

THE QUAYS

INDUSTRIAL PORTFOLIO



4 Prime Single Let Warehouse Investments
Salford, Greater Manchester

THE QUAYS

INVESTMENT SUMMARY

- The Quays Industrial Portfolio represents an excellent opportunity to acquire **4 prime single let warehouse investments** in Salford, Greater Manchester.
- Well located within the Salford Quays industrial area, just 2 miles west of Manchester city centre and 0.5 miles from MediaCity UK.
- Excellently situated with easy access to both the A57 ring road and M602, connecting occupiers to the M60 and Manchester city centre, as well as the wider national motorway network.
- The **4 units** extend to a total of **23,506 sq ft**, each with a large demised yard.
- Fully let to four tenants with a total net rent of **£112,250** per annum reflecting a **low average rent of £4.77 psf**.
- 71% of income secured to covenants with a 'Very Low Risk' Creditsafe rating.
- Tenants include Sky and Nurpharm.
- Estimated net rental value of **£137,492 per annum, reflecting £5.85 psf**.
- Attractive **WAULT of 8.96 years to break** and **3.58 years to expiry**.
- 3 Freehold units, 1 long leasehold (125 years wef 25th March 1985 at £7,500 per annum).
- We are instructed to seek offers in excess of **£1,500,000** subject to contract and exclusive of VAT. A purchase at this level would reflect a **net initial yield of 7.05%** (rising to 7.35% with contractual management charges), a **reversionary yield of 8.64%** (rising to 8.98% with contractual management charges) and a low capital value of **£64 psf** after deducting purchaser costs of 6.10%.

Units 1 & 2
DAKOTA PARK



Dakota Avenue, Salford M50 2PU

Unit 1
MISSOURI AVENUE



Salford M50 2NP

Unit 4
MISSOURI AVENUE



Salford M50 2NP

Unit 2
BUTE STREET



Salford M50 1DU

MediaCityUK

itv BBC

↖ TO MANCHESTER

TRAFFORD PARK INDUSTRIAL ESTATE

A

SOUTH LANGWORTHY ROAD

C

B

D

THE QUAYS

A: UNITS 1&2
DAKOTA PARK

B: UNIT 1
MISSOURI AVENUE

C: UNIT 4
MISSOURI AVENUE

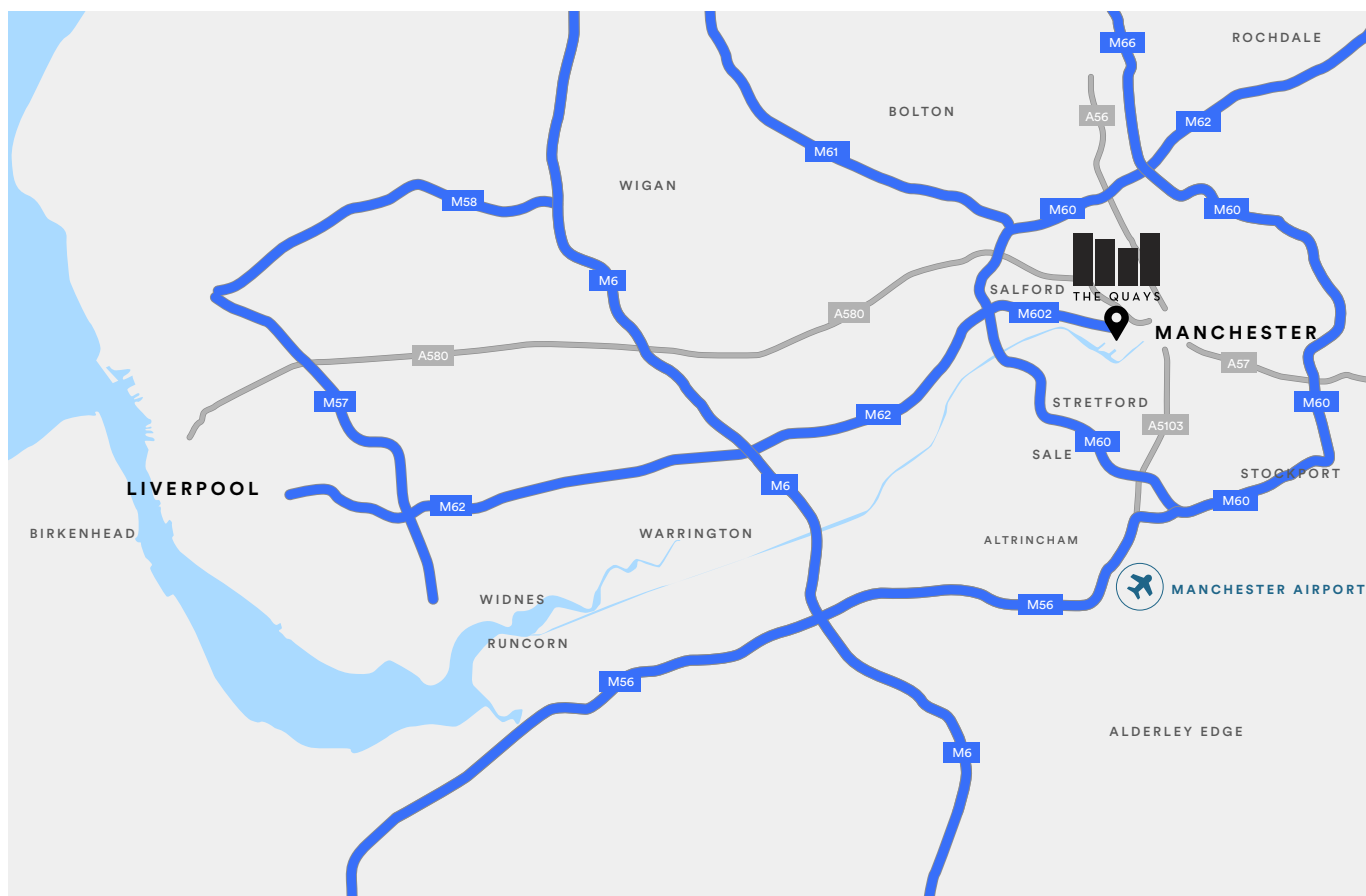
D: UNIT 2
BUTE STREET

↘ TO WARRINGTON / LIVERPOOL

M602

THE QUAYS LOCATION

The city of Salford is situated in Greater Manchester, 2.4 km (1.5 miles) to the west of Manchester City Centre, 47 km (30 miles) east of Liverpool 60 km (37 miles) south west of Leeds, and 134 km (84 miles) north of Birmingham.



The city has excellent transport links with over 25% of the UK's motorway network running through Greater Manchester, placing it within a two hour drive time of approximately 60% of the UK's population.

Salford has a district population of 233,900 people (2011 Census) and a population of approximately one million people within a 10 km radius of the centre. The property is situated in the established commercial area of Salford Quays, immediately across the Manchester Ship Canal from Trafford Park, one of Europe's largest industrial estates and the most established and recognised industrial and distribution location in the North West of England. Trafford Park is a substantial employment area and home to over 1,400 companies.

Salford Quays is an established industrial location, which has undergone significant urban regeneration in recent years, becoming a destination for business and a wide variety of cultural and leisure organisations. It is now home to MediaCityUK, a 200 acre mixed-use scheme, already anchored by BBC's flagship northern HQ, ITV Studios, Bupa, and the University of Salford. In addition the Lowry Outlet Mall, Lowry Theatre and Imperial War Museum North are also located in Salford Quays.

THE QUAYS TRANSPORT



The Quays have excellent road connections, with the M602 motorway providing direct access to Junction 12 of the M60 Orbital Motorway, approximately 6.4 km (4 miles) to the west, affording direct access to the national motorway network. In addition, the M56 motorway is only 8 km (5 miles) to the south east.



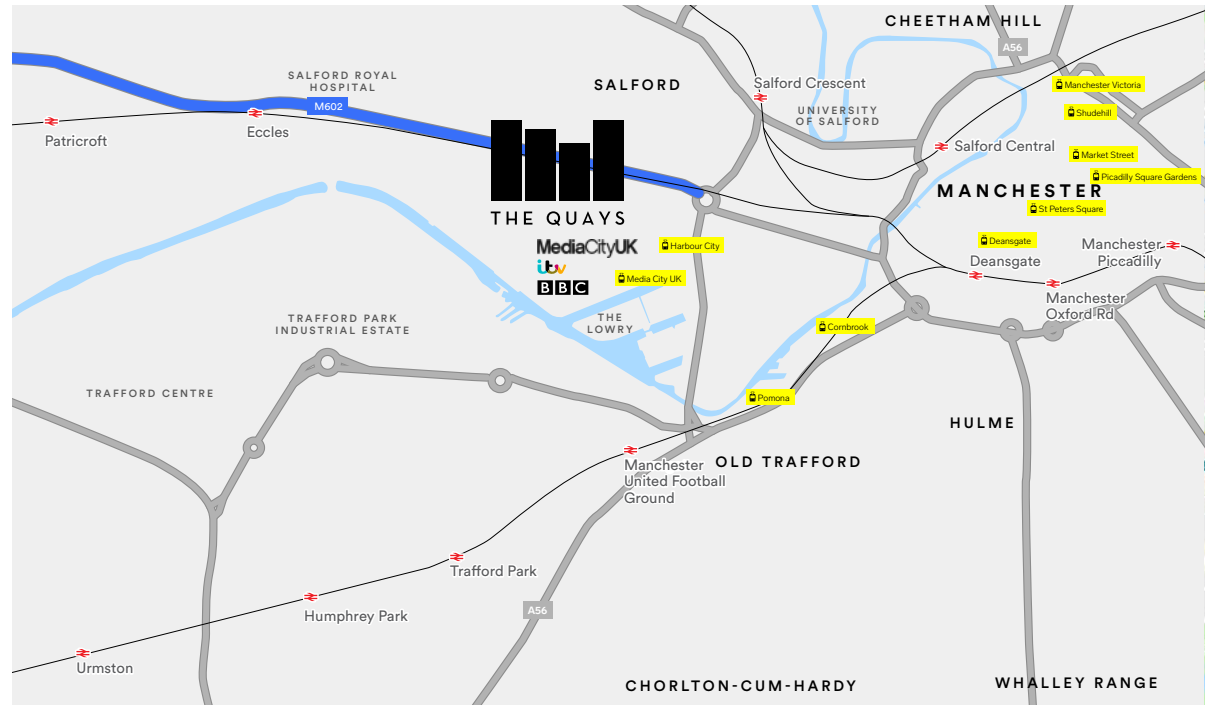
Two Metrolink routes connect Salford Quays to Manchester City Centre, with a peak time travel service of one tram every 6 minutes and a journey time of approximately 10 minutes. The Exchange Quay Metrolink station is adjacent to the property and the nearby Cornbrook Station acts as a key interchange enabling passengers from the affluent Altrincham/East Didsbury and Manchester Airport lines to access the Quays without entering Manchester City Centre.



Salford Crescent station is located within 1.3 km (0.8 miles) to the north of the property and provides a regular, direct service to Manchester Piccadilly, with a fastest journey time of 9 minutes. A bus service links the station to the Quays and MediaCity:UK. Manchester Piccadilly provides a link between Greater Manchester and the national rail network, together with a regular, direct rail service to London Euston (fastest journey time of under two hours); Edinburgh (3 hrs 19 mins) and Cardiff (3 hrs 29 mins).



Manchester Airport provides the nearest air travel and is situated approximately 13 km (8 miles) south of Salford Quays. It is currently the UK's largest airport outside of London and is ranked in the top 20 Airports Worldwide serving over 225 destinations. The airport handles in the region of 22 million passengers per year with plans to expand capacity over the next 15 years. There is a Metrolink service from Exchange Quay (via Cornbrook Interchange) to the airport, with a fastest journey time of 18 minutes.



THE QUAYS TENANCY

The properties are fully let in accordance with the tenancy schedule below on effective FRI leases:

Address	Tenant	Title	Sq ft	EPC	Term	Lease Start	Rent Review	Break Date	Lease End	Rent	Rent PSF	Rent incl. Management Charge	ERV	ERV PSF	Comments
Units 1&2 Dakota Park Dakota Avenue Salford M50 2PU	Nupharm Limited	LLH	9,937	C - 54	15	04/05/2010	04/05/2020	03/05/2020	03/05/2025	£50,000	£5.03	£52,000	£64,591	£6.50	On assignment from SRCL Limited. Break subject to 9 months notice. 5 yearly upward only rent reviews to OMRV. LLH ground rent at £7,500 per annum reviewed 5 yearly to 15% of OMRV.
Unit 1 Missouri Avenue Salford M50 2NP	Sky Telecommunications Services Limited	FH	6,897	E -113	29	01/02/2001	31/01/2021	01/02/2025	31/01/2030	£34,500	£5.00	£35,880	£41,382	£6.00	5 yearly upward only rent reviews to OMRV.
Unit 4 Missouri Avenue Salford M50 2NP	Karen Wood (T/A Swinton Dog Training & Daycare)	FH	2,352	D -81	18	15/02/2014	—	15/02/2023	14/02/2032	£16,000	£6.80	£16,640	£15,288	£6.50	3 yearly rent reviews to OMRV.
Unit 2 Bute Street Salford M50 1DU	Park Street Motors Limited	FH	4,320	D - 90	6	01/09/2018	01/09/2021	01/09/2021	31/08/2025	£19,250	£4.46	£20,020	£25,920	£6.00	3 yearly rent reviews to OMRV.
Total			23,506							£119,750	£5.09	£124,540	£147,181	£6.26	
										Net Rent*	£112,250	£4.78	£117,040	£137,492	£5.85

*Less £7,500 ground rent on Units 1&2 Dakota Park

UNITS 1&2
DAKOTA PARK

Dakota Avenue, Salford M50 2PU





Situation

The property is situated off Dakota Avenue in Salford in a well-established industrial location just 0.5 miles north of Salford Quays.

The property provides easy access to the main thoroughfare of the industrial estate, connecting with the M602 at junction 3.

Occupiers in the immediate vicinity include Her Majesties Revenue and Customs – Passport Office, Tiles UK Limited and Mettler Toledo Safeline.

Description

The property comprises a purpose built industrial warehouse with part brick, part profile metal clad elevations beneath an asbestos roof. The property includes two full height loading bay doors accessible from the front facing yard area which contains parking for c. 10 vehicles.

The warehouse is accessed directly off Dakota Avenue, and the perimeter is secured by metal palisade fencing. The property has an eaves height of 4.56m.

Accommodation

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

	Sq m	Sq ft
Ground Floor Warehouse	798.86	8,599
Ground Floor Office	124.28	1,338
Total	923.14	9,937

The property sits on a total site area of **0.69 acres**, providing a site coverage of **35%**.

UNITS 1 & 2

DAKOTA PARK



Tenure

The property is held long leasehold for a period of 125 years with effect from 25th March 1985, expiring 24th March 2110 (91.7 years unexpired).

The long leasehold interest is subject to a ground rent of £7,500 per annum, reviewed upward only 5 yearly, with the next review due on the 25th March 2020. The ground is reviewed to the larger of 15% of the passing rent or open market rental value at the time of review.

Tenancy

The property is let on assignment to Nupharm Limited on FRI terms (limited by a schedule of condition) for a term of 15 years with effect from 4th May 2010, expiring 3rd May 2025 (c. 6.75 years unexpired). The lease is subject to a tenant only break option at the end of the 10th year (4th May 2020), subject to 9 months written notice.

The passing rent of £50,000 per annum is reviewed upward only 5 yearly to the open market rental value, with the next review due to take place on 4th May 2020.

There is an additional management rent charged equating to 4% of rent received. Therefore total net income is £52,000 per annum.

Covenant

Nupharm Limited (Company Number: 04897067) are a specialized packager and distributor of pharmaceuticals with products arriving from across Europe. The company has a supplier base across 15 countries and approximately 800 product licenses, as well as a license allowing it to trade in veterinary medicines.

A summary of the company's accounts are provided below:

	31/01/2018	31/01/2017	31/01/2016
Turnover	£107,957,000	£73,913,000	£46,029,000
Pre-Tax Profit	£5,640,000	£3,092,000	£1,975,000
Shareholders Funds	£5,104,000	£559,000	-£1,914,000

EPC

The property has an EPC rating of C-54. A copy of the EPC is available upon request.



UNIT 1
MISSOURI AVENUE

Salford M50 2NP





Situation

The property is situated off Missouri Avenue in Salford in a well-established industrial location just 0.5 miles north of Salford Quays.

The property provides easy access to the main thoroughfare of the industrial estate, connecting with the M602 at junction 3.

Occupiers in the immediate vicinity include Her Majesties Revenue and Customs – Passport Office, Howdens, The Princes Trust, Crossfit and Northern Confectionary.

Description

The property comprises a purpose built industrial warehouse of steel portal frame construction with full profile metal overcladding under a pitched metal profile roof. The property includes two loading bay doors accessible from the front facing yard area.

The warehouse is accessed directly off Missouri Avenue, and the perimeter is secured by metal palisade fencing.

Accommodation

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

	Sq m	Sq ft
Ground Floor Warehouse	640.76	6,897
Total	640.76	6,897

The property sits on a total site area of **0.33 acres**, providing a site coverage of **42%**.



Tenure

The property is held freehold under title number GM451582.

The title also incorporates Unit 4, Missouri Avenue.

Tenancy

The property is let to SKY Telecommunications Services Limited on FRI terms for a term of 20 years with effect on 1st February 2001, expiring 31st January 2030 (c. 11.5 years unexpired). The current rent of £34,500 per annum (£5 psf) is subject to 5 yearly upward only reviews to the open market rental value with the next review due 1st February 2021.

The tenant has the option to determine the lease on 1st February 2025.

There is an additional management rent charged equating to 4% of rent received. Therefore total net income is £35,880 per annum.

Covenant

SKY Telecommunications Services Limited (Company Number: 02883980), is a subsidiary of Sky Plc, Europe’s largest media company and pay-TV broadcaster, with c. 21 million subscribers and 30,000 employees. Sky is listed on the London Stock Exchange and is a constituent of the FTSE 100 Index. It had a market capitalisation of approximately £26.05 billion as of August 2018.

A summary of their accounts to date is provided below:

	30/06/2017	30/06/2016	30/06/2015
Turnover	£1,268,190,000	£1,314,590,000	£1,162,448,000
Pre-Tax Profit	£262,511,000	£285,207,000	£208,095,000
Shareholders Funds	£1,052,339,000	£843,686,000	£610,841,000

Further information can be found at www.sky.com.

EPC

The property has an EPC rating of E -113. A copy of the EPC is available upon request.



UNIT 4
MISSOURI AVENUE

Salford M50 2NP





Situation

The property is situated off Missouri Avenue in Salford in a well-established industrial location just 0.5 miles north of Salford Quays. The property provides easy access to the main thoroughfare of the industrial estate, connecting with the M602 at junction 3.

Occupiers in the immediate vicinity include Her Majesties Revenue and Customs – Passport Office, Howdens, The Princes Trust, Crossfit and Northern Confectionary.

Description

The property comprises a purpose built industrial warehouse of steel portal frame construction with brick elevations and half-height profile metal cladding under a pitched metal profile roof. The property includes a loading bay door accessible from the rear facing yard area.

The warehouse is accessed directly off Missouri Avenue, and the perimeter is secured by metal palisade fencing.

Accommodation

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

	Sq m	Sq ft
Ground Floor Warehouse	197.16	2,122
Ground Floor Office	21.32	230
Total	640.76	2,352

The property sits on a total site area of **0.19 acres**, providing a site coverage of **29%**.



Tenure

The property is held freehold under title number GM451582. The title also incorporates Unit 1, Missouri Avenue.



Tenancy

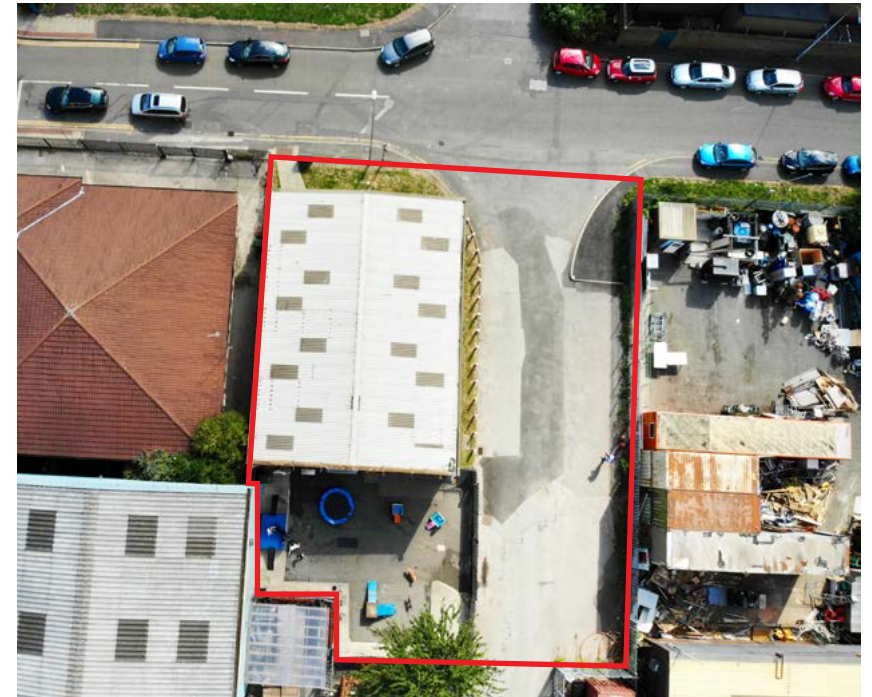
The property is let to Karen Wood (a private individual) on FRI terms with effect from 14th February 2032 (c.13.5 years unexpired). The property produces a current rental income of £16,000 per annum (£6.80 psf) is subject to a fixed uplift to £18,000 per annum (£7.65 psf) on 15th February 2020 and 3 yearly rent reviews to open market value (the next rent review is due on the 15th February 2020).

The tenant has the option to determine the lease on 15th February 2023 and 3 yearly thereafter.

There is an additional management rent charged equating to 4% of rent received. Therefore total net income is £16,640 per annum.

EPC

The property has an EPC rating of D-81. A copy of the EPC is available upon request.



UNIT 2
BUTE STREET

Salford M50 1DU





Situation

The property is situated off Bute Street in Salford in a well-established industrial location just 0.5 miles north of Salford Quays. The property is just off the Eccles New Road (A57) providing direct access to junction 3 of the M602.

Occupiers in the immediate vicinity include Her Majesties Revenue and Customs – Passport Office, Howdens and Smart Garage Services Limited.

Description

The property comprises a purpose built industrial warehouse with brick elevations under a pitched metal profile roof. The property includes a full-height loading bay door accessible from the front facing yard area. There is parking for c.15 vehicles.

The warehouse is accessed directly off Bute Street, and the perimeter is secured by metal palisade fencing.

Accommodation

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

	Sq m	Sq ft
Ground Floor Warehouse	357.54	3,849
Ground Floor Office	43.78	471
Total	401.32	4,320

The property sits on a total site area of **0.16 acres**, providing a site coverage of **68%**. Any occupying tenant will also benefit from the right to use a space of c. 0.12 acres in the yard as a vehicle turning circle (shown shaded green over leaf) in perpetuity.



Tenure

The property is held freehold under title number LA193450. Any tenant in occupation of the unit also has the right in perpetuity to use the element shaded in green below as a vehicle turning circle.



Tenancy

The property is let to Park Street Motors Limited on FRI terms for a term of 7 years with effect from 1st September 2018, expiring 31st August 2025 (c. 6.96 years unexpired). The property produces a current rental income of £19,250 per annum (£4.46 psf) and is not subject to any further reviews.

There is an additional management rent charged equating to 4% of rent received. Therefore total net income is £20,020 per annum.

Covenant

Park Street Motors Limited are a car repair and maintenance MOT station. Their latest accounts show net current assets of £27,265 and shareholders' funds of £869.

EPC

The property has an EPC rating of D-90. A copy of the EPC is available upon request.



THE QUAYS PROPOSAL

We are seeking offers in excess of £1,500,000 for our client's freehold and long leasehold interests subject to contract and exclusive of VAT.

A portfolio purchase at this level reflects the following yield profiles, after deduction of costs:

- £ Net Initial Yield: **7.05%** (Including Management Charge: 7.35%)
- Reversionary Yield: **8.64%** (Including Management Charge: 8.98%)
- Capital Value: **£64 psf**

The above assumes the following pricing split:

Address	Price	NIY (NIY Incl. Management Charge)	RY (RY Incl. Management Charge)	PSF
Units 1&2 Dakota Park, Dakota Avenue, Salford	£500,000	9.55% (9.93%)	12.34% (12.83%)	£50
Unit 1 Missouri Avenue, Salford	£518,000	6.36% (6.61%)	7.62% (7.93%)	£75
Unit 4 Missouri Avenue, Salford	£215,000	7.30% (7.59%)	6.98% (7.26%)	£91
Unit 2 Bute Street, Salford	£267,000	7.01% (7.29%)	9.44% (9.81%)	£62

MISREP: The accuracy of any description, dimensions, references to condition, necessary permissions for use and occupation and other details contained herein is not guaranteed and is for general guidance only and prospective purchasers or tenants must not rely on them as statements of fact or representations and must satisfy themselves as to their accuracy. Christopher Dee nor any of its employees or representatives has any authority to make or give any representation or warranty or enter into any contract whatever in relation to the property. Rents quoted in these particulars may be subject to VAT in addition. The reference to any mechanical or electrical equipment or other facilities at the property shall not constitute a representation (unless otherwise stated) as to its state or condition or that it is capable or fulfilling its intended function. Prospective tenants/ purchasers should satisfy themselves as to the fitness of such equipment for their requirements. September 2018.

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.

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.

Further Information

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

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