



A PRIME MULTI-LET INDUSTRIAL INVESTMENT OPPORTUNITY



CARRINGTON
GATEWAY

CARRINGTON, MANCHESTER M31 4RQ



EXECUTIVE SUMMARY

- Carrington Gateway is a prime multi-let industrial investment
- Carrington Gateway forms part of Phase 1 of the Carrington Estate, one of the UK's largest regeneration schemes
- Strategically located within 3 miles of Junction 8 of the M60 orbital motorway, with easy access to the M6, M62 and M61 regional and national motorway network
- Prominently situated fronting the A6144 (Manchester Road)
- Total floor area of approximately 211,283 sq ft, arranged in 6 units, ranging from 10,469 sq ft to 103,995 sq ft
- Design-led architecture in a landscaped environment, combined with a Grade A specification
- Let to a range of national and regional businesses within 11 months of practical completion
- The asset will benefit from forthcoming new infrastructure improvements, including the Carrington Relief Road
- Total passing rent of £1,486,954.75 per annum, equating to a low average rent of £7.04 psf
- Significant reversion with a total ERV of £1,731,354.75 per annum (£8.19 psf)
- Site area of 16.1 acres, representing a site density of approximately 30%
- BREEAM rating 'Very Good' and EPC B
- The property is held virtual freehold on a 999-year long leasehold interest at a rent of £100 per annum
- We are instructed to seek offers in excess of **£32,390,000 (Thirty Two Million, Three Hundred and Ninety Thousand Pounds)** subject to contract and exclusive of VAT
- A purchase at this level would reflect a low capital value of **£153.30 psf**, providing the following yield profile assuming purchasers costs of 6.77%:

Net Initial Yield - 4.30%
Reversionary Yield - 5.00%
Equivalent Yield - 4.55%



LOCATION

Carrington Gateway forms part of the Carrington Estate, located approximately 10 miles South West of Manchester city centre.

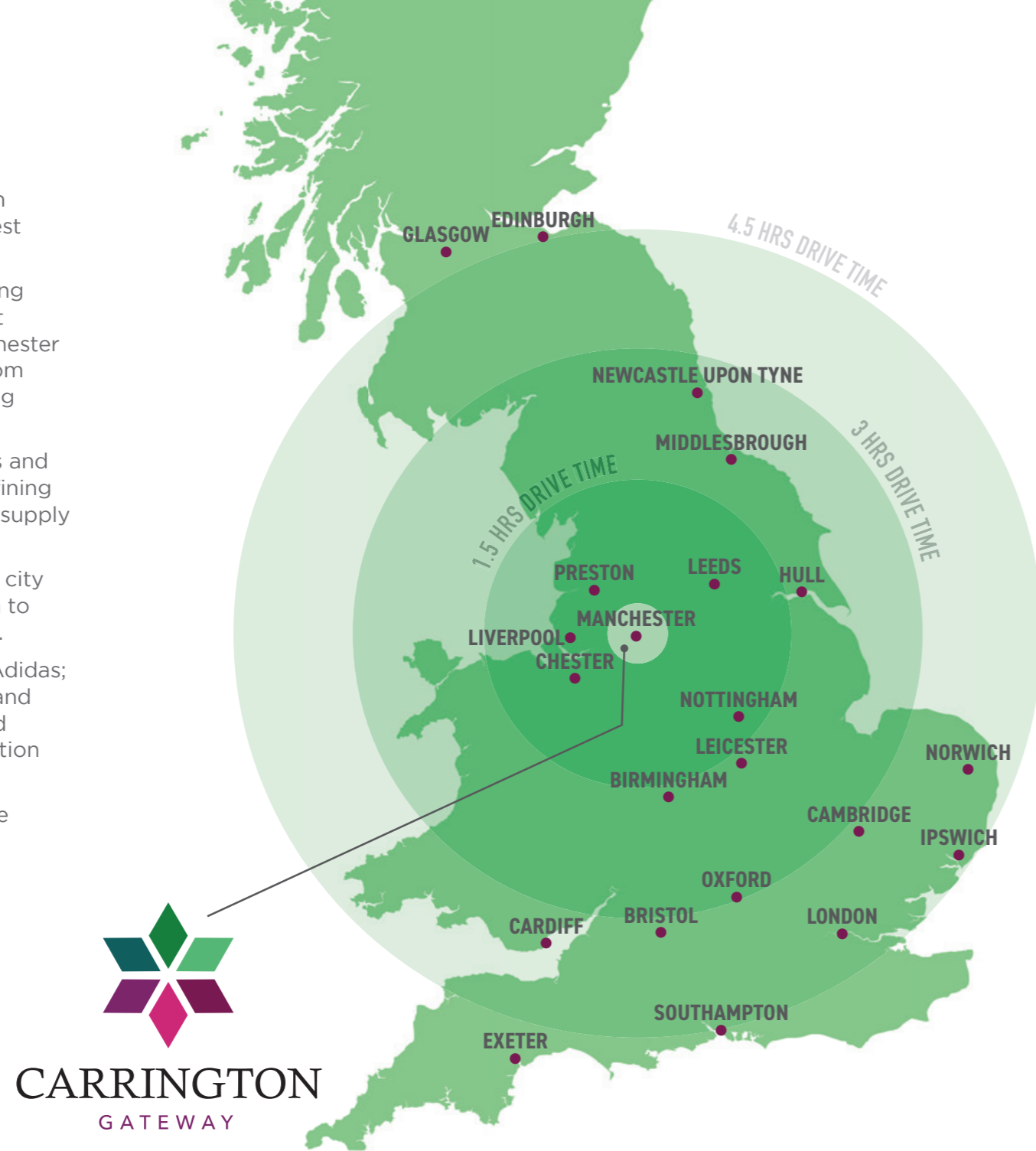
The North West is home to thriving cities including Manchester and Liverpool and is one of the most successful and dynamic regions in the UK. Manchester is at the heart of the North West and benefits from a rising population and one of the fastest growing economies in the UK.

Major regional UK cities such as Liverpool, Leeds and Sheffield are accessible within a 1-hour drive, defining Manchester as a key location for manufacturing, supply chain and logistics businesses.

The city has more motorways than any other UK city and every major population centre, from London to Edinburgh, can be reached within a 4-hour drive.

As a result, global companies such as Amazon; Adidas; JD Sports; Kellogg's; L'Oréal; Procter & Gamble and major logistics firms such as Kuehne & Nagel and Wincanton, have chosen to locate major distribution hubs in Manchester.

Carrington Gateway is the first commercial phase of the Carrington Estate, which was delivered in September 2020.



BUS STOP	FLIXTON STATION	JUNCTION 8 M60	JUNCTION 20 M6	MANCHESTER AIRPORT	PORT OF LIVERPOOL	MANCHESTER CITY CENTRE	TRAFFORD PARK
1 MIN WALK	6 MIN DRIVE	8 MIN DRIVE	20 MIN DRIVE	20 MIN DRIVE	50 MIN DRIVE	20 MIN DRIVE	10 MIN DRIVE

DEMOGRAPHICS

**2.3
MILLION**
PEOPLE LIVE WITHIN
A 30-MINUTE DRIVE

60%
OF UK BUSINESSES ARE
WITHIN A 2-HOUR DRIVE

**6.5
MILLION**
PEOPLE WITHIN A
60-MINUTE DRIVE

THE TRAFFORD BOROUGH
HAS THE HIGHEST
PRODUCTIVITY
(GVA PER RESIDENT) IN
GTR MANCHESTER

11.4%
EXPECTED GROWTH
IN TRAFFORD
BOROUGH BY 2040

PREDICTED
ECONOMIC GROWTH
**£38.9
BILLION**
IN GTR MANCHESTER
OVER THE NEXT 15 YEARS



THE CARRINGTON ESTATE

THE CARRINGTON ESTATE IS ONE OF THE UK'S LARGEST REGENERATION SCHEMES

Covering 1,665 acres the Carrington Estate forms the largest landholding within the New Carrington vision, a strategically important regeneration opportunity being promoted by Trafford Council and Greater Manchester through Places for Everyone. The Carrington Estate contributes the following benefits to this vision: 2,900 homes, 3.4 million sq ft of employment space (and potential for more) as well as improved local amenities, investment into green space and upgraded sustainable transport links. The first phase received detailed planning permission in 2018 and allows delivery of up to 1 million sq ft of employment space, alongside 595 homes.

Carrington Gateway is the first phase of the commercial space, which was delivered in September 2020. Subject to a planning application due to be submitted by Trafford Council, the development will be complemented by the Carrington Relief Road, which will run through the subject property and further improve road connectivity and motorway access.

A preferred route for the relief road was determined in 2021. This route utilises the whole length of the existing A1 route through the existing industrial estate, from the A6144 to Isherwood Road, before connecting through to the Carrington Spur. The total length is 3.9 km, with the current design proposals specifying a 20m wide surface, incorporating cycle, bridle and walkway routes alongside the road.

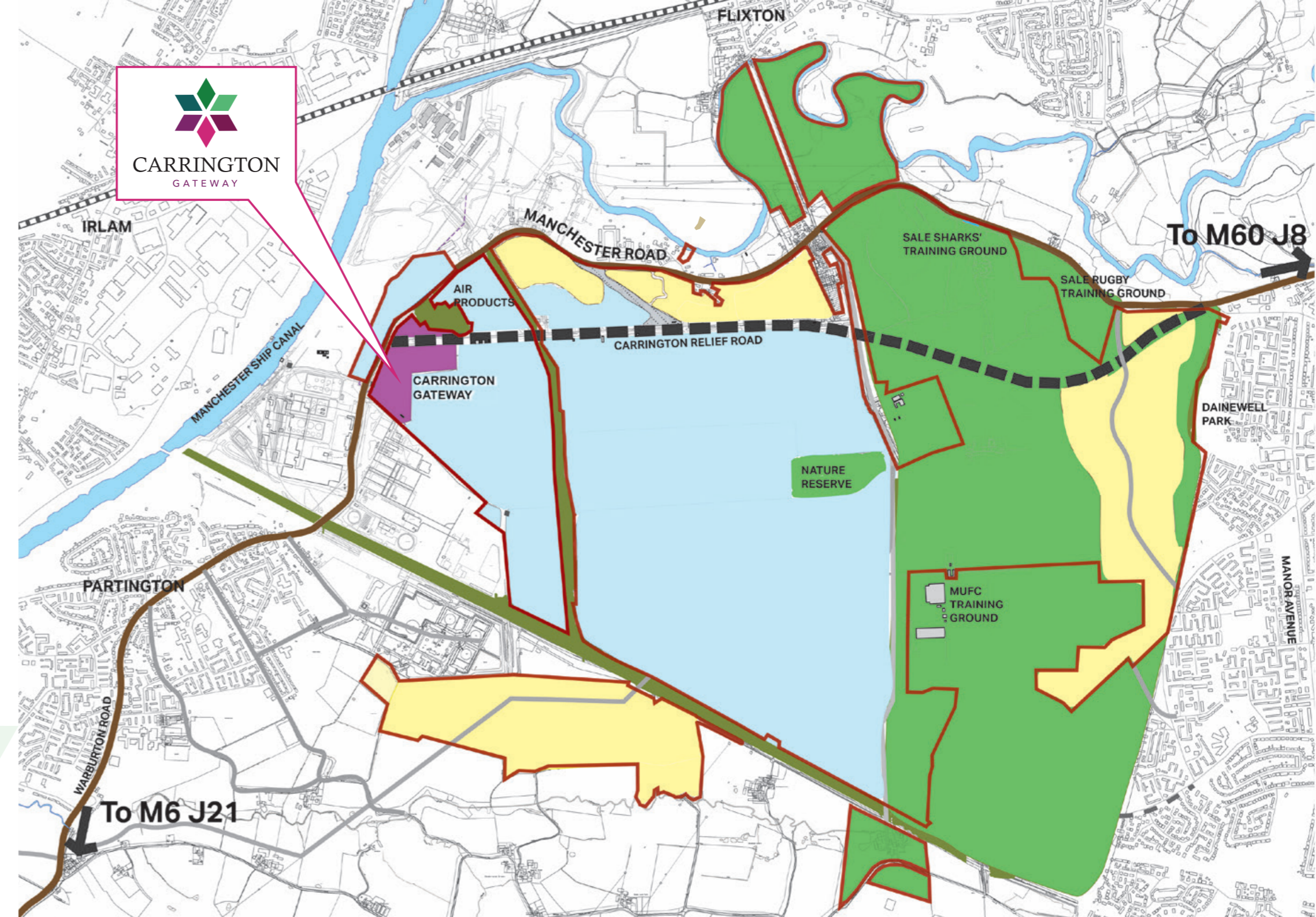
ESG AND SUSTAINABILITY

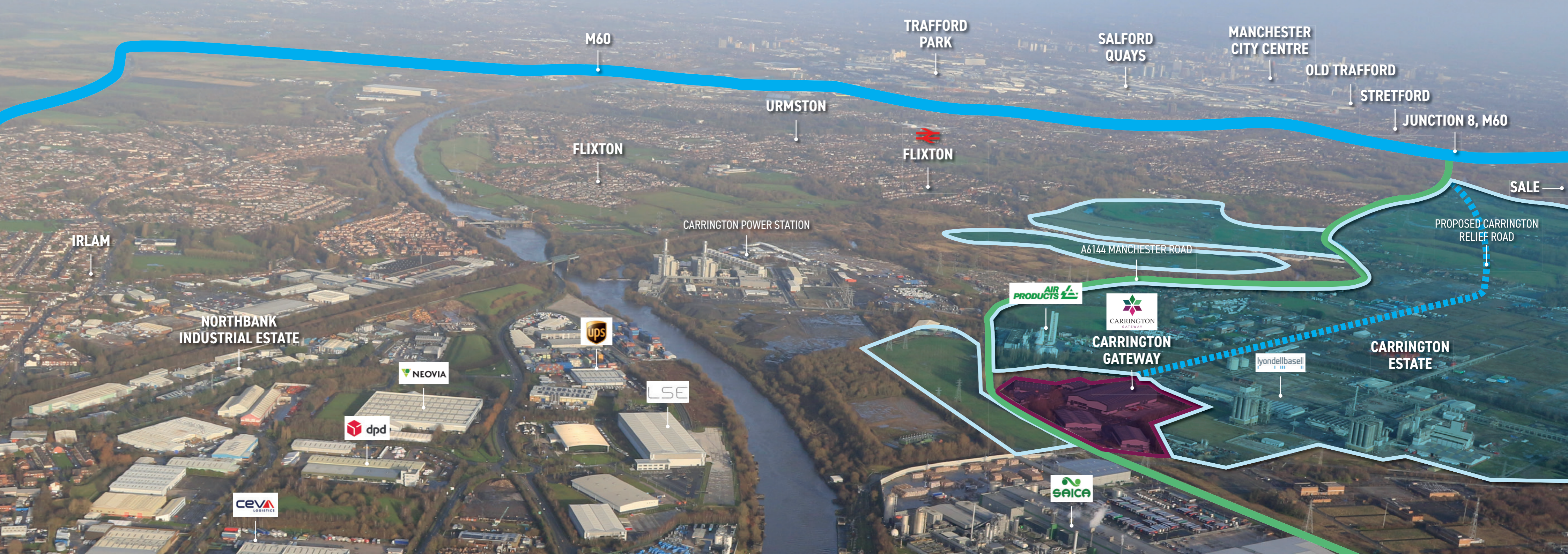
Sustainability is part of a holistic design process that runs throughout all aspects of the scheme, including design and layout of buildings and landscape, the components of the masterplan, transport strategy and phasing.

Carrington Gateway has been constructed to BREEAM 'Very Good' standard. The units have achieved a 'B' EPC rating. As part of the development of the wider estate there will be a commitment to public open space in order to support the wellbeing of staff, residents and visitors.

KEY

- Subject Property
- Existing/Proposed Residential
- Existing/Proposed Employment
- Carrington Estate boundary





M60

TRAFFORD PARK

SALFORD QUAYS

MANCHESTER CITY CENTRE

OLD TRAFFORD

STRETFORD

JUNCTION 8, M60

SALE

IRLAM

NORTHBANK INDUSTRIAL ESTATE

FLIXTON

URMSTON

FLIXTON

CARRINGTON POWER STATION

A6144 MANCHESTER ROAD

PROPOSED CARRINGTON RELIEF ROAD



CARRINGTON GATEWAY



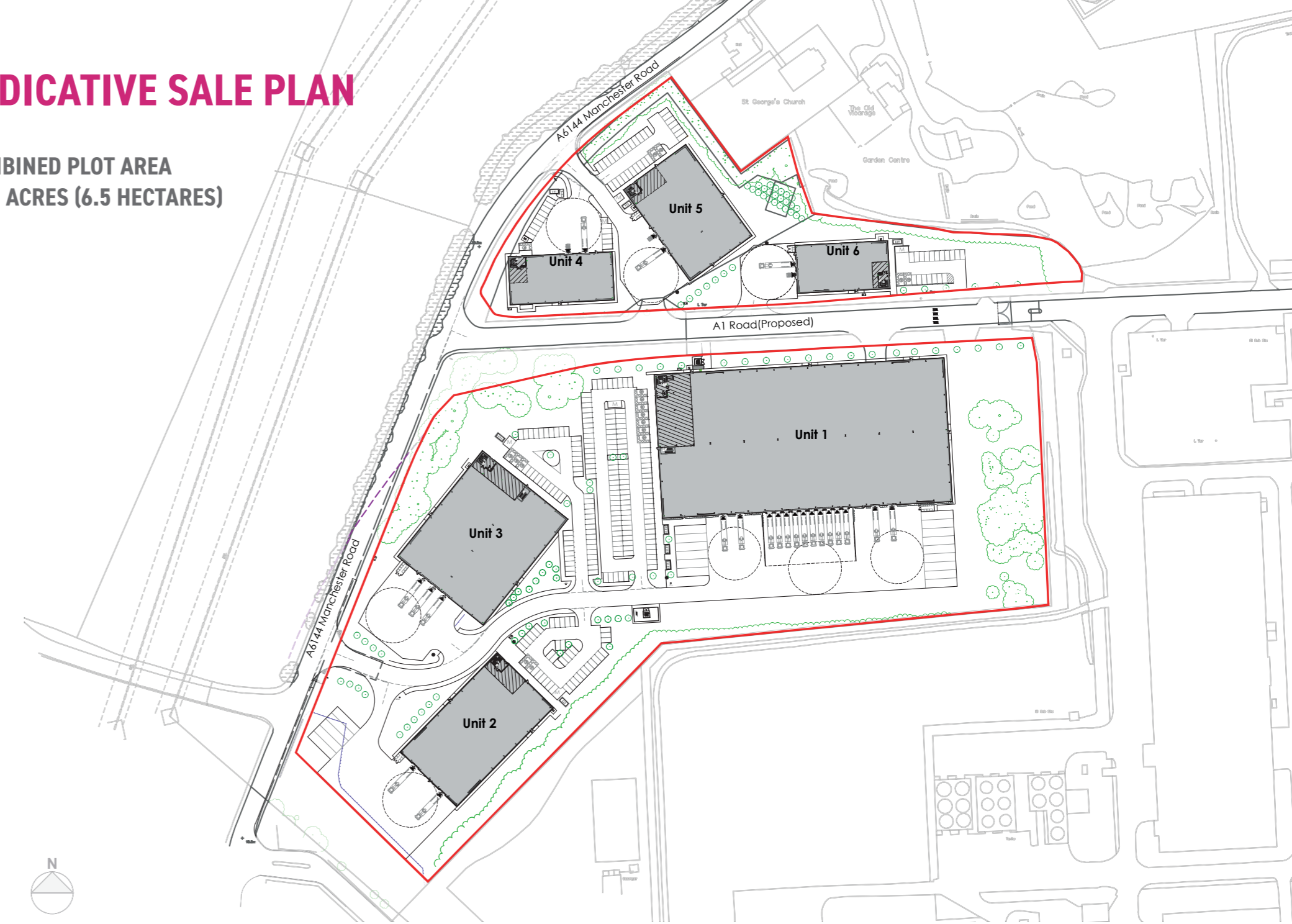
CARRINGTON ESTATE





INDICATIVE SALE PLAN

COMBINED PLOT AREA
16.1 ACRES (6.5 HECTARES)



SPECIFICATION

WAREHOUSE

- Steel portal framed buildings
- Eaves height - 6.5 to 12m
- Floor loading - 37.50 to 50.00 kN per sq m
- Roof lights - 10% to warehouse
- Sectional overhead loading doors to warehouses - 4m x 5m high
- Dock level access doors on Unit 1
- Gated yards
- Power Supply ranges from 70 KVA (Unit 6) to 800 KVA (Unit 1)
- BREEAM rating - 'Very Good'

OFFICE

- Office content - 5.7% - 8.3%
- Male, Female & Disabled WCs
- Air-Conditioning
- Suspended Ceiling
- Inset Lighting
- Full Accessed Raised Floors

EXTERNAL

- Landscaped Environment
- Secure Gated Yards
- On-Site Parking
- CCTV
- Estate Lighting

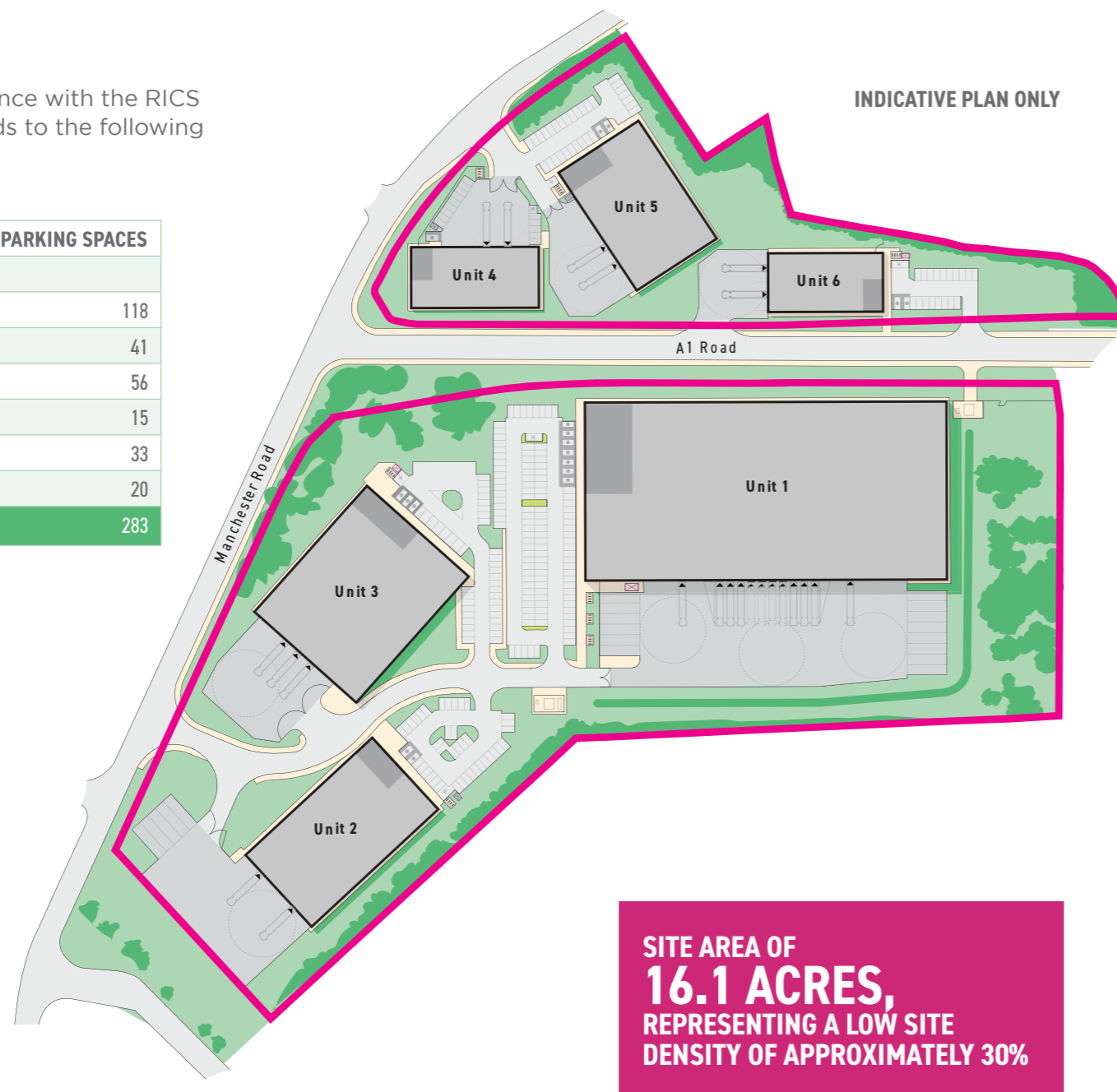




ACCOMMODATION

The subject property has been measured in accordance with the RICS Code of Measuring Practice (6th Edition) and extends to the following approximate gross internal floor areas.

UNIT	WAREHOUSE		OFFICE		TOTAL		PARKING SPACES
	ft ²	m ²	ft ²	m ²	ft ²	m ²	
1	98,053	9,109	5,942	552	103,995	9,661	118
2	25,369	2,357	1,639	152	27,008	2,509	41
3	34,446	3,200	2,212	205	36,658	3,406	56
4	11,333	1,053	1,029	96	12,362	1,148	15
5	19,189	1,783	1,602	149	20,791	1,932	33
6	9,518	884	951	88	10,469	973	20
	197,908	18,386	13,375	1,242	211,283	19,629	283



TENANCIES

The property has been let in accordance with the below tenancy schedule with a passing rent of £1,486,954.75 per annum. The WAULT for the contracted income is 12.30 to expiry and 9.44 to break. Units 5 and 6 have previously been let but have recently become available.

TENANT	UNIT	TOTAL SQ FT	RENT P.A.	RENT PSF	% OF INCOME	ERV (PSF) ERV (PA)	START DATE	END DATE	RENT START	NEXT REVIEW	COMMENTS
HILTI (GT. BRITAIN) LTD	1	103,995	£649,800	£6.25	43.6%	£7.50 (£779,962.50)	21/09/20	20/09/35	21/08/22	21/09/25	23 months initial rent free. Tenant only break option on the 10th anniversary. 5 yearly rent reviews to CPI (2 - 3% C&C). The vendor will top-up the residue of any incentive at the date of completion.
CHARLES & IVY LTD	2	27,008	£195,866	£7.25	13.2%	£8.50 (£229,568)	01/02/21	31/01/32	01/09/21	01/02/26	7 months initial rent free, half rent from 01/9/2021 to 31/08/22, £195,866 per annum thereafter. 5 yearly OMV rent reviews. Repairing obligation subject to a schedule of condition. The vendor will top-up the residue of any incentive at the date of completion.
PROTECTIVE PACKAGING LTD	3	36,658	£262,255	£7.15	17.6%	£8.50 (£311,593)	06/05/21	05/05/36	06/03/22	06/05/26	10 months initial rent free, followed by 12 months half rent. 5 yearly OMV rent reviews. The vendor will top-up the residue of any incentive at the date of completion.
ALCOHOL SOLUTIONS LTD	4	12,362	£92,422.50	£7.48	6.2%	£10.00 (£123,620)	21/09/20	20/09/27	21/01/21	21/09/25	4 months initial rent free. Tenant only break option on the 5th anniversary. 5 yearly OMV rent review.
VACANT (12 MONTH VENDOR GUARANTEE)	5	20,791	£181,921.25	£8.75	12.3%	£8.75 (£181,921.25)	-	-	-	-	The vendor will provide a 12 months' rent, rates, insurance and service charge guarantee.
VACANT (12 MONTH VENDOR GUARANTEE)	6	10,469	£104,690	£10.00	7.1%	£10.00 (£104,690)	-	-	-	-	The vendor will provide a 12 months' rent, rates, insurance and service charge guarantee.
TOTAL		211,283	£1,486,954.75			AV. £8.19 £1,731,354.75					

COVENANT INFORMATION



- Hilti provides leading-edge technology to the global construction industry. Founded in 1941, the Hilti Group evolved from a small family company and has 30,000 employees in more than 120 countries around the world.
- Credit Safe Rating of 81(A) - Very Low Risk



- Protective Packaging is an ISO 9001:2015 accredited manufacturer of climatic packaging solutions with over 30 years of experience. The business has been established in Trafford since 1988, recently relocating its operation to Carrington Gateway, and designs, manufactures and supplies a range of customised aluminium barrier bags and liners.
- Credit Safe Rating of 73(A) - Very low Risk

UNIT 1: HILTI (GT. BRITAIN) LIMITED

YEAR ENDING	TURNOVER	PRE-TAX PROFITS	SHAREHOLDER FUNDS
31/12/2020	£132,832,000	£4,714,000	-£2,418,000
31/12/2019	£145,518,000	£2,505,000	£241,000
31/12/2018	£139,714,000	£2,134,000	-£1,274,000

UNIT 3: PROTECTIVE PACKAGING LIMITED

YEAR ENDING	TURNOVER	PRE-TAX PROFITS	SHAREHOLDER FUNDS
31/12/2020	£11,639,633	£1,411,882	£4,036,868
31/12/2019	£11,705,509	£738,338	£3,858,072
31/12/2018	£12,042,647	£1,880,901	£3,885,176



UNIT 4: ALCOHOL SOLUTIONS LTD

- The City of Manchester Distillery founded a new organisation in 2020, Alcohol Solutions Ltd, and invested £900,000 into the drinks development and packing centre at Carrington Gateway. The unit will have the capacity to produce 10 million cans and bottles annually.
- Credit Safe Rating of 68(B) - Very low Risk

CHARLES & IVY UNIT 2: CHARLES & IVY LIMITED

- Charles & Ivy is the UK's leading supplier of composite garden fencing and decorative panels. The Carrington premises is used for the storage and distribution of fencing and garden materials.
- The Carrington unit serves as the company's office headquarters.
- Credit Safe Rating of 47(C) - Moderate Risk
- Currently there are no published accounts as the company has recently been incorporated on 8 December 2020.



MARKET COMMENTARY

Despite the ongoing political and economic uncertainties from Brexit and the Covid-19 pandemic, the North West industrial market performed exceptionally well throughout 2021, with the total take-up figure across all sizes at 7.17 million sq ft. The big box sector was the most active, with circa 6.2 million sq ft of space taken-up within this size range in 2021, an increase of over 30% against the 5-year average. Demand within the small-mid box sector remained robust, with take-up for the total year at 976,000 sq ft.

Current available supply is now at record low levels, which is particularly acute within the small-mid box sector. The lack of supply combined with sustained levels of strong demand has provided the platform for rental growth, with rents within the small-mid box sector increasing by over 30% in some locations. Achieved headline Grade A rents for prime Mid-Box units are in the range of £7.00 - £9.00 psf as indicated below, with quoting rents for new space now trending higher.

The strong market fundamentals of robust occupier demand, diminishing supply and rental growth in the North West industrial sector, has led to increased investor demand over the last 24 months.

The sector remains the favoured destination for a significant amount of domestic and international capital, with prime yields now ahead of pre-pandemic levels.

COMPARABLE OCCUPATIONAL TRANSACTIONS

DATE	PROPERTY	TENANT	SIZE (SQ FT)	RENT £/PSF
Q4 2021	Raven Locks	Minicam	31,500	£8.25
Q4 2021	WS50 Warrington South	Markovitz	50,460	£7.50
Q4 2021	South Rings, Preston	Argos	42,900	£7.75
Q3 2021	Guinness Point, Trafford Park	Argos	63,000	£8.25
Q3 2021	Pisces, Trafford Park	Individual Restaurants	23,750	£8.50
Q3 2021	Omega South, Warrington	Royal Mail	92,000	£7.50
Q2 2021	Novus, Knutsford	Avocet	14,000	£8.75
Q2 2021	Novus, Knutsford	Spectrum X	16,000	£9.00
Q1 2021	Raven Locks, Salford	Ulster Weavers	61,000	£7.25
Q1 2021	Eddington Way, Birchwood	Kleen Tex	18,000	£7.75



TENURE

- The property is held virtual freehold on a 999-year long leasehold interest at a rent of £100 per annum.
- The site area extends to 16.1 acres, representing a site coverage of 30%.

SERVICE/ESTATE CHARGE

- The units are held on effectively FRI leases, subject to the Tenancy Schedule.
- The 2022 service charge is £65,810.50, equivalent to £0.31 psf.

PLANNING

- The Property has planning permission for Class B2 and B8 uses.

ENVIRONMENTAL

- An environmental survey was undertaken by Stantec in February 2022. A copy is available on request.

CAPITAL ALLOWANCES

- The vendor has not claimed Capital Allowances and the purchaser may therefore be able to take the benefit of any unclaimed sum. Further information is available upon request.

STRUCTURES & BUILDINGS ALLOWANCE

- A purchaser may be able to claim Structures and Building Allowances and the vendor would be willing to assist with this process, to be agreed separately on commercial terms. Further information is available upon request.

VAT/TOGC

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

EPC

- The subject property has an energy performance rating of 'B'.
- Copies of the Energy Performance Certificates are available upon request.

DATA ROOM

- A data room has been created for the purpose of this disposal. Access can be provided upon request.



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GATEWAY

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(Thirty Two Million, Three Hundred and Ninety Thousand Pounds)
subject to contract and exclusive of VAT.

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CONTACT US

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