

# Honeywell

ELLESMERE PORT, CH65 1AQ

## MODERN HIGHLY REVERSIONARY CROSS DOCKED DISTRIBUTION INVESTMENT OPPORTUNITY

**B8**  
REAL ESTATE







ENCIRC

J4

M56

ARGENT ENERGY

ESSAR OIL REFINERY

PROGROUP

J10

ELLESMERE PORT TOWN

CHESHIRE OAKS SHOPPING OUTLET

J11

J15

RIVER MERSEY

GREIF

BEVIE

REGATTA

TOOLSTATION  
SCREWFIX  
ROYAL MAIL  
CITY PLUMBING  
EDMUNDSON ELECTRICAL  
BLIFINGER

DS SMITH

HOLIDAY INN

J8

BARGAIN MAX

NORTHWOOD PAPER

RECRESKO

**Honeywell**

POOLE HALL ROAD

J7

M53

MANCHESTER SHIP CANAL

NORTH ROAD

VAUXHALL ELLESMERE PORT PLANT

LESS COMMON METALS

AMI METALS

SURVITEC

DHL AUTOMOTIVE

GWYNEDD SHIPPING

STELLANTIS

J6

LIVERPOOL/ BIRKENHEAD



# INVESTMENT SUMMARY

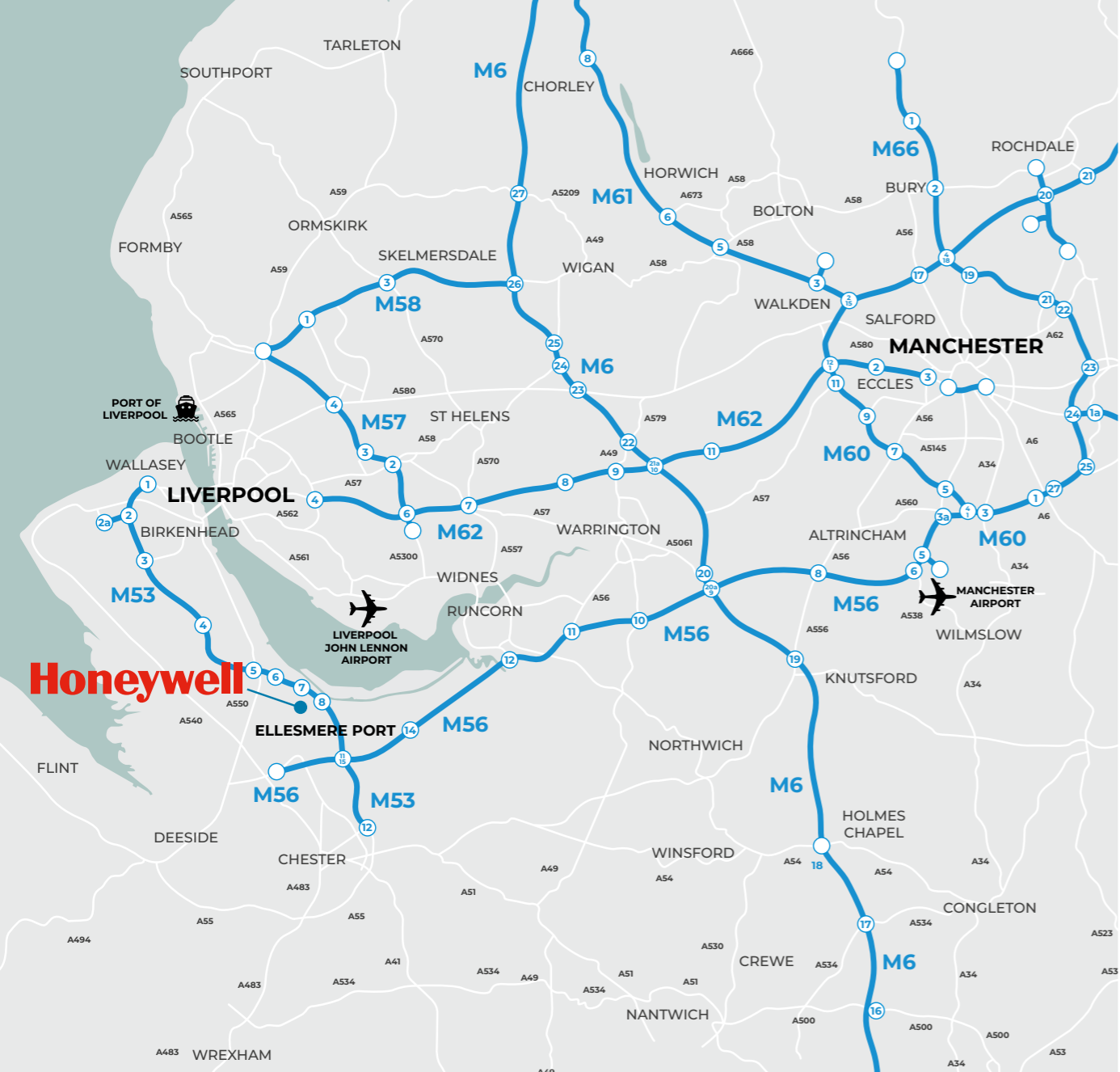
- **Modern highly reversionary cross docked distribution warehouse investment opportunity.**
- Located in Ellesmere Port, a recognised logistics location, with excellent links to a road, rail, air, and sea transport network.
- The subject property benefits from excellent connectivity, located immediately adjacent to Junction 7 and 8 of the M53.
- A modern **cross docked** distribution unit built in 2007 to an excellent specification and refurbished in 2020, providing **210,191 sq ft (19,527 sq m)**.
- Site area of 9.79 acres, which represents a site cover of 49%.
- Let to **Novar ED&S Ltd (t/a Honeywell)** for a term of 10 years with effect from 8th November 2019 (**5.94 years unexpired**).
- Dun & Bradstreet Rating of 5A3 and a **bank guarantee provided by Barclays Bank**.
- Low passing rental of only **£1,112,585 per annum (£5.29 per sq ft)**.
- Highly reversionary with an **ERV of £1,418,789 (£6.75 per sq ft)**.
- **Open Market Rent Review on 7th November 2024.**
- **Freehold.**

We are instructed to seek offers in excess of **£18,950,000 (Eighteen Million Nine Hundred and Fifty Thousand Pounds)** subject to contract and exclusive of VAT.

A purchase at this level reflects a net initial yield of **5.50%** after purchaser's costs of 6.74%, reversionary yield of **7.01%** and a low capital value of **£90 psf**.







## LOCATION

Ellesmere Port is situated in the North West of England in Cheshire, approximately 10 miles north of Chester, 11 miles south of Liverpool and 44 miles south west of Manchester. Ellesmere Port benefits from excellent communications summarised as follows:



### Road

The property benefits from excellent road communications, situated immediately adjacent to Junction 7 of the M53, Motorway providing access to Birkenhead and Liverpool via the Mersey Tunnel to the North and Junction 15 of the M56 to the south. The M56 in turn links to Junction 20 of the M6, 24 miles to the east providing unfettered access to major conurbations and transport hubs in the North.



### Air

Ellesmere Port benefits from close proximity to both Liverpool John Lennon Airport and Manchester Airport, within a drivetime of approximately 30 minutes. Manchester is the third busiest airport in the UK handling over 27 million passengers a year and handling over 123,000 tonnes of cargo each year.



### Rail

The property is located 10 miles north and 13 miles south of Chester and Liverpool Railway Stations respectively. High speed trains travel from Chester and Liverpool to London on the West Coast Mainline with journey times of approximately 118 and 134 minutes respectively.



### Sea

Ellesmere Port has its own commercial port facilities linking to the Manchester Ship Canal and the River Mersey. Access to Liverpool2 – Peel Ports new deep water container terminal at the Port of Liverpool, can be gained via the River Mersey or alternatively by road being located 15 miles north of the Property.

Liverpool2 has the capacity to handle the next generation of container ships and enables vessels up to 13,500 TEU to call directly at Liverpool. Liverpool2 is one of the best-connected container terminals in the UK, with 10 motorways within 10 miles.

### Freeport Status

Liverpool City Region has been granted Freeport Status, a special economic zone with different and beneficial tax rules / breaks giving the region a massive boost and encouraging further investment. Spreading from Liverpool, across to the Wirral and over to Salford, the government anticipates that Liverpool Freeport's new status could bring a financial boost of £850 million to local areas. At Freeports goods can be imported, manufactured and re-exported without being subject to customs checks, paperwork or tariffs.

For further details click here - [Liverpool City Region Freeport.](#)





## SITUATION

The subject property forms part of the established Pioneer Business Park, located adjacent to Junctions 7 and 8 of the M53. The subject property fronts on to the M53 and also Poole Hall Road, which in turn links directly with Junction 7 of the M53 motorway and Junction 8 via North Road.

The proximity to the motorway network coupled with a plentiful and relatively low-cost labour supply has helped attract numerous blue chip occupiers including Vauxhall/Peugeot, Stellantis, Essar Oil, Regatta, Jaguar Land Rover/DHL and Progroup (recently opened a £100m corrugated cardboard packaging facility in Ellesmere Port).

In addition, Global Auto maker Stellantis (parent company of Peugeot and Vauxhall) recently announced £100m of investment to convert their Ellesmere Port site into Europe's first dedicated electric vehicle plant.







J8

M53

Honeywell

J7

TO LIVERPOOL









## DESCRIPTION

The subject property comprises a modern cross docked high bay industrial distribution facility, which was constructed in 2007 and refurbished in 2020 and was built to the following specification:



### Warehouse

- Steel portal frame construction
- Insulated metal profile clad elevations beneath a pitched metal clad roof
- 10% roof lights
- Maximum eaves height of 15 meters
- 18 dock loading doors
- 4 level loading doors
- New concrete floor when property was refurbished in 2020, providing floor loading of 50Kn/m2.
- LED lighting



### External

- Gatehouse Security
- Secure site with perimeter fencing
- 2 large concrete service yards with up to 55m in depth
- Substantial circulation areas
- Separate delineated car parking area for approximately 110 spaces
- 46 lorry spaces
- 2 secure access points



### Office

- 2 storey office accommodation
- Raised access floors
- 8 person passenger lift
- Suspended ceilings
- LED lighting
- Central heating
- Male, female and disabled toilets
- Kitchen facilities



### Tenant Works

The tenant has invested significant capital expenditure into their fit-out for the warehouse including:

- Extensive robot picking
- Narrow aisle racking
- Full in rack sprinkler system and associated tanks
- New LED lighting with daylight harvesting technology
- Extension of office space to a Grade A specification
- Installed office heating and cooling
- Increased car parking to 139 spaces







## TENURE

The property is held freehold.

## ACCOMMODATION

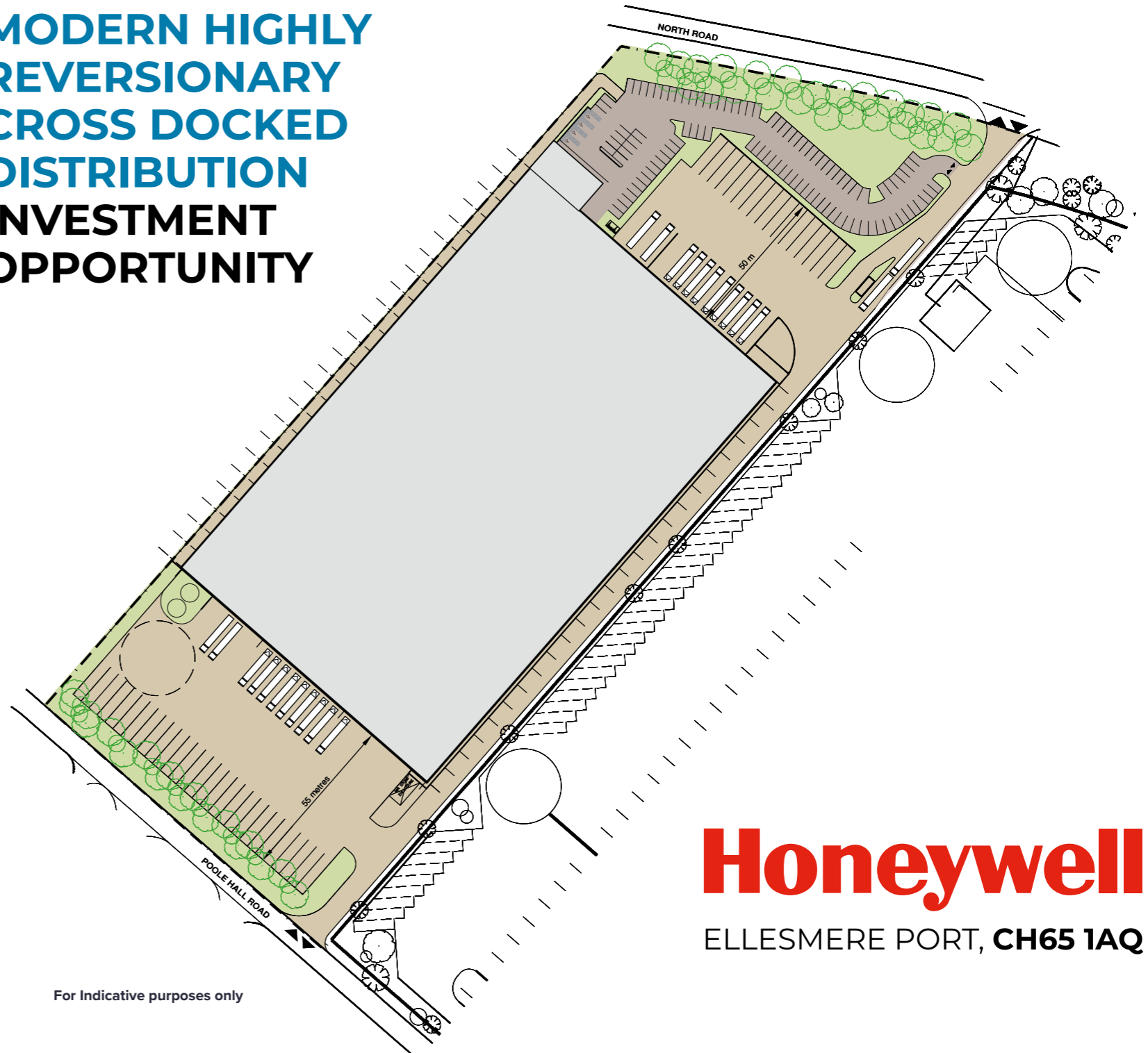
The property has been measured in accordance with the RICS Code of Measuring Practice (6th Edition) and provides the following gross internal floor areas:-

| Description                    | Area (sq m)   | Area (sq ft)   |
|--------------------------------|---------------|----------------|
| Warehouse                      | 19,057        | 205,128        |
| Ground Floor Offices / Amenity | 244           | 2,632          |
| First Floor offices            | 226           | 2,431          |
| <b>Total</b>                   | <b>19,527</b> | <b>210,191</b> |

## SITE

The site extends to a total area of 3.96 ha (9.79 acres), representing a low site cover of 49%.

# MODERN HIGHLY REVERSIONARY CROSS DOCKED DISTRIBUTION INVESTMENT OPPORTUNITY



# Honeywell

ELLESMERE PORT, CH65 1AQ

For Indicative purposes only



# TENANCY

The property is let on a 10-year lease to Novar ED&S Ltd (t/a Honeywell) on the following terms:

| Tenant           | Guarantor     | Area (sq ft) | Lease Start | Lease End  | Rent (£pa)    | Rent (£psf) | ERV (£pa)     | ERV (£psf) | Rent Review                                    | Comments   |
|------------------|---------------|--------------|-------------|------------|---------------|-------------|---------------|------------|--|--|
| Novar ED & S Ltd | Barclays Bank | 210,191      | 08/11/2019  | 07/11/2029 | £1,112,585.25 | £5.29       | £1,418,789.25 | £6.75      | 07/11/2024<br>(Higher of passing rent or OMRV) | FRI Lease (subject to a Schedule of Condition)<br>Inside L&T 1954 Act<br>Barclays Bank rental guarantee capped at £1,335,102.30 (expiring 31 October 2031)<br>A tenant break option on 8 November 2025 has been removed in return for 8 months half rent - expiring 23 February 2024 (to be topped up by the vendor) |

## TENANTS COVENANT

Novar ED&S Limited - Company Number: 00189291.

Novar ED&S Limited is owned by **Honeywell International Inc (FY 2022 revenue of \$35.47 billion)**, which is an American publicly traded, multi conglomerate corporation operating in four areas of business: aerospace, building technologies, performance materials and technologies, and safety productivity solutions.

Honeywell is committed to sustainability and has committed to making all their facilities and operations carbon neutral by 2035. Every year they are allocating up to \$50 million to internal projects that support this target, including converting to renewable energy sources, completing capital improvement projects at their sites, electrifying their fleet of company vehicles, and using credible carbon offsets.

Honeywell have 5 industrial facilities worldwide, with the subject property in Ellesmere Port being their sole facility in the UK.

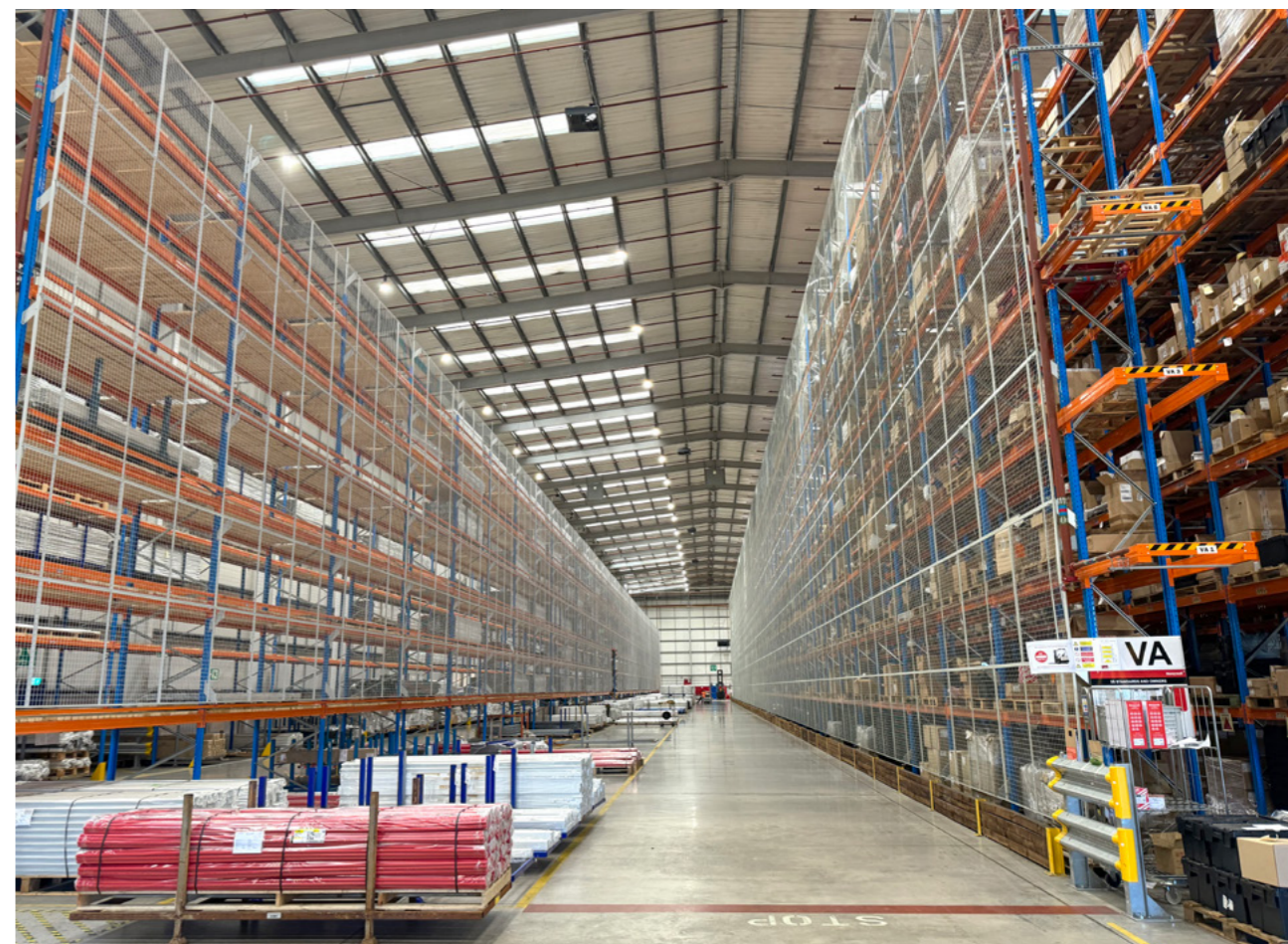
Novar ED&S Limited (t/a Honeywell) have a Dun & Bradstreet rating of 5A3 and have published the following accounts:

|                       | YE 31/12/2022 | YE 31/12/2021 | YE 31/12/2020 |
|-----------------------|---------------|---------------|---------------|
| Turnover              | £81,607,000   | £91,231,000   | £81,098,000   |
| Pre-tax profit (loss) | (£7,665,000)  | £736,000      | (£4,799,000)  |
| Net Current Assets    | £27,257,000   | £38,855,000   | £35,588,000   |
| Shareholders Funds    | £120,244,000  | £220,494,000  | £179,398,000  |

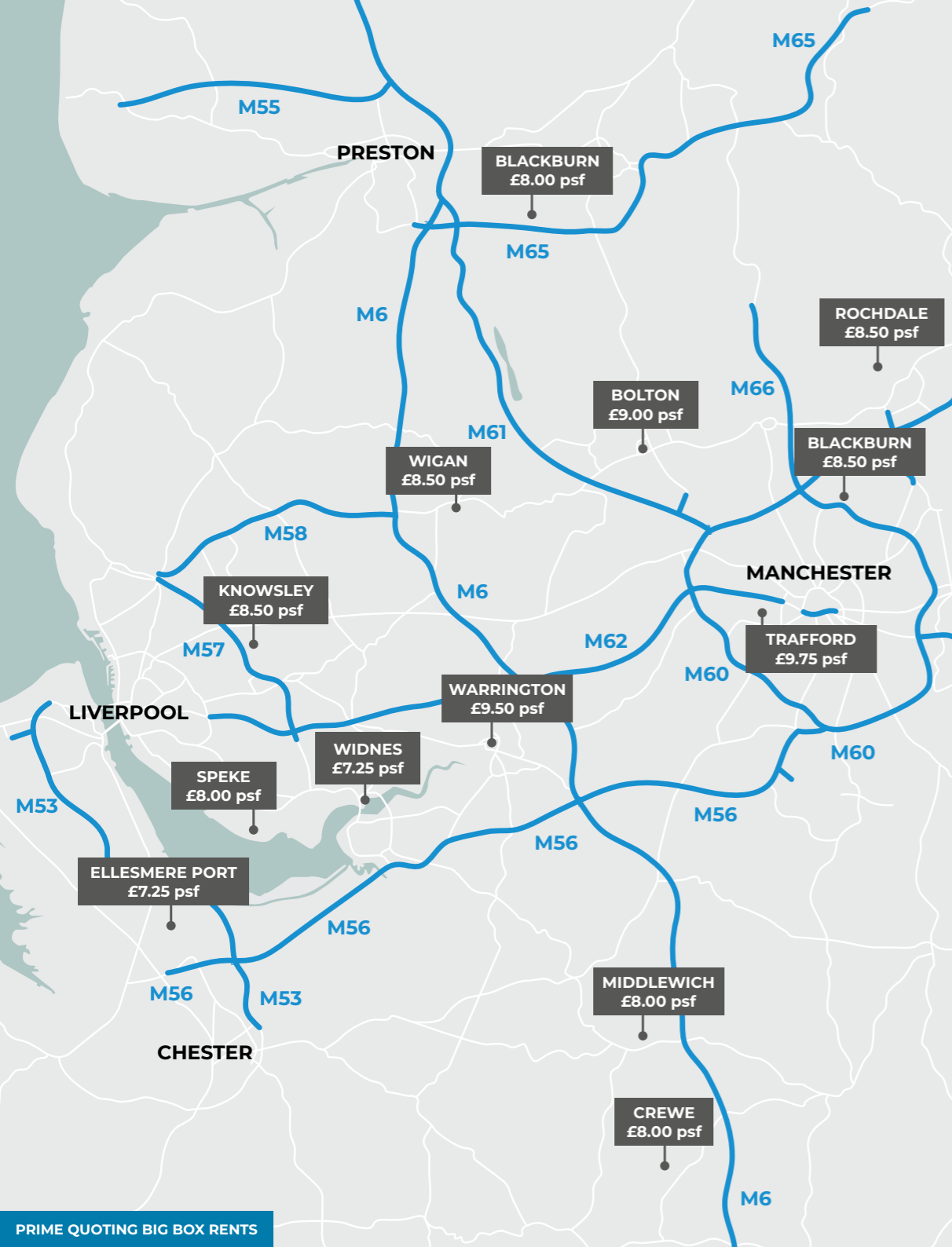
In addition, there is a **bank guarantee provided by Barclays Bank**. The guarantee is to cover payment of the rent reserved by the lease if the tenant is in default, has failed to pay or would be liable to pay. There is a cap on the guarantee to not exceed £1,335,102.30.

For further details on Honeywell, click here - [www.honeywell.com/us/en](http://www.honeywell.com/us/en)

# Honeywell







## OCCUPATIONAL MARKET COMMENTARY

2023 saw the return of a more normalised industrial occupational market, with transactional volumes closer to pre-covid levels, after 2-3 years of unprecedented levels of demand and record transactions. In the North West H1 2023 there were 9 big box transactions totalling 1.5 million sq ft which was in line with the 10 year regional H1 average.

The main driver of the logistics market over recent years has been the growth of the 3PL, food retailer, food processor, manufacturing and e-commerce sectors. This has resulted in unprecedented take-up of premises which has consequentially impacted on the availability of well-located employment land.

In the North West there is still a significant imbalance between supply and demand, as increasing numbers of businesses seek sites for distribution and warehouse facilities in strategic locations, with easy access to the region's major transport networks.

Ellesmere Port has consistently proved attractive to distribution and manufacturing occupiers being located within close proximity to land, air and sea connectivity. Furthermore there is a significant workforce population in the surrounding area.

Prime distribution rents in the North West are now firmly established in the £8.50 - £9.50 psf bracket, and we expect this growth to continue given the lack of development coming forward, and the continued occupational demand

Key recent lettings in the North West are as follows:

| Date    | Address                      | Tenant                         | Size    | Term    | Rent psf      |
|---------|------------------------------|--------------------------------|---------|---------|---------------|
| -       | Omega Loop, Warrington       | Available                      | 308,000 | -       | Quoting £9.50 |
| -       | Ergo Oldham 369, Oldham      | Available                      | 369,000 | -       | Quoting £8.50 |
| Q3 2023 | *Solar 120, Warrington       | J.K.Phillips                   | 120,000 | 15      | £8.75         |
| Q3 2023 | *Real 257, Warrington        | Stapleton Tyres                | 257,000 | 15 (10) | £7.25         |
| Q2 2023 | MA6:149, Middlewich          | Jet2                           | 149,000 | 15      | £7.50         |
| Q2 2023 | *Unit F Spectrum BP, Wrexham | Dearboy                        | 115,000 | 10      | £6.50         |
| Q2 2023 | *Unit 3 Omega, Warrington    | Scientific Games International | 91,000  | 15 (10) | £9.50         |
| Q1 2023 | PLP Crewe 460, Crewe         | TK Maxx                        | 460,000 | 15      | £7.50         |
| Q4 2022 | Aviator 80, Ellesmere Port   | Gwynedd Shipping               | 81,000  | 10      | £7.50         |
| Q4 2022 | *Ark, Trafford Park          | Supreme Imports                | 166,000 | 15      | £8.05         |
| Q2 2022 | Stakehill 185, Middleton     | Fanatics                       | 185,000 | 15      | £7.75         |
| Q2 2022 | Alpha 167, Warrington        | Sykes Seafood                  | 167,000 | 20      | £7.85         |
| Q2 2022 | Monarch 330, Rochdale        | Danish Crown                   | 328,000 | 15      | £7.50         |

\* Denotes second hand refurbished units



## INVESTMENT MARKET COMPARABLES

| Date        | Address   | Tenant   | Size (Sq Ft) | Term Certain (Years) | Rent (psf) | Price        | NIY   | Capital Value (psf) |
|-------------|---|--|--------------|----------------------|------------|--------------|-------|---------------------|
| Under offer | Iron Mountain, Appleton Thorn, Warrington           | Iron Mountain  | 106,000      | 7.00                 | £5.80      | £12,130,000  | 4.75% | £114                |
| Dec 2023    | Yusen Logistics, Grange Park, Northampton           | Yusen Logistics  | 161,255      | 1.80                 | £6.36      | £19,800,000  | 4.88% | £123                |
| Nov-2023    | Castlewood Business Park, Nottingham                | Co-op  | 480,000      | 9.00                 | £6.15      | £49,370,000  | 5.60% | £103                |
| Sept-2023   | Coventry Logistics Park                             | DHL & Geodis & Viad                                    | 784,989      | 11.81                | £8.28      | £140,400,000 | 4.52% | £179                |
| Aug-2023    | Great Bear Distribution, Northampton                | Great Bear   | 102,000      | 2.73                 | £6.08      | £12,750,000  | 4.56% | £125                |
| Aug-2023    | Card Factory, Wakefield                             | Card Factory   | 134,646      | 5.00                 | £5.75      | £13,225,000  | 5.50% | £98                 |
| Aug-2023    | Butchers Pet Care, Crick, Northampton               | Butchers Pet Care                                      | 386,000      | 13.50                | £5.75      | £40,385,000  | 5.00% | £105                |
| Jun-2023    | DHL, Hams Hall Distribution Park, Birmingham        | DHL  | 177,801      | 3.40                 | £6.64      | £25,000,000  | 4.42% | £141                |
| Jun-2023    | Gorsey Point, Widnes                                | SCCL (NHS Supply Chain) & Kammac & Vacant (guaranteed) | 707,960      | 4.30                 | £8.80      | £89,000,000  | 5.30% | £126                |
| May-2023    | DHL, Stirling Park, Solihull                        | DHL  | 143,700      | 5.50                 | £6.32      | £20,750,000  | 4.10% | £144                |
| Apr-2023    | Gefco, Speke  | Gefco  | 131,000      | 4.00                 | £6.33      | £15,250,000  | 5.10% | £116                |
| Mar-2023    | DSV & Coloplast, Peterborough Gateway, Peterborough | DSV & Coloplast  | 438,444      | 6.50                 | £5.31      | £53,800,000  | 4.25% | £119                |
| Feb-2023    | Amazon, Logistics North, Bolton                     | Amazon   | 399,267      | 15.00                | £5.81      | £43,462,000  | 5.00% | £109                |
| Jan-2023    | Smyths Toys, Corby                                  | Smyths Toys  | 249,055      | 8.56                 | £5.95      | £30,834,000  | 4.50% | £124                |
| Jan-2023    | Farmfoods, Warrington                               | Farmfoods  | 246,136      | 24.86                | £6.91      | £32,000,000  | 4.96% | £130                |
| Jul-2022    | Domino, Bootle                                      | Domino   | 170,000      | 20.00                | £6.11      | £24,335,000  | 4.00% | £143                |
| Jun-2022    | Peugeot, Ellesmere Port                             | Peugeot  | 667,185      | 15.00                | £5.75      | £102,500,000 | 3.75% | £154                |



## EPC

The property has an EPC rating of B.

A certificate is available upon request.

## VAT

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

## DATA ROOM

Data room access is available upon request.

## ANTI MONEY LAUNDERING

In accordance with Anti-Money Laundering Regulations, two forms of identification and confirmation of the source of funding will be required from the successful purchaser.

## CONTACTS

To discuss the opportunity, or to arrange an inspection please contact:

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RB&Co 0161 833 0555. www.richardbarber.co.uk

## PROPOSAL

We are instructed to seek offers in excess of **£18,950,000 (Eighteen Million Nine Hundred and Fifty Thousand Pounds)** subject to contract and exclusive of VAT.

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