



**LONG INCOME INVESTMENT
SECURED TO STRONG COVENANT**

GREAT GLEN CREMATORIUM, 9 LONDON ROAD, GREAT GLEN, LEICESTER LE8 9DJ

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INVESTMENT SUMMARY

- **Secure long dated income** with annual RPI indexation
- Base rental growth secured against inflation, with potential for further **strong rental income growth** from turnover rent element
- Limited new entries into the historically restricted market has led to **increased profits** across the sector
- Purpose built and newly developed facility sitting on a large site of **c. 31 acres**
- Let to **Crematoria Management Limited** for a term of 99 years commencing 13th March 2017, expiring 12th March 2116 (c. 96.5 years remaining) and guaranteed by **Westerleigh Group Holding Limited**
- Westerleigh Group are a **leading provider** of cremations and funerals and provide a strong covenant
- Total passing rent of **£126,475** (including fixed increase of **£15,000** in March 2020 to be topped up by vendor)
- Freehold
- Offers in excess of **£2,650,000** (STC)
- Representing a net initial yield of **4.50%**
- Estimated reversionary yield in 2023 of **5.27%**

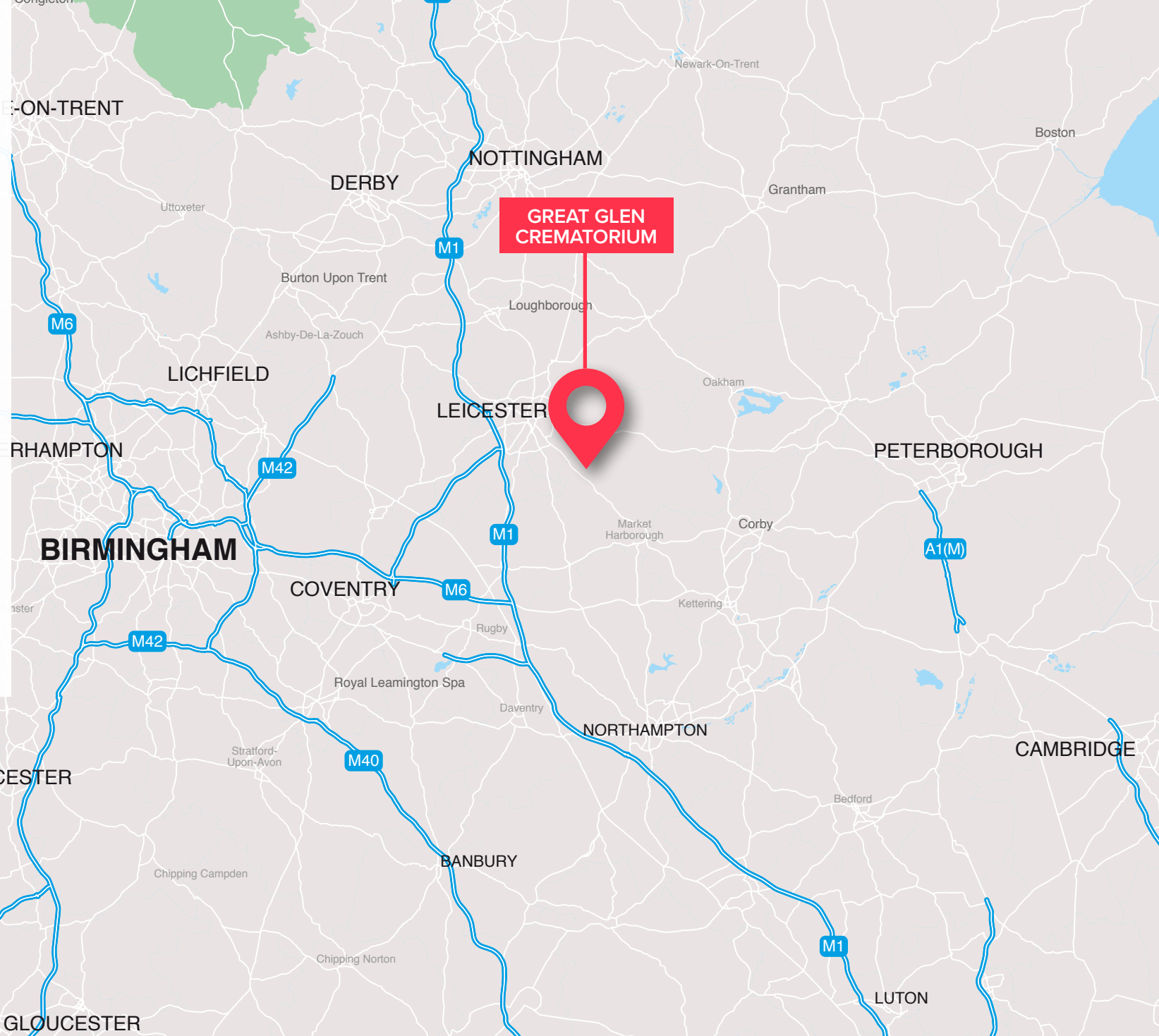


LOCATION

Great Glen is a village and civil parish in the Harborough District of Leicestershire. The village has a population of 3,662, rising to a total of 85,382 on a district wide basis. The village is located approximately 7 miles south east of Leicester City Centre.

Great Glen is well connected to Leicester, with the Archer A6 running along its western boundary providing a car journey time of just 18 minutes to the city centre. There are regular bus services to the city centre every 30 minutes.

Leicester Station is a Midland main line railway station with regular trains to Birmingham New Street, Sheffield, Derby, Leeds, Stansted Airport and London St Pancras.

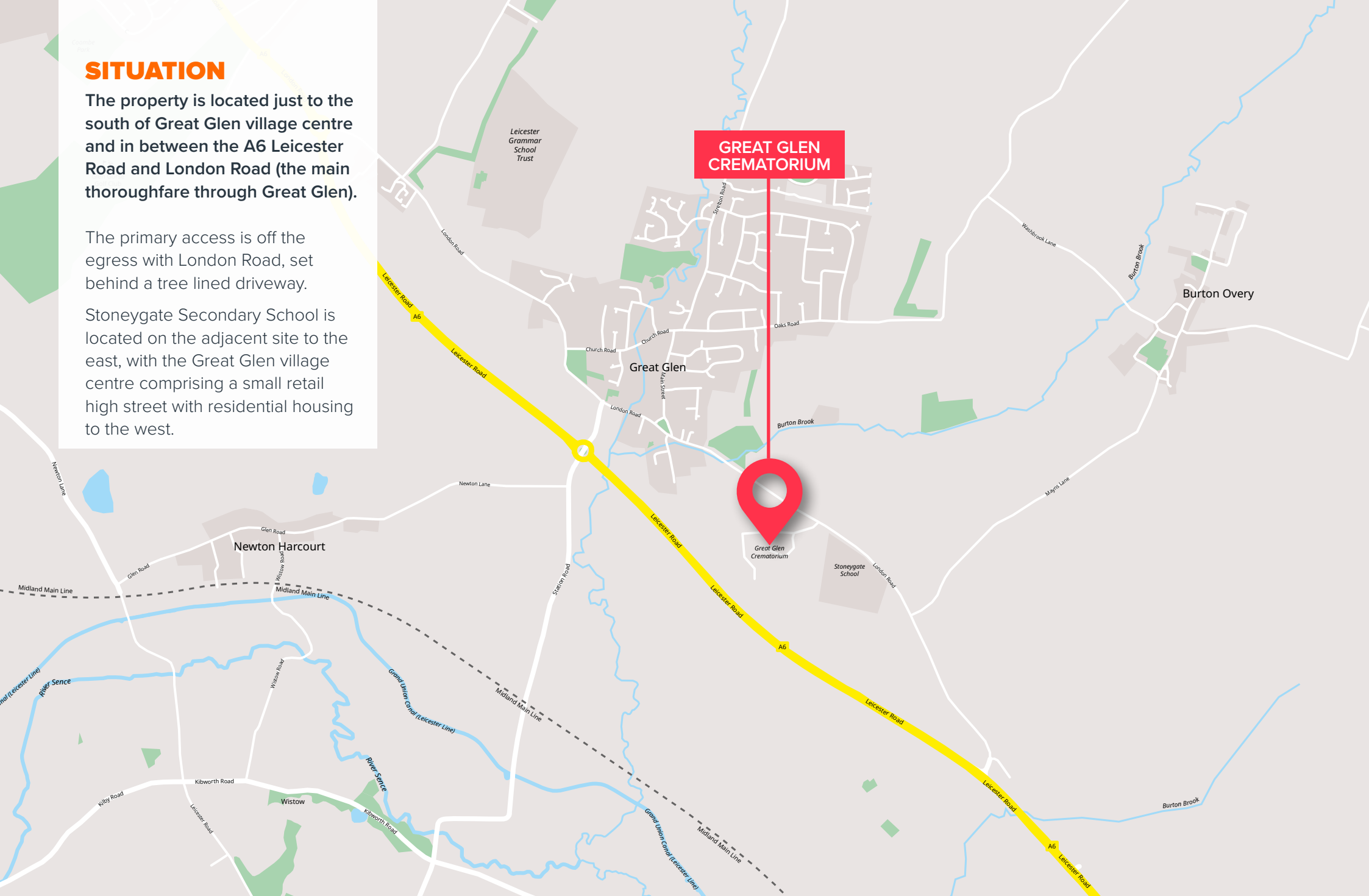


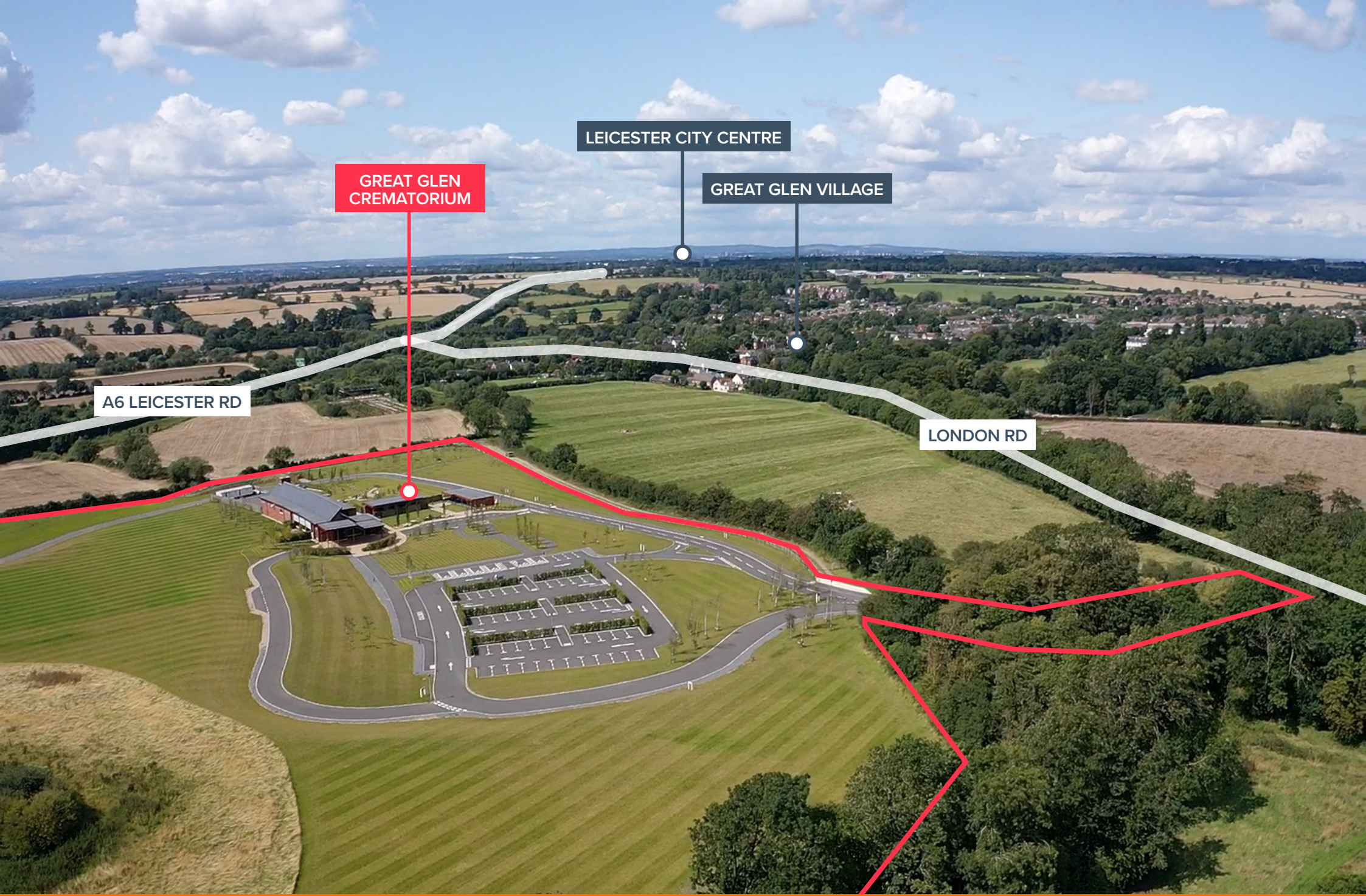
SITUATION

The property is located just to the south of Great Glen village centre and in between the A6 Leicester Road and London Road (the main thoroughfare through Great Glen).

The primary access is off the egress with London Road, set behind a tree lined driveway.

Stoneygate Secondary School is located on the adjacent site to the east, with the Great Glen village centre comprising a small retail high street with residential housing to the west.





**GREAT GLEN
CREMATORIUM**

LEICESTER CITY CENTRE

GREAT GLEN VILLAGE

A6 LEICESTER RD

LONDON RD

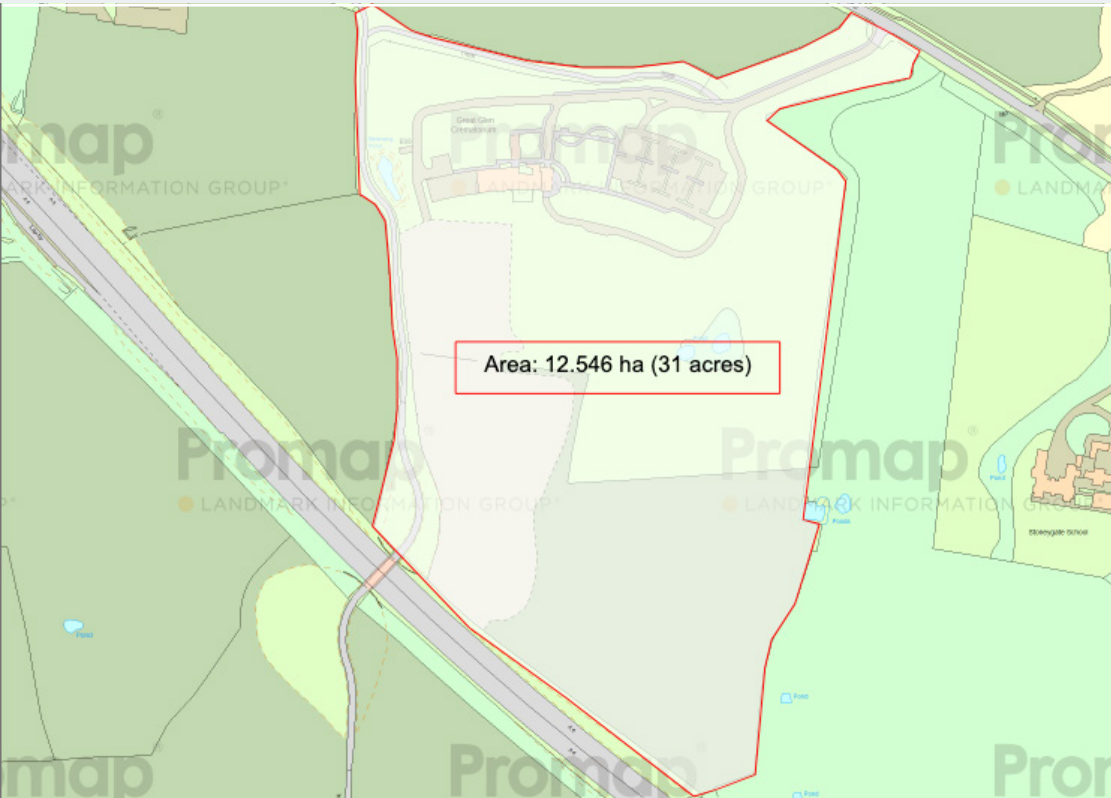
DESCRIPTION & ACCOMMODATION

The property provides a purpose-built crematorium premises of traditional brick construction under a pitched slate roof. There is a purpose-built tarmac car park off the access road, providing parking for 94 vehicles (including 6 disabled spaces) and a staff car parking/entrance to the rear with space for 5 vehicles.

The property sits on a large site of c. 31 acres, the remaining land primarily retained for burial plots.

TENURE

The property is held Freehold as outlined in red below (Title number: LT331815).



TENANCY

The property is let to Crematoria Management Limited on FRI terms for a period of 99 years commencing 13th March 2017, expiring 12th March 2116 (c. 96.5 years remaining) and guaranteed by Westerleigh Group Holding Limited.

The total rent is comprised of four elements:

1. Cremation Base Rent (CBR) – Initially £35,000, currently £36,781 per annum
2. Burial Base Rent (BBR) - £15,000 per annum from the earlier of March 2020 or the day after the first burial takes place
3. Minimum Cremation Turnover Rent (MCTR) – Initially £45,000, currently £47,289 per annum
4. Turnover Rent (TR) – 8% of gross turnover payable as a balancing figure (after deducting MCTR above)

The CBR, BBR and MCTR are all reviewed annually in line with the RPI for January in each year, with a collar and cap of 1%-4%. Therefore, with an assumption that the BBR commences from March 2020, and that RPI runs at 3% going forward, the following shows the guaranteed income profile for the next five years (including a rental top up on the BBR until March 2020):

	March 2019	March 2020	March 2021	March 2022	March 2023
CBR	£36,781	£37,884	£39,020	£40,191	£41,397
BBR	£15,000	£15,000	£15,450	£15,914	£16,391
MCTR	£47,289	£48,708	£50,169	£51,674	£53,224
Total	£99,070	£101,592	£104,640	£107,779	£111,012

Turnover for the 10 months to 31 December 2017 was £433,336, resulting in a Turnover Rent of £34,667 being payable. For the full year ending 31 December 2018, total turnover was £889,219.10 and the Turnover Rent payable £71,137.53.

On the assumption that turnover grows at 5% per annum going forward, the balancing payments due from the turnover rent element would provide the following total rental income over the next five years:

	March 2019	March 2020	March 2021	March 2022	March 2023
CBR	£36,781	£37,884	£39,020	£40,191	£41,397
MCTR	£47,289	£48,708	£50,169	£51,674	£53,224
BBR	£15,000	£15,000	£15,450	£15,914	£16,391
Balancing Payment	£27,406	£29,722	£32,182	£34,794	£37,568
Total	£126,475	£131,314	£136,822	£142,573	£148,580

THE PURPOSE-BUILT PROPERTY SITS ON A LARGE SITE OF C. 31 ACRES



COVENANT STATUS



Crematoria Management Limited (company number: 02404901) is a subsidiary of Westerleigh Group Limited with business interests solely in funerals and related funeral activities.

The Westerleigh Group is the leading developer and operator of crematoria and cemeteries in the UK, caring for over 40,000 funerals a year. The work primarily with local authorities to help manage the transformation of their cemeteries and crematoria. They have 33 similar locations throughout England and Wales, with further sites in the pipeline.

In 2015 the Bristol based business secured a £108m financial package from Lloyds Bank in order to facilitate a major expansion of the business. The group has since seen increased profits and a further £25m funding for the business for four sites in Newport, Cambridge, Test Valley and Aylesbury.

A copy of the tenant's and the guarantor's latest company accounts are provided below:

Crematoria Management Limited	31st December 2018	31st December 2017
Turnover	£30,056,694	£24,049,082
Pre Tax Profits	£16,937,405	£14,094,843
Shareholder Funds	£38,040,521	£24,025,388

Westerleigh Group Holdings Limited	6th January 2018	6th January 2017
Turnover	-	-
Pre Tax Profits	(£4,473,216)	(£3,646,566)
Shareholder Funds	£19,127,599	£22,323,653

Further information is available at www.westerleighgroup.co.uk



PROPOSAL

We are instructed to quote offers in excess of **£2,650,000** exclusive of VAT and subject to contract. A purchase at this level reflects the following yield profile after deducting purchase costs of 6.40%:

 **4.50%**
NET INITIAL YIELD

 **5.27%**
ESTIMATED REVERSIONARY
YIELD IN 2023

ANTI-MONEY LAUNDERING REGULATIONS

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.

VAT

The property is not elected for VAT and therefore VAT will not be payable on the purchase price.

ENERGY PERFORMANCE CERTIFICATE

A copy of the building EPC can be provided upon request.

FURTHER INFORMATION

For further information or to arrange an inspection, please contact:

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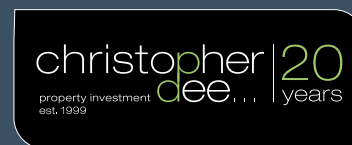
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