

INVESTMENT FUNDING OPPORTUNITY



SOUTH TRAFFORD HEALTH + WELL-BEING CENTRE ALTRINCHAM

PRE-LET FOR
30 YEARS TO  *Property Services*

A development by





INVESTMENT OPPORTUNITY

To provide development finance for the South Trafford Health & Well-being Centre, located on an island site in Altrincham town centre.

The Centre provides multi-agency health provision and advisory services as well as being the new home for 3 local GP surgeries. The Centre has been designed to a the latest NHS specification and will offer a state of the art facility to patients, visitors and staff.

- + CityBranch Healthcare Ltd, a well established local developer who developed the new Altrincham Hospital in 2014/15, will deliver the scheme
- + Upon Practical Completion, the Centre will be let to NHS Property Services by way of a 30 year FR&I income strip lease structure
- + Proposed commencing rent of £1,311,280 pa. exclusive with annual, RPI-linked rent reviews (Collar and Cap at 0% and 3%)
- + Freehold interest for sale
- + The Centre will be managed and operated by Trafford Clinical Commissioning Group and underlet to a number of healthcare providers and General Practice Surgeries
- + Part of the ground floor has been sold off on a 125 year long lease to Trafford Council to operate a library and part will be retained by the developer

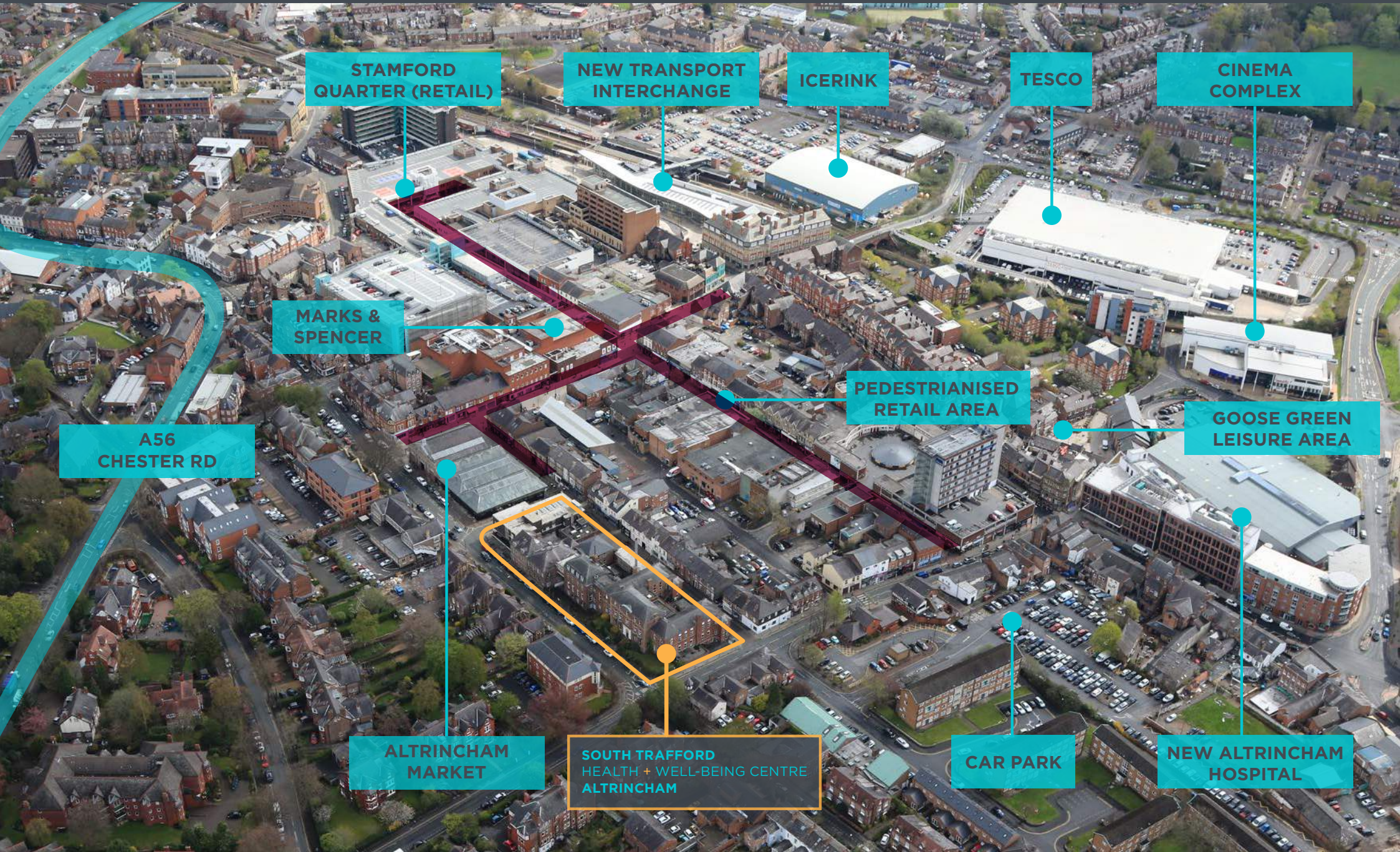
Offers of funding are sought at a net initial yield of 4.25% or better.



Upon Practical Completion, the entire Centre will be let to NHS Property Services by way of a 30 year FR&I income strip lease structure



ALTRINCHAM TOWN CENTRE



STAMFORD
QUARTER (RETAIL)

NEW TRANSPORT
INTERCHANGE

ICERINK

TESCO

CINEMA
COMPLEX

MARKS &
SPENCER

PEDESTRIANISED
RETAIL AREA

GOOSE GREEN
LEISURE AREA

A56
CHESTER RD

ALTRINCHAM
MARKET

SOUTH TRAFFORD
HEALTH + WELL-BEING CENTRE
ALTRINCHAM

CAR PARK

NEW ALTRINCHAM
HOSPITAL



SITUATION & SITE

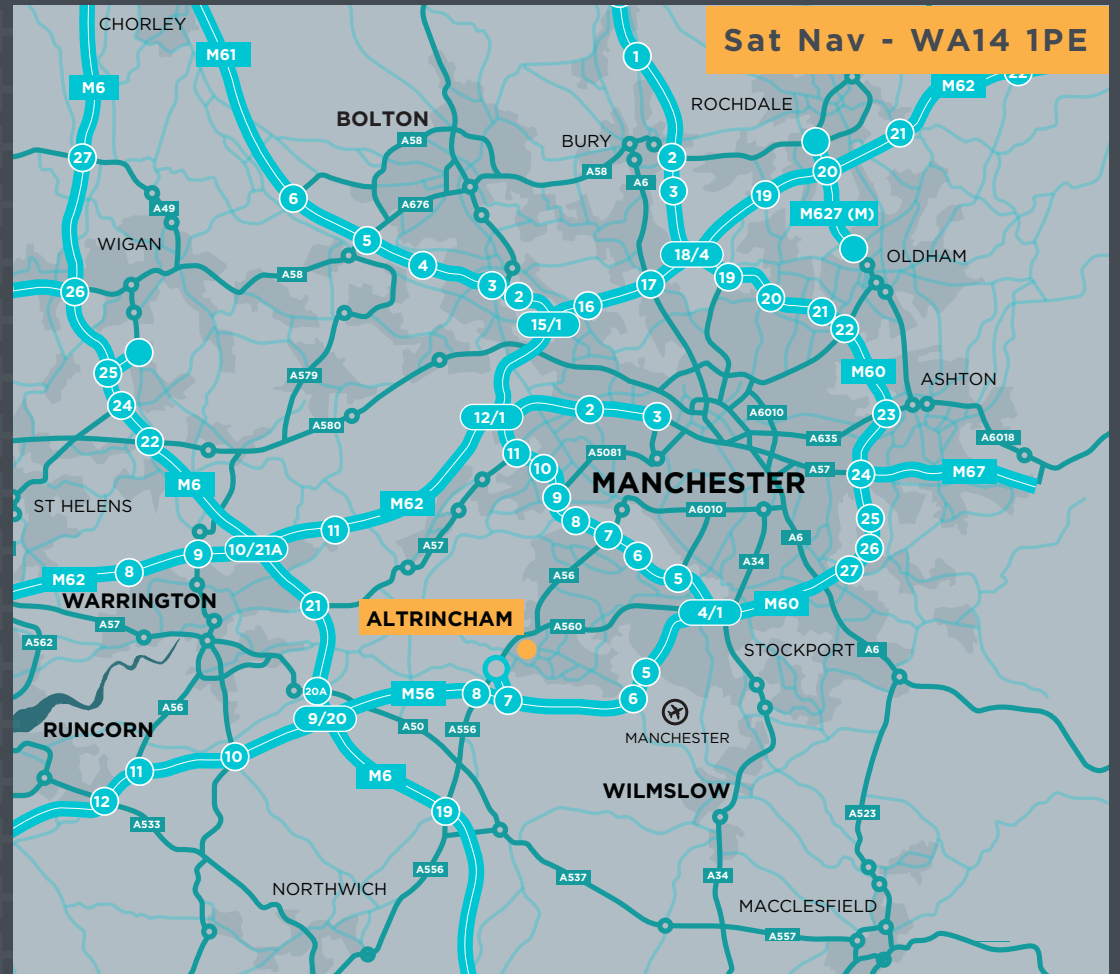
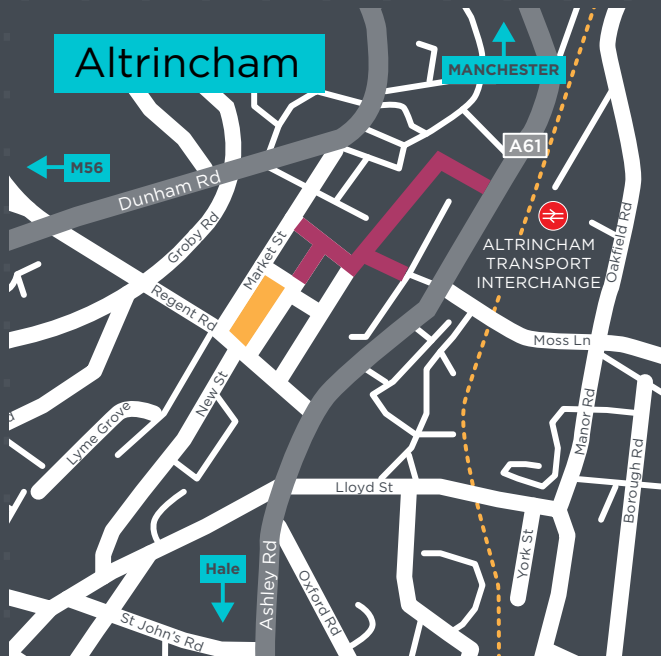
The subject site is bounded by Market Street, Regent Road, Pott Street and Greenwood Street on the site of the former Altrincham General Hospital in Altrincham town centre. The building is extremely well located adjacent to the reinvigorated Altrincham market, the rejuvenated Stamford Quarter, and within 100 metres of the town's main retail amenities on George Street.





ALTRINCHAM

- + Altrincham is a vibrant Cheshire market town at the heart of one of the most affluent catchment areas in the United Kingdom
- + Altrincham is situated 8 miles south west of Manchester City Centre and enjoys excellent connections by Road, Rail, Metrolink and Air
- + The town centre offers an excellent collection of retail and leisure amenities within a vibrant and expanding town centre



DEMOGRAPHICS

- + 1.36 million live within 10 miles
- + Over 57% of residents in social grades A, B, C1
- + Over 67% of properties are owner occupied
- + Average detached house price is £417,000 compared to £355,000 in England and Wales



TRANSPORT LINKS

Altrincham's new Transport Interchange opened in November 2014 at a cost of £19 million and offers bus, rail and Metrolink services.



Hourly service to Chester, Manchester and Stockport



Service runs every 6 minutes to Manchester city Centre (23 minutes)



Regular local services with destinations including Warrington, Trafford Centre and Manchester Airport



M60 Junction 7 (3 miles) and M56 Junction 3 (2.0 miles) via the A56 thus providing immediate access to the national motorway network.



Manchester Airport (4.5 miles) to the east of the town, is the UK's third largest airport handling circa 22 million passengers a year with flights to over 225 destinations - more than any other UK airport.





ALTRINCHAM REGENERATION

ALTRINCHAM MARKET

The award winning Altrincham market was transformed in 2014 after significant investment, providing it with a 180 seat dining area. The market is now home to the region's finest independent, artisan food and drink outlets and caters to over 7,000 diners a week.

Various new restaurants and bar operators have been attracted to the town as a result of the market.





STAMFORD QUARTER

Planning permission has been granted to modernise and revitalise the Stamford Quarter shopping district and bring Stamford Square in line with the significant improvements already made on George Street and throughout the town centre.





DESCRIPTION

The new South Trafford Health and Well-being Centre has been designed in collaboration with NHS Property Services, Trafford Clinical Commissioning Group (CCG) and Trafford Council. The scheme centres on social and healthcare integration and will provide cohesive public health services, GP practices, and enhanced community facilities.

The development will contribute to the ambitions for the redevelopment of Altrincham town centre and will provide a 21st century health and Well-being facility that is fit for the needs of the local community.

The scheme has been designed around the original “Queen Anne” façade of the existing hospital with new elevations adopting a modern interpretation of the classical design. The resulting proposal is a carefully tiered 4 storey development comprising:

- Basement** 103 car spaces, accessed off Greenwood Street
- Ground floor** Main entrance and arrival area fronting Market Street. clinical suite with out of hours services facilities management department. Library, Pharmacy & café.
- First floor** 3 General Practitioner’s surgeries and associated support.
- Second floor** Therapy services. Staff facilities.
- Third floor** Open plan staff spaces. Plant room and services.

Part of the ground floor, will comprise Altrincham Library, a café and a pharmacy, each with independent access and held on a separate 125 year lease.

Planning Full detailed planning approval for the development was obtained from Trafford Council on the 15th February 2016.

The design proposals for the overall scheme propose a new public square within Pott Street that extends to Greenwood street and Market Street and an improved street scene throughout.

BEFORE



AFTER





SPECIFICATION



The new development will comprise a single building developed over basement, ground and 3 upper floors. The scheme has been designed and costed based on the latest 'NBS' specification and incorporates;

- + Concrete Frame construction with suspended in-situ floor beams.
- + Mix of brickwork, cladding panels and glazed curtain wall cladding.
- + Flat roof.
- + Gas fired central Heating with Air Conditioning to specific clinical areas.
- + Raised access floors to office areas.
- + 4 passenger Lifts.

Individual "Room Data Sheets" have been prepared and approved by the various occupiers of the Centre. The sheets provide a detailed statement of all finishes to the building.





DEVELOPMENT PROGRAMME

Line	Name	Start	Finish	2016												2017												2018	
				Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb			
	South Trafford Health and Well-being Hub	25/04/2016	19/02/2018																										
1	Consultant Appointments	25/04/2016	06/05/2016																										
2	Preparation and Brief	25/04/2016	20/05/2016																										
3	Surveys	02/05/2016	03/08/2016																										
4	Design (RIBA)	25/04/2016	27/03/2017																										
5	Design Stage 3	25/04/2016	12/08/2016																										
6	Design Stage 4	14/11/2016	27/03/2017																										
7	Planning (Discharge of conditions)	03/05/2016	25/07/2016																										
8	Demolition	27/06/2016	31/10/2016																										
9	Contractor Procurement	25/04/2016	11/11/2016																										
10	Siteworks	31/10/2016	19/02/2018																										

Build Stages:

Design

Construction Phase

Statutory Consents

Procurement





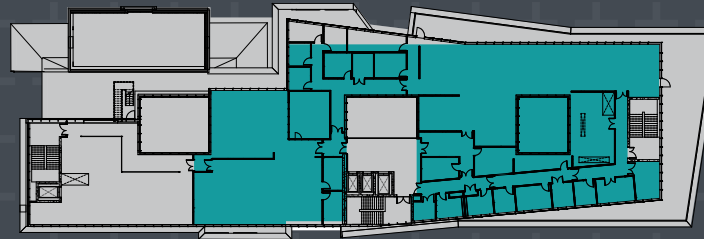
ACCOMMODATION

NETT LETTABLE AREA

	SQ M
Childrens	325.7
Clinical Suite	676.2
FM Zone	175.8
GMS Accommodation	1967.1
Main Arrival Zone	170.7
Staff Zone & Offices	1618.4
Therapy / Counselling	1055.5
TOTAL	5989.5

DEMISE AREA KEY

-  Area within Headlease 1
-  Area within Headlease 2



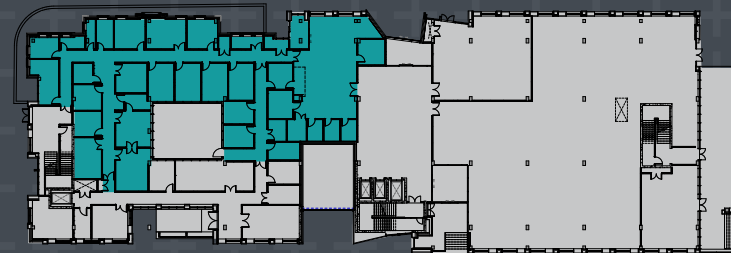
Third Floor



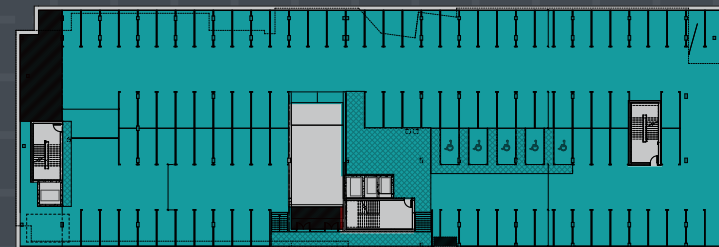
Second Floor



First Floor



Ground Floor



Basement



BASEMENT



DEMISE AREA KEY



Area within Headlease 1



Area within Headlease 2



GROUND FLOOR



DEMISE AREA KEY



Area within Headlease 1



Area within Headlease 2



FIRST FLOOR



DEMISE AREA KEY



Area within Headlease 1



Area within Headlease 2



SECOND FLOOR



DEMISE AREA KEY



Area within Headlease 1



Area within Headlease 2



THIRD FLOOR



DEMISE AREA KEY



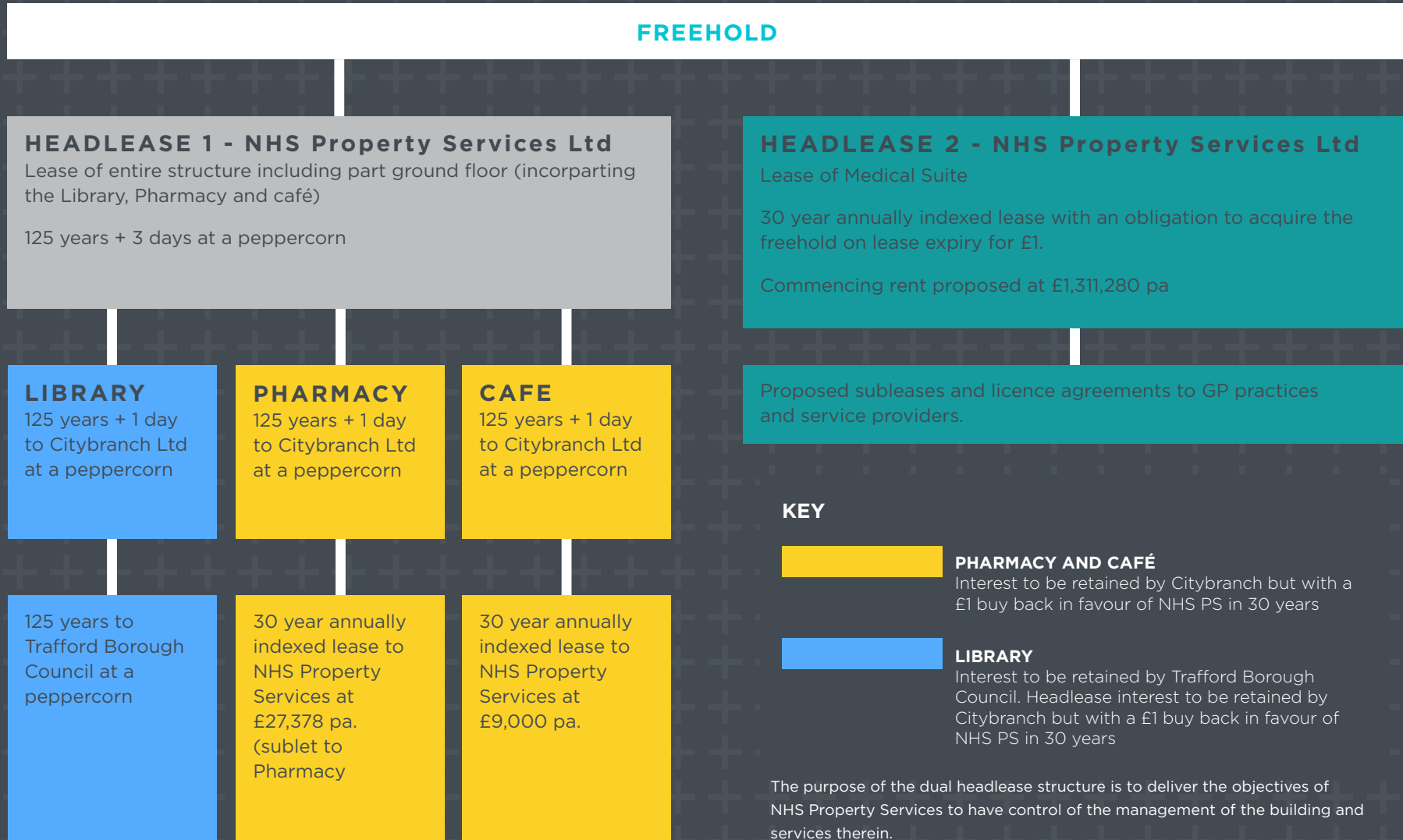
Area within Headlease 1



Area within Headlease 2



TENURE & TENANCY STRUCTURE



HEADLEASE 1 - NHS Property Services Ltd

Lease of entire structure including part ground floor (incorporating the Library, Pharmacy and café)

125 years + 3 days at a peppercorn

HEADLEASE 2 - NHS Property Services Ltd

Lease of Medical Suite

30 year annually indexed lease with an obligation to acquire the freehold on lease expiry for £1.

Commencing rent proposed at £1,311,280 pa

LIBRARY

125 years + 1 day to Citybranch Ltd at a peppercorn

PHARMACY

125 years + 1 day to Citybranch Ltd at a peppercorn

CAFE

125 years + 1 day to Citybranch Ltd at a peppercorn

125 years to Trafford Borough Council at a peppercorn

30 year annually indexed lease to NHS Property Services at £27,378 pa. (sublet to Pharmacy)

30 year annually indexed lease to NHS Property Services at £9,000 pa.

KEY

PHARMACY AND CAFÉ

Interest to be retained by Citybranch but with a £1 buy back in favour of NHS PS in 30 years

LIBRARY

Interest to be retained by Trafford Borough Council. Headlease interest to be retained by Citybranch but with a £1 buy back in favour of NHS PS in 30 years

The purpose of the dual headlease structure is to deliver the objectives of NHS Property Services to have control of the management of the building and services therein.



TENANCIES

A combination of Headlease 1 and Headlease 2 provide the purchaser with the security of an overriding lease structure to NHS Property Services Ltd

HEADLEASE 2

Tenant NHS Property Services Ltd

Demise Interior of the building areas known as the Medical Suite i.e. excluding Library, Café, Pharmacy

Term 30 Years. The lease is to be drawn out in accordance with the Landlord and Tenant act

Repairing Internal obligations only

Insurance The landlord insures and recovers the cost from the tenant

Proposed Initial Annual Rent £1,311,280 per annum (inclusive of 103 car parking spaces at £1,000 per annum)

Rent Review the rent is to be reviewed annually in line with an index equivalent to the Retail Price Index (RPI), with a Rent Collar at 0%

User B1 / D1 (restricted to Surgery, Clinic, Pharmacy, Health Centre or other community social care purposes)

Alienation Permitted only to successor body of the NHS Property Services or Health Service body of equivalent financial standing, and with Headlease 1 to same assignee simultaneously

Under Tenancies The tenant may underlet the premises, subject to landlord's consent

Forfeiture Forfeiture provision which, if exercised, imposes an obligation to surrender Headlease 1 to allow the landlord back control of building.

Security of Tenure Contracted outside the security of tenure provisions within the Landlord and Tenant Act 1954

HEADLEASE 1

Tenant NHS Property Services Ltd

Demise Structure of the building, all common parts and Library, Café and Pharmacy but excluding the Medical Suite

Term 125 years + 3 days

Repairing To maintain and repair the external areas of the building and all common parts of the building

Insurance The landlord insures and recovers the cost from the tenant

Estimated Initial Annual Rent Peppercorn

User Use as Library (D1), Café (A3), Pharmacy (only to be used as retail, pharmacy, chemist or drug store) or any other use as agreed with landlord consents

Alienation Permitted only to successor body of the NHS Property Services or Health Service body of equivalent financial standing, and with Headlease 2 to same assignee simultaneously

Sub Tenancies The head lease will be subject to 3 subleases of 125 years plus 1 day to City branch Ltd at a peppercorn rent

Security of Tenure Contracted outside the security of tenure provisions within the Landlord and Tenant Act 1954



TENANCIES

A combination of Headlease 1 and Headlease 2 provide the purchaser with the security of an overriding lease structure to NHS Property Services Ltd

HEADLEASE 1

Tenant NHS Property Services Ltd

Demise Structure of the building, all common parts, Café and Pharmacy but excluding the Medical Suite

Term 125 years + 3 days

Repairing To maintain and repair the exterior of the building and all common parts of the building

Insurance The landlord insures and recovers the cost from the tenant

Estimated Initial Annual Rent Peppercorn

User Use as Library (D1), Café (A3), Pharmacy (retail, pharmacy, chemist or drug store) with the landlord's consent

Alienation Permitted only to successor body of NHS Property Services or Health Service body of equivalent financial standing, and with Headlease 2 to same assignee simultaneously

Sub Tenancies The head lease will be subject to the provisions within the Landlord and Tenant Act 1954

Security of Tenure Contracted outside the security of tenure provisions within the Landlord and Tenant Act 1954

HEADLEASE 2

Tenant NHS Property Services Ltd

Demise Interior of the building areas known as the medical suite i.e. excluding Library, Café, Pharmacy and common parts.

Term 30 Years. The lease is to be drawn outside the terms of the Landlord and Tenant act

Repairing Internal obligations only

Insurance The landlord insures and recovers the cost from the tenant

Proposed Initial Annual Rent £1,311,280 per annum / £18.74 psf (inclusive of 103 car parking spaces at £1,000 per space)

Rent Review the rent is to be reviewed annually at a rate equivalent to the Retail Price Index (RPI), with a Cap at 3% and Collar at 0%

User B1 / D1 (restricted to Surgery, Clinic, Primary Health Care Centre or other community social care purposes)

Alienation Permitted only to successor body of the NHS Property Services or Health Service body of equivalent financial standing, and with Headlease 1 to same assignee simultaneously.

Under Tenancies The tenant may underlet whole or part subject to landlord's consent

Forfeiture Forfeiture provision which, if exercised, triggers an obligation to surrender Headlease 1 to allow Landlord to take back control of building.

Security of Tenure Contracted outside the security of tenure provisions within the Landlord and Tenant Act 1954



TENANT

The property operates under two head leases, both of which are let to NHS Property Services Ltd (NHS PS).

NHS PS are a limited company established in April 2013 who manage, maintain and improve 3,500 properties, working with NHS organisations to create safe, efficient, sustainable and modern healthcare and working environments.

The Secretary of State for Health is the sole shareholder in NHS PS, and has an **irrevocable indemnity** which ensures payment, on demand of all valid payment obligations of NHS PS arising from any of NHS PS properties for such time as NHS PS is the head tenant (or equivalent counterparty) of the relevant facilities. In doing this, the Secretary of State for Health ensures that NHS PS is always in a position to meet its obligations in respect of assets.



Property Services

The Secretary of State for Health ensures that NHS PS is always in a position to meet its obligations in respect of assets.



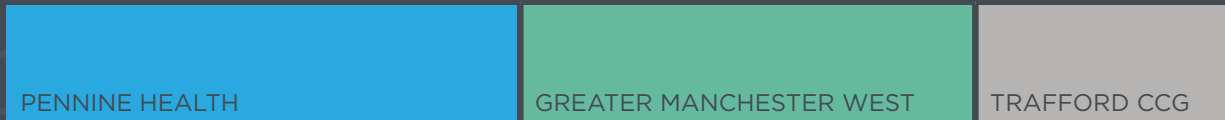
OCCUPIERS

THIRD FLOOR



Greater Manchester West **NHS**
Mental Health NHS Foundation Trust

SECOND FLOOR



Pennine Care **NHS**
NHS Foundation Trust

FIRST FLOOR



NHS
Trafford
Clinical Commissioning Group

GROUND FLOOR



TRAFFORD
COUNCIL

BASEMENT





DEVELOPER



Citybranch was established in 1982 and is an award-winning property development and investment company based in South Manchester. Over the past 30 years, the Company has acquired, developed and disposed of a variety of commercial and residential opportunities throughout the UK, concentrating predominantly in the North West.

Citybranch continues to evolve to the changes in the economic climate and trends in development; most recently embarking on exciting projects such as the redevelopment of Hale Barns shopping precinct in and the new Altrincham Hospital in partnership with Central Manchester Foundation Trust.

Citybranch has a very defined management structure that allows instant decisions without the restrictions of a corporate veil. The company takes a very personal interest in every project as their reputation is extremely important. With over 25 years in the market the company has built up a vast array of commercial contacts.





DEVELOPER CASE STUDY

ALTRINCHAM HOSPITAL

Central Manchester Foundation Trust appointed Citybranch as the preferred developer to provide Altrincham with a brand new state-of-the-art hospital.

This impressive facility has been built on Railway Street, a key route in Altrincham town centre, and replaces the old Victorian hospital on Market Street.

The new high quality 75,000 sq ft community hospital, accommodates all the current healthcare services in a purpose built and user friendly facility.

Development value circa £18m.





DEVELOPER CASE STUDY

THE SQUARE, HALE BARNES

The Square shopping centre is situated in prosperous Hale Barnes near Altrincham.

Originally constructed in the 1960s, the old shopping centre had long failed to deliver the quality of retail provision required in this affluent suburb of Manchester.

Planning consent was secured to develop a 30,000 sq ft food store (pre-let to Booths foodstore), 12,000 sq ft of additional retail space and 24 exclusive residential units.

The scheme was developed in partnership with U & I Plc and forward funded by a client of CBRE Global Investors in April 2014.

Development value circa 25m.





FUNDING PROPOSAL

Our clients are seeking proposals to fully fund the development with the benefit of the pre-let to NHS Property Services Ltd.

Two alternative funding structures will be considered by our client, namely

+ Traditional Funding with Interim Finance

A proposal is sought in which the funder acquires the land at Day One and provides interim funding through the development period, with a balancing payment payable on Practical completion of the development and completion of the lease.

+ A Developer Lease

A proposal is sought in which the Funder deposits the full investment value into ESCROW at Day One and draws a coupon (at a level equivalent to the purchase yield) through the course of construction.

Parties should state the maximum financial commitment (net of funder's costs,) they are willing to make for the project, assuming that the commencement date for the NHS Property Services Ltd lease will be within 14 days from the date of practical completion.

In terms of a guideline for proposals, our client is seeking a figure reflecting a minimum 4.25% net initial yield, which based on the rent as stated in the development appraisal equates to circa £29,600,000 (although subject to change, assuming any SDLT savings are shared equally).





OFFER PROCESS

Initial proposals are to be submitted by 12pm on Thursday 30th June 2016 and are to comprise:

- + Identity of the party or parties submitting the proposal
- + Source of funding including a clear statement of what approvals (and timing of such approvals) are required before an unconditional offer can be made
- + Evidence of funding similar projects
- + Advisers
- + Financial proposals identifying the maximum commitment net of funders costs, forward funding finance rate, investment yield and assumptions regarding SDLT and VAT
- + Proposed transaction timescale

Following receipt of bids, CityBranch are likely to invite a selected number of parties to meet for an informal interview and information gathering discussion. It is anticipated those interviews will take place in early July 2016.

Following this our client intends to select a preferred funding partner and move to complete the funding agreement by the 1st September 2016.

VAT

The property is registered for VAT purposes and bidders should assume at this stage that VAT will be payable on the full purchase price.

It is anticipated that the sale will be undertaken as a TOGC.

Capital Allowances

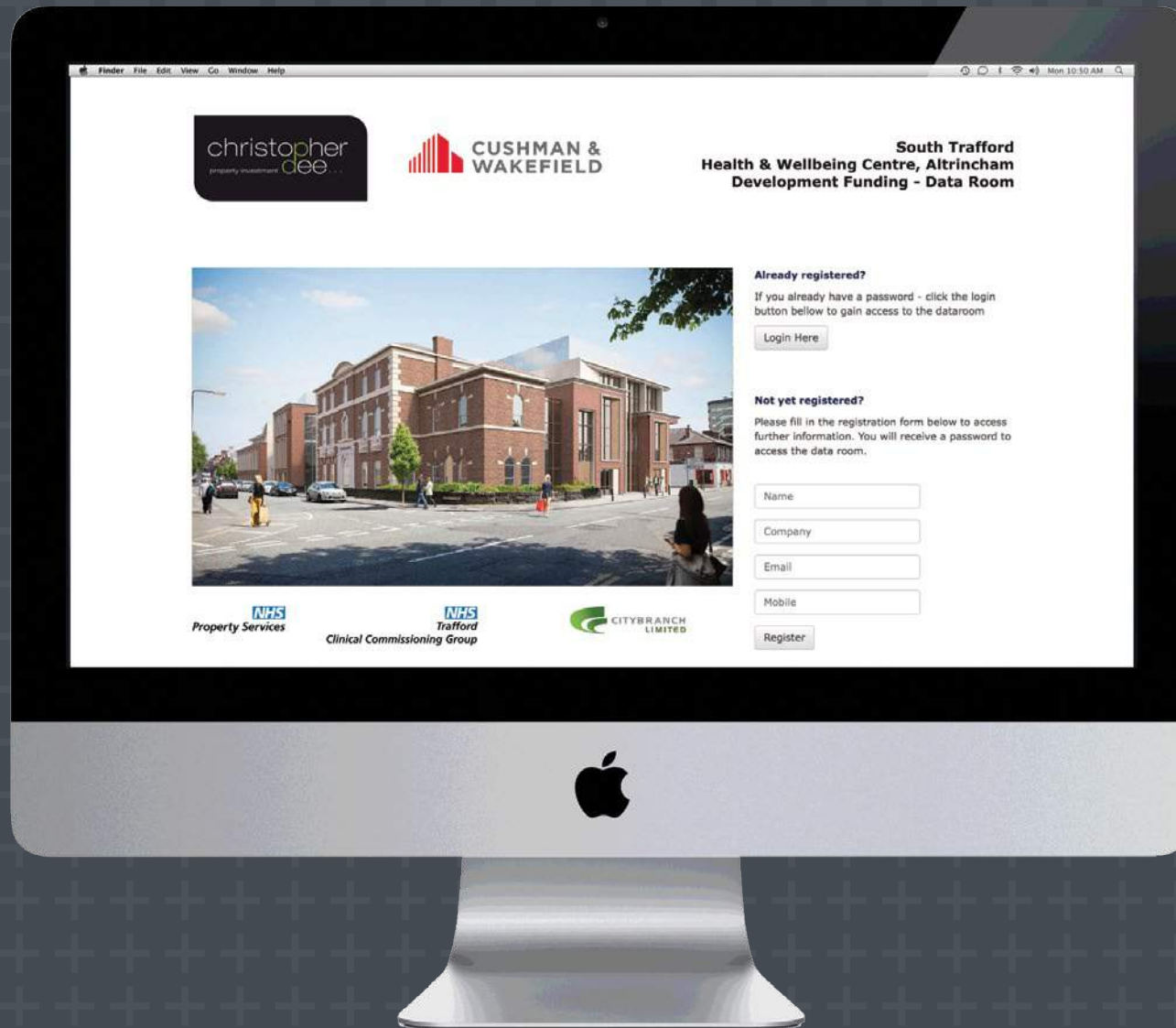
The availability of capital allowances should not be made a condition of any offer.

PLEASE NOTE:

Our client is not obligated to accept the highest offer, or indeed any offer for the property.



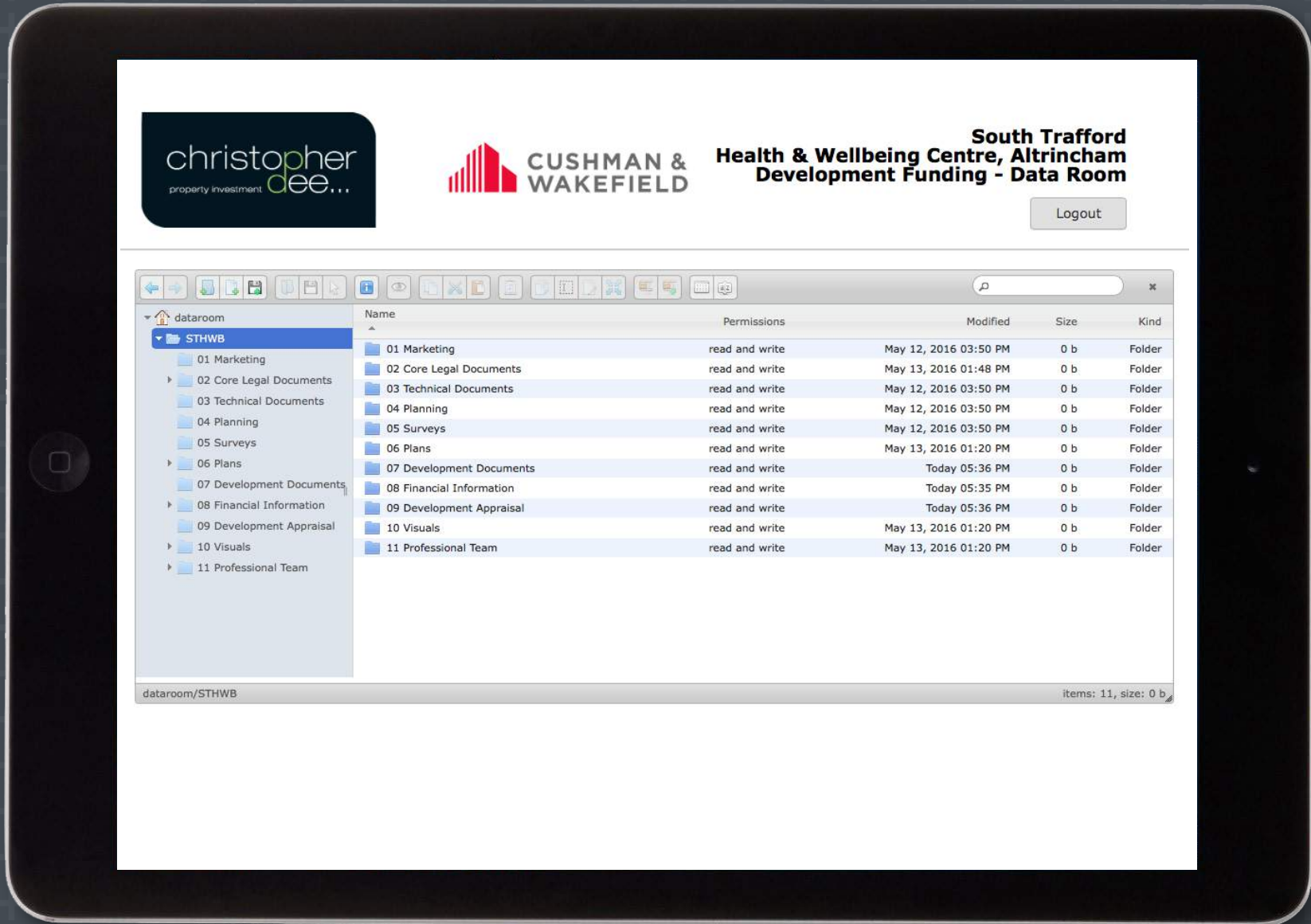
DATAROOM



A data room containing all the relevant technical and legal detail enabling the funding partner and their advisors to evaluate the opportunity is available and accessible via the following link: <http://askdataroom.co.uk/Well-being/>



DATAROOM





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 **CUSHMAN &
WAKEFIELD**

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