



Secure long-term office investment For Sale
Unit 1 Wellfield Business Park, Chester Road
Preston Brook WA7 3AZ

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Investment Summary

- Established commercial location adjacent to junction 11 M56 with good accessibility to Manchester, Chester, Warrington and Manchester Airport
- Prominent business park with high visibility from the M56 and A56
- Modern two-storey B1 facility providing 7,805 sq ft net with 26 car parking spaces
- Freehold
- Let on a FRI lease expiring 30 April 2027 (9.6 years unexpired) to Phoenix Medical Supplies Limited
- Current rent £93,600 per annum (only £12.00 psf) with potential reversion to up to £101,500 per annum (£13.00 psf)
- Phoenix Medical Supplies Ltd is a D&B 5A1 rated covenant, offering exceptional security
- Offers are sought in excess of £1,100,000 (One million, one hundred thousand pounds) exclusive of VAT to provide a purchaser with a net initial yield of 8.04% with potential reversion to 8.72% after normal purchase costs.

**For further information or to arrange
an inspection contact:**

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Location

Preston Brook is an established commercial location that provides employment for approximately 3,000 people situated within a short distance of junction 11 of the M56 motorway, 26 miles (42km) south west of Manchester, 7 miles (11km) south west of Warrington, 16 miles (26km) north east of Chester and 19 miles (30km) south east of Liverpool.

The area enjoys a strategic location in central Cheshire. Its proximity to the M56 allows access to both Manchester and Liverpool John Lennon Airports within 20 minutes and the M6 motorway (junction 20a) only 7 miles (11km) to the east and the wider regional and national motorway network.

West Coast mainline services are available at Runcorn East, 1 mile (1.6km) to the north which connects the area with London Euston in about 2 hours.



Situation

Wellfield Business Park occupies a prominent site sitting between the M56 motorway and the A56 trunk Road and enjoys a highly visible dual aspect to both. Junction 11 of the M56 is just over ½ mile (1km) to the north east and junction 12 is 2 miles (3km) to the south west.

The immediate location is an established business park and industrial area, including Daresbury Park, Abbotts Park and the Whitehouse Industrial Estate, which are home to a number of major occupiers including Capita Business Services (O2), Diageo, Unilever, Wincanton and Cemex UK.





Description

Wellfield Business Park contains 5 detached pavilion style office buildings constructed by CDP Ltd in the mid 1990's, all of which are two storey with brick elevations under pitched tiled roofs.

Internally the building benefits from a reception lobby area at ground floor leading to the ground floor accommodation, which has been fitted out for full office use. The first floor is accessed by way of an internal staircase and an 8 person passenger lift, and fitted to a typical office specification.

The building benefits from the following features:-

- Gas central heating, supplemented by air conditioning that has been installed by the tenant
- Perimeter trunking
- Suspended ceilings incorporating cat 2 lighting (suspended lighting at ground floor level)
- Open plan configuration with some cellular space at first floor
- Roller shutter loading door at the rear of the ground floor
- Double glazed windows
- Demarcated car parking for 26 vehicles (1 per 300 sq ft), although there is substantial unmarked space for additional vehicles

The property is used by the tenant as the base for it's sales and customer service team.

Accommodation

The property has been measured in accordance with the RICS Code of Measuring Practice (7th Edition) and provides the following areas:

Floor	Basis	sq m	sq ft
Ground	GIA	385.1	4,145
First	NIA	340.0	3,660
Total		725.1	7,805

Tenure

The property is held freehold.

Wellfield Business Park is subject to a common estate service charge which is fully recoverable from the occupational tenant.

Tenancy

The property is let in its entirety to Phoenix Medical Supplies Limited on FRI terms from 27 February 2014 until 30 April 2027 (9.6 years unexpired). The current rent of £93,600 per annum equates to only £12.00 per sq ft and is subject to upwards only review on 27 February 2019 and 2024.

Tenant Covenant

Phoenix Medical Supplies Limited (Company No 3603234) is part of the Phoenix Group, one of the world's top five pharmaceutical wholesalers operating exclusively throughout the major European countries from its headquarters in Germany. In the UK, the operation is headquartered in Runcorn, on the Whitehouse Industrial Estate, and wholesales to the spectrum of the healthcare system, including GPs, pharmacies and hospitals.

Phoenix Medical Supplies Limited, which acts as the holding company for other operating Group companies, has reported the following financial results for the past 3 years:

Year Ending	31 Jan 2016	31 Jan 2015	31 Jan 2014
Pre-tax Profit	£15.742m	£15.898m	£8.495m
Shareholders' Equity	£109.0m	£134.2m	£169.2m

Dun & Bradstreet give the company a 5A1 Rating, representing minimum risk of business failure, allied to a Failure Score of 100, the highest possible (least likely).

Market Commentary

The out of town office market in the north west continues to be buoyant with healthy levels of occupier demand and dwindling supply.

In May 2107 the adjacent sister building, 2 Wellfield, of 6,715 sq ft was let to Wentworth House Rail Systems Ltd on a new 5 year lease at a headline rent of £14.50 per sq ft. After allowing for the 12 month half-rent concessionary period that was granted, we believe this provides solid evidence for rent review of the subject building at £101,500 per annum.

We are of the opinion that continued reduced office availability within Preston Brook leaves the market well placed to deliver further rental growth in the short term.

VAT

The property has been elected for VAT and VAT will therefore be payable on the purchase price. However, it is anticipated that the sale will be concluded as the Transfer of a Going Concern, subject to HMRC consent.

EPC

The property has a rating D77.



Proposal

We are instructed to seek offers in excess of £1,100,000 (One million, one hundred thousand pounds) exclusive of VAT. A purchase at this level will show an attractive initial yield of 8.04% with potential reversion to 8.72% in February 2019 net of normal purchase costs.

Further Information

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