

LITTLEMOSS INDUSTRIAL ESTATE

LITTLEMOSS ROAD, DROYLSDEN
MANCHESTER M43 7EF

MODERN MULTI LET INDUSTRIAL INVESTMENT OPPORTUNITY WITH SIGNIFICANT REVERSIONARY POTENTIAL



INVESTMENT SUMMARY

- Modern multi let industrial estate
- Established industrial location in Droylsden, east of Manchester City Centre
- Excellent communications being 2 miles from Junction 23 of the M60
- Comprises 3 industrial units totalling 67,137 sq ft GIA
- Site area of 3.41 acres, providing a site coverage of 46%
- Freehold
- Multi let to 4 tenants producing a total current passing rent of £317,525 pa which equates to only £4.73 psf overall
- Attractive WAULT of approximately 5.8 years to expiry and 4.6 years to breaks
- Significant reversion to an average of £5.50 psf based on recent open market lettings
- Seeking offers in excess of **£5,000,000**, subject to contract and exclusive of VAT, reflecting a **net initial yield of 5.96%** (assuming purchaser's costs of 6.59%)
- Reversionary yield 6.90%
- £74 psf capital value



LITTLEMOSS INDUSTRIAL ESTATE, LITTLEMOSS ROAD, DROYLSDEN, MANCHESTER M43 7EF

MANCHESTER
CITY CENTRE

LITTLEMOSS
INDUSTRIAL ESTATE



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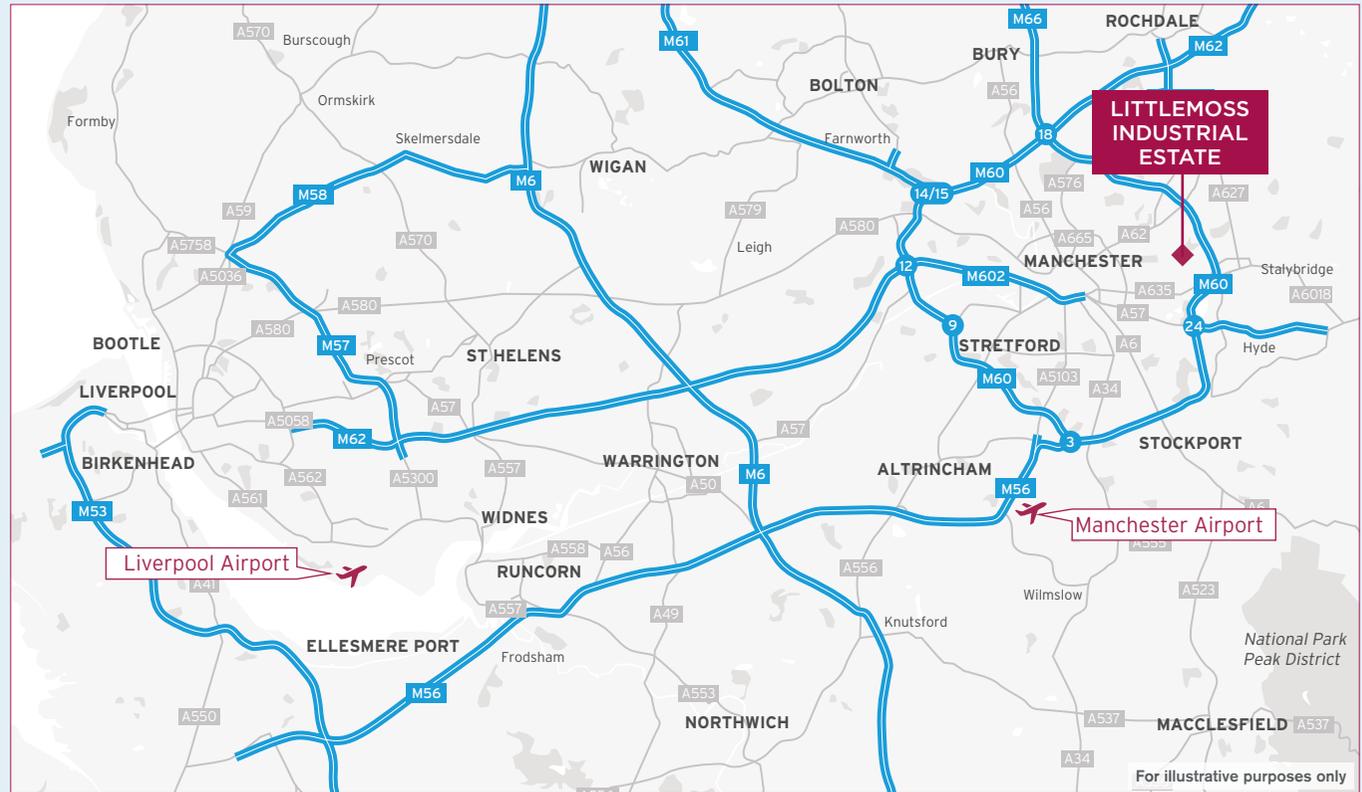
LOCATION

Manchester is recognised as the leading city within the North West, being the largest financial centre outside of London. Greater Manchester is the UK's third-most populous metropolitan area, with a population of 3.2 million and approximately 7 million people habiting within an hour's drive.

Manchester is located 34 miles east of Liverpool, 44 miles west of Leeds, 87 miles north of Birmingham and 207 miles northwest of central London. The city benefits from excellent motorway infrastructure, with the M60 Orbital connecting directly with the M56, M62 and M67 motorways, providing access to 60% of the UK's population within a two-hour drive time.

The city benefits from two mainline rail stations, Piccadilly and Victoria, which provide direct trains to London, Birmingham, Edinburgh and Glasgow, along with several regional and national destinations. London can be reached by train within just over 2 hours.

Manchester Airport is the UK's busiest airport outside of London and is currently undergoing a £1bn expansion. The airport provides flights to 199 destinations worldwide and in 2019 it handled a record 29.36 million passengers and approximately 120,000 tonnes of cargo flow through the airport each year.



| Destination | Distance (Miles) | Drive Time (Mins) |
|------------------------|------------------|-------------------|
| M60 Junction 9 | 2 | 7 |
| M602 Junction 3 | 2.7 | 10 |
| Manchester City Centre | 4 | 10 |
| Manchester Airport | 10 | 14 |
| M6 Junction 21a | 13 | 24 |
| Liverpool | 34 | 35 |
| M1 Junction 32 | 56 | 70 |
| Birmingham | 81 | 90 |
| London | 192 | 175 |



COMMUNICATIONS

Manchester is conveniently located approximately 30 miles east of Liverpool, 40 miles south west of Leeds, 85 miles north west of Birmingham and 200 miles north west of London.



Rail/HS2

- Manchester Piccadilly, and the proposed HS2 terminal serving over 23m passengers annually.
- The station provides regular direct routes throughout the UK.
- London (approximately 2 hours), Edinburgh (3 hours 19 minutes and Cardiff (3 hours 29 minutes).



Tram

- Manchester's Metrolink service covers a significant portion of the City Centre and Greater Manchester.
- Used by approximately 20 million passengers a year.



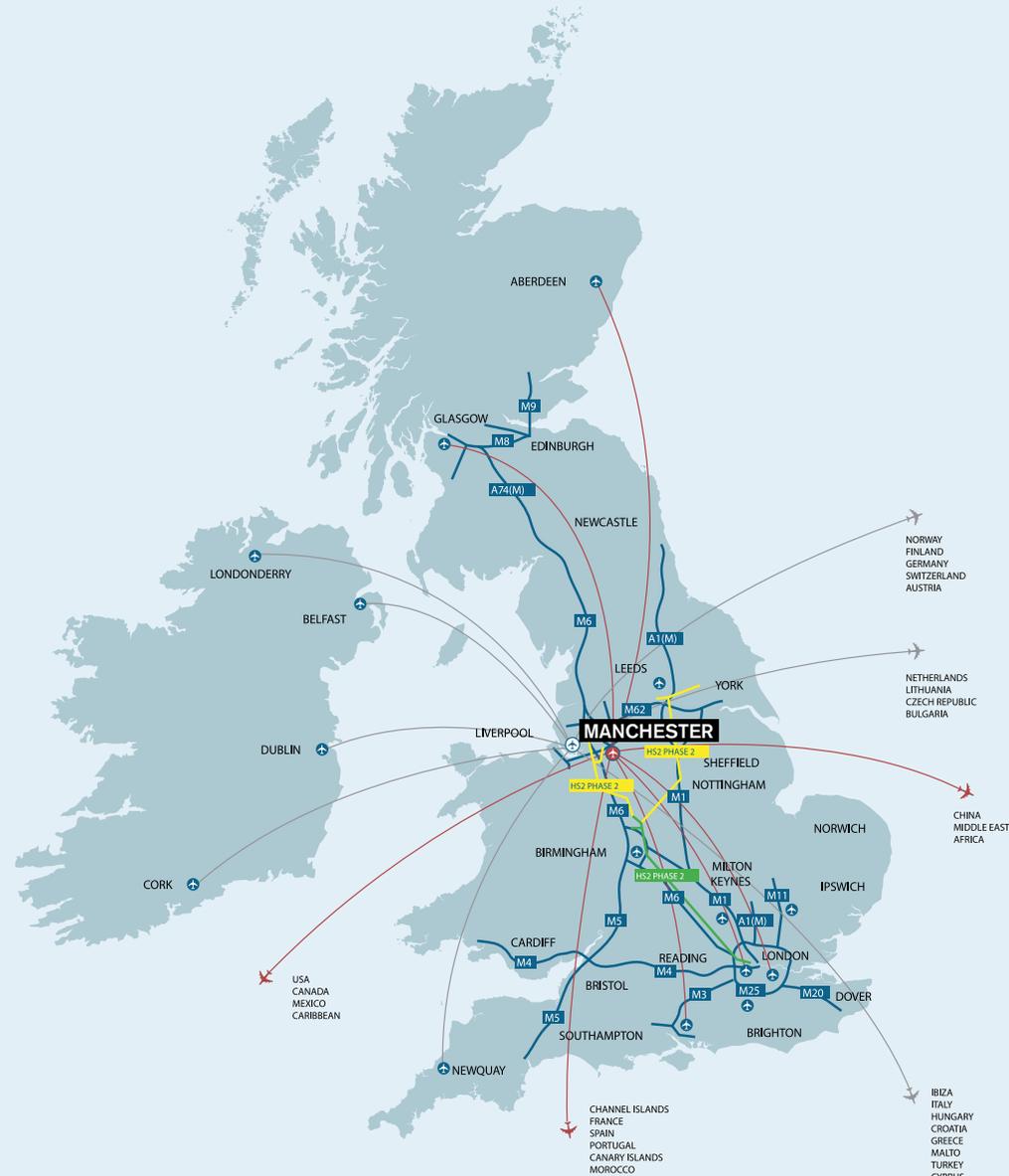
Road

- M6 and M62 motorways all within 15 miles of the city centre.
- Easy and direct access to Leeds, Liverpool, Sheffield, Birmingham and London.



Air: Manchester International Airport

- Direct flights to 220 destinations worldwide
- Located just 5 miles to the south west of the city centre.
- Direct rail service from Manchester Piccadilly to the airport (18 minutes).
- Regular Metrolink service from city centre.



For illustrative purposes only



DESCRIPTION

Littlemoor Industrial Estate provides a secure, self-contained unbroken site. The scheme is generally open plan with a shared central concrete yard. The estate's warehouse units are of steel portal frame construction with steel profile roofs and provide modern and well configured units with the following specification:

- Brick elevations to 2m with steel cladding above
- Electric roller shutter access doors
- Good eaves height of 6.3m
- Sodium warehouse lighting
- Translucent roof panels
- Fully fitted offices
- W/C facilities
- Gas blower heaters

In 2018 the vendor spent £218,271 refurbishing the cladding. Further information upon request.

SITE

The property comprises a site area of 3.41 acres with site coverage of 46%.



“Site area of 3.41 acres, providing a site coverage of 46%”

ACCOMMODATION & TENANCY SCHEDULE

The property is multi let to 4 tenants in accordance with the schedule below, producing £317,525 p.a with a WAULT of 5.8 years and 4.6 years to break. All tenants are in occupation. Each tenant has paid their rent and there are currently no rental arrears.

| Unit | Gross Internal Area (GIA) | Tenant | Lease Start Date | Lease Expiry Date | Rent Review | Break Options | Passing Rent (PA) | Passing Rent (£ PSF) | ERV (£ PSF) | ERV (PA) | Comments |
|-------------------------------|---------------------------|-----------------------------|------------------|-------------------|-------------|-------------------------|-------------------|----------------------|--------------|-----------------|--|
| Unit 1D (First Floor Offices) | 3,961 | Hadfield Wood Recyclers Ltd | 01/12/2016 | 30/11/2022 | | | £29,700 | £7.50 | £7.50 | £29,708 | |
| Units 1A, 1B & 1C | 27,898 | Wisla Narrow Fabrics | 08/06/2020 | 07/06/2030 | 08/06/2025 | | £127,935 | £4.59 | £5.00 | £139,490 | |
| Units 2A & 2B | 17,394 | Truline Logistics | 08/05/2020 | 07/05/2025 | | 08/05/2023 & 08/05/2024 | £78,273 | £4.50 | £5.50 | £95,667 | Rent deposit held. £23,485.54. Break penalty in the sum of £19,568.25. |
| Units 3 to 7 | 17,884 | Rahim & Sons | 13/12/2019 | 12/12/2024 | | 13/06/2022 & 13/06/2023 | £81,617 | £4.56 | £5.75 | £102,833 | Rent deposit held. £8,172.02. |
| Total | 67,137 | | | | | | £317,525 | £4.73 | £5.48 | £367,698 | |

TENURE

Freehold.

SERVICE CHARGE

The estate service charge budget for the year ending December 2021 is £24,114.50 psf, which equates to £0.36.



COVENANT

Wisla Narrow Fabrics Limited (No. 05184655)

Wisla Narrow Fabrics Limited have a Creditsafe rating of 42/100 or 'Moderate Risk'.

Wisla Narrow Fabrics Limited is an internationally renowned specialist textile manufacturing business. The company manufactures an extensive range of webbings and narrow fabrics from an ever-expanding range of raw materials for an even wider array of end-uses and industry sectors. All webbings are manufactured and processed within the facility.

Wisla has gained a reputation in the global market for its quality of product and service, provision of technical expertise, and rapid response times to customer enquiries and development projects. Wisla has been situated on the site for over 10 years. Further information can be found at www.wisla-webbings.co.uk

Summarised accounts:

| Year to Date | Turnover | Pre-Tax Profit | Shareholders Funds |
|--------------|----------|----------------|--------------------|
| 31/12/2019 | - | - | £85,475 |
| 31/12/2018 | - | - | £77,896 |
| 31/12/2017 | - | - | £82,656 |

Enva Wood Recycling Manchester Limited (No. 07462747), perviously known as Hadfield Wood Recyclers Limited

Enva Wood Recycling Manchester Limited have a Creditsafe rating of 76/100 or 'Very Low Risk'.

Enva wood recycling is part of Enva, a full-service, leading provider of recycling and resource recovery solutions. It employs more than 1,400 people in the UK and Ireland and recovers a broad range of hazardous and non-hazardous waste materials. Further information on the tenant can be found at www.enva.com/resource-recovery/wood

Summarised accounts:

| Year to Date | Turnover | Pre-Tax Profit | Shareholders Funds |
|--------------|-------------|----------------|--------------------|
| 31/03/2019 | £22,033,555 | £3,222,365 | £6,684,258 |
| 31/03/2018 | £18,216,958 | £2,196,910 | £4,043,979 |
| 31/03/2017 | £15,780,818 | £1,405,993 | £2,100,765 |

Rahim & Sons Limited (No. 01614686)

Rahim & Sons Limited have a Creditsafe rating of 44/100 or 'Moderate Risk'.

Rahim & Sons are importers and wholesale distributors of textile garments based in the UK. They have been operating since 1982 and are specialists in the preparation and spinning of textile fibres. Further information can be found at www.rahimandsons.com

Summarised accounts:

| Year to Date | Turnover | Pre-Tax Profit | Shareholders Funds |
|--------------|----------|----------------|--------------------|
| 31/10/2019 | - | - | £901,283 |
| 31/10/2018 | - | - | £1,064,114 |
| 31/10/2017 | - | - | £931,484 |

Truline Logistics Limited (No. 11864098)

Truline Logistics Limited have an 'Unscored' Creditsafe rating.

Truline is the transport and delivery logistics part of the Banner and Vow businesses. With a workforce of over 450 and delivering a million parcels a month, Truline operates almost 350 vehicles and provides a complete carrier solution for the EVO Group of Companies, the UK and Ireland's largest multi-channel business supplies and services distributor. Further information on the tenant can be found at <https://www.truline.co.uk>

No financial information available. However we understand the group has thirty properties under lease with £5m annual rent roll. The tenant is in full occupation, has a rent deposit held in the sum of £19,568.25 and they have never been late in making rent payments in six years of being tenants.

OCCUPATIONAL MARKET & ERV

East Manchester is recognised as one of the region's prime locations for industrial, warehousing & logistics uses. It is dominated by strong demand across all size ranges and sectors and a lack of supply of good quality accommodation.

This area of Manchester benefits from excellent connectivity with good local access to the M60 & M67 Motorways to the West and subsequently to North Manchester and the M62 Motorway as well as the South Manchester and the M56 Motorway including Manchester Airport.

Significantly, Droylsden as a location benefits from proximity and direct access to Manchester City Centre within 4 miles via the A662 Ashton New Road and the substantial regeneration area of Eastlands, home to the Etihad stadium, within 2 miles of the town. The area has also benefitted from significant infrastructure investment in recent years with a regular tram service now operating between Droylsden and the City Centre.

Littlemoor Industrial Estate offers some of the best quality accommodation within the M60 ring road on this side of Manchester City Centre. It continues to prove popular to a range of occupiers including B8 logistics focussed users keen to maximise its advantageous location on the fringe of the City Centre as well as manufacturers looking to benefit from the strong labour resources in the immediate surroundings.

Confidence in commercial development in East Manchester is best highlighted by the recent purchase by Canmoor of 25 acres at Lowry Park in Newton Heath (1.5 miles from Littlemoor) which is currently subject to a planning application and will deliver B1,2,8 accommodation ranging from 5,000-150,000 sq ft in 2022. Quoting rents for units in the 15,000-30,000 sq ft bracket will be £7.95 per sq ft.

Rents on new build accommodation on prime development schemes to the South of Droylsden in places such as Bredbury (5 miles from Littlemoor) have recently reached £8.50 per sq ft on accommodation of up to 20,000 sq ft. To the North, schemes such as Oldham Broadway (5 miles from Littlemoor) are being brought forward this year and will offer some accommodation in the 20,000-30,000 sq ft bracket with quoting rents of up to £8.00 per sq ft on speculatively developed accommodation.

As a consequence of limited supply and continued demand in East Manchester, rents on second hand, existing accommodation are also increasing.

With this in mind we are of the opinion that the income is reversionary to £367,698 pa reflection an overall rate of £5.48 per sq ft.

The following recent deals support this:

| Address | Term | Date | Size | Occupier | Rent (PSF) |
|---|-----------------------|----------------|--------|---------------------------------|------------|
| Unit 17, Globe Industrial Park, Dukinfield SK16 4RE | 10 years (break at 5) | December 2020 | 19,500 | Turner Bianca | £5.40 |
| Unit 5, Fifth Avenue, Dukinfield SK16 4PP | 10 years (break at 5) | December 2020 | 25,392 | Contact Logistics | £6.50 |
| Unit 3, Fifth Avenue, Dukinfield SK16 4PP | 10 years | December 2020 | 32,902 | Sprintshift Commercial Vehicles | £5.40 |
| Unit 1B/C, Crossley Park, Levenshulme SK4 5BF | 3 years | March 2021 | 25,881 | Under Offer | £5.25 |
| Unit 9, Corrie Way, Bredbury SK6 2ST | 10 years | September 2020 | 26,611 | Cadent Energy | £6.57 |



EPC

Copies of the EPCs are available in the data room.

VAT

The property is elected for VAT and it is anticipated that the sale will be treated as a Transfer of a Going Concern (TOGC).

DATA ROOM

A data room has been set up to provide details of the property and legal information which is deemed relevant to the sale. This will include the following information:

- Title information
- Occupational leases
- Service Charge information
- EPCs
- Marketing Details



PROPOSAL

We are seeking offers in excess of **£5,000,000 (FIVE MILLION POUNDS)**, subject to contract and exclusive of VAT.

A purchase at this level reflects the following yield profile, allowing for purchaser's costs of 6.59%:

Net initial yield: **5.96%**
Reversionary yield: **6.90%**

Low capital value of £74 per sq ft.

CONTACT

Strictly via joint agents. For further information please contact:

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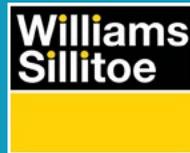
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