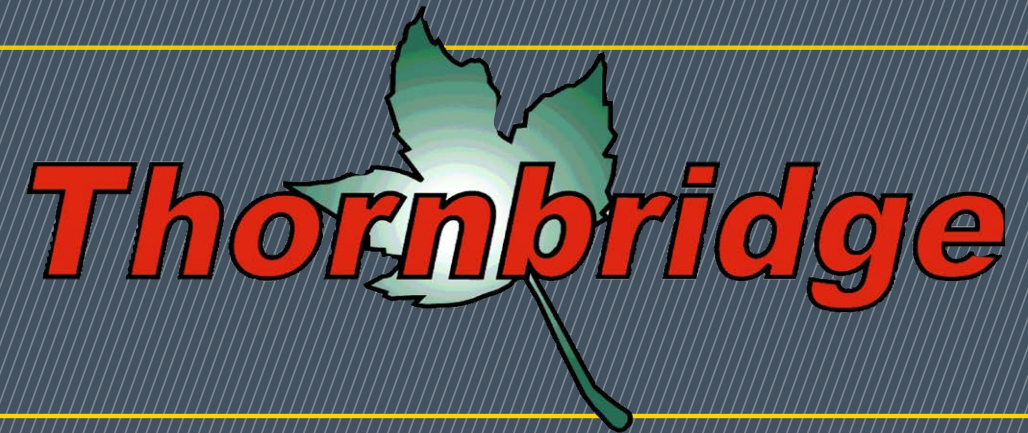


SINGLE LET INDUSTRIAL INVESTMENT OPPORTUNITY



LAURIESTON ROAD, GRANGEMOUTH, FK3 8XX



INVESTMENT SUMMARY

- ▶ Modern single let industrial investment opportunity
- ▶ Located in Grangemouth, approximately 24 miles west of Edinburgh and 27 miles east of Glasgow
- ▶ Four separate buildings extending to approximately 88,017 sqft (8,177.0 sqm)
- ▶ Some units are sub-divided so potential to convert into a multi-let estate in the future
- ▶ 10-year lease to Thornbridge Sawmills Ltd with two options for the tenant to extend for a further 5 years
- ▶ 5 yearly rent reviews geared to the Retail Price Index subject to a minimum uplift of 1% and a maximum uplift of 3% per annum
- ▶ Thornbridge Sawmills are an established business, founded in 1992
- ▶ The initial rent will be £388,261 per annum (£4.41 psf)
- ▶ Heritable Interest (Scottish equivalent of English Freehold)
- ▶ The site area extends to 7.07 acres (2.86 hectares) providing a low site coverage of 27%



Offers are sought in excess of **£4,900,000 (Four Million, Nine Hundred Thousand Pounds Sterling)**, which reflects an attractive **net initial yield of 7.5%** and a capital rate of £56 psf assuming purchaser's costs of 6.1%.



LOCATION

Grangemouth is a town in East Stirlingshire and is part of the Falkirk Council area within Scotland's Central Belt. It is located approximately 24 miles north west of Edinburgh and 27 miles north east of Glasgow. It is well connected to Scotland's motorway network, with the M9 motorway running along the southern side of the town, with two junctions providing access and egress to the motorway. The excellent access makes Grangemouth one of central Scotland's most strategic industrial, manufacturing and distribution locations.

Grangemouth has been a key town within Central Scotland since the 18th Century and thrived as the link between the eastern end of the Forth & Clyde Canal and the River Forth. The main industry in Grangemouth and the wider Falkirk area is now focussed on the Grangemouth Refinery which is Scotland's main petrochemical complex and one of the largest of its kind in Europe.

Grangemouth also benefits from housing Scotland's largest container port, with approximately 9 million tonnes of cargo passing through the dock each year. The success of the port is due to the town's location in the heart of Scotland which makes it readily accessible for distribution to all parts of the country.





SITUATION

The property is situated approximately 1 mile west of Grangemouth Town Centre and 2 miles east of Falkirk Town Centre. It is strategically located in relation to the M9 motorway, with Junction 6 lying 0.7 miles to the north of the subject.

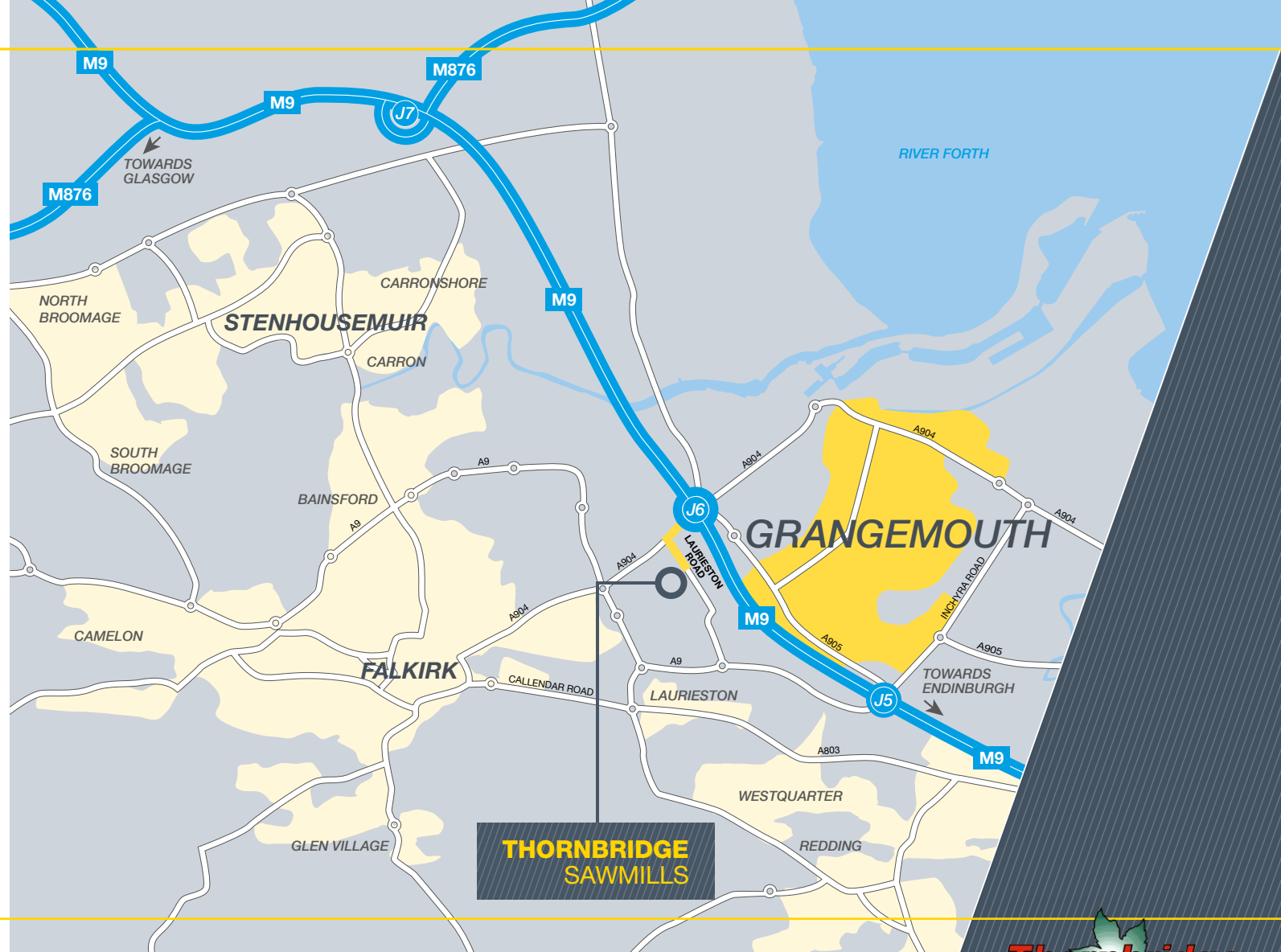
The property is accessed via Laurieston Road, which leads on to Falkirk Road (A904) and subsequently connects with the M9 motorway. The M9 provides direct access to the north of Scotland and Edinburgh in the east. It also connects with the M8 motorway at Junction 1 and the M80 motorway at Junction 9, creating a comprehensive motorway network throughout central Scotland.

There is plans to improve access into the property by reconstructing Laurieston Road to provide a better link to Junction 5 of the M9 Motorway.

Major occupiers in the surrounding area include The Malcolm Group, DB Schenker, Scania Trucks, Whyte & Mackay, MAN Truck & Bus, Speedy Hire, United Cash & Carry, Morrison Construction and Asda.

DRIVE TIMES

| Destination | Miles | Drive Time |
|-------------|-------|-------------------|
| Falkirk | 2 | 7 minutes |
| Stirling | 13 | 21 minutes |
| Edinburgh | 24 | 40 minutes |
| Glasgow | 27 | 35 minutes |
| Perth | 45 | 51 minutes |
| Dundee | 60 | 1 hour 15 minutes |



LAURIESTON ROAD
GRANGEMOUTH, FK3 8XX

DESCRIPTION

The property comprises a modern, purpose built industrial facility extending to approximately 88,017 sqft (8,177.0 sqm) across four buildings. The industrial units were built in 2007 and provide an excellent standard of accommodation across three separate buildings. The subject also includes a small detached office building. The properties are set within a large secure site with a high quality concrete surfaced yard.

The industrial buildings are completed to the following specification: -

- ▶ Steel portal frame construction
- ▶ Blockwork walls to 2.5m with insulated profiled metal cladding above and across the pitched roofs
- ▶ Lighting by way of high bay Sodium light fittings
- ▶ Translucent panels providing additional daylight
- ▶ Power floated concrete floors laid in sections
- ▶ Eaves height of 6.2m
- ▶ 5mx5m electric ground level loading doors



MAIN BLOCK

The Main Block extends to approximately **48,449 sqft (4,501.0 sqm)** and is subdivided internally by full height brickwork walls. The building comprises the joinery shed, treatment warehouse, plywood store, redwood store and a canopy on the southern elevation. The unit is accessed via 4 surface level full height electric loading doors.



LAURIESTON ROAD
GRANGEMOUTH, FK3 8XX

CENTRAL BUILDING

The Central Building extends to **23,539 sqft (2,186.8 sqm)** and is subdivided internally. The building comprises a store, sawmill and office accommodation across ground and first floor level on the southern elevation. The building is accessed via 6 surface level cross dock loading bays, with full height electric doors.



LAURIESTON ROAD
GRANGEMOUTH, FK3 8XX

TRADE CENTRE

The Trade Centre extends to **13,201 sqft (1,226.4 sqm)** and provides a showroom/trade counter, warehouse accommodation, a mezzanine for additional storage and is accessed via 2 surface level electric loading doors.





MAIN OFFICE

The Main Office is a single storey detached office building which extends to **2,828 sqft (262.7 sqm)**. The office is well maintained and is finished to a good standard with carpet covered floors, plasterboard painted walls, fluorescent strip lighting, perimeter trunking and is heated by warm water radiators powered by a gas boiler.



LAURIESTON ROAD
GRANGEMOUTH, FK3 8XX

ACCOMMODATION

The property has been measured in accordance with the RICS Code of Measuring Practice (6th Edition) and extends to the following approximate Gross Internal Areas (GIA): -

| Description | Sq m | Sq ft |
|------------------|----------------|---------------|
| Main Block | 4,501.0 | 48,449 |
| Central Building | 2,188.8 | 23,539 |
| Trade Counter | 1,226.4 | 13,201 |
| Office Building | 262.7 | 2,828 |
| Total | 8,177.0 | 88,017 |

The total site area extends to 7.07 acres (2.86 hectares) giving the property a low site coverage of approximately 27%.



TENANCY INFORMATION

Upon completion of the sale, Thornbridge Sawmills Ltd will enter into a new Full Repairing and Insuring Lease subject to a Schedule of Condition for a period of 10 years from the date of completion.

The tenant will have two options to extend the lease for a further period of 5 years on the 10th and 15th anniversaries of the lease, subject to 6 months prior written notice.

There will be 5 yearly rent reviews geared to the annual increase in the Retail Price Index subject to a minimum uplift of 1% annually compounded and a maximum uplift of 3% annually compounded.

The initial rent will be £388,261 per annum. The break down in rental figures is summarised below: -

| Description | Size (sqft) | Rent (psf) | Rent (p.a.) |
|---------------------------|---------------|--------------|-----------------|
| Main Block | 46,049 | £4.00 | £184,196 |
| Main Block (Canopy) | 2,400 | £2.50 | £6,000 |
| Central Building | 23,539 | £4.50 | £105,926 |
| Trade Counter | 11,644 | £6.00 | £69,864 |
| Trade Counter (Mezzanine) | 1,557 | £2.50 | £3,893 |
| Main Office | 2,828 | £6.50 | £18,382 |
| Total | 88,017 | £4.41 | £388,261 |



Thornbridge

LAURIESTON ROAD
GRANGEMOUTH, FK3 8XX

COVENANT

Thornbridge Sawmills was established in 1992 and is one of Scotland's leading timber merchants. Since its formation the business has grown to incorporate its main sawmill and distribution facility in Grangemouth along with a network of eight branches throughout Scotland.

Thornbridge employs over 150 highly-trained staff to serve its diverse customer base which includes joiners, DIY enthusiasts, regional housebuilders, fit-out contractors, commercial construction companies and public works contractors. The company also supplies sheet materials and a range of manufactured timber products such as flooring, door sets, decking and fencing.

Thornbridge Sawmills was purchased in 2017 by Cairngorn Capital, a specialist private investment firm which provide equity and management expertise to UK companies. Their aim is to develop and grow Thornbridge Sawmills to become a UK-wide industry leader in its sector.

Further information can be found at www.thornbridgesawmills.co.uk / www.cairngormcapital.com

The company has a Credit Safe Score of 77/100 and a summary of their most recent financial performance is as follows:-

| | 31-Dec-16 | 31-Dec-15 | 31-Dec-14 |
|-------------------------------------|-------------|-------------|-------------|
| Sales Turnover | £33,596,660 | £32,389,636 | £28,944,891 |
| Profit / (Loss) before Taxes | £1,713,493 | £1,018,759 | £402,327 |
| Tangible Net Worth | £4,846,174 | £3,802,687 | £3,190,861 |



Thornbridge

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SCOTTISH INDUSTRIAL PROPERTY MARKET

The industrial occupational market in Scotland has been very active in recent years. Whilst demand has continued to grow over the period between 2013 and 2017, supply has fallen due to the lack of development. With minimal development expected in the coming years, it is forecast industrial supply will continue to fall throughout 2018 and result in rental growth going forward.

The industrial investment market in Scotland continues to be favoured by investors due to the strong occupational story and low capital values per sqft. The opportunities offered in Scotland provide a relative yield discount to the rest of the UK which income focussed investors can benefit from.

We highlight recent investment transactions below: -

| Date | Address | Area (sqft) | AWULT | Price | NIY | Capital Rate (psf) | Comments |
|--------|-----------------------------------------|-------------|-----------------------------------|---------|-------|--------------------|--------------------------------------------------------------------------------------------------------|
| Apr-18 | 4 Rosehall Road, Bellshill | 53,198 | 7.5 years (2.5 years to break) | £3.72m | 6.97% | £70 | Single let to Yodel Delivery Network Ltd |
| Dec-17 | Units 1, 2 & 3 Starlaw Park, Livingston | 138,474 | 10.3 years | £9.30m | 7.22% | £67 | Sale comprised three distribution units let to Alcatel-Lucent Uk Ltd, CFH Docmail, Young's Seafood Ltd |
| Oct-17 | Righead Industrial Estate, Bellshill | 27,077 | 15 years (12 years to break) | £2.35m | 7.25% | £87 | Single let to Nationwide Platforms Ltd |
| Oct-17 | Excelsior Park, Wishaw | 112,127 | 9.5 years | £8.76m | 5.75% | £78 | Single let to the Royal Mail Group |
| Sep-17 | Houston Industrial Estate, Livingston | 43,370 | 5 years | £2.59m | 7.50% | £60 | Single let to SCS |
| Sep-17 | 2 James Street, Bellshill | 52,857 | 9.5 years | £4.125m | 6.04% | £78 | Single let to HSS Hire Service Group and recently refurbished |
| Aug-17 | 6 Brittain Way, Eurocentral | 39,893 | 10.50 years | £3.315 | 6.40% | £83 | Single let to DX Networks who recently extended |
| Jun-17 | Woodrow Drive, Eurocentral | 69,923 | 1.9 years | £4.75m | 6.91% | £68 | Single let to Next Plc |

FURTHER INFORMATION

TENURE

Heritable Interest (Scottish equivalent of English Freehold)

CAPITAL ALLOWANCES

All available capital allowances will be transferred to the purchaser.

VAT

The property has not been elected for VAT therefore VAT will not be payable on the purchase price.

ENERGY PERFORMANCE

An EPC for the property can be provided upon request.

INVESTMENT PROPOSAL

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FURTHER INFORMATION

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