STRATEGICALLY LOCATED DISTRIBUTION WAREHOUSE INVESTMENT OPPORTUNITY

AVIATOR 125

Hooton Business Park, North Road,
Ellesmere Port, Cheshire, CH65 1BL

ENTER

INVESTMENT SUMMARY

- Opportunity to acquire a new, well specified, distribution warehouse ideally suited for **last mile logistics** and manufacturing operations given the 1 MVA power supply;
- Located in **Ellesmere Port**, a sought after logistics location with a strong multi-modal transport network of road, rail and sea, home to significant occupiers including DHL/JLR, Regatta, Vauxhall, Scania, BCA and Honeywell;
- Self-contained distribution facility extending to 125,372 sq ft (11,647.33 sq m) which reached **Practical Completion in February 2020;**
- Institutional specification benefitting from **12.5m eaves**, a (1:10,448 sq ft) door loading ratio and **75m yard depth**, with the potential to accommodate additional yard depth with minimal capital outlay;
- Two-year rent guarantee at a reversionary rent of **£689,546 per annum reflecting £5.50 per sq ft.** 12 months rates guarantee will also be provided equating to £275,818 (based on 40% of the proposed annual rent guarantee);
- Being part of the Cheshire Science Corridor and benefitting from enterprise zone status, the Property provides incoming occupiers with enhanced capital allowances;
- North West industrial rental growth has outperformed most parts of the UK with rental growth forecasts to equate to 2.20% per annum over the next five years;
- Freehold;
- We are instructed to seek offers in excess of **£10,180,000 (Ten Million, One Hundred & Eighty Thousand Pounds),** reflecting a **Net Initial Yield of 6.35%** (allowing for purchaser's costs of 6.70%), and a low capital value of **£81.20** per sq ft;
- Following deduction of rent and rates guarantee net pricing reflects **£68.00 per sq ft;**
- **The property is held in a clean, single asset SPV.**

LOCATION

Ellesmere Port is situated in the North West of England in Cheshire approximately 10 miles north of Chester, 11 miles south of Liverpool and 44 miles south west of Manchester. The town benefits from an excellent industrial heritage with a workforce of 560,000 people located within a 30-minute drivetime. 20% of local jobs are in the manufacturing sector – well above the national average.

Ellesmere Port offers unfettered access to the M53 with strong employment demographics and multi-modal transport links via road, rail and sea providing an excellent distribution location for a range of occupiers.

Location	Distance (miles)
Junctions 6&7, M53	1
Junction 15, M56	5
Chester	10
Liverpool	11
Junction 20, M6	24
Manchester	44
Birmingham	84

Click to view zoomed out map >

Drive times	Miles	Mins
M56 J12 (Runcorn)	5	7
Airbus UK	18	23
M6 J20 (Lymm Services)	24	25
Jaguar Land Rover Halewood	23	30
Liverpool Airport	25	30
Manchester Airport	33	33
Liverpool Superport	15	35
Holyhead Port	85	90

SITUATION

The Property is situated on North Road within the well-established Hooton Business Park, 3 miles north west of Ellesmere Port. North Road provides direct access to Junctions 6 and 7 of the M53, 1 mile south, allowing quick access to the national motorway network.

Best known for its links to automotive engineering, Hooton Business Park is home to significant occupiers including DHL/JLR, Regatta, Vauxhall, Scania, BCA and Honeywell.

Road

The Property benefits from excellent road communications, being situated 1 mile from Junctions 6 and 7 of the M53 Motorway providing access to Birkenhead and Liverpool via the Mersey Tunnel to the North and Junction 15 of the M56, 5 miles to the south. The M56 in turn links to Junction 20 of the M6, 24 miles to the east providing unfettered access to major conurbations and transport hubs in the North.

Major cities such as Liverpool, Manchester and Birmingham are accessible within 25, 55 and 110 minutes' drive time respectively.

Rail

The Property is located 10 miles north and 13 miles south of Chester and Liverpool Railway Stations respectively. High speed direct Virgin Pendolino trains travel from Chester and Liverpool to London on the West Coast Mainline, with journey times of approximately 118 and 134 minutes respectively. There are regular train services which connect Port Cheshire (Ellesmere Port Station) to both Chester and Liverpool City Centre.

Air

Ellesmere Port benefits from close proximity to both Manchester Airport and Liverpool John Lennon Airport, within a drivetime of approximately 30 minutes. Manchester is the third busiest airport in the UK handling over 27 million passengers a year providing flights to domestic and international destinations and also handling over 123,000 tonnes of cargo each year.

Port

Ellesmere Port has its own commercial port facilities linking to the Manchester Ship Canal and the River Mersey. Access to Liverpool2, Peel Ports new deep water container terminal at the Port of Liverpool can be gained via the River Mersey or alternatively by road being located 15 miles north of the Property.

Liverpool2 has the capacity to handle the next generation of container ships and will enable vessels up to 13,500 TEU to call directly at Liverpool. Once completed, Liverpool2 will be one of the best-connected container terminals in the UK, with 10 motorways within 10 miles. Opportunities include numerous rail connections and a unique container barge service operating along the Manchester Ship Canal. This level of transport connectivity will make shipping cargo through Liverpool extremely cost-effective.

DESCRIPTION

The Property comprises a new, self contained, industrial warehouse facility extending to 125,372 sq ft (11,647.33 sq m) and incorporates ancillary office accommodation at first floor. The ground floor office area offers undercroft/open plan areas, allowing an incoming occupier to fit out.

The Property reached practical completion in February 2020 and is built to the following specification:

- 1MVA power supply
- 12.5m clear internal eaves
- 8 dock level loading doors
- 75m yard depth with the potential to accommodate a yard depth of 90m
- 4 level access loading doors
- 185 car parking spaces
- 14 trailer parking bays
- 50kN/m2 FM2 floor
- Steel portal frame construction

ACCOMMODATION

The Property has been measured in accordance with the RICS Code of Measuring Practice (6th Edition) on a Gross Internal Area (GIA) basis, and provides the following approximate areas:

Description	Sq M	Sq Ft
Warehouse (incl. ancillary accommodation)	11,155.91	120,082
First Floor Offices	491.42	5,290
Total GIA	**11,647.33**	**125,372**

Practical Completion: February 2020

TENANCY

The Vendor will provide a 2-year rent guarantee at a reversionary rent of £689,546 per annum reflecting £5.50 per sq ft and 12 months rates guarantee contribution equating to £275,818. Practical completion was achieved on 15th February 2020.

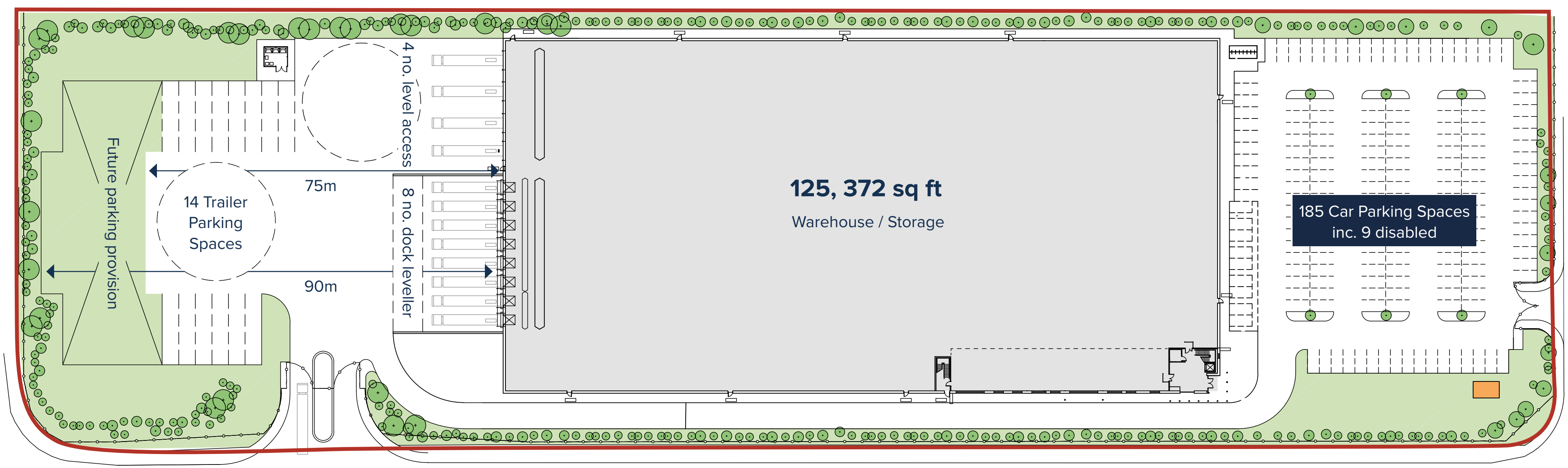
Tenant	Sq Ft	Term	Rent (pa)	Rent (psf)
Vacant	125,372	Two-year rent guarantee	£687,500	£5.50

SITE

The site extends to 7.69 acres (3.11 hectares), providing an ultra-low site cover of 36%.

TENURE

Freehold



INVESTMENT MARKET

The North West industrial and logistics market continues to attract unprecedented levels of domestic and international investor attention. This has been driven by the occupier market conditions of constrained supply coupled with strong occupier demand which has continued to fuel rental growth in the region.

Although there was a slight reduction of North West investment transactions in 2019 compared to the record £938m transacted in 2018, volumes are still well ahead of the 10-year average as investor demand for the region continues to be strong. The lack of transactional activity was largely a result of the prolonged uncertainty surrounding Brexit which had a more profound effect on supply rather than demand with limited new assets coming to the market. Following the decisive result of the recent General Election, we expect to see an uplift in transactional activity in H1 2020.

Date	Property	Area (Sq Ft)	AWULT (Years)	Purchase Price	NIY	Capital Value (psf)
Feb-20	Pioneer 210, Ellesmere Port	211,921	6.00	£17,670,000	5.90%	£83
Dec-19	ZF Services, Eldon Way, Crick	96,000	0.80	£7,100,000	6.60%	£74
Dec-19	AGA Rangemaster, Juno Drive, Leamington Spa	110,000	5.00	£10,645,000	5.85%	£97
Oct-19	Anixter, Waterwells Drive, Gloucester	72,635	2.50	£6,335,000	6.50%	£87
Oct-19	Crest Medical, Chesford Grange, Warrington	101,182	5.60	£5,850,000	5.30%	£58
Mar-19	One Stop Stores, Wakefield	121,098	4.50	£10,440,000	5.43%	£86
Dec-18	DHL, Bardon	245,354	1.50	£21,920,000	5.56%	£89
Nov-18	Exel UK Ltd, Stafford Park, Telford	121,536	4.80	£7,300,000	6.43%	£60
Sep-18	Cummins, Sopwith Way, Daventry	89,688	2.50	£8,150,000	5.75%	£91
May-18	Units A&B, Leacroft Road, Warrington	80,697	3.20	£8,900,000	4.90%	£110
Apr-18	Roanza Limited, Warrington	38,060	5.70	£4,925,000	4.75%	£129

OCCUPATIONAL MARKET

The North West industrial market is well positioned when compared with other regions and sectors due to continued investment in infrastructure. Key examples of this include the opening of Peel Ports' £400 million deep water container terminal Liverpool2 in 2016, the £600 million New Mersey Gateway Bridge in 2017, the completion of the £190 million A556 trunk road between the M56 and M6 Motorways in 2017 and continued expansion/development of Manchester Airport as a major global hub.

The supply of warehouse space for units over 100,000 sq ft has decreased by 6.2% since 2018. Grade A stock now accounts for 50% of all available space, of which 42% has been speculatively developed. Comparable size and specification grade A space currently stands at 1m sq ft in 8 units, using the long-term average for grade A take-up in the region there is just 11 months worth of supply left within the market.

The industrial market in the North West is experiencing consistent and significant levels of occupier demand for good quality 'big box' accommodation with an average take up of 4.3 million sq ft per annum, making it the most active region outside the South East over the last 24 months. The current shortage of deliverable sites across the North West has resulted in limited large-scale building supply across the region. The similar lack of Grade A/B supply, together with consistent occupier demand in the North West, has resulted in reduced void periods and strong headline rentals being achieved. As such, rental growth in the North West has outperformed most parts of the UK and remains a key performance driver with North West industrial rental growth forecast to be over 2.20% per annum for the next 5 years.

Date	Location	Area (Sq Ft)	Tenant	Lease Term	Headline (£ psf)	Comments
Feb-2020	Q110, Crewe	112,989	TBC	5-year term	£6.50	New Build
Nov-2019	Pioneer 210, Ellesmere Port	211,921	Honeywell	10-year term 6-year break	£5.25	Modern Second-hand
Nov-2019	Whitehouse 97, Runcorn	97,050	APS Group	10-year term	£5.75	New Build
Oct-2019	Omega South, Warrington	137,000	Delivery Group	15-year term	£6.50	New Build
Oct-2019	Crewe 240, Crewe	237,764	Boughey Distribution	10-year term	£5.75	New Build
Aug-2019	Unit 2, Boulevard Industrial Park, Speke	75,951	International Automotive Components Group Ltd	10-year term	£5.50	Modern
Jun-2019	ICON, Manchester Airport	102,500	ALPHA LSG	10-year term	£6.75	New Build
Feb-2019	The Cube, Runcorn	151,769	Movianto	3-year term	£6.50	Refurbished
Oct-2018	Logistics North, Bolton	175,000	MBDA	10-year term	£6.75	New Build
Oct-2018	Link 95, Heywood	95,000	McCormick	TBC	£6.35	New Build
Jun-2018	Manor Park, Runcorn	113,500	FHC Holdings	20-year term	£6.00	New Build
Jun-2018	Zodiac, Warrington	128,944	Countryside Properties	15-year term	£5.95	Refurbished

DEVELOPER

A development by

Since inception in 2008, Redsun have developed over 1 million sq ft of commercial floorspace for occupiers including Tesco, Travis Perkins, Halfords, Screwfix and Kwik Fit, to name a few. Based in Liverpool, Redsun's main geographical focus has been Merseyside, Cheshire, North Wales and the West Midlands.

WARRANTIES

A full suite of contractor and subcontractor warranties will be made available to the Purchaser.

VAT

The property has been elected for VAT.

PROPOSAL

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EPC

An EPC certificate is available on request.

CONTACT

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