

# TIC

UNITS 17, 19-23 & 27-29

# TATTON COURT

THE GRANGE - WARRINGTON - WA1 4RR

HIGHLY REVERSIONARY MULTI-LET INDUSTRIAL INVESTMENT OPPORTUNITY





Thermofisher Scientific

FedEx

Iceland

Go Interiors

Kwik Fit

Bunzl

A Schulman Thermoplastics

Toyota

Stanley Engineered Fastening

J21

M6

Buddha Group

Hardwick Grange



Eclipse Digital Solutions

YS Reclamation

HM Plant



# INVESTMENT SUMMARY

- | Excellent opportunity to acquire a highly reversionary North West multi-let industrial estate.
- | Highly sought after urban location, situated in Warrington's established Grange Industrial area.
- | Excellent road communications being situated adjacent to Junction 21 of the M6 Motorway.
- | Comprising 9 light industrial units totalling **24,620 sq ft**.
- | Low passing rent of only **£153,814 pa** (£5.36 - £7.50 per sq ft) with an 'as is' ERV of **£204,698 pa**, offering excellent scope for reversion.
- | Potential for additional rental growth following refurbishment.
- | Diverse spread of income with no single tenant accounting for more than 25% of the total rent.
- | Freehold.
- | **Numerous asset management opportunities immediately available.**
- | Seeking offers in excess of **£2,315,000 (Two Million, Three Hundred and Fifteen Thousand Pounds)** subject to contract and exclusive of VAT.
- | A purchase at this level reflects a net initial yield of **6.25%** (assuming purchasers costs of 6.35%), reversionary yield of **8.31%** and a low capital value of **£94.03 psf**.





# LOCATION

Warrington is located in the North West of England in Cheshire. It is an established industrial and logistics location due to its excellent connectivity and it being ideally located between Liverpool and Manchester. This strategic location has led to a strong industrial market which in turn has led to increasing development activity, notably Omega Park.

The town benefits from excellent road communication, with access to the M6, M62 and M56 Motorways, which provides further access to the national motorway network.

Regular train services to Manchester (34 minutes), Liverpool (43 minutes) and London Euston (1 hour 44 minutes) run out of the four Warrington Stations, Warrington Bank Quay, Warrington Central, Padgate and Birchwood.

Warrington also benefits from access to the airports of Manchester and Liverpool and the deep-water Port of Liverpool, which was recently announced as one of the eight new freeports to be located in England.



For Indicative Purposes Only



**EXCELLENT ROAD COMMUNICATIONS  
BEING SITUATED ADJACENT TO  
JUNCTION 21 OF THE M6 MOTORWAY**



# SITUATION

Tatton Court is situated to the east of Warrington, in the well-known and significant Grange Industrial Area, which covers some 200 acres. Junction 21 of the M6 is located approximately 1.5 miles to the south and provides easy access to both the South and North of England. The M6/M62 and M6/M56 interchanges lie one junction either side of Junction 21 of the M6.

Units 14-29 Tatton Court sit in the heart of this area and is accessed via Kingsland Grange, one of the main arterial routes through The Grange.

The location's immediate access to the motorway network has attracted many notable occupiers such as Thermo Fisher Scientific, Kwik-fit, Panther Logistics, Toyota, IFCO Packaging, and Iceland amongst others.





# DESCRIPTION

Tatton Court comprises an established purpose built multi let industrial estate providing 2 terraces of 16 units (of which 7 have been sold off long leasehold), with units typically providing the following specification:



Steel portal frame construction



Part brick / part metal clad elevations beneath pitched roofs



Eaves height ranging from 3.40m – 4.10m



Level access loading doors



Integral office accommodation



Each unit benefits from a dedicated yard and loading area.





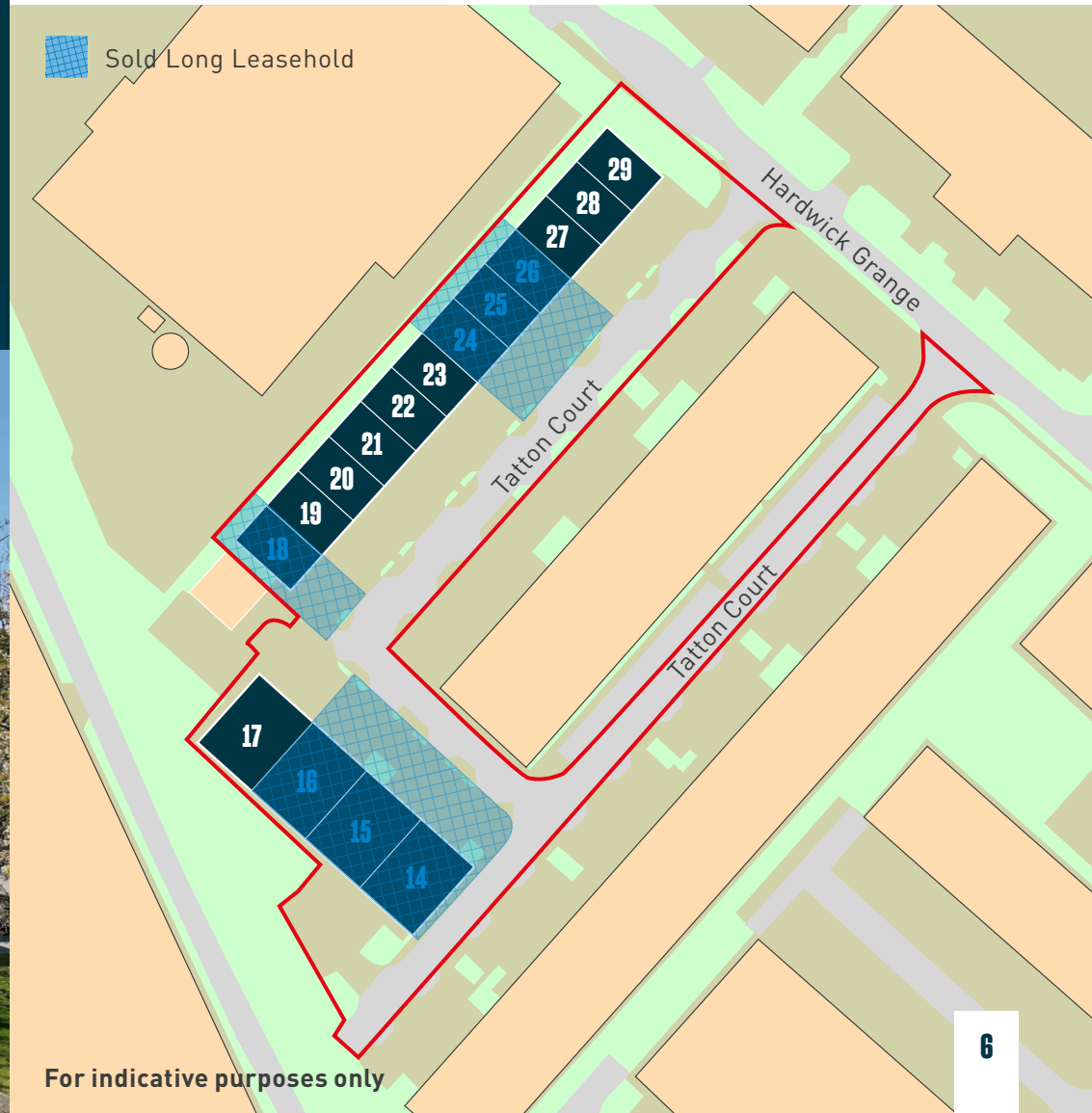
# ACCOMMODATION

The accommodation has been measured in accordance with the RICS code of measuring practice (6th edition) provides a total GIA of 24,620 sq ft, with unit sizes ranging from 2,414 sq ft to 5,222 sq ft.

A full breakdown of the individual unit areas is provided within the enclosed tenancy schedule.

The property provides a total site area of 3.72 acres (1.50 hectares), providing a low site density of approximately 31% (including units sold long leasehold).

**TOTAL SITE AREA OF 3.72 ACRES (1.50 HA),  
PROVIDING A LOW SITE DENSITY OF  
APPROXIMATELY 31%**



# TENANCY

A full tenancy schedule is provided below:

# TENURE

The property is held on 2 freehold titles (CH445635 & CH444282).

| Unit                            | Tenant  | Size (sq ft)  | Start Date         | Expiry Date | Tenant Break | Review Date | Annual Rent     | Rent (£psf)  | ERV pa (As is)  | ERV psf (As is) | L&T Act 1954 | Comments   |
|---------------------------------|---|---------------|--------------------|-------------|--------------|-------------|-----------------|--------------|-----------------|-----------------|--------------|--|
| <b>Occupational Tenancies</b>   |   |               |                    |             |              |             |                 |              |                 |                 |              |  |
| 17                              | Vacant (current tenant vacating 05/06/22)       | 5,222         | 12 month guarantee | -           | -            | -           | £39,165         | £7.50        | £39,165         | £7.50           | Inside       | 12m rent, rates, service charge and insurance guarantee to be provided by the vendor, at the 'as is' ERV. Strong tenant interest which is being progressed at £39,165pa (£7.50 psf) on a 5 year term with a tenant break on the 3rd anniversary. If deal completes prior to completion, no guarantee will be provided. |
| 19                              | SGN Autos Limited                               | 2,414         | 04/12/2018         | 03/12/2021  | 04/12/2020   | -           | £14,000         | £5.80        | £20,519         | £8.50           | Inside       | Tenant holding over. FRI Terms   |
| 20                              | Kay Bowness                                     | 2,415         | 18/11/2021         | 17/11/2024  | 18/05/2023   | -           | £15,000         | £6.21        | £20,527.50      | £8.50           | Inside       | FRI Terms  |
| 21                              | FGH Airbrake Limited                            | 2,421         | 27/02/2020         | 26/02/2025  | 27/02/2023   | -           | £14,250         | £5.89        | £20,578.50      | £8.50           | Inside       | FRI Terms  |
| 22                              | Willow Catering Services Limited                | 2,416         | 01/05/2020         | 30/04/2025  | -            | -           | £14,000         | £5.79        | £20,536         | £8.50           | Inside       | FRI Terms  |
| 23                              | Auto Seven 7 Limited                            | 2,437         | 09/07/2018         | 08/07/2023  | -            | -           | £14,000         | £5.74        | £20,714.50      | £8.50           | Inside       | FRI Terms  |
| 27                              | MCE Group PLC                                   | 2,456         | 19/11/2019         | 18/11/2024  | 19/11/2022   | -           | £15,500         | £6.31        | £20,876         | £8.50           | Outside      | FRI Terms  |
| 28                              | Knutsford Developments Ltd t/A Cheshire Windows | 2,415         | 25/02/2020         | 24/02/2025  | -            | -           | £14,250         | £5.90        | £20,527.50      | £8.50           | Inside       | FRI Terms  |
| 29                              | Driveline (Scotland) Limited                    | 2,424         | 21/06/2017         | 20/06/2022  | 20/06/2020   | -           | £12,999         | £5.36        | £20,604         | £8.50           | Outside      | Renewal discussions currently progressing. FRI Terms   |
| <b>Long Leasehold Tenancies</b> |   |               |                    |             |              |             |                 |              |                 |                 |              |  |
| 14                              | Sold long leasehold                             | -             | 25/12/1991         | 24/12/2990  | -            | -           | £50             | -            | -               | -               | -            | Let on a 999 year lease  |
| 15                              | Sold long leasehold                             | -             | 25/12/1991         | 24/12/2990  | -            | -           | £100            | -            | -               | -               | -            | Let on a 999 year lease  |
| 16                              | Sold long leasehold                             | -             | 25/12/1991         | 24/12/2990  | -            | -           | £100            | -            | -               | -               | -            | Let on a 999 year lease  |
| 18                              | Sold long leasehold                             | -             | 25/12/1991         | 24/12/2990  | -            | -           | £100            | -            | -               | -               | -            | Let on a 999 year lease  |
| 24 & 25                         | Sold long leasehold                             | -             | 06/08/2012         | 05/08/3011  | -            | -           | £200            | -            | -               | -               | -            | Let on a 999 year lease  |
| 26                              | Sold long leasehold                             | -             | 16/05/2013         | 15/05/3012  | -            | -           | £100            | -            | -               | -               | -            | Let on a 999 year lease  |
| <b>Total</b>                    |   | <b>24,620</b> |                    |             |              |             | <b>£153,814</b> | <b>£6.25</b> | <b>£204,698</b> | <b>£8.31</b>    |              |  |



# TENANT COVENANTS

The property is let to a diverse range of occupiers in keeping with an industrial estate of this nature.

There is an exceptional spread of income across the estate with no single occupier accounting for more than 25% of the overall rent as demonstrated below:

## THE PROPERTY IS LET TO A DIVERSE RANGE OF OCCUPIERS

| Unit | Tenant  | Rent (Pa)        | % of Income | Web Address  |
|------|---|------------------|-------------|--|
| 17   | Vacant (12 month guarantee)<br>(current tenant vacating 05/06/22) | £39,165          | 25%         | n/a  |
| 19   | SGN Autos Limited<br>(05411570)                                   | £14,000          | 9%          | n/a  |
| 20   | Kay Bowness<br>(n/a)  | £15,000          | 10%         | n/a  |
| 21   | FGH Airbrake Limited<br>(6083432)                                 | £14,250          | 9%          | <a href="http://www.fghairbrake.com">www.fghairbrake.com</a>                           |
| 22   | Willow Catering Services Limited<br>(04697554)                    | £14,000          | 9%          | <a href="http://www.willowcateringservices.co.uk">www.willowcateringservices.co.uk</a> |
| 23   | Auto Seven 7 Ltd<br>(10678314)                                    | £14,000          | 9%          | <a href="http://www.autoseven7ltd.co.uk">www.autoseven7ltd.co.uk</a>                   |
| 27   | MCE Group PLC<br>(2477325)  | £15,500          | 10%         | <a href="http://www.mceplc.com">www.mceplc.com</a>                                     |
| 28   | Knutsford Developments Ltd<br>t/A Cheshire Windows<br>(10565291)  | £14,250          | 9%          | <a href="http://www.cheshire-windows.com">www.cheshire-windows.com</a>                 |
| 29   | Driveline (Scotland) Limited<br>(SC567833)                        | £12,999          | 8%          | <a href="http://www.drivelinescotland.co.uk">www.drivelinescotland.co.uk</a>           |
|      |   | <b>£153,164*</b> | <b>100%</b> | *An additional £650 rent is received from long lease properties                        |



# OCCUPATIONAL MARKET COMMENTARY

The North West industrial property market has reached unprecedented highs with consecutive years of record take up. Showing no signs of demand slowing down, the outlook for the sector remains strong however further speculative development in the small multi – let market is required. There are a selected number of smaller multi let schemes proposed and under construction but this will not fully address the lack of supply so it is expected rental growth to remain.

The North West market is facing dwindling supply with a particular emphasis on SME / Multi let estates. Second-hand refurbished units tend to be occupiers’ preference however demand for this type of space has been significantly outstripping supply, leading to record rents achieved on multi-let estates where rental figures are now eclipsing where new build rents were of similar unit sizes in 2020.

Warrington is regarded as one of the prime locations within the North West and as such demand levels have been consistently strong. A focus on largely big-box development over recent years has resulted in a limited supply of new build multi let / SME stock, with demand generally being met by good quality second-hand refurbished units. Whilst demand has been strong across all size ranges, we have witnessed particularly strong demand within the 2,000 – 10,000 sq ft size bracket as highlighted by the recent transactions below.

Second hand multi let estates in Warrington which were previously achieving c.£5.00 per sq ft 5 years ago are now achieving as high as £9.00 or even higher in the open market, with lease renewals and rent reviews now also being agreed at these higher levels as rental evidence becomes more substantial within the market. We expect the strong rental growth to continue into the immediate future.

| Address                                | Tenant                     | Date    | Description                                | Size (Sq Ft) | Rent (psf) | Term (Break) |
|--|----------------------------|---------|--|--------------|------------|--------------|
| Unit 222 Europa Trade Park, Warrington | Vogue Ceramics Ltd         | Q2 2022 | Fully refurbished high office content unit | 3,741        | £9.00      | 10 (5)       |
| Unit 18 Melford Court, Warrington      | Interprocess               | Q1 2022 | Comprehensively refurbished                | 2,922        | £8.55      | 5            |
| Unit 7 Grosvenor Grange, Warrington    | Redline Automotive Limited | Q1 2022 | Refurbished second hand mid terrace unit   | 3,000        | £10.00     | 5            |
| Unit 15 Taurus Park, Warrington        | Genpower Ltd               | Q4 2021 | Mid terrace trade counter/ showroom unit   | 8,055        | £8.25      | 5            |
| Unit 38, Gateway 49, Warrington        | Stevenswood Ltd            | Q3 2021 | Modern unit                                | 4,704        | £8.25      | 10 (5)       |



Units 19-21



# INVESTMENT MARKET

The UK industrial investment market continues to go from strength to strength, with considerable global appetite for industrial assets resulting in approximately £12.5bn national industrial transactions, making 2021 the strongest trading year on record, 55% above the 5-year annual average. Strong industrial investment demand has continued in 2022, with investment volumes £1.9 billion in Q1 2022.

The industrial sector continues to be buoyed by structural changes to retail and the shift to e-commerce, low vacancy rates with a limited supply of modern / new build accommodation and the loss of land to higher value uses. There has also been a consistently strong tenant occupational market with significant rental growth in certain key areas. Many of these structural changes have been accelerated by the pandemic and also accompanied by the onshoring of many manufacturing processes / supply chains in the wake of Brexit.

The North West Investment market has mirrored the national picture, with investment transactions in 2021 at a record £1.30bn (106 deals). This is the first time the £1bn mark has been broken and represents an 86% increase on the £695m (62 deals) transacted in 2020. Investor demand has remained strong in Q1 2022, with a lack of supply to meet current needs.

Given the significant demand / supply imbalance, robust occupier market and constrained development supply, we believe the strong industrial market dynamics will continue for the foreseeable future.

| Address                                     | Date   | Size (Sq Ft) | Price       | NIY   | Cap Val (psf) | Comments  |
|---|--------|--------------|-------------|-------|---------------|---|
| Adlington Court, Warrington                 | Jan 22 | 25,251       | £2,385,000  | 4.74% | £94           | Two blocks configured as 18 industrial units, <u>14 units sold off.</u>               |
| Longford Trading Estate, Manchester         | Dec 21 | 122,907      | £10,500,000 | 5.19% | £85           | Multi let estate comprising 19 units with associate offices. <u>3 units sold off.</u> |
| Units 1-7 & 44-50 Melford Court, Warrington | Dec 21 | 114,107      | £11,450,000 | 4.73% | £100          | -   |
| Penrhyn Court, Knowsley                     | Jun 21 | 40,419       | £3,500,000  | 5.74% | £87           | Modern multi let estate comprising 10 units, <u>5 units sold off.</u>                 |
| Melford Court, Warrington                   | Feb 21 | 155,000      | £13,175,000 | 5.00% | £85           | -   |



Units 21-23



Units 28-29



# ASSET MANAGEMENT

The Estate offers numerous asset management opportunities, which include:

- | Opportunity to create a new 'show unit' at Unit 17 and re-let, setting a new rental tone for the Estate
- | Undertake renewals with the tenants at Unit 19 and Unit 29 to capture reversion
- | Working in conjunction with the tenants, replace / overclad the roofs to further increase rental values
- | General refurbishment of the Estate to further improve the quality of the assets
- | Enhance the branding and signage across the Estate
- | Continue to sell the assets individually to owner occupiers / private investors
- | Capture the significant reversion available through pro-active re-gears and renewals





# SERVICE CHARGE

There are two service charge budgets for the Estate, which cover landscape maintenance and management fees.

**For Units 27-29** the service charge budget for 2022 is £900 pa (£0.12 psf).

**For Units 14-23** the service charge budget for 2022 is £3,760 pa (£0.10 psf).

Service charge is not collected for units 24,25 and 26 – sold long leasehold.

# EPC

Energy Performance Certificates are available upon request.



# VAT

The property is elected for VAT and it is the intention to treat this transaction as a Transfer of a Going Concern (TOGC).

# DATA ROOM

Data room access can be provided upon request.



# PROPOSAL

Seeking offers in excess of **£2,315,000 (Two Million, Three Hundred and Fifteen Thousand Pounds)** subject to contract and exclusive of VAT.

A purchase at this level reflects a net initial yield of **6.25%** (assuming purchasers costs of 6.35%), reversionary yield of **8.31%** and a low capital value of **£94.03 psf**.

# FURTHER INFORMATION

To discuss the opportunity, or to arrange an inspection please contact:

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