

WELL LOCATED INDUSTRIAL INVESTMENT

ROTALAC PLASTICS LIMITED, SOUTHMOOR ROAD, WYTHENSHAW, MANCHESTER M23 9DU

christopher
dee
property investment

WHY | WHITMARSH
HOLT YOUNG



 **TATRA**
ROTALAC
PLASTICS INNOVATION

 **CORAL**
PRODUCTS PLC



Investment Summary

- **Well located industrial investment**
- **2 industrial units on site** (26,814 sq ft + 9,791 sq ft = 36,605 sq ft)
- Profile metal clad elevations and roof
- **Large site of 1.84 acres** (Site Cover 37%) with 41 car parking spaces
- Let to Rotalac Plastics Limited (guaranteed by Coral Products Plc limited to £178,064.50)
- **10-year lease wef 19th January 2016**, expiring 18th January 2026 (7.5 years unexpired)
- FRI limited by Schedule of Condition
- **Current rent of £128,000 per annum** (£3.50 psf)
- Fixed increase on 19th January 2021 to £148,387 (£4.05 psf)
- Held LLH on 2 separate leases from Manchester City Council
- **Phase One** – 99 years from 1st March 1979, expiring 30th April 2078 (59.75 years). £17,670 per annum current rent. Reviewed 5 yearly to 16.67% of the higher of rents received or rental value.
- **Phase Two** – 99 years from 23rd May 1980, expiring 22nd May 2079 (60.8 years). £5,917.87 per annum current rent. Reviewed 5 yearly to 16.67% to the higher of rents received or rental value.
- **Total ground rent of £23,588 per annum** (Next reviewed 2019 and 2020)
- **Total net income £104,412 per annum**
- **Offers in excess of £1,000,000 (STC)**
- **9.87% Net Initial Yield, Reversionary Yield of 11.80%** (January 2021)
- Very low **Capital Value of £27.32 psf**

Manchester

Manchester is the premier regional centre in the UK and is the largest economic area outside London with a gross value added of £51bn.

The City is located approximately 34 miles east of Liverpool, 48 miles south of Leeds, 81 miles north of Birmingham and 192 north west of London.

The City has excellent transport links benefiting from the M60 Manchester orbital motorway situated at the heart of an expansive motorway network, ensuring easy access to the UK's major cities and centres of commerce. The road infrastructure in and around Greater Manchester means that 60% of all businesses, and a consumer market of 20M, are within 2 hours drive time of the City Centre.



Manchester Piccadilly is the principal railway station in Manchester and serves inter-city routes to destinations such as London, Birmingham, Bristol, South Wales, Edinburgh, Glasgow and many more. It is the fourth busiest station in the UK outside of London.

Manchester Airport is the UK's largest regional Airport outside of London, located approximately 10 miles to the south of Manchester. The Airport handles approximately 120,000 tonnes of import and export freight and mail annually, connecting the north of England to 160 destinations around the world. The Airport also serves 22M passengers a year, providing flights to 220 destinations worldwide.

Roundthorn Industrial Estate

Roundthorn Industrial Estate is situated on the southern fringes of Greater Manchester, approximately 7 miles from Manchester city centre and 2 miles to the east of Altrincham, with Manchester Airport lying 3 miles to the south. The estate is accessed from the A560, Altrincham Road, which links the estate to the M56 and M60 motorways.

Roundthorn Industrial Estate is well-served by local bus routes and Manchester Metrolink tram line allows improved public transport links to the estate.

The Estate is bound to the east by Southmoor Road, which provides the principle access to the estate, and its junction with Altrincham Road where there is a focus of various mixed uses including offices, a Tesco superstore and petrol filling station and Brookway Retail Park.



Roundthorn Industrial Estate is predominantly occupied by logistics and air freight companies attracted by the proximity to the airport and motorway network. Neighbouring occupiers include Europcar, Arriva North West, DHL, Viridor, Arla Foods, Stagecoach, Timpsons, UPS and Air Cargo Services Ltd.

UHSM (Wythenshawe Hospital) is also a dominant employer in the area and is situated 0.5 miles south of Roundthorn Industrial Estate (5,800 staff). UHSM is the main hospital serving the South Manchester conurbation.



UHSM's world-class clinical and research specialisms and unparalleled transport links have resulted in a number of biomedical companies locating themselves on or close to Roundthorn Industrial Estate including Gen Probe, Waters and Fairfield.

UHSM is aiming to build on its strengths and the strength of the location through its MediPark initiative to create a dedicated medical and medical related services complex.

The subject property is located fronting Southmoor Road at the eastern side of the estate, with Baguley Metrolink Tram Stop directly opposite.

BROOKWAY RETAIL PARK
ALDI MATALAN pets at home Wickes

TESCO

LIDL

DSV

ARRIVA

Maginus

Endress + Hauser
People for Process Automation

NG

amey

HOWDENS

KERRY LOGISTICS

JD GYMS

TATRA
ROTALAC
PLASTICS INNOVATION

STILTZ BUILDING

FLOAT GLASS
INDUSTRIES LTD

UHSM

Description

The property comprises a detached industrial unit with a two storey office/amenities block together with a smaller detached unit with integral first floor offices at the rear of the site. There are extensive external service yard areas, and also a separate surface car park at the front of the main unit.

Both units are of steel portal framed construction with brick/blockwork lower elevations and lined PVC coated profile steel cladding to the upper elevations and roofs.

The eaves height to the larger unit is 5.75m and 4.75m within the smaller unit.



Accommodation

The property has been measured in accordance with the RICS of Measuring Practice (6th Edition) on a Gross Internal Basis and provides for the following areas:

Main Warehouse

Floor	Use	Sq m	Sq ft
Ground	Warehouse	1,492.99	16,071
Ground	"Shell" office/production	490.83	5,283
First	Offices	485.24	5,223
GIA		2,469.06	26,577

Rear Building

Floor	Use	Sq m	Sq ft
Ground	Warehouse	699.46	7,529
Ground	Offices	106.47	1,146
First	Offices	100.52	1,082
GIA		906.45	9,757
Total GIA		3,375.51	36,334



The premises are situated on a rectangular shaped site which is level, although below Southmoor Road street level. This extends to approximately 0.746 hectares (1.84 acres) and equates to a site coverage of 37%.

The property benefits from 41 formally marked car parking spaces.

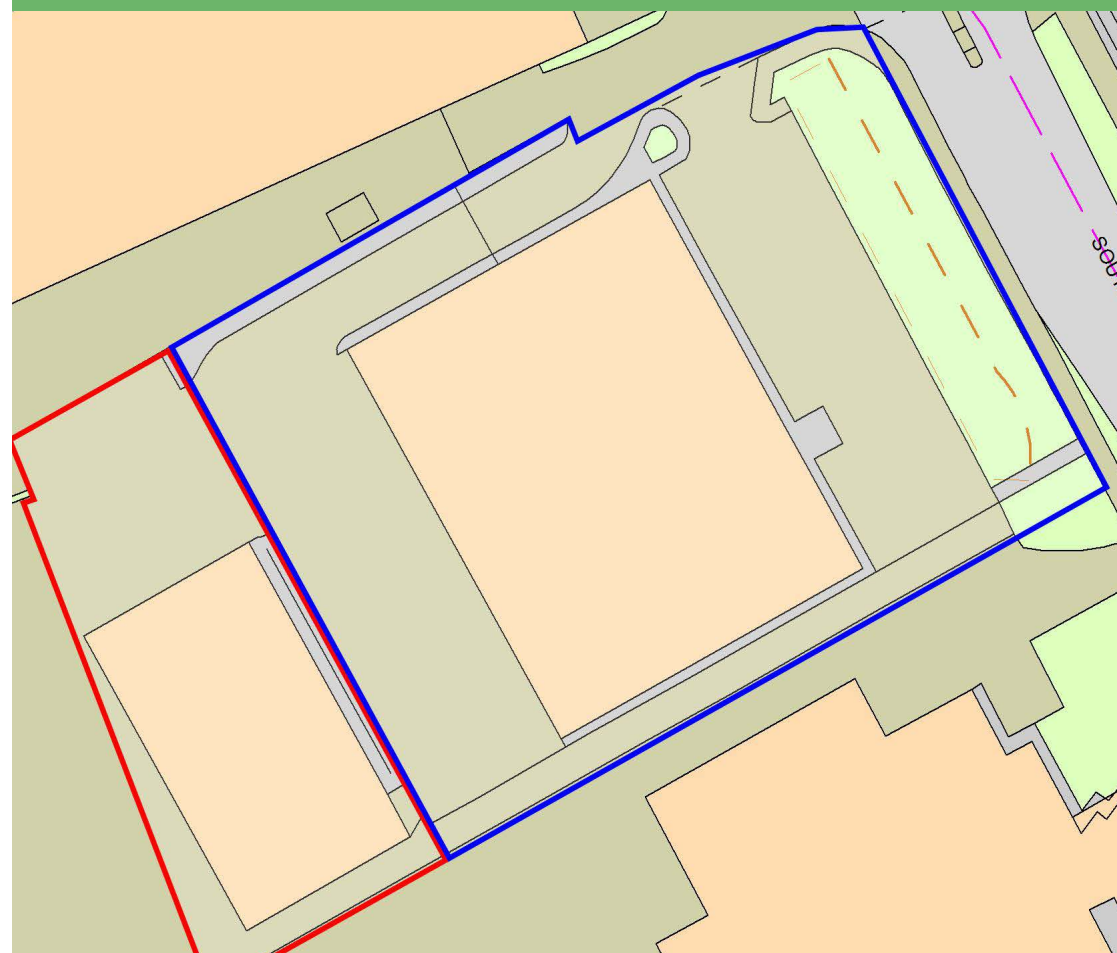
Tenure

The property is held under two leasehold interests from Manchester City Council.

Blue Title – 99 years from 23rd May 1980, expiring 22nd May 2079 (60.8 years). £5,917.87 per annum current rent. Reviewed upwards only 5 yearly to the higher of 16.67% of rents received or the estimated rental value.

Red Title – 99 years from 1st March 1979, expiring 30th April 2078 (59.75 years). £17,670 per annum current rent. Reviewed upwards only 5 yearly to the higher of 16.67% of rents received or the estimated rental value. Next review 1st March 2019.

Total ground rent of £23,588 per annum (Next reviewed 2019 and 2020)



Tenancy

The property is let to Rotalec Plastics Limited on a 10-year lease with effect from 19th January 2016, expiring 18th January 2026 (7.5 years unexpired). The lease is guaranteed by Coral Products Plc but this is limited to maximum amount of £178,064.50. The FRI lease is limited by a Schedule of Condition.

The current rent of £128,000 per annum (£3.50 psf) is subject to a fixed increase on 19th January 2021 to £148,387 per annum (£4.05 psf) for the remainder of the term.

Total income is therefore £104,412 per annum, after deduction of the ground rent.

Market Commentary / ERV

Roundthorn Industrial Estate has seen significant rental growth over the last 5 years with low levels of availability pushing rents forward.

Higher value uses are being developed along Southmoor Road with Lidl acquiring the site on the corner of Southmoor Road and Altrincham Road, some 500 metres from the subject property. The property is under construction with completion in October 2018. JD Gyms are will open in September in the property adjoining, paying £160,000 per annum (£5.30 psf).

With medium sized industrial units now letting at £6.75 psf on Roundthorn Industrial Estate and Global Logistics at Manchester Airport, 1.5 miles away, letting for £7.50 psf the rent is reversionary.

We believe the Estimated Rental Value for the property in its current condition is £181,670 per annum (£5 psf).



Covenant

Rotalac Plastics Limited (Company Number: 08049075) known as Tatra Rotalac are a leading plastic extrusions manufacturer providing custom extrusions, PVC profiles and injection moulding.

The latest accounts are summarised below:

Rotalac Plastics Limited	30/04/2017	30/04/2016
Turnover	£675,863	£616,412
Pre-Tax Profits	£68,655	£86,006
Net Worth	£1	£82,606

Coral Products Plc (Company Number: 02429784) is a manufacturer & distributor of plastic injection, extruded and blow moulded products into a diverse range of sectors including food packaging, personal care, household, healthcare, automotive, telecoms and rail.

The Group has operations in the UK with manufacturing facilities in Haydock, Merseyside, & Wythenshawe, Greater Manchester and distribution facility in Hyde, Greater Manchester.

The latest accounts are summarised below:

Coral Products Plc	30/04/2017	30/04/2016
Turnover	£21,432,000	£18,714,000
Pre-Tax Profits	£465,000	£758,000
Net Worth	£13,797,000	£13,176,000

Further information is available at:

www.coralproducts.com

www.tatra-rotalac.com



Proposal

Our client is seeking offers in excess of **£1,000,000** for their Long Leasehold interest, subject to contract and exclusive of VAT.

A purchase at this level reflects the following level, after deducting purchase costs:

 **9.87% Net Initial Yield**

 **11.80% Reversionary Yield**

 **£27.32 psf Capital Value**

VAT

The property is elected for VAT and therefore VAT will be payable on the purchase price. It is anticipated that the sale will be dealt with as a TOGC.

Dataroom

Please contact us for access to the dataroom.

Energy Performance Certificate

Further information is available upon request.

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:

Daniel Campbell

Tel: 07741 593 968

Email: dc@christopherdee.co.uk

Chris Bathurst

Tel: 07957 138 003

Email: cb@christopherdee.co.uk

David Holt

Tel: 0207 079 1818

Email: dh@why50.com

Max Kinghorn

Tel: 0207 079 1817

Email: mk@why50.com



Christopher Dee

40 Peter Street,
Manchester
M2 5GP

WHY | WHITMARSH
HOLT YOUNG

Whitmarsh Holt Young

11 Manchester Square,
London
W1U 3PW

MISREP: The accuracy of any description, dimensions, references to condition, necessary permissions for use and occupation and other details contained here in 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. May 2018.