

Investment

Akcros Chemicals UK Headquarters Facility with Long Term Income and Future Redevelopment Potential

For Sale

Lankro Way, Eccles, Manchester, M30 0LX



Investment Summary

- Long established chemical manufacturing facility in Eccles, Greater Manchester, just off the M602 and adjacent to Trafford Park.
- An **unexpired term of 22 years and 2 months** to Akcros Chemicals Limited, guaranteed by Akcros Holdings Limited.
- Akcros Chemicals and its predecessors have been in occupation since 1937.
- **Five yearly unrestricted RPI rent reviews** with the next review in April 2017.
- 12,990.74 sqm (139,831 sq ft) of industrial, laboratory and office accommodation.
- The site extends to 9.172 hectares (22.663 acres), with a **low site coverage of only 15.82%**.
- Current passing rent of £611,188 per annum exclusive, equating to £4.31 per sq ft.
- Offers in excess of **£8,000,000 (Eight Million Pounds)**, a purchase at this level will show;
 - A **net initial yield of 7.22%**.
 - A **reversionary yield of 8.54%** at the next review in 2017 based on the HM Treasury RPI forecast.



Headquarters Office Building



Tenant's Plant and Buildings

Location

Eccles is located approximately 4.0 miles west of Manchester and 2.0 miles west of Salford. The district population of Greater Manchester is 2,682,528 people according to the 2011 UK Census.

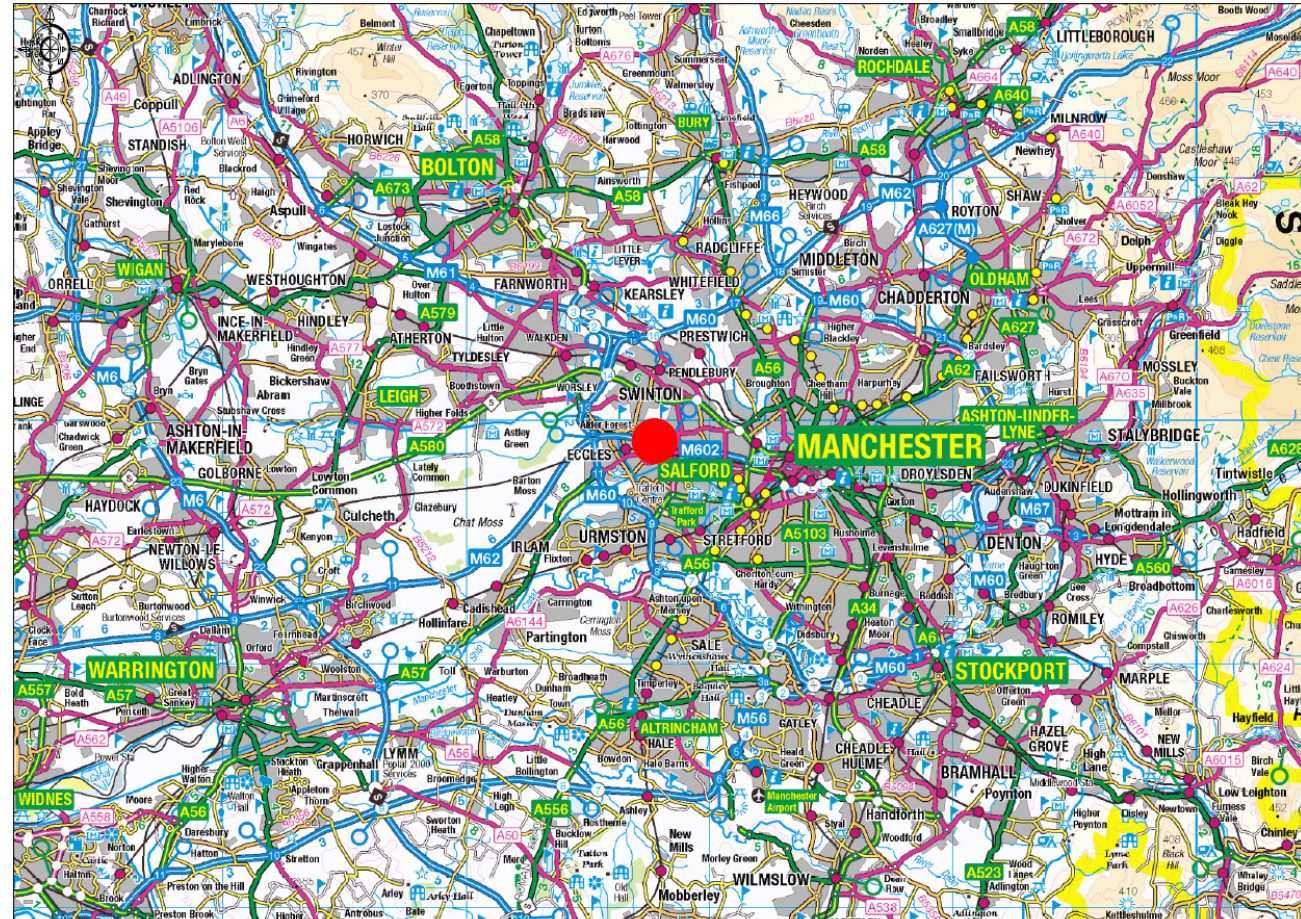
Eccles is situated just south of Junction 2 of the M602. Eccles is well located for immediate access to Manchester city centre, 4.7 miles to the east and M62 and M60 motorways, 2.3 miles to the west at Junction 12.

Eccles metrolink station is within 0.5 miles of the site, which provides regular direct services to Manchester city centre and Eccles mainline rail station has hourly services to Manchester Victoria and Liverpool Lime Street.

The Eccles interchange also provides regular bus services running to Manchester, Pendleton, the Trafford Centre, Altrincham, Bolton, Stockport and Warrington.

Drive times can be summarised as follows;

Destination	Miles	Minutes
Manchester city centre	4.0	15
Warrington	15.3	26
Liverpool	30.1	48
Leeds	47.3	72
Manchester Airport	11.1	18
M6 Motorway	11.4	16
Birmingham	90.6	112

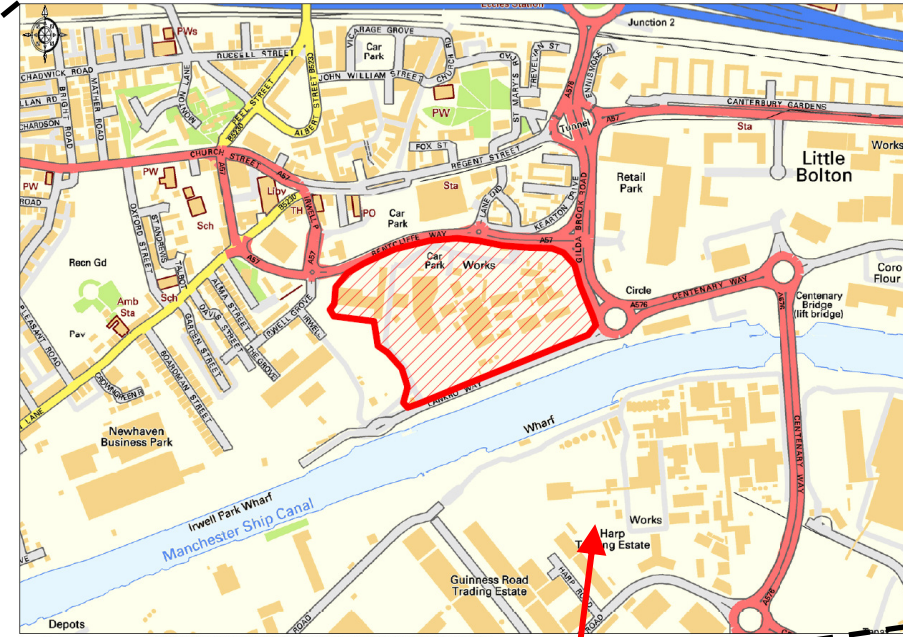
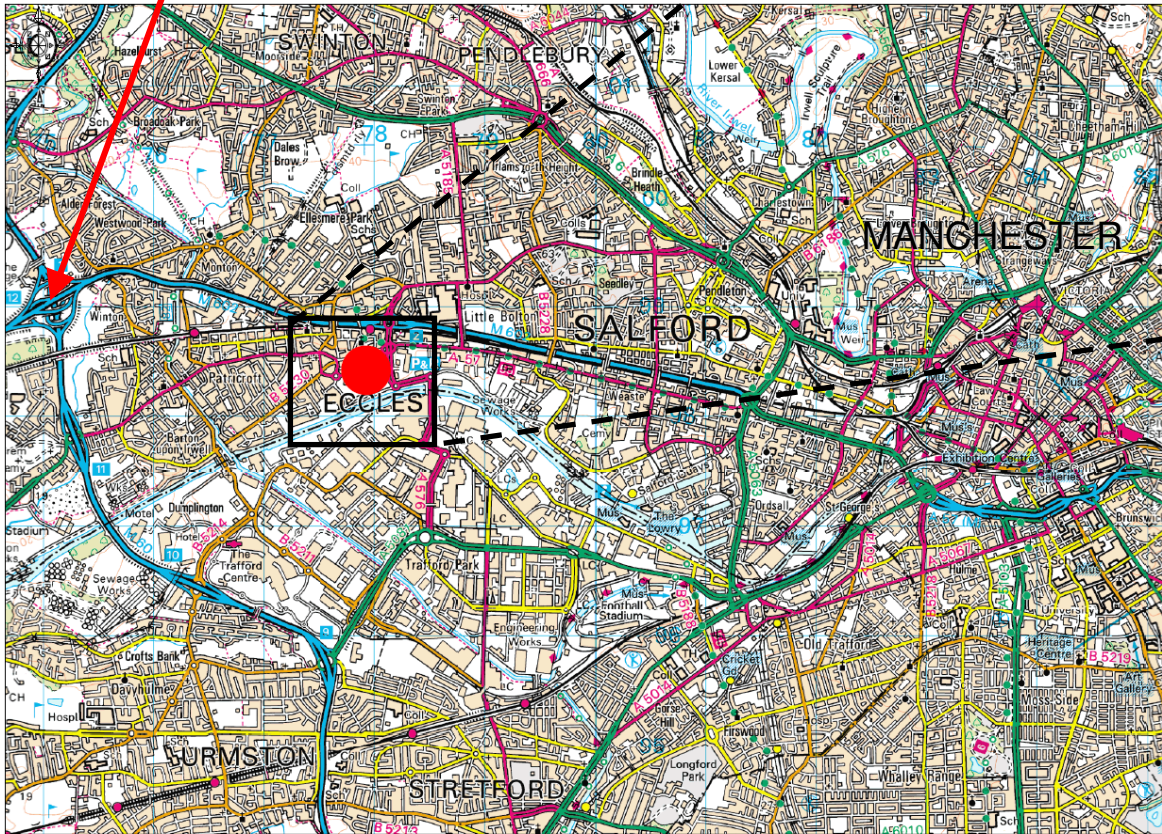


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Situation

The Property is situated just north of Lankro Way, running parallel to the Manchester Ship Canal and south of Bentcliffe Way (A57) and approximately 0.3 miles south of Eccles town centre and 0.4 miles from Trafford Park – one of the UK's premier industrial and distribution locations.

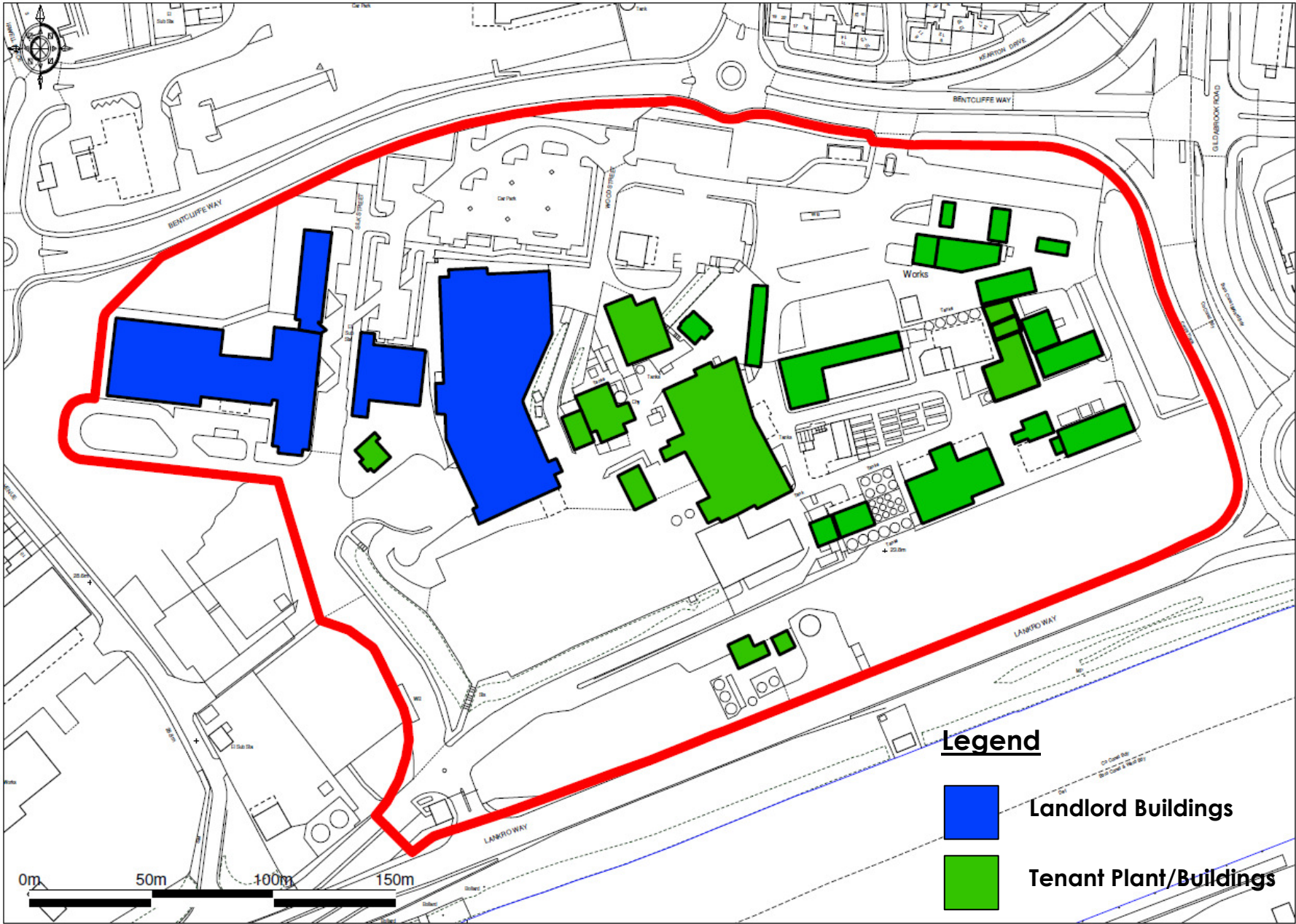
M60/M602 Interchange



Trafford Park

A Morrisons supermarket, West One Retail Park, Newhaven Business Park which provides 70,000 sq ft of industrial and office premises are in the immediate vicinity, whilst the Intu Trafford Centre, Old Trafford (Manchester United) and the Imperial War Museum are within 2.5 miles of the site.

Site Plan



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Description

The property comprises a 9.172 hectares (22.663 acre) site that is currently used as a chemical additive manufacturing and research headquarters facility. The site is occupied by Akcros Chemicals Limited and acts as its worldwide headquarters for the business. Akcros Chemicals manufacture and research at the Eccles site for a wide range of additives, from stabilisers and epoxy plasticisers to biocides and bonding agents and they employ over 100 people at the site.

The site has a range of landlord's buildings, which are leased to Akcros Chemicals Limited along with tenant's plant and buildings which do not revert to the landlord and which the tenant is obliged to remove at the end of the lease (as demonstrated on the attached site plan on the previous page).

With regard to the leased buildings, the property comprises four main elements, the Headquarters Office Building, the Technical Building, Operations Management Office Building and the Salpas Building.

Tenure

The Property is held long leasehold from Akcros Chemicals Limited for 975 years with a ground rent of £1 per annum. There is a right to buy the freehold in 2032 for the sum of £1.

Accommodation

Premises	Sqm	Sq Ft
Headquarters Building	4,443.34	47,828
Technical Building	1,828.00	19,676
Operations Management & Administration	2,085.00	22,443
Salpas Industrial Building	4,634.40	49,884
Total	12,990.74	139,831

We would advise that potential purchasers make their own enquires.



Salpas Building

Tenancy

The entire property is let to Akcros Chemicals Limited on a full repairing and insuring lease for a term of 30 years from 7th April 2007 and has an unexpired lease term of 22 years and 2 months. The lease provides five yearly unrestricted RPI rent reviews with the next review in April 2017. Akcros Chemicals Limited and their predecessors have occupied the site since 1937.

Tenant	Passing Rent (pax)	Passing Rent (Per Sq Ft)	Lease Start	Lease Expiry	Next Review
Akcros Chemicals Limited	£611,188	£4.37	07/04/07	03/04/37	07/04/17

Covenant Strength

The entire Property is let to Akcros Chemicals Limited (tenant), guaranteed by Akcros Holdings Limited.

Tenant	Year Ending	Turnover	Pre-tax Profit	Total Assets	Shareholders Funds
Akcros Chemicals Limited	31/12/13	£50,786,000	£262,000	£20,980,000	£10,581,000
	31/12/12	£48,570,000	-£310,000	£21,529,000	£10,420,000
	31/12/11	£46,405,000	£113,000	£22,401,000	£10,687,000
Akcros Holdings Limited	31/12/13	£72,800,000	£1,981,000	£25,237,000	£11,337,000
	31/12/12	£68,801,000	£571,000	£23,124,000	£10,075,000
	31/12/11	£67,749,000	£824,000	£22,806,000	£9,164,000

Land Quality Assessment

A land quality statement is available in the data room, access to this is available on request.

EPC

An EPC is available on request.



View over the Salpas Building



Open Storage Land to East of the Site

VAT

The property is VAT elected and therefore will be applicable on the purchase price. We anticipate that the transaction will be treated as a TOGC.

Proposal

We are instructed to seek offers in excess of **£8,000,000 (Eight Million Pounds)**, subject to contract. A purchase at this level would reflect a **net initial yield of 7.22%** assuming usual purchaser's costs of 5.80%.

Further Information

For further information and in order to arrange an inspection, please contact;



David Watson

0113 234 1444

dwatson@wsbproperty.co.uk

Chris Watt

0113 234 1444

cwatt@wsbproperty.co.uk

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Tenant's Plant and Buildings



Internal of Salpas Building