set to benefit from HS2 where it will serve as an "integrated high-speed station", allowing passengers to board HS2 trains and access the high-speed network to the south via the HS2 hub station at Crewe.

Manchester Airport is located approx 10.5 miles to the north-west and is now the UK's third busiest airport for passengers and fifth largest for freight handling.



MACCLESFIELD HAS PROVEN EXTREMELY POPULAR WITH TRADE COUNTER OPERATORS AND SMES. ASTRAZENECA ARE A KEY EMPLOYER IN MACCLESFIELD AND HAVE RECENTLY INVESTED £380 MILLION INTO THEIR 100 ACRE CAMPUS.



OCCUPIERS IN THE IMMEDIATE LOCALITY TO FENCE AVENUE INCLUDE TESCO, TRAVIS PERKINS, HOWDEN JOINERY, ENTERPRISE CAR AND VAN HIRE, ATS EUROMASTER AND ARMADILLO SELF STORAGE.



SITUATION

Fence Avenue Industrial Estate is situated on the Eastern fringe of Macclesfield Town Centre in a popular mixed-use commercial and residential area and just 0.5 miles from Macclesfield Train Station.

The property is accessed from Fence Avenue which in turn provides immediate access to the junction of the A523 (The Silk Road) and the A537, which are the major arterial routes servicing the town centre.

Occupiers in the immediate locality to Fence Avenue include a Tesco Superstore, Travis Perkins, Howden Joinery, Enterprise Car and Van Hire, ATS Euromaster and Armadillo Self Storage, amongst others.

The former King's School site (adjoining site) has planning permission and works have begun for a new 300 home development (13.50 ha).

Further information can be found at: <https://www.gov.uk/government/news/homes-england-announces-developers-for-historic-school-site-in-macclesfield>



**FENCE AVENUE INDUSTRIAL ESTATE HAS A TOTAL
SITE AREA OF 2.91 ACRES (1.18 HECTARES)**

DESCRIPTION

The property comprises an established multi-let trade/industrial estate providing 13 units across 3 purpose-built terraces, with units typically providing the following specification:



**STEEL PORTAL
FRAME
CONSTRUCTION**



**PART BRICK /
PART METAL CLAD
ELEVATIONS
BENEATH PITCHED
ROOFS**



**EAVES HEIGHT
RANGING
FROM
4.00M - 5.75M**



**LEVEL ACCESS
LOADING DOORS**



**INTEGRAL
OFFICE
ACCOMMODATION**



**EACH UNIT BENEFITS
FROM A DEDICATED
CONCRETE YARD
AND LOADING AREA**





For indicative purposes only

ACCOMMODATION

The accommodation has been measured in accordance with the RICS code of measuring practice (6th Edition) and provides a total GIA of 40,396 sq ft, with unit sizes ranging from 2,323 sq ft to 5,774 sq ft.

A full breakdown of the individual unit areas is provided within the enclosed tenancy schedule.

Fence Avenue Industrial Estate has a total site area of 2.91 acres (1.18 hectares), providing a low site density of 32%.

TENURE & TENANCY

TENURE

The property is held freehold.

TENANCY

The Estate is let to 12 tenants (85% occupancy) with a 12 month guarantee on Unit 13, producing £274,399 per annum, with rents from £5.54 psf - £7.32 psf. The Estate has demonstrated continued high occupancy levels, which reflects the quality of the asset and location, strong tenant demand and a lack of alternative supply of existing or new build alternatives.

The AWULT to expiry as 3.75 years, and 2.80 years to break. A full tenancy schedule is provided below:

PROPERTY	TENANT	AREA (SQ FT)	START DATE	EXPIRY DATE	TENANT BREAK	REVIEW DATE	ANNUAL RENT	RENT (£PSF)	ERV (EXISTING CONDITION)	ERV (£PSF)	L&T ACT 1954	COMMENTS
Unit 1	The David Lewis Centre	2,363	28/03/18	27/03/23	-	-	£17,000	£7.19	£19,495	£8.25	Inside	Tenant will potentially vacate. Strong occupier interest at £8.50psf. FRI terms, subject to schedule of condition.
Unit 2	Mac Sign Solutions Ltd	2,348	05/10/18	04/10/28	04/10/23	05/10/23	£17,000	£7.24	£19,371	£8.25	Outside	Rent deposit of £5,100 (inc VAT). FRI terms, subject to schedule of condition.
Unit 3	Cheshire Lock & Safe Company Ltd	2,350	21/10/19	20/10/24	-	-	£17,000	£7.23	£19,388	£8.25	Outside	FRI terms.
Unit 4	NSJ Contractors Ltd	2,363	30/03/15	29/03/25	-	-	£17,000	£7.19	£19,495	£8.25	Inside	Guarantor: City Plumbing Supplies Holdings Limited (via AGA) FRI Terms.
Unit 5	Links Automotive Ltd	2,372	10/05/19	09/05/24	-	-	£17,000	£7.17	£18,976	£8.00	Inside	Rent deposit of £5,100 (inc VAT). FRI terms, subject to schedule of condition.
Unit 6	H Cumberburch and Son Ltd	2,323	17/12/21	16/12/26	16/12/24	17/12/24 & 17/12/25	£17,000	£7.32	£18,584	£8.00	Inside	Rent increases to £17,500 pa (17/12/24) and £18,000 pa (17/12/25). FRI terms, subject to schedule of condition.
Unit 7	GSF Car Parts Ltd	2,359	19/01/22	18/01/32	24/03/28	19/01/27 (OMRV)	£17,000	£7.21	£18,872	£8.00	Inside	3m rent free if tenant does not activate break. FRI terms, subject to schedule of condition.
Unit 8	Cheshire and Wirral Partnership NHS Foundation Trust	2,353	15/09/15	14/09/21	-	-	£17,000	£7.22	£18,824	£8.00	Inside	Tenant holding over. FRI terms, subject to schedule of condition.
Unit 9	Hashtagthepaintshop Ltd	2,353	15/06/21	14/06/26	-	15/06/24 & 15/06/25	£17,000	£7.22	£18,824	£8.00	Outside	Fixed rental increases to £17,500 pa (15/06/24) and £18,000 pa (15/06/25). Rent deposit of £8,500 (inc VAT). FRI terms, subject to schedule of condition.
Unit 10	JAK Steel Ltd	2,367	20/05/20	19/05/25	19/05/23	20/05/23 & 20/05/24	£17,000	£7.18	£18,936	£8.00	Inside	Guarantor: Jak Steel & Supplies Limited. Fixed rental increases to £17,500 pa (20/05/23) and £18,000 pa (20/05/24). FRI terms, subject to schedule of condition.
Unit 11	Scissor Wood Ltd	5,319	20/12/18	19/12/28	-	20/12/23 (RPI linked)	£32,120	£6.04	£37,233	£7.00	Inside	FRI terms, subject to schedule of condition.
Unit 12	Vacuum Precision Resources Ltd	5,752	19/12/16	18/12/21	-	-	£31,861	£5.54	£40,264	£7.00	Inside	Tenant holding over. Actual rent £31,860.50 pa. FRI terms, subject to schedule of condition.
Unit 13	Vacant (12m Vendor Guarantee)	5,774	09/02/22	12 months	-	-	£40,418	£7.00	£40,418	£7.00	-	12m rent, rates, service charge and insurance guarantee to be provided by the vendor. Includes additional FF office of 453 sq ft
TOTAL		40,396					£274,399		£308,679			

TENANT COVENANTS

The property is let to a diverse range of occupiers in keeping with an trade/industrial estate of this nature. There is an exceptional spread of income across the estate with no single occupier accounting for more than 15% of the overall rent as demonstrated below:

UNIT	TENANT	GROSS RENT	% OF INCOME	WEB ADDRESS
1	The David Lewis Centre (02537501)	£17,000	6%	www.davidlewis.org.uk
2	Mac Sign Solutions Ltd (11320183)	£17,000	6%	www.mac-signs.co.uk
3	Cheshire Lock & Safe Company Ltd (11678241)	£17,000	6%	www.cheshirelock.co.uk
4	NSJ Contractors Ltd (04475165)	£17,000	6%	www.nsjcontractors.com
5	Links Automotive Ltd (08751690)	£17,000	6%	www.linksautomotive.co.uk
6	H Cumberbirch and Son Ltd (00476681)	£17,000	6%	www.cumberbirch.com
7	GSF Car Parts Ltd (01779084)	£17,000	6%	www.gsfcarparts.com
8	Cheshire and Wirral Partnership NHS Foundation Trust	£17,000	6%	www.cwp.nhs.uk
9	Hashtagthepaintshop Ltd (13198249)	£17,000	6%	www.hashtagthepaintshop.co.uk
10	JAK Steel Ltd (12401377)	£17,000	6%	www.jaksteel.com
11	Scissor Wood Ltd (06505355)	£32,120	12%	www.scissorwood.co.uk
12	Vacuum Precision Resources Ltd (03881771)	£31,861	12%	www.vacuumprecision.co.uk
13	Vacant (12m guarantee)	£40,418	15%	
		£274,399	100%	

**THE PROPERTY
IS LET TO
A DIVERSE
RANGE OF
OCCUPIERS**





OCCUPATIONAL MARKET COMMENTARY

The North West industrial property market has reached unprecedented highs with consecutive years of record take up. Showing no signs of demand slowing down the outlook for the sector remains strong however further speculative development in the SME / multi - let market is required.

The current issue the North West market is facing is the dwindling supply with a particular emphasis on SME / Multi let estates. Second-hand refurbished units tend to be occupiers' preference however demand for this type of space has been significantly outstripping supply, leading to record rents achieved on multi-let estates where rental figures are now eclipsing where new build rents were of similar unit sizes in 2020.

Macclesfield is a strong industrial location within the North West, with unfettered demand and extremely limited supply in the area. Notable industrial locations, include Fence Avenue, Hursfield Road Industrial Estate and Lyme Green Business Park, all of which are very well occupied. Furthermore Astra Zeneca has recently invested c.£380m into their 100 acre facility in Macclesfield, which now employs c. 1,800 staff.

The affluent nature of the town ensures that it generates significant occupier enquiries from trade counter operators and also SMEs who's business owners reside in the locality and are looking to base their business nearby. Furthermore, land supply in the town remains restricted with the industrial supply competing with other land uses (leisure / residential etc) meaning new build industrial development in the area is likely to remain scarce.

These dynamics have led to very strong rental growth for refurbished units with little competing supply. Where new build has taken place, rents of £10psf for multi-let units have been achieved (Manor Point, Holmes Chapel) and Chancerygate's nearby Norse Trade Park, Congleton a 10 units scheme now on site and expected to complete in October 22 is available at quoting rents of £10.00 - £12.50 psf.

Given the current and projected supply / demand dynamics we expect this strong rental growth to continue, particularly in affluent urban areas such as Macclesfield.

ADDRESS	TENANT	DATE	DESCRIPTION	SIZE (SQ FT)	LEASE EXPIRY (BREAK)	RENT £/PSF
Artis Park, Winsford	City Plumbing	Dec 21	New build	4,069	10 (5)	£9.83
Manor Point, Holmes Chapel	Be - smart home	Oct 21	New build	1,893	10 (5)	£11.00
Manor Point, Holmes Chapel	Interior motives	Oct 21	New build	1,961	10 (5)	£11.00
Rupert Park, Poynton	Swift Scooters	Jun 21	Second hand refurbished unit	3,500	5 (3)	£10.00
4a Mottram Way, Macclesfield	Scott Hardy Ltd	Dec 20	Second hand	6,781	10 (6)	£7.96
5 Queens Avenue, Mottram Way, Macclesfield	Edmundson Electrical Ltd	Jan 20	Second hand	4,001	10 (5)	£8.74
3 Mottram Way, Macclesfield	JP McDougall & Co Ltd (t/a Dulux Paints)	Sept 19	Second hand	3,205	10 (5)	£7.36



INVESTMENT MARKET

The UK industrial investment market continues to go from strength to strength, with considerable global appetite for industrial assets resulting in approximately £12.5bn of national industrial transactions, making 2021 the strongest trading year on record, 55% above the 5-year annual average.

The industrial investment market is extremely buoyant with strong demand and continued confidence on the back of some very positive messages including a constrained supply of purpose built multi let industrial estates, huge demand spurred on by the structural changes to retail and the shift to e-commerce, and the onshoring of many manufacturing processes / supply chains in the wake of Brexit.

The North West Investment market has mirrored the national picture, with investment transactions in 2021 at a record £1.30bn (106 deals). This is the first time the £1bn mark has been broken and represents an 86% increase on the £695m (62 deals) transacted in 2020.

Given the significant demand / supply imbalance, robust occupier market and constrained development supply – particularly for mli estates, we believe the strong industrial market dynamics will continue for the foreseeable future.

ADDRESS	DATE	SIZE (SQ FT)	PRICE	NIY	CAP VAL (PSF)
Bredbury Industrial Estate, Bredbury	Feb 22	74,979	£10,000,000	4.20%	£133.37
Adlington Court, Warrington	Jan 22	25,251	£2,385,000	4.74%	£94.45
Centurion Business Park, Nottingham	Dec 21	65,047	£7,650,000	4.39%	£117.61
Rhodes Business Park, Manchester	Dec 21	192,127	£17,830,000	4.50%	£92.80
Manchester Trade Park, Manchester	Dec 21	60,000	£7,000,000	3.50%	£117.00
Longford Trading Estate, Manchester	Dec 21	122,097	£10,500,000	5.19%	£85.43
Barton Business Park, Eccles	Dec 21	69,861	£5,600,000	4.79%	£80.16
Waleswood Industrial Estate, Rotherham	Nov 21	112,809	£9,750,000	5.00%	£86.43
Mottram Way Trading Estate, Macclesfield	Aug 21	95,155	£12,950,000	4.87%	£136.09

ASSET MANAGEMENT

The Estate offers numerous asset management opportunities, which include:

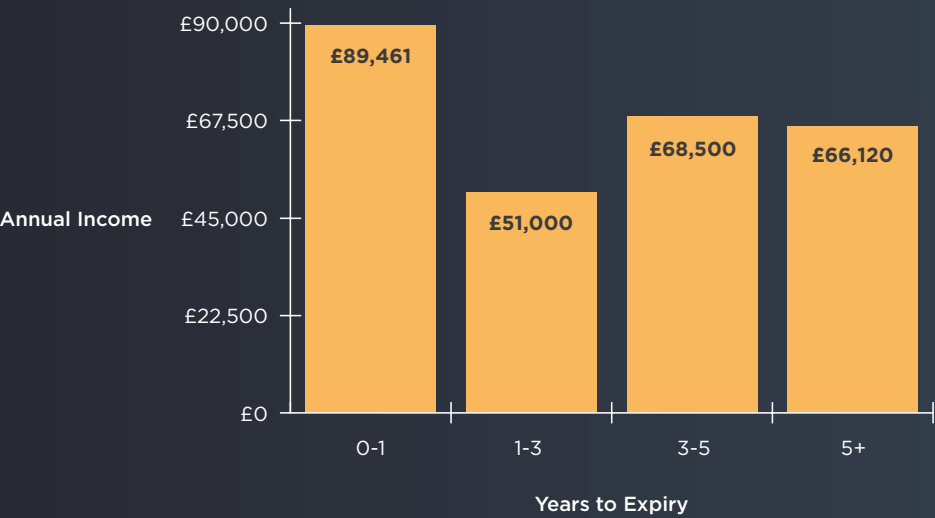
- Continuing negotiations with the tenant at Unit 1 regarding an early lease surrender, offering the opportunity to refurbish and re-let the property on the open market, setting a new rental tone for the Estate.
There is currently interest at £8.50psf in this unit.
- Complete a new open market letting at Unit 13.
- Complete lease renewals on Units 8 and 12, which are holding over. Lease renewal negotiations with the tenants are in progress.
- Opportunity to replace / overclad the roofs to reposition the Estate and further increase rental values.
- Upcoming rent reviews for Units 2, 10 and 11 prior to Y/E 2023.
- General refurbishment of the Estate to further improve the quality of the units.
- Look to enhance the trade counter offering at the Estate.
- Enhance the branding and signage across the Estate.
- Enhancing Unit 1 by utilising the additional grassed land adjacent.
- Medium to long term residential potential, subject to planning.

**THE ESTATE
OFFERS
NUMEROUS ASSET
MANAGEMENT
OPPORTUNITIES**

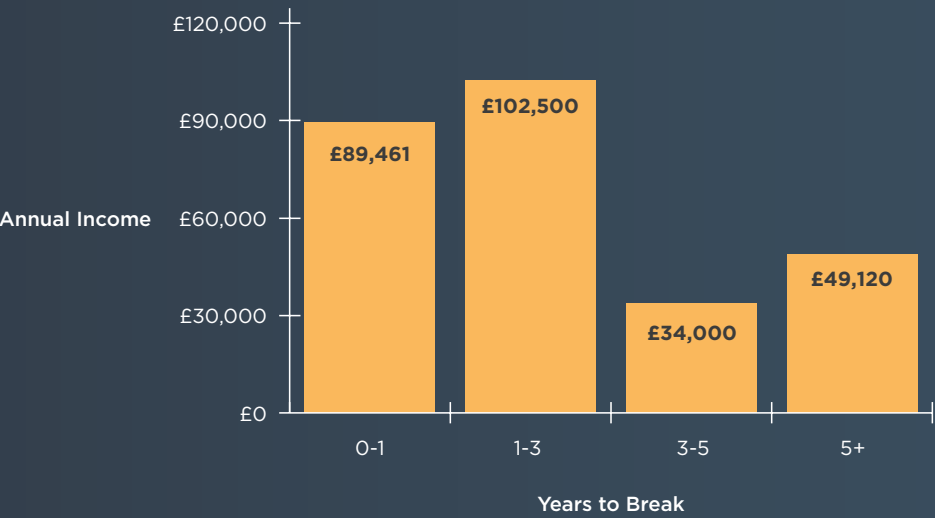


INCOME SUMMARY

ANNUAL INCOME TO EXPIRES



ANNUAL INCOME TO BREAKS





FURTHER INFORMATION

SERVICE CHARGE

A service charge is administered throughout the estate. This includes management fees, external landscaping, external repairs and maintenance, M&E maintenance contracts, snow clearance/gritting, drainage maintenance and high level roof gutter clearance.

The service charge budget for Y/E 31 December 2022 is £41,565.00 (£1.03 per sq ft).

EPC

Energy Performance Certificates are available upon request.

VAT

The property is elected for VAT and it is the intention to treat this transaction as a transfer of a Going Concern.

DATA ROOM

Data room access can be provided upon request.

PROPOSAL

We are instructed to seek offers in excess of **£4,680,000 (Four Million, Six Hundred and Eighty Thousand Pounds)**, subject to contract and exclusive of VAT.

A purchase at this level reflects a Net Initial Yield of **5.50%** (assuming purchaser's costs at 6.58%), reversionary yield of **6.19%** and a capital value of **£115.85 psf**.

CONTACTS

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B8
REAL ESTATE

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