

Autoliv

**HIGH-YIELDING INDUSTRIAL INVESTMENT
OPPORTUNITY WITH REDEVELOPMENT
AND REPOSITIONING POTENTIAL**



AIRBAGS INTERNATIONAL

VIKING WAY | CONGLETON | CHESHIRE | CW12 1LJ



EXECUTIVE SUMMARY

Congleton is an established **commercial and residential location, situated in the heart of Cheshire**, 26 miles south of Manchester and 14 miles north of Stoke-on-Trent, in the North West of England.

Strategically located **6 miles and a c.10-minute drive from Junction 17 of the M6**, providing direct access to the national motorway network.

Steel portal frame manufacturing facility, constructed to a high specification, with the first phase developed in 1997.

The property benefits from a **substantial power supply of 5.5 MVA**.

Extending to **300,955 sq ft** over ground and mezzanine floors, within a self-contained site of **11.62 acres (4.70 hectares)**.

The vendor will enter into a **2-year FRI lease on the property** from completion of the sale, to allow them to decommission and exit the site.

During the leaseback period, the tenant will pay a rent of **£1,504,755 per annum** reflecting **£5.00 psf**.



PROPOSAL

We are instructed to seek offers in excess of **£10,750,000 (Ten Million, Seven Hundred and Fifty Thousand Pounds)**, reflecting a **Net Initial Yield of 13.12%** after the deduction of purchasers cost of 6.70%, and a **low capital value of £35.72 psf**, substantially below replacement cost and vacant possession value.



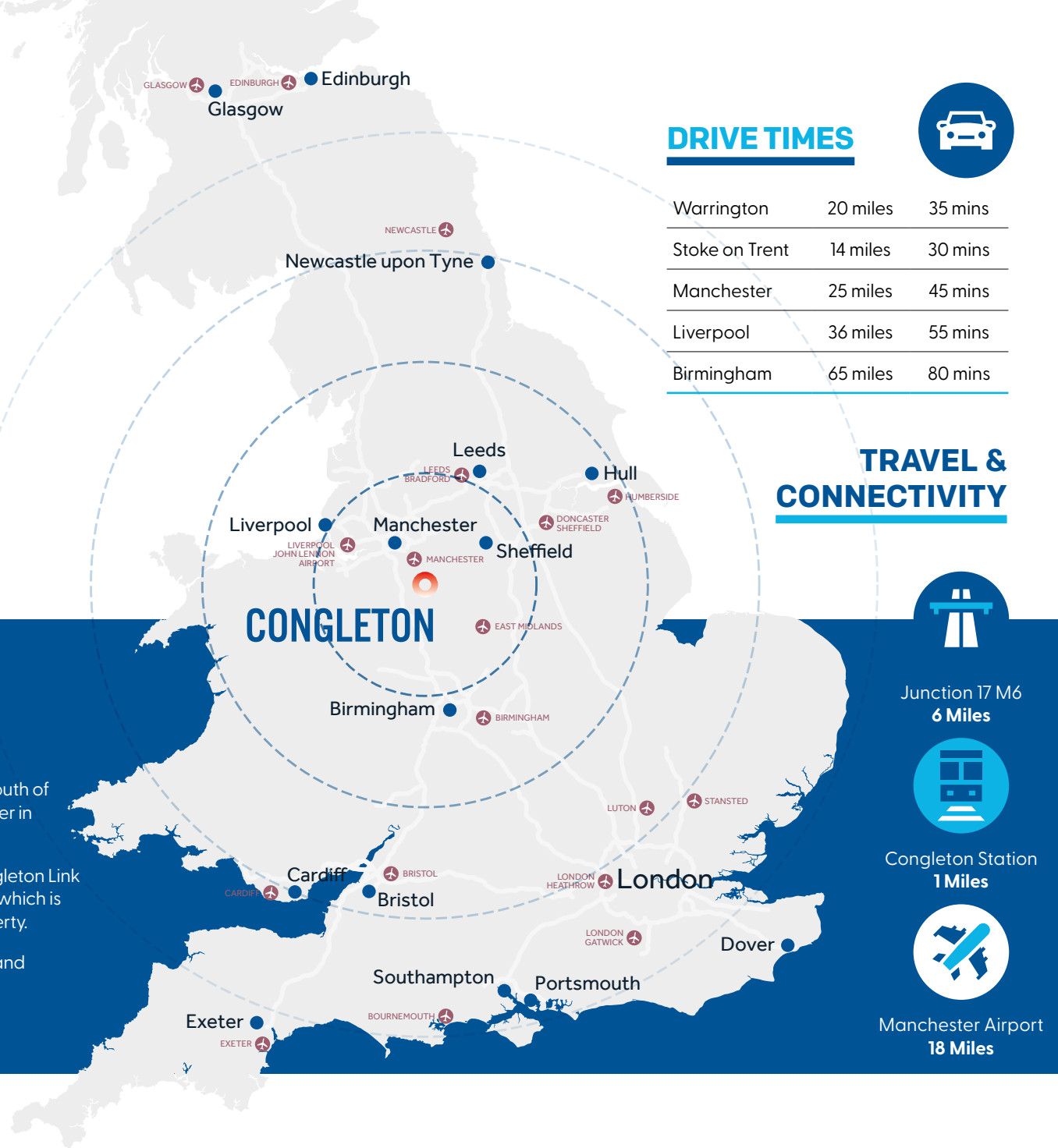


LOCATION

Congleton is located in the heart of Cheshire approximately 25 miles South of Manchester, 14 miles north of Stoke-on-Trent and 33 miles east of Chester in Cheshire, North West England.

The area benefits from excellent road connectivity, with the £90m Congleton Link Road providing a new, direct access route to the Junction 17 of the M6, which is now less than a 10-minute drive, 6 miles to the west of the subject property.

Manchester Airport, the UK's third largest by both passenger numbers and cargo handling, is located 18 miles and a 30-minute drive to the North.





DESCRIPTION

The property comprises a purpose-built manufacturing facility, located within a self-contained site.

The facility has been developed piecemeal, with the first phase constructed in 1997, with later phases developed in 2001, 2003 and 2008.

There is a large surface level car park to the south elevation.

SPECIFICATION



Steel Portal
Frame
Construction



Eaves Height
8.79 - 9.42 metres



Power
Supply up to
5.5 MVA



On-Site
Combined Heat
& Power Plant



EPC 'C'



5 Level
Access Loading
Doors



Designated On-
Site Car Park –
200 Spaces

ACCOMMODATION

Demise	Sq Ft	Sq M
Main Warehouse	219,643	20,405.35
1st Floor Mezzanine	69,524	6,458.93
2nd Floor Offices	6,877	638.93
External Store 1	1,731	160.85
External Store 2	1,765	163.99
External Store 3	1,070	99.45
Plant Room	343	31.9
	300,955.00	27,959.40



TENURE

The property is held freehold under Title Number: CH401299.

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TENANCY

Autoliv Inc (the parent company of Airbags International Limited) are consolidating part of their manufacturing function across Europe, which will result in the phased closure of their UK manufacturing site in Congleton.

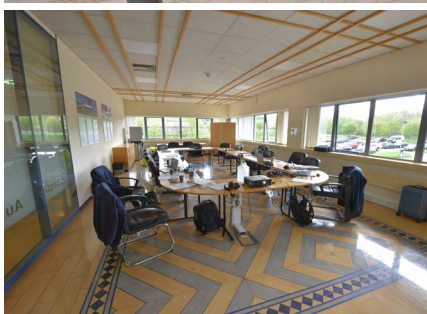
As such, Airbags International Limited (the UK subsidiary) will enter into an FRI lease for a term of 2 years on the subject property. The lease is to commence upon completion of the sale.

The lease back period will allow Airbags International to decommission the manufacturing facility and exit the site.

There will be no dilapidations liability on expiry of the lease.

A copy of the lease is available in the data room.

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COVENANT

Airbags International Limited are the UK subsidiary of Autoliv Inc, the global leader in the automotive safety industry.

Established over 70 years ago, the company has been responsible for major improvements in road safety over the last 50 years.

Airbags International Limited have a Creditsafe rating of 80/100, representing a 'Very Low Risk' of business failure.

KEY FINANCIALS

Date	Turnover	Pre-Tax Profit	Shareholder's Funds	Employees
31/12/2022	£67,554,000	£1,1213,00	£24,112,000	215
31/12/2021	£52,603,000	£695,000	£23,317,000	203
31/12/2020	£45,494,000	£1,834,000	£23,295,000	208

NORTH CONGLETON MASTERPLAN

The North Congleton Masterplan has been identified as one of the 'Key Service Centres' within the Cheshire East Local Plan, by Cheshire East Council.

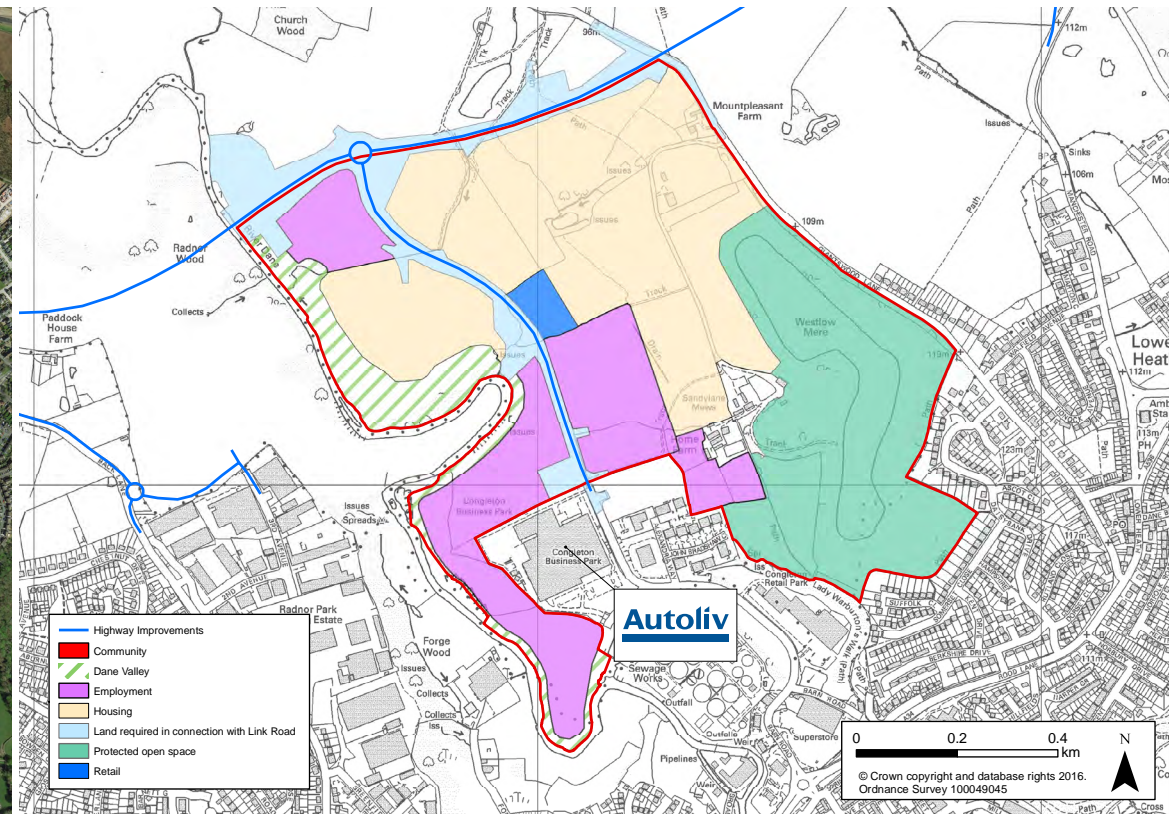
The subject property sits adjacent to the North Congleton Masterplan, which supports high quality employment led growth to accommodate the expansion of existing businesses and attract new investment into the town. It is intended that residential development will support the creation of this new mixed-use community, which is to be set in ample green space.

To date, notable progress within the Masterplan and adjacent to the subject property includes;

In November 2021, Clowes Developments purchased a 55-acre site adjacent to the subject property and subsequently achieved planning permission for the first phase of development, to consist of 175 homes, a 20,500 sq ft supermarket, 37,000 sq ft of offices and 220,000 sq ft of industrial space.

In October 2022, Bloor Homes achieved planning permission to develop 154 new homes on a plot to the North East of the subject property.

In January 2024, Aldi received planning permission to open a 20,000 sq ft food store.



REDEVELOPMENT & REPOSITIONING POTENTIAL

The subject property occupies a strategic gateway site adjacent to the North Congleton Masterplan and would suit a repositioning or redevelopment for a range of uses, including industrial or residential (subject to planning).

The vendor has commissioned a high-level architect's feasibility study, which demonstrates how the existing structure could be reconfigured to a more uniform, single-let industrial configuration, which would provide as follows;

OPTION 1

Schedule of Accommodation			
Total GIA	230,608 ft ²	(21,424 m ²)	
Total GEA	242,011 ft ²	(21,424 m ²)	
Site Area	12.58 acres	5.09 ha	
Site Density GIA	42.08%		
Site Density GEA	44.16%		
Warehouse Area	211,720 ft ²	(19,669 m ²)	
Office Area (incl. GF core)	16,088 ft ²	(1,495 m ²)	
Transport Office	2,500 ft ²	(232 m ²)	
Gatehouse	300 ft ²	(28 m ²)	
Unit 100 GIA	230,608 ft ²	(21,424 m ²)	
Unit 100 GEA	242,011 ft ²	(22,483 m ²)	

OPTION 2

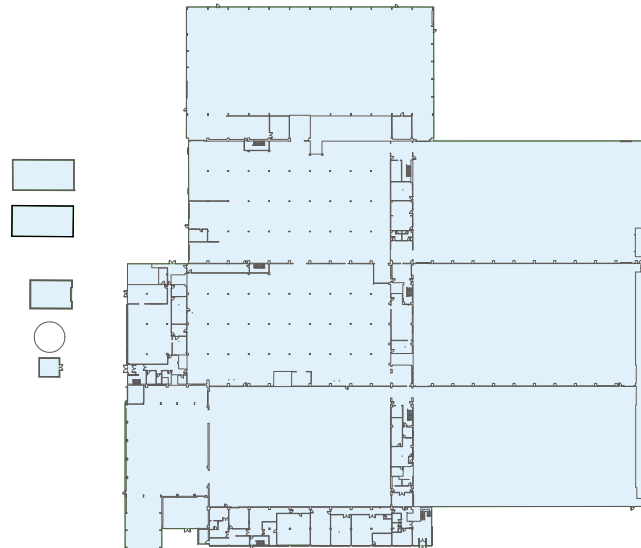
Schedule of Accommodation			
Total GIA	195,384 ft ²	(18,152 m ²)	
Total GEA	206,618 ft ²	(19,195 m ²)	
Site Area	12.58 acres	5.09 ha	
Site Density GIA	35.65%		
Site Density GEA	37.70%		
Warehouse Area	176,496 ft ²	(16,397 m ²)	
Office Area (incl. GF core)	16,088 ft ²	(1,495 m ²)	
Transport Office	2,500 ft ²	(232 m ²)	
Gatehouse	300 ft ²	(28 m ²)	
Unit 100 GIA	195,384 ft ²	(18,152 m ²)	
Unit 100 GEA	206,618 ft ²	(19,195 m ²)	



Option 1



Option 2





NORTH WEST INDUSTRIAL MARKET

Take-up in the UK big-box market amounted to 21.0 million sq ft in 2023, demonstrating resilient demand in line with the pre-Covid average. The north-west benefits from one of the strongest industrial markets in the UK, with robust tenant demand generated from a range of sectors, including retail, e-commerce, logistics and manufacturing.

The investor favourable market dynamics have generated exceptional levels of rental growth in the industrial sector in recent years, with the north west big box sector experiencing rental growth of approximately 20% Y-o-Y in 2023. Prime rents are now well established at between £9.50 - £10.00 psf.

Prime yields currently remain stable at 5.25% NIY, but with falling inflation, interest rates look likely to reduce over the year which should support pricing and encourage market stability.



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Prime Yield

5.25%



Prime Rent

£10.00_{psf}



20.00%
Y-o-Y NW Big Box Sector



c.2.7M_{sqft}
NW Big Box Take-Up 2023

DATA ROOM

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

EPC

The properties has an EPC rating of C.

ENVIRONMENTAL & BUILDING SURVEY

An assignable building survey undertaken by JLL and an assignable Phase 1 Environmental survey undertaken by Stantec, are available upon request.



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ANTI-MONEY LAUNDERING

In accordance with anti-money laundering regulations identification and confirmation of the source of funding will be required from the successful purchaser.

PROPOSAL

Our client is seeking offers in excess of **£10,750,000 (Ten Million, Seven Hundred and Fifty Thousand Pounds)** subject to contract and exclusive of VAT.

A purchase at this level reflects a **Net Initial Yield of 13.12%** after the deduction of purchasers cost of 6.70%, and a **low capital value of £35.72 psf**, substantially below replacement cost and vacant possession value.

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