

HOLMES CHAPEL BUSINESS & TRADE PARK

MANOR LANE / STATION ROAD, HOLMES CHAPEL, CHESHIRE, CW4 8AF

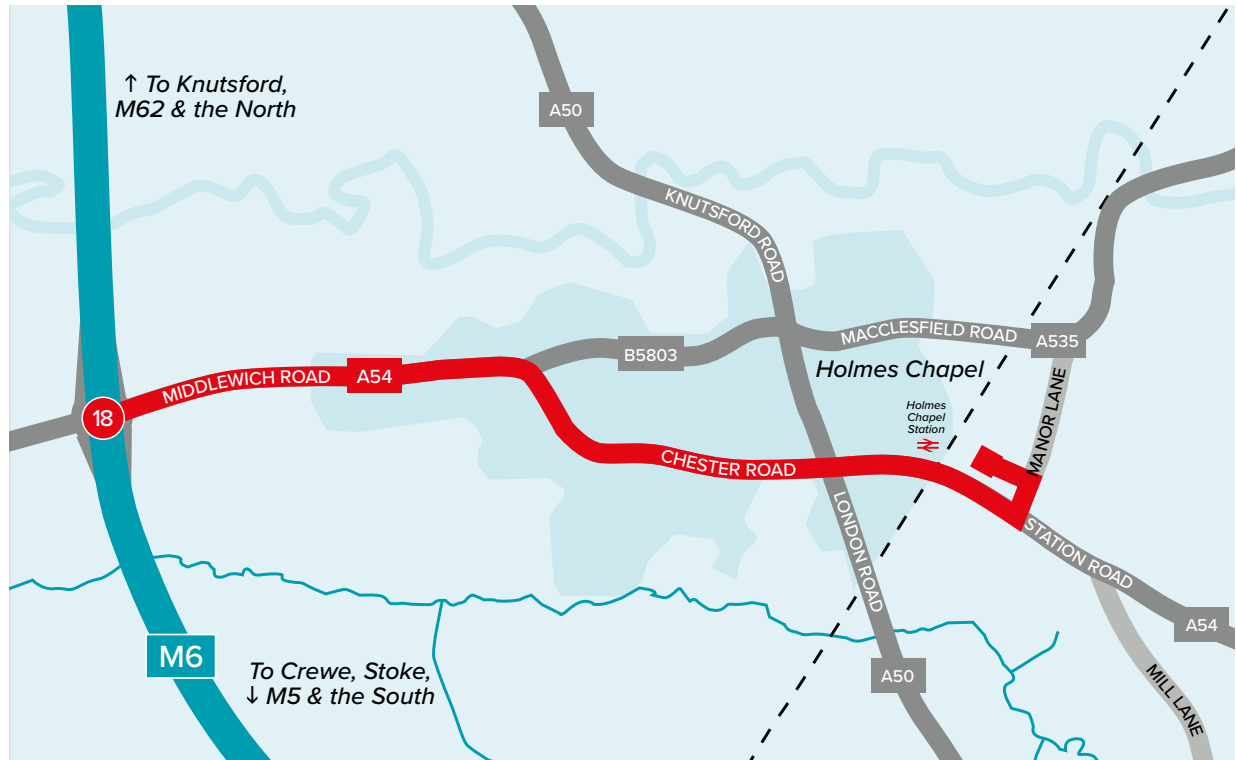


INDUSTRIAL INVESTMENT OPPORTUNITY



INVESTMENT SUMMARY

- Multi-let Industrial / trade counter Investment
- Edge of town centre location surrounded by up market residential and two supermarkets
- Excellent access to junction 17 and 18 of the M6
- Located in Holmes Chapel an affluent Cheshire commuter town
- GIA 108,990 sq ft
- 6.23 acres (40% site coverage)
- Freehold
- AWULT of 6.4 years to expiry (3.7 years to break)
- Rental income of £519,168 per annum
- ERV of £582,282 per annum
- Seeking offers in excess of £6,100,000
- 7.98% Net Initial Yield and a Reversionary Yield of 8.95%
- Low capital value of £55.96 psf
- Various asset management opportunities
- Investment underpinned by a variety of alternative uses, including residential



HOLMES CHAPEL



Holmes Chapel is a popular South Manchester / Cheshire commuter town lying immediately adjacent to junction 18 of the M6 with links to Manchester via the A50 and A535.



It is located 21 miles south of Manchester City Centre and 8 miles north of Crewe and benefits from a direct rail service onto the Crewe to Manchester main line.

Holmes Chapel is seeing considerable growth as a location because of its strategic position adjacent to the M6 in the heart of the South Manchester / Cheshire Commuter Belt.



As a result the market town is benefiting from a considerable amount of new residential development together with an expansion of its retail and leisure offer.

DEMOGRAPHICS

	Holmes Chapel	England
House Ownership	37.5%	30.6%
Social Grade AB	29.75%	22.96%
Immigration Stats (UK)	94.5%	86.2%

SITUATION

The estate is situated on Manor Lane on the east side of the town centre and only 1 mile to the east of Junction 18 of the M6 Motorway.

The estate is located only a short distance from all the towns' local amenities in a mixed residential and commercial area.



'Holmes Chapel is a popular South Manchester / Cheshire commuter town lying immediately adjacent to junction 18 of the M6 with links to Manchester via the A50 and A535'

18

M6

To The North ↗

↙ To The South

Sainsbury's

A54

ALDI

prospect.

To Holmes Chapel ↘

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INDUSTRIAL INVESTMENT OPPORTUNITY



FINE DECOR

136 HOMES

AUS-BORE
67 HOMES



Holmes Chapel Station

STATION ROAD

HOLMES CHAPEL
BUSINESS PARK

MANOR LANE

Sainsbury's
45,000 SQ FT,
PFS & 260 CAR
PARKING SPACES

Bellway
BLOOR HOMES
230 UNITS

prospect.
HOMES
24 UNITS



*'Units ranging in sizes from
2,296 sq ft to 15,032 sq ft'*

DESCRIPTION

The property comprises a substantial refurbished business / trade park of 108,990 sq ft across a total of 15 units and arranged throughout a number of terraces.

The units range in sizes from 2,296 sq ft to 15,032 sq ft with the majority of the units having an internal eaves height of 4.4 metres.

The property originally dates back to the 1960/70s and has been improved over time with a number of alterations, sub-division and partial recladding.

The buildings are constructed with concrete portal frames and brick elevations overlaid with profile metal.

There is substantial car parking and loading areas provided to each unit and the estate is laid out in accordance with the plan below with three potential entrance / exit points to allow ease of movement throughout the estate.

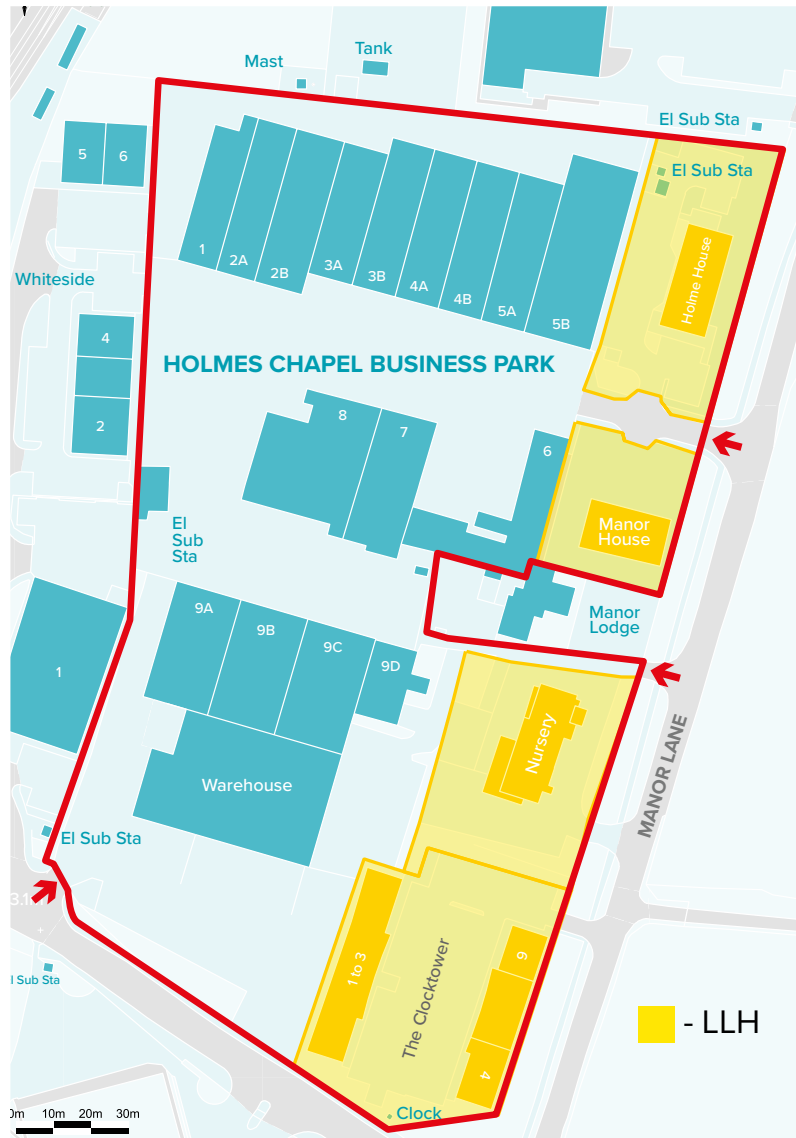


TENANCY SCHEDULE

The estate is let in accordance with the tenancy schedule set out below. (SOC) denotes Schedule of Condition.

'Attractive AWULT of 6.4 years to Expiry (3.7 years to break)'

Unit	Tenant	FRI (SOC)	Size (sq ft)	Lease Start	Rent Review	Lease Break	Lease Expiry	Rent (£psf)	ERV	Comments
1, 2a & part 2b	Skelair (International) Ltd	FRI (SOC)	12,397	29-Aug-13	-	-	04-Mar-19	£50,710 (£4.09)	£65,084 (£5.25)	
2b front	TLCC Ltd	FRI	2,415	25-Feb-16	10-Feb-19 10-Feb-22 10-Feb-25	10-Feb-21	09-Feb-26	£13,000 (£5.38)	£13,886 (£5.75)	
3	JMH Automotive Ltd	FRI	9,238	26-Sep-13		-	15-Sep-18	£41,000 (£4.44)	£48,500 (£5.25)	
4	Shop Fitting Shop Ltd	FRI (SOC)	10,273	01-Oct-16	01-Feb-19	01-Oct-19	30-Sep-22	£42,500 (£4.13)	£53,933 (£5.25)	Stepped rent. Initial rent in Yr 1 £37,500 Yr 1; Yr 2 £40,000; Yr 3 £42,500; Yr 4 & 5 £47,500. Vendor topping up to 2019 rent. Guaranteed by Retail Equipment Ltd.
5a	Stove Yard UK Ltd	FRI	5,186	10-Jan-17	01-Jan-20	10-Jan-20	09-Jan-23	£26,270 (£4.13)	£28,523 (£5.50)	Incentive of 3 months' rent free. Break penalty of £13,135.
5b & c	Top Secret Furniture Ltd	FRI	9,681	14-Jun-16	-	14-Jun-19	13-Jun-22	£49,000 (£5.06)	£50,825 (£5.25)	Passing rent of £36k rises to £40k on 14.06.2017, then £42,000 at 14.06.2018 and finally £49,000 from 13.06.2019. Vendor to top up to 2019 rent. £11,950 penalty if break exercised.
6	Lynton Lasers Ltd	FRI (SOC)	6,505	03-Oct-11	03-Oct-21*	-	02-Oct-27	£34,598 (£5.32)	£35,778 (£5.50)	*Review linked to RPI with collar and cap at £36,362.85 and £42,093.76 respectively.
7a	Morreys (Holmes Chapel) Ltd	FRI (SOC)	5,436	13-Dec-12	-	-	12-Dec-17	£24,285 (£4.47)	£29,898 (£5.50)	HOTs agreed with tenant for a new 10-year unbroken lease at £27,180 per annum (£5 psf).
7b	Laura Anderson	FRI (SOC)	2,296	09-Jan-12	-	-	08-Jan-17	£11,000 (£4.79)	£13,202 (£5.75)	HOTs agreed with tenant for a new 5-year unbroken lease at £13,000 per annum (£5.66 psf).
8	Bored to Tears Ltd	FRI	6,817	01-Oct-16	01-Oct-21	30-Sep-21	30-Sep-26	£39,202 (£5.75)	£39,198 (£5.75)	Stepped rent. Initial rent in Yr 1 £26,601; Yr 2 £35,468; Yr 3 £39,202. Vendor to top up to 2019 rent. Rent deposit of £7,500 held by Landlord.
9a	Nutrigain Ltd	FRI (SOC)	5,897	19-Oct-15	-	19-Oct-18	18-Oct-20	£32,434 (£5.50)	£33,908 (£5.75)	Passing rent of £24,326 topped up to 19 Nov 2017 increase. Break penalty of £9,730.
9b	Denis Newton MOT Ltd	FRI	6,258	29-Nov-16	29-Nov-21	29-Nov-21	28-Nov-26	£34,419 (£5.50)	£35,984 (£5.75)	Incentive of 9 months' half rent. Vendor to top up. 6 months' rent deposit held.
9c	JWC Health & Fitness Ltd	FRI	6,157	01-Dec-15	01-Dec-15	01-Dec-20	30-Nov-25	£33,864 (£5.50)	£35,403 (£5.75)	Passing rent of £16,932 topped up to 2 Sept 2017 increase. Break penalty of £10,159.05.
9d	Lynton Lasers Ltd	FRI (SOC)	5,402	13-Feb-17	13-Feb-17	-	12-Feb-27	£23,000 (£4.26)	£23,000 (£4.26)	
10	Avante Garde Distribution Ltd	FRI	15,032	21-Oct-14	21-Oct-19	21-Oct-19	20-Oct-24	£63,886 (£4.25)	£75,160 (£5.00)	Passing rent of £57,772 topped up to 21 Oct 2017 increase.
Total			108,990			Total		£519,168	£582,282	



COVENANT STATUS

Further information is available on request.

TENURE

The property is held Freehold subject to 4 long leases at a peppercorn for 999 years from 1st September 2000.

Total Site Area: 8.72 acres (3.529 hectares)

LLH element (yellow shading): 2.49 acres (1.01 hectares)

Freehold HCBP: 6.23 acres (2.52 hectares)

*'A site of 6.2 acres
 with 40% coverage'*

NORTH WEST INVESTMENT MARKET OVERVIEW

The North West is now commonly acknowledged as one of the most successful and dynamic regions outside of the South East.

The region benefits from excellent proximity to key UK population centres, a growing population (approximately 7 million) and continued investment into the region's infrastructure - recent projects include Peel's Liverpool 2 new port facility, Greater Manchester's metro-link extension and the continued growth of Manchester Airport and the Airport City scheme.

As a result, the investment market has remained strong over the course of the last few years and prime regional multi-let yields are currently at 5.25% to 5.50% as a result of buoyant investor and occupational demand.

Investor demand in the North West continues to focus on acquiring well-specified industrial space in established industrial areas within close proximity to conurbations and motorway junctions.

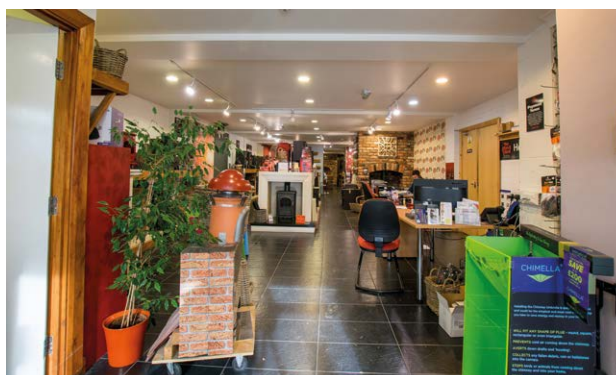
Holmes Chapel Business Park provides an excellent opportunity for investors to acquire an established and well-let industrial estate in an affluent South Manchester location with ready access to the M6 Motorway. Furthermore, many of the formerly competing estates in the local vicinity have now been redeveloped to provide attractive housing estates and other high value uses, such as the adjoining Aldi foodstore which recently opened.

Further asset management opportunities remain through improving the income profile, accessing the significant reversionary potential, exploring lease re-gear discussions and considering a re-configuration of units where desired.

INVESTMENT COMPARABLES

Date	Address	Size (sq ft)	AWULT	Price	NIY	Capital Value (psf)
U/O	Units 8,9 & 10, Parkway, Trafford Park	64,492	4.5 yrs	£4,500,000	6.89%	£70
U/O	Coopers Point, Knowsley	56,846	2.5 yrs	£3,250,000	7.15%	£57
Jan 2017	Transpennine Trading Estate, Gorrells Way, Rochdale	174,569	2.7 yrs	£6,900,000	7.85%	£40
Sept 2016	Martland Park, Wigan	56,020	3 yrs	£3,425,000	7.00%	£61
July 2016	Hanover Road Industrial Estate, Altrincham	119,958	3 yrs	£6,900,000	7.75%	£58
June 2016	Southside Industrial Estate, Stockport	74,953	2.7 yrs	£4,500,000	7.50%	£60
Oct 2015	Piccadilly Trading Estate, Manchester	75,525	Unknown	£4,790,000	6.65%	£66

'An excellent opportunity for investors to acquire an established and well-let industrial estate'





*'Producing a total rent of
£519,168 per annum'*

INVESTMENT CONSIDERATIONS / ASSET MANAGEMENT INITIATIVES

- The available industrial supply in Holmes Chapel has been eroded in the last 4 years as competing estates have been re-developed for residential use. HCBP is now the only industrial estate left within the town.
- Within the competing markets of Knutsford, Congleton and Macclesfield rents of £7.50 psf have been achieved on smaller units. There is excellent scope to increase rents within HCBP. Further improve the estate by re-roofing units and consequently improving the rental tone in line with the other refurbished units.
- Further intensify the trade/retail nature of the Park in light of low retail availability in the Town Centre. This will be assisted by traffic flow created by the new Aldi recently opening next door.
- Look at amalgamating the estate with Whiteside Business Park to the rear. Further information available on request.
- Promote HCBP for a future residential development and align within the Councils' strategic land availability reports.



SERVICE CHARGE

The occupational leases provide for payment of an estate service charge. The general service charge expenditure for the year ending December 2016 was £18,856.17 (£0.17 psf).


Further information provided on request.

VAT

VAT will be payable on the purchase price. It is anticipated that the sale will be dealt with as a transfer of a going concern.

EPCs

Energy Performance Certificates are available upon request.



‘Prime regional multi-let yields are currently at 5.25% to 5.50% as a result of buoyant investor and occupational demand’



PROPOSAL

We are seeking offers in excess of **£6,100,000 (Six Million One Hundred Thousand Pounds)** for the freehold interest, subject to contract.

A purchase at this level reflects the following yield profile after deducting the appropriate costs:

- **7.98% Net Initial Yield**
- **8.95% Reversionary Yield**
- **£55.96 psf Capital Value**

DUE DILIGENCE

The following reports are available in a dataroom.

- **WSP Environmental Survey**
- **HAC Concrete Testing Survey**
- **2012 – Strategic Housing Land Availability Assessment**
- **Service Charge Accounts**



FURTHER INFORMATION

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

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