

HIGH YIELDING INDUSTRIAL INVESTMENT WITH PLANNING FOR ADDITIONAL DEVELOPMENT

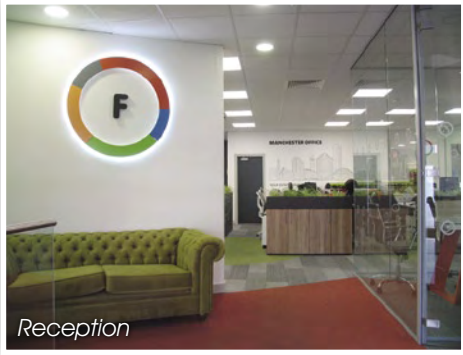
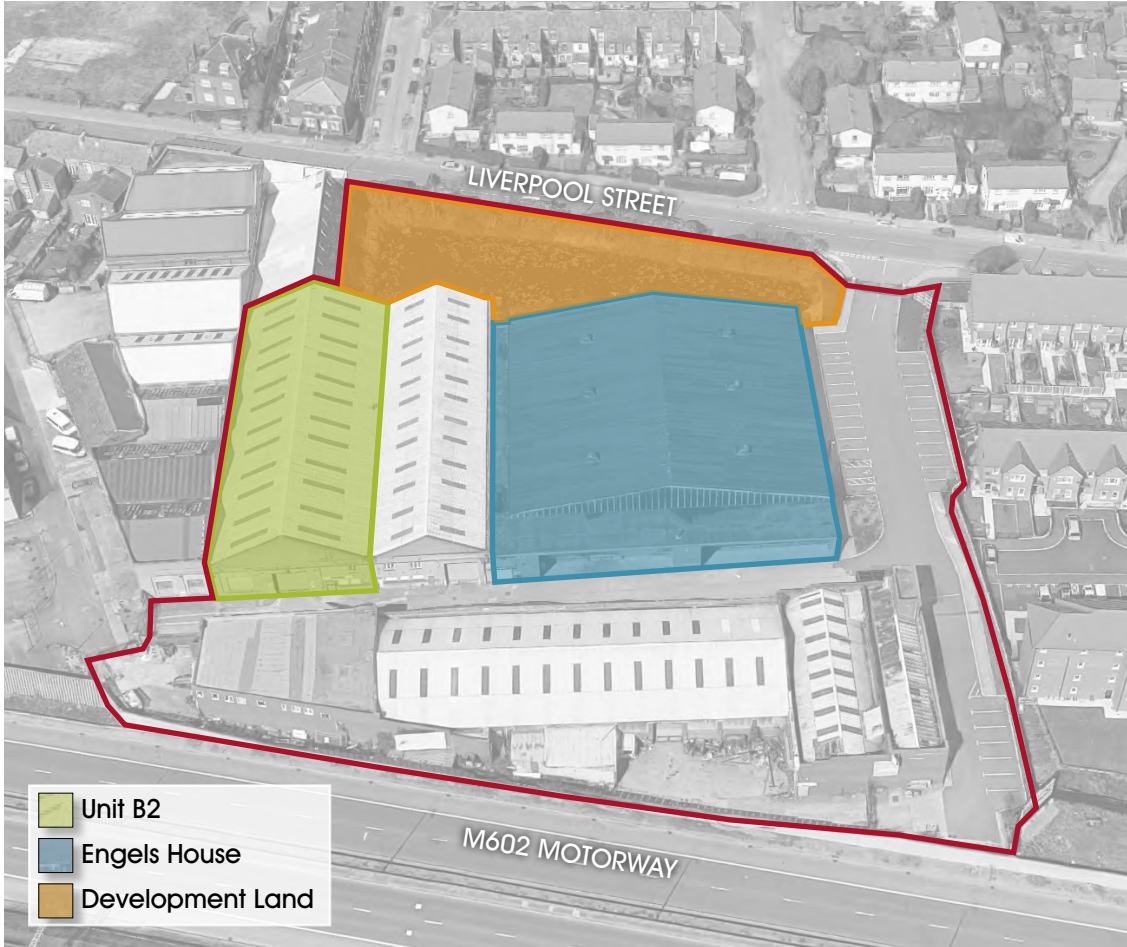
ENGELS HOUSE & UNIT B2 WEASTE TRADING ESTATE, SALFORD, MANCHESTER M5 5HD



Investment Summary

- **Excellent Greater Manchester location**, just 3 miles from Manchester City Centre, 3 miles from Junction 12 of the M60 Orbital motorway and 3 miles from Junction 1 of the M62.
- Comprises of 2 industrial units providing a total Gross Internal Area of **3,617.45 sq m (38,945 sq ft)** with **26 onsite car parking spaces**.
- One unit has recently been comprehensively refurbished at a cost of approximately £750,000.
- Additional **development land providing approximately 0.5 acres** with **planning permission** for a new 875.5 sq m (9,423 sq ft) industrial unit with 32 car parking spaces.
- Opportunities to purchase other units across the estate to take full ownership.
- **Freehold.**
- A new **20-year fully repairing and insuring lease** to Full Circle Events & Exhibitions Limited at an **initial rent of £194,725 per annum**, subject to **annual upwards only RPI linked rent reviews** with a cap and collar of 3% and 1% per annum respectively.
- We are instructed to invite **offers in excess of £2,250,000 (Two Million Two Hundred Fifty Thousand Pounds)** subject to contract and exclusive of VAT. This provides an attractive **Net Initial Yield of 8.14%** (assuming purchasers' costs at 6.33%) and a low capital value of £58 per sq ft.
- A purchase at this level reflects the following running yield profile assuming the following RPI linked reviews:

TERM	ASSUMING 1% RPI PA	ASSUMING 2% RPI PA	ASSUMING 3% RPI PA
1	8.14%	8.14%	8.14%
2	8.22%	8.30%	8.38%
3	8.30%	8.47%	8.63%
4	8.39%	8.64%	8.89%
5	8.47%	8.81%	9.16%

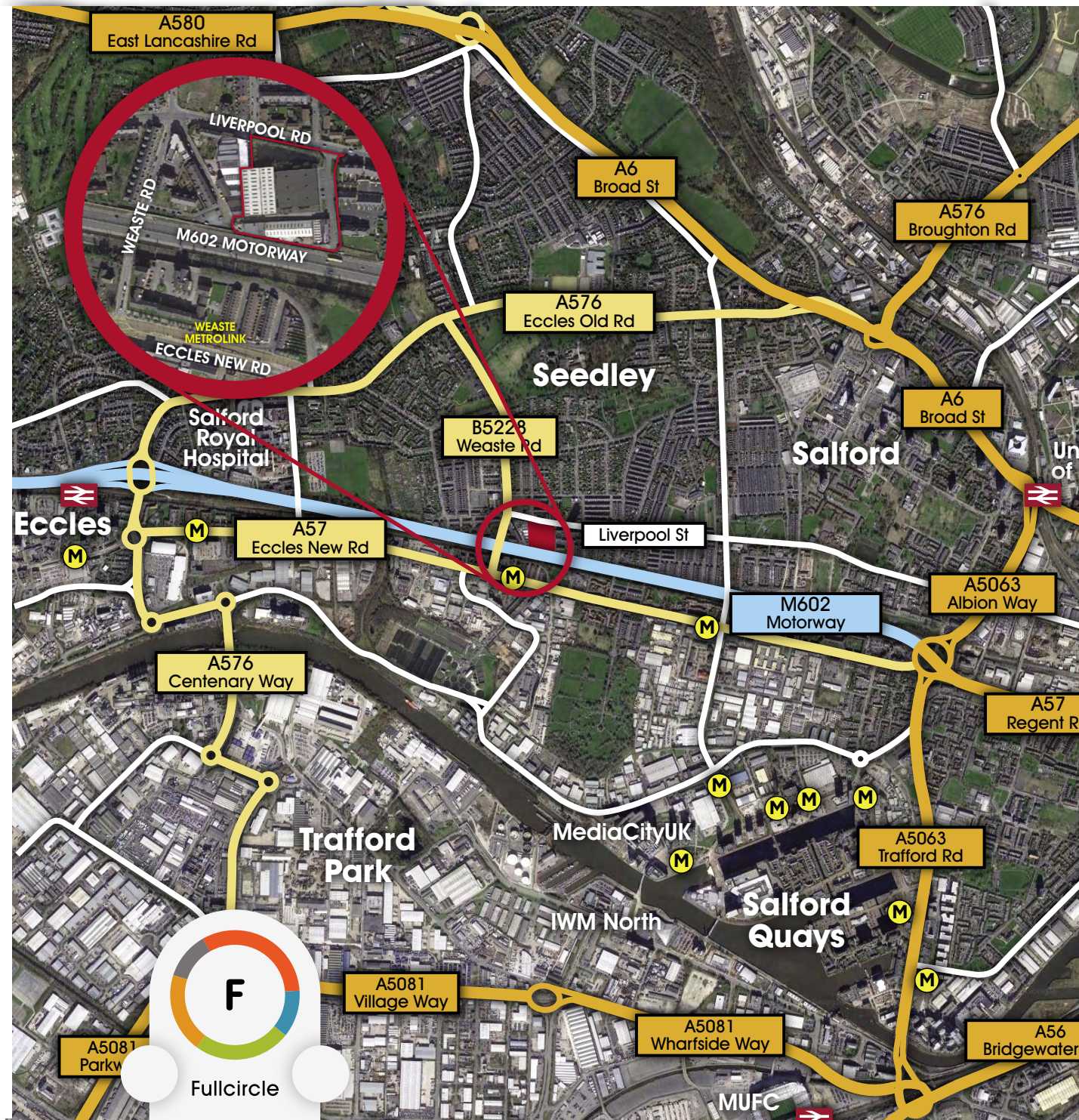


Location

Weaste Trading Estate is located in Salford, Greater Manchester lying 3 miles west of Manchester City Centre, 10 miles north west of Stockport and approximately 16.5 miles west of Warrington.

Salford benefits from excellent transport infrastructure, with boundaries shared with Manchester City Centre and stretching out to the M60 orbital motorway through Junctions 11 to 16 and Junction 1 of the M62.

Salford is a dynamic commercial centre, currently home to more than 8,700 businesses which employ over 127,000 people. The city is integral to Manchester City Regions economy, the economic powerhouse of the North West. Salford's economy has grown by more than 12% since 2004. Employers have access to a skilled talent pool to meet their business needs including a highly qualified graduate population from Salford University.



Salford

- ✓ HOME TO MORE THAN 8,700 BUSINESSES
- ✓ 127,000 PEOPLE IN EMPLOYMENT
- ✓ INTEGRAL TO MANCHESTER CITY REGIONS ECONOMY
- ✓ SALFORD'S ECONOMY HAS GROWN BY MORE THAN 12% SINCE 2004
- ✓ ACCESS TO HIGHLY SKILLED TALENT POOL VIA SALFORD UNIVERSITY, MANCHESTER UNIVERSITY & MANCHESTER METROPOLITAN UNIVERSITY



Situation

The principal unit is located directly right of the main entrance to the estate and fronts onto Liverpool Street. The second unit is located adjacent to the principal unit with another property separating them. A private access road that runs through the middle of the estate provides vehicular access throughout the estate. Directly South of the estate is the M602 leading to the M60 Orbital Motorway, the M62 Motorway & Manchester City Centre.

Bus services operate along Liverpool Street, with bus stops adjacent to the site's entrance offering regular services to Brookhouse, Eccles and the Trafford Centre in a western direction and to Cheetham Hill, Failsworth and Shudehill in an eastern direction. The site is also in close proximity to the Metrolink service, with the Weaste station within a 5 minutes' walk, on Eccles New Road to the south.

Significant
local
occupiers
in Salford
include

BBC

itv

TalkTalk

ENER-G

Bupa

**MARKS &
SPENCER**

sky



Boardroom



Meeting



Fullcircle

MANCHESTER CITY CENTRE 3 MILES

WARRINGTON 17 MILES

LIVERPOOL 31 MILES

LEEDS 50 MILES

SHEFFIELD 40 MILES

PRESTON 40 MILES

BIRMINGHAM 90 MILES

Description

The investment comprises of two single storey warehouse premises which form part of a larger estate and which are separated by another industrial unit sandwiched between them. There is also additional development land located behind the units.

Engels House

The principal unit is Engels House which benefits from good access and has approximately 26 parking spaces located to the front of the property. Engels House is of steel portal frame construction with brick and block elevations beneath a pitched steel sheet roof with an eaves height of approximately 6 meters. The property has been modified and has seen significant investment in recent years to extend what was once a canopy loading bay area into high quality office accommodation with double glazed UPVC windows. The property is secured by a pin protected intercom system which leads to a high-quality waiting area and open plan offices. The warehouse is accessed via the estates central road and is open plan in layout with concrete floors, painted brick and block perimeter walls, gas air heaters and steel overhead service trunking. The unit benefits from one roller shutter ground level loading access door.

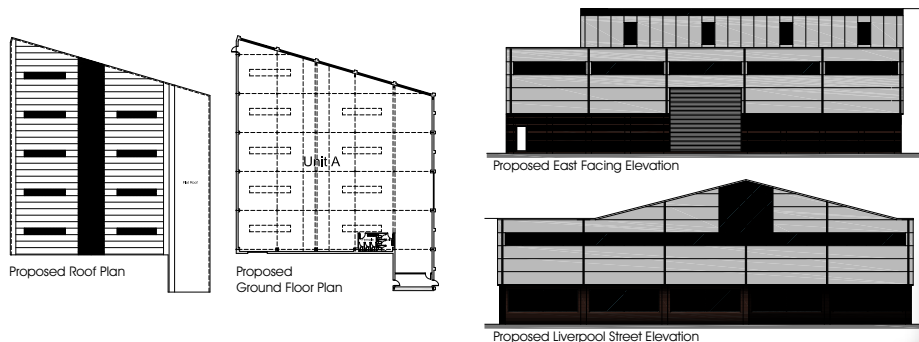
Unit B2

This unit is of the same construction as Engels house and also has an eaves height of approximately 6 meters, however has not seen the recent refurbishment. Full Circle Events & Exhibitions have recently taken this warehouse and intend on refurbishing the facility.

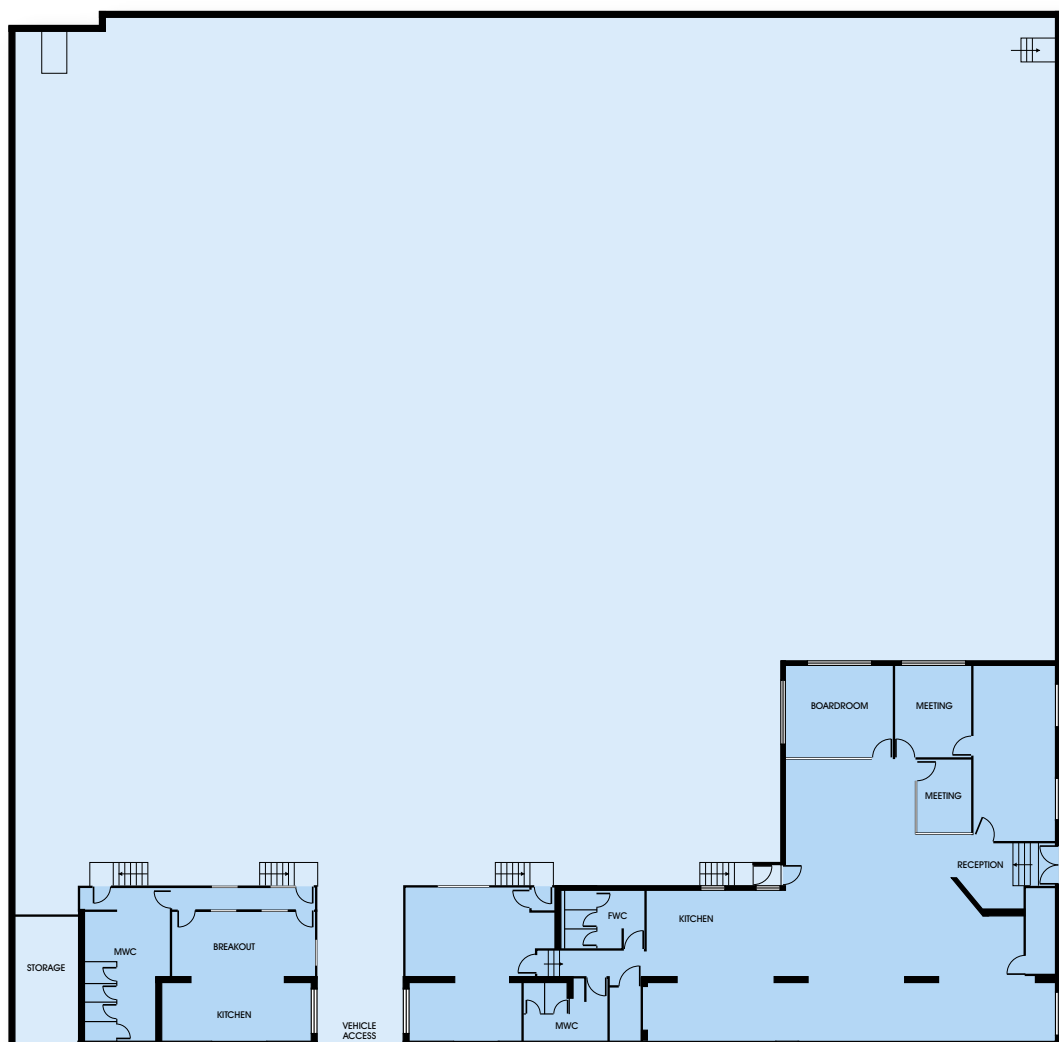


Development Land

There is approximately 0.5 acres of development land with full planning permission granted for a single B1c commercial unit together with 27 car parking spaces, motorcycle and cycle parking, and a servicing / delivery area. The unit will cover a floor area of 875.5sqm (9,424 sq ft). It will measure 8.05m to its eaves and 11.15m to its ridge. Further details are available upon request and also via Salford City Councils planning portal with planning reference 18/71288/FUL.



Fullcircle



Engels House floor plan

Accommodation

The property provides the following GIA areas:

Victoria Mills, Weaste Trading Estate, Salford			
	Accommodation	Size (Sq M)	Size (Sq Ft)
Engels House	Warehouse	1,830.14	19,699
	Offices	470.41	5,063
	Total	2,300.55	24,762
Unit B2	Warehouse	1,082.15	11,648
	Offices GF	125.75	1,354
	Offices FF	109	1,174
	Total	1,316.90	14,176
Total		3,617.45	38,938

Tenancy

The property will be let to Full Circle Events & Exhibitions Limited by way of a new **full repairing and insuring** lease for a term of **20 years** from the date of completion of the sale.

The initial rent is **£194,725 per annum** which reflects a conservative **£5.00 per sq ft** overall.

The rent is subject to **annual RPI linked rent reviews capped and collared at 3% and 1% respectively**.

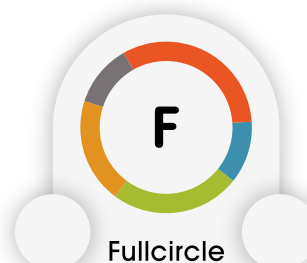
The tenant benefits from an option to break on the 10th anniversary of the term subject to 6 months prior written notice

A copy of the draft heads of terms are available upon request.

N.B. the development land will not be included in the leased demise and is therefore readily available for the purchaser to develop.

Tenure

The property is Freehold.



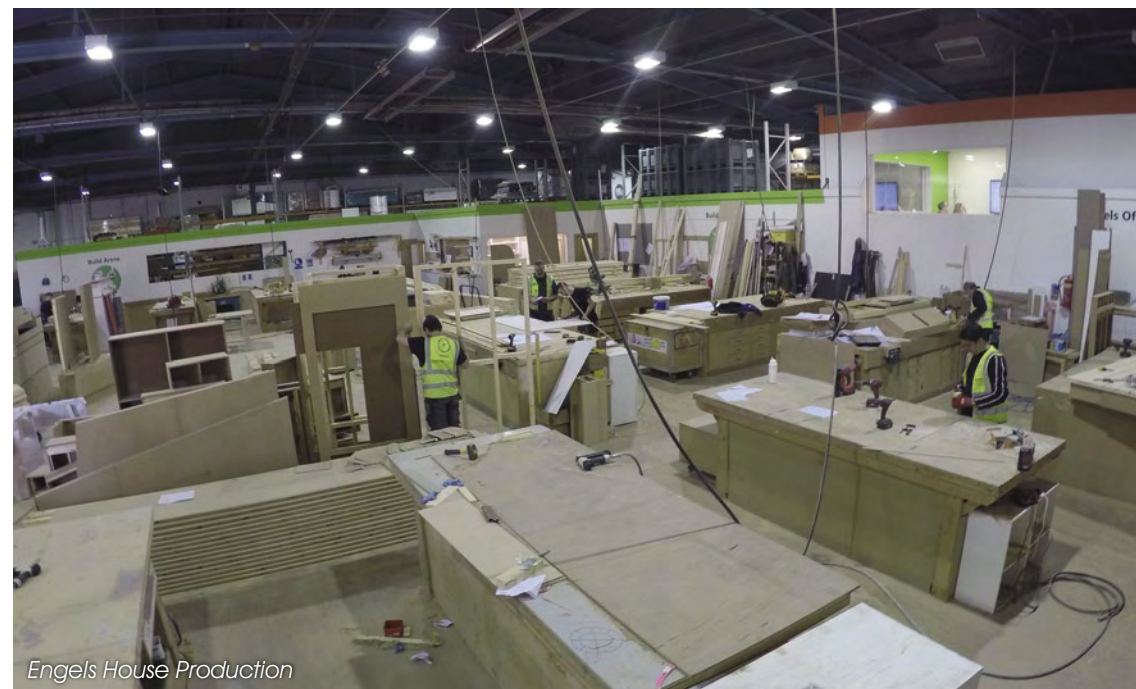
Local Market

Salford has a steady and consistent stream of demand for industrial premises, for both manufacturing and distribution occupiers. The city benefits from excellent transport infrastructure being situated adjacent to the M602 providing easy access to Manchester City Centre, the M60 orbital motorway and the M62 motorway and also has access to a high skilled labour market within close proximity - as such Salford is a very attractive location for occupiers.

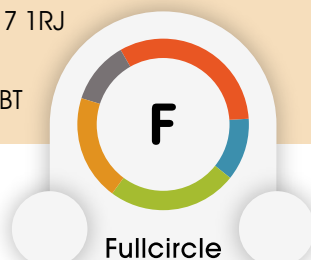
Salford's media city development has attracted a number of national and international businesses to the location. The regeneration/development saw significant amounts of industrial premises redeveloped for office and residential uses whilst attracting new businesses has meant an influx of suppliers also moving to the city. As such, alternative land uses have snapped up land supply leaving little opportunity for new industrial development – this coupled with strong take up is underpinning the supply-demand imbalance.

There is a lack of new development and new stock planned to come to the market within the short to medium term which is instrumental in the rental growth experienced and forecast.

Key Recent Lettings in the area are:



Date	Address	Size (sq ft)	Rent (per sq ft)	Term
July-19	Unit 1 Kiwi Park, Commerce Way, Trafford Park, Manchester, M17 1HW	37,000	£6.75	10-years
U/O	120 Broughton Street, Cheetham Hill, M8 8AN	20,000	£5.75	6-years
Dec-18	Unit 2 Buildbase, Tenax Road, Manchester, M17 1RJ	51,500	£5.75	5-years
Oct-18	Sheffield Insulation, 1 Westinghouse Road, Trafford Park, Manchester, M17 1PY	66,917	£5.95	10-years
Aug-18	Units 3-4 The Redwing Centre, Mosley Road, Manchester, M17 1RJ	32,971	£6.50	10-years
Mar-18	Logistics North, M61 J4, Bolton, Greater Manchester, BL5 1BT	44,000	£6.65	Unknown



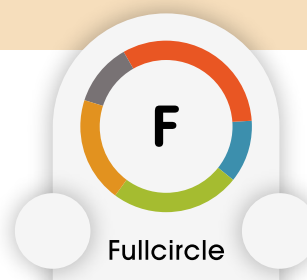
Investment Market

The industrial sector has been the best performing sector over the past 12 months, a trend that is set to continue throughout 2019. General industrial and distribution sheds remain popular, underpinned by a supply-demand imbalance and low capital values relative to build costs. The industrial market experienced a buoyant 2018 with a 3-year record in terms of number and proportion of transactions. There's a good investor mix from institutional, local authority, private investors, REIT's and overseas money looking to invest in Greater Manchester's industrial opportunities.

Key transactions include:



Date	Address	Size (sq ft)	Tenant	WAULT	Sale Price	Cap Val (per sq ft)	NIY
Dec 2018	Quantum House, Oldham, OL2 6JG	48,122	Quantum Profile Systems	15-year sale & leaseback	£2.765m	£57.46	7.1%
Dec 2018	Units 1-4 Priorswood Place, Skelmersdale, WN8 9QB	71,143	Erlson Precision Components	20-year sale & leaseback	£1.5m	£21.08	8.87%
Dec 2018	The Depot, Ashton Under Lyne, OL6 6UZ	93,598	Bellfield Furnishings	10.5-years	£5.11m	£55.60	7.31%
Oct 2018	Foundry Point, Widnes, WA8 8TZ	48,932	Amazon	2.75-years	£2.765m	£56.50	7.36%
Jun 2018	Crabtree Lane, Clayton Ind Estate, M11 1BR	28,514	Brand Energy and Infrastructure Services UK	4.5-years	£1.5m	£52.61	8.67%
Mar 2018	Unit 2 Northpoint Ind Est, Duckinfield SK16 4UY	15,353	Multiquip UK	5-years	£1m	£65.13	9.11%



Covenant

Full Circle Events & Exhibitions Limited undertake the design and construction of custom-built exhibition stands and organise structured events. The company was newly formed in 2013 after the owners had sold out of the previous business in the same industry, which had been trading since 1999. Full Circle Events and Exhibitions Limited are the UK's fastest growing full service and design installation specialist for events and exhibitions.

Full Circle Events & Exhibitions Limited have a D&B rating of B3.

Year Ending	30/11/2017	30/11/2016
Turnover	£8,218,744	£7,704,219
Pre-tax Profit	£26,990	£172,522
Shareholders' Funds	£334,091	£307,029

Further information with respect to the business and growth plans are available upon request.



Fullcircle



Unit G2-G4



Engels House



Fullcircle



Engels House

EPC

Engels House has an energy performance rating of 'D' based on a score of 85.

Unit B2 has an energy performance rating of 'D' based on a score of 94.

Copies of the EPC's are available upon request.

VAT

We are advised that the property is elected for VAT however we anticipate that the transaction will be treated as a Transfer of a Going Concern (TOGC).

Proposal

We are instructed to invite **offers in excess of £2,250,000 (Two Million Two Hundred Fifty Thousand Pounds) subject to contract and exclusive of VAT.** This provides an attractive **Net Initial Yield of 8.14%** (assuming purchasers' costs at 6.33%) and a low capital value of £58 per sq ft.

Contact

For further information on the property or to arrange an inspection please contact the sole agents **WT Gunson** for the attention of Neale Sayle.



Neale Sayle

0161 833 9797