

# SWAN LANE INDUSTRIAL ESTATE

HINDLEY GREEN WIGAN WN2 4EZ

PRIME NORTH WEST INDUSTRIAL INVESTMENT OPPORTUNITY





## Investment Summary

- **Prominent Multi-let** industrial estate, **strategically positioned** between the M6 and M61 motorways.
- **Comprises of four industrial demises (276,763 sq ft) and one multi let office building (17,405 sq ft) totalling 294,168 sq ft**, plus open yard and car parking areas **totalling approximately 6.4 acres**.
- Overall site area of **14.41 acres**
- **Freehold.**
- Industrial accommodation provides a **mix of high and low bay accommodation up to 8.5 metres** with associated office space and substantial yard, loading and car parking areas.
- **Fully Let to five tenants** producing a total income of **£1,095,188 per annum**, which equates to a **low passing rent of only £3.72 per sq ft**.
- **Highly Reversionary** with an ERV of **£4.87 per sq ft** overall.
- **WAULT of 6.23 years to expiries** and **6.14 years to breaks**.



We are instructed to seek offers in excess of **£14,800,000 (Fourteen Million Eight Hundred Thousand Pounds)**, subject to contract and exclusive of VAT.

A purchase at this level reflects a **net initial yield of 6.95%** and a **reversionary yield of 9.07%**, after assuming purchaser's costs of 6.80%, and a low capital value of approximately £50 per sq ft.



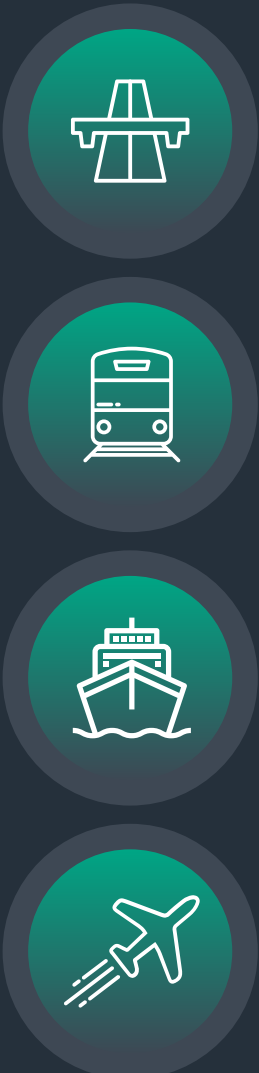


# Location

Wigan is an established commercial centre situated in Greater Manchester, located approximately 20 miles north west of central Manchester, 20 miles north east of Liverpool and 20 miles south of Preston.

The town benefits from excellent road links being strategically positioned between the M6 and M61 Motorways. Junction 26 of the M6 Motorway is 7 miles to the west. Junction 5 of the M61 Motorway lies approximately 3 miles to the east and links the M60 Manchester Orbital Motorway with Preston. Furthermore, the M58, M62 and M60 Motorways are also short distances away.

Wigan has two main train stations which provide direct services to London Euston (1h 59m), Birmingham (1h 37m), Edinburgh (2h 40m) and Glasgow (2h 34m) as well as Manchester (29m), Manchester Airport (55m) and Liverpool (32m).



# Connectivity

## ROAD

By road, Wigan is well connected with Ormskirk Road (A577) providing access to Junction 26 of the M6 and the M58 approximately 7 miles (5 km) to the west. The A58 provides a link to Junction 5 of the M61 approximately 6 miles (9.5 km) to the east.

## RAIL

Daisy Hill railway station is located only 1.8 miles / 5 minute drive away, providing direct services to Manchester Victoria in just 29 minutes. Wigan North provides direct trains into London Euston, with an approximate journey time of 1 hour 59 minutes.

# Infrastructure Improvements

In July 2020 the first phase of the new A49 link road connecting Wigan town centre to the M6 motorway was completed. The first phase project, which provides a 2.3km stretch of road, runs from Westwood Way, past Scotman's Flash, over Poolstock Lane and onto Warrington Road at Goose Green, and is designed to ease congestion around Wigan town centre.

The next phase of the project will begin during 2022, heading west to the south of Pemberton. When complete, the road will eventually meet up with an improved M58 link road from Junction 26 of the M6, to the west.

Wigan Council and Peel Land & Property are in the process of preparing a strategic outline planning application for a housing led masterplan (Wigan Urban Village), which will deliver up to 2,000 high quality family homes, employment, and new supporting community infrastructure with improved east west access, on land at South Hindley.

Proposed to connect to the aforementioned A49, these proposals will have a strong positive effect on the connectivity of Swan Lane Industrial Estate to the M6, M58 and wider North West motorway network.

M61 Junction 5	3 miles	10 minutes
M6 Junction 26	7 miles	25 minutes
Wigan	4 miles	15 minutes
Bolton	7 miles	21 minutes
Manchester	19 miles	27 minutes
Liverpool	26 miles	43 minutes
Leeds	51 miles	53 minutes
Birmingham	91 miles	1 hr 30 minutes

## FREIGHT SERVICES BY SEA

Port of Liverpool & Freeport	25 mins
Seaforth Dock	24 mins

## AIR CARGO HUBS

Wigan is situated within close proximity of Manchester Airport, a major hub for domestic and international flights located approximately 25 miles (40 km) to the South East of Wigan, with a journey time of 37 minutes. Leeds Bradford Airport is also located 58 miles (93 km) north-east of Wigan, accessible within a journey time of 1hr 30 minutes.





## Situation

Situated in the established industrial area of Hindley Green, Swan Lane Industrial Estate extends to 14.41 acres and occupies a prominent position at the corner of Alder Lane and Swan Lane.

Access to the motorway network is available to the east via Junction 5 of the M61 and to the south at the M6 via the A580 East Lancs Road, both approximately 4 miles away.

The town of Wigan lies approximately 5 miles to the west. Hindley Green is home to a number of leading occupiers such as Product Care Trading Ltd, Alphason Design, Contitech, Electrium, PPG Industries, Nice-Pak International and KMI.

Swan Lane is situated between Hindley, Westhoughton, Atherton and Leigh. All of which provide amenities such as supermarkets, petrol stations, local retailers and some free parking.

A post office, Aldi, Tesco Express, and other local retailers are within walking distance of Swan Lane.



## Property Description

Swan Lane Industrial Estate comprises a large multi let warehouse and office complex totalling 294,168 sq ft on a site of 14.41 acres.

The Estate provides a number of industrial units ranging from 39,768 to 85,622 sq ft.

The multi let office totals 17,405 sq ft and is arranged over two floors providing four office suites.

**Unit 3 - Kartell Ltd** comprises two interconnecting warehouses. Approximately one-third of the accommodation comprises traditional north-lit warehousing and benefits from 5 loading doors plus an external canopy. Extending from this accommodation is a more modern extension with accommodation benefiting from 7.4m eaves accessed via 8 loading doors. Office accommodation is provided to the front of the building predominantly over ground floor and part first floor and benefits from a good specification.

The Tenant has recently installed a new biomass boiler at a cost of c. £300k-£400k which confirms their long-term commitment to the property.

**Unit 6&7 - Prowood Ltd** comprises warehouse accommodation that has been divided with each element benefiting from at least one loading door. The units benefit from a minimum eaves height of 5m. There is also a canopied area used as additional covered storage space. The ancillary office accommodation is arranged over two floors and includes reception, office and WCs to a good specification. The tenant has installed a high-quality shavings and dust extraction system.

### WAREHOUSE ACCOMMODATION

**Unit 1 & 2** - Product Care Trading Ltd comprises two interconnecting bays under predominantly north light roofing, with an eaves height up to 5.2m. Access to the warehouse accommodation is via three loading doors to the west of unit 1.

The ancillary office accommodation is situated at the front of the unit across ground and first floor. The tenant has recently completed an extensive refurbishment programme of the office accommodation costing in excess of £100,000, highlighting their long-term commitment to the property.

**Unit 8 - Product Care Trading Ltd** comprises a three-bay warehouse benefiting from 4 level access doors with an 8.5m eaves height. The specification includes heating, lighting and sprinklers. WCs are located on ground floor.

**Greenbank House - Multi Let Office Space** comprise a well-specified office totalling 17,405 sq ft of accommodation arranged over ground and first floors with a communal reception area. The accommodation is currently configured as four separate suites benefiting from shared WCs. The specification of the office accommodation includes perimeter trunking, suspended ceilings including recessed lighting and comfort cooling. Product Care Trading Ltd who occupy over 50% of the property are currently completing an extensive refurbishment programme of the office accommodation highlighting their long-term commitment to the property.



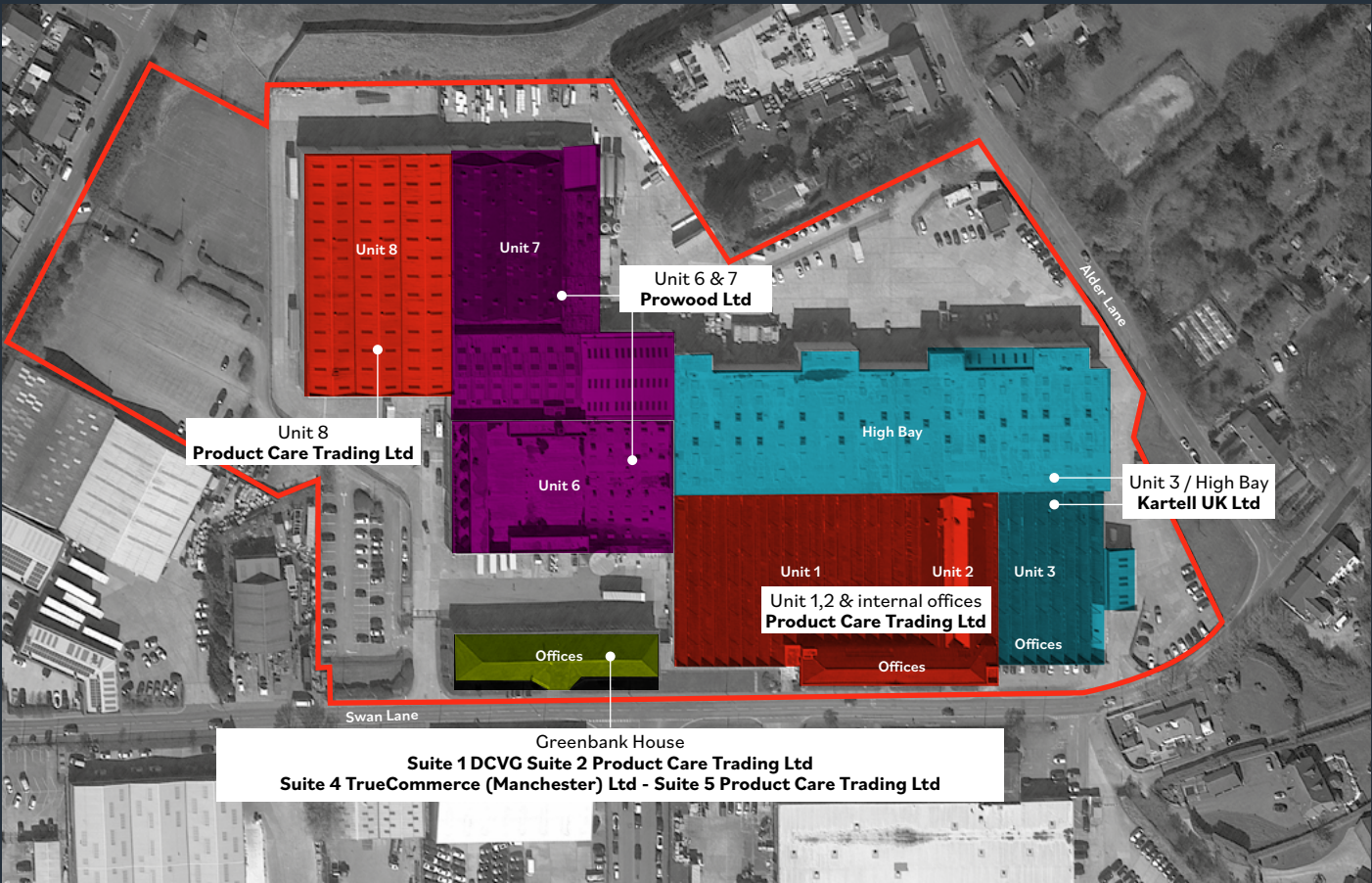
The estate benefits from four separate access points, with two providing access to a large secure car park on the west elevation.

## Accommodation

The property has been measured in accordance with the RICS Code of Measuring Practice (Sixth Edition) and has the following approximate gross internal floor areas: An assignable measured survey is available in the data room.

Unit	Tenant	GIA (Sq m)	GIA (Sq ft)
Units 1, 2 & Internal Offices	Product Care Trading Ltd	6,958	74,893
Unit 3 & High Bay	Kartell UK Ltd	7,955	85,622
Units 6 & 7	Prowood Ltd	7,105	76,480
Unit 8	Product Care Trading Ltd	3,695	39,768
Suite 1 Greenbank House	DC Voltage Gradient Technology & Supply Ltd	396	4,258
Suite 2 Greenbank House	Product Care Trading Ltd	383	4,119
Suite 4 Greenbank House	TrueCommerce (Manchester) Ltd	436	4,688
Suite 5 Greenbank House	Product Care Trading Ltd	403	4,340
Total		27,329	294,168

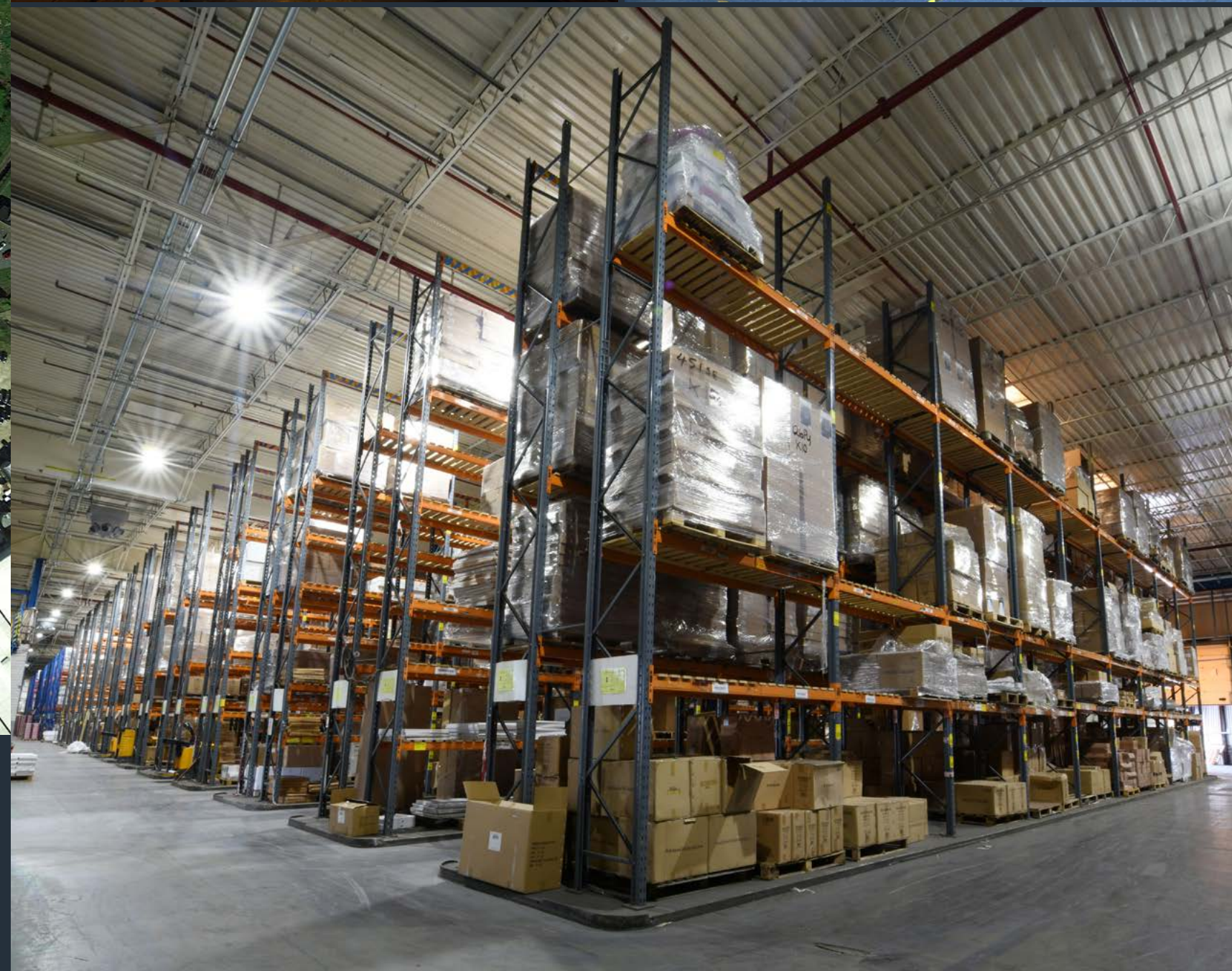
## Site Plan





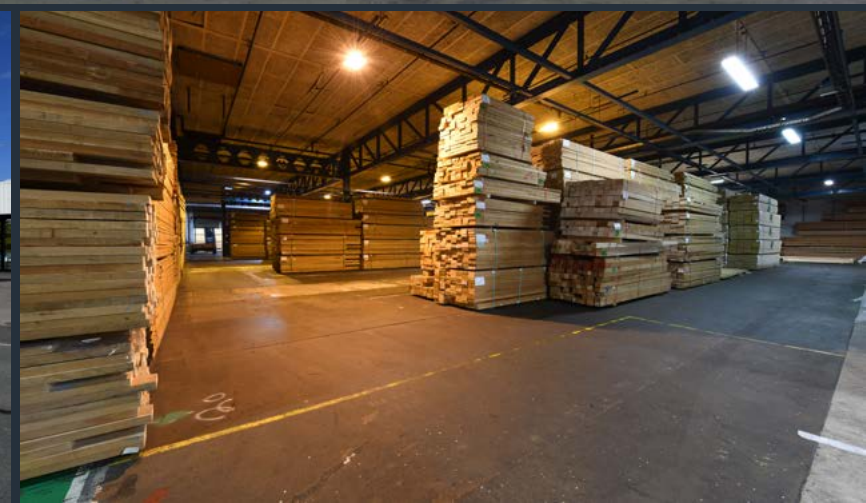


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## Tenure & Title

The property is held Freehold under Title MAN246855. The plan above outlines the red line boundary of the property ownership.







## Tenancy Schedule / WAULT

The property is fully let to five tenants across eight separate leases and produces a total passing rent of £1,095,188 per annum, reflecting a very low average rent of £3.72 per sq ft overall. The property benefits from a WAULT of 6.23 years to lease expiries and 6.14 years to lease breaks. Copies of the lease documentation are available in the data room.

Units	Size (sq ft) GIA	Tenant	Lease Start	Review Date	Break Date	Lease End	Rent (pa)	Rent (psf)	ERV £ Pa	ERV £ psf	WAULT (expiry)	WAULT (break)	Comments
Unit 1-2 & Internal Offices	74,893	Product Care Trading Ltd	28/02/2020	28/02/2025	-	30/03/2028	£151,000	£2.02	£337,019	£4.50	6.03yrs	6.03yrs	(Formerly G2S Ltd). Been in occupation for over 9 years. Removed two break options.
Unit 3 & High Bay	85,622	Kartell UK Ltd	01/10/2022	01/10/2027	-	30/09/2032	£385,500	£4.50	£385,500	£4.50	10.53yrs	10.53yrs	Terms agreed for a 10 year reversionary lease from September 2022, subject to 6 months rent free. Currently in legals.
Units 6 & 7	76,480	Prowood Ltd	14/11/2019	-	-	30/06/2025	£265,000	£3.46	£344,160	£4.50	3.27yrs	3.27yrs	Tenant has recently removed their break.
Unit 8	39,768	Product Care Trading Ltd	11/08/2020	-	-	28/02/2025	£161,700	£4.07	£178,956	£4.50	2.93yrs	2.93yrs	(Formerly G2S Ltd). Tenant has recently removed their break
Greenbank House, Suite 1	4,258	DC Voltage Gradient Technology & Supply Ltd	03/10/2019	-	01/02/2023	31/01/2025	£24,000	£5.64	£45,774	£10.75	2.86yrs	0.77yrs	
Greenbank House, Suite 2	4,119	Product Care Trading Ltd	28/02/2020	28/02/2025	-	30/03/2028	£26,088	£6.33	£44,279	£10.75	6.02yrs	6.02yrs	(Formerly G2S Ltd). Tenant has recently removed their break
Greenbank House, Suite 4	4,688	TrueCommerce (Manchester) Ltd	Date of completion of new lease	-	First anniversary of new lease	Day before second anniversary of lease start date	£47,500	£10.13	£50,396	£10.75	1.75yrs	0.75yrs	Terms agreed for new 2 year lease at £10.13 per sq ft, currently in legals.
Greenbank House, Suite 5	4,340	Product Care Trading Ltd	28/02/2020	28/02/2025	-	30/03/2028	£34,400	£7.93	£46,655	£10.75	6.02yrs	6.02yrs	(Formerly G2S Ltd). Tenant has recently removed their break
Total	294,168						£1,095,188	£3.72	£1,432,738	£4.87	6.23yrs	6.14yrs	



## Service Charge

The service charge budget for the Estate for the Year Ending 30 June 2022 is £102,217, equating to £0.35 psf. Further information is available in the data room to which access is available upon request.



CGI of the proposed development

## Asset Management Initiatives

The property offers numerous asset management opportunities to be explored including, but not limited to, the below:

- There are a number of medium term opportunities to substantially increase rents upon rent reviews and new lettings.
- Further opportunity to increase lease length on expiry of currently leases.
- Positive pre-application planning discussions have taken place with the Council with regard to developing 9 smaller units (totalling 30,247 sq ft) on surplus car parking land to the west of the Property and accessed off Swan Lane. An indicative scheme has been drawn up and is presented to the right.



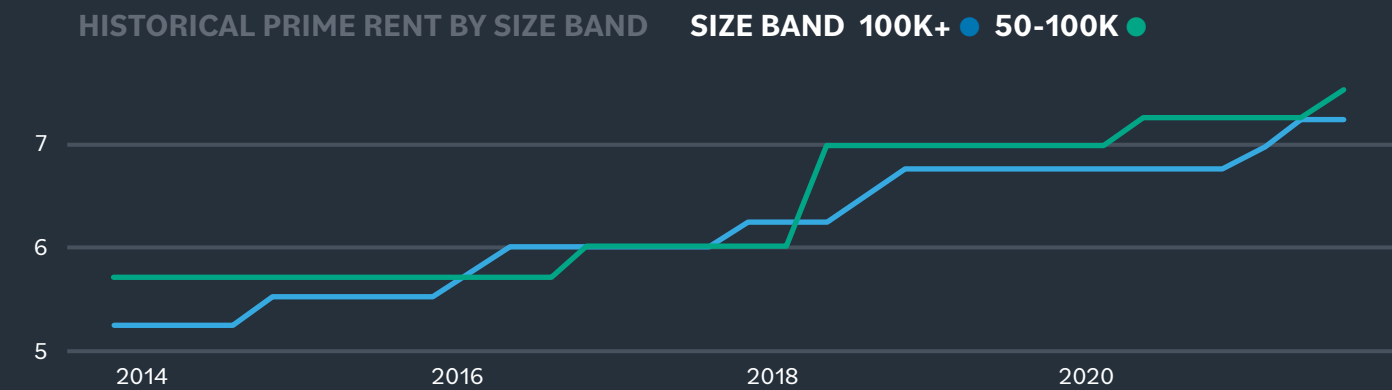
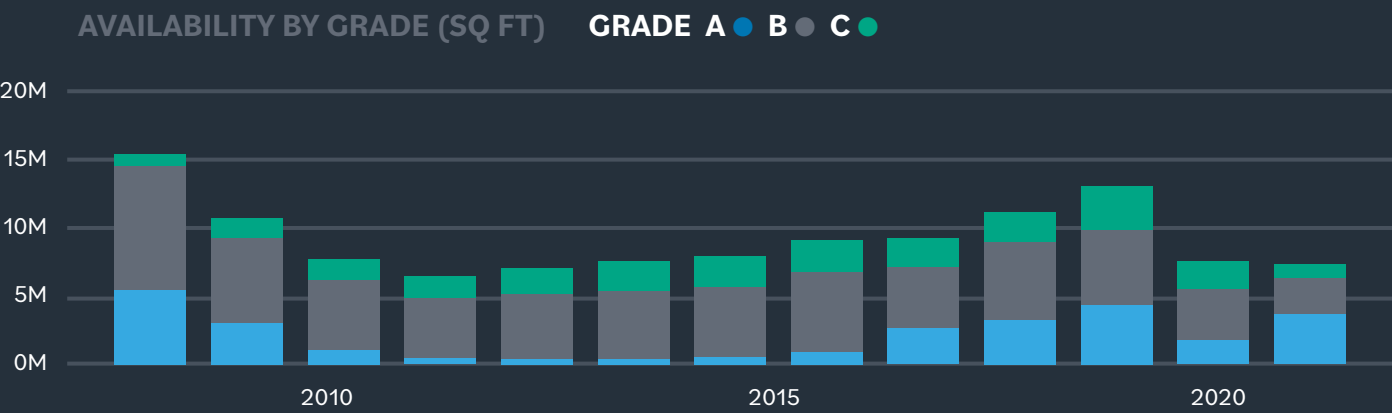
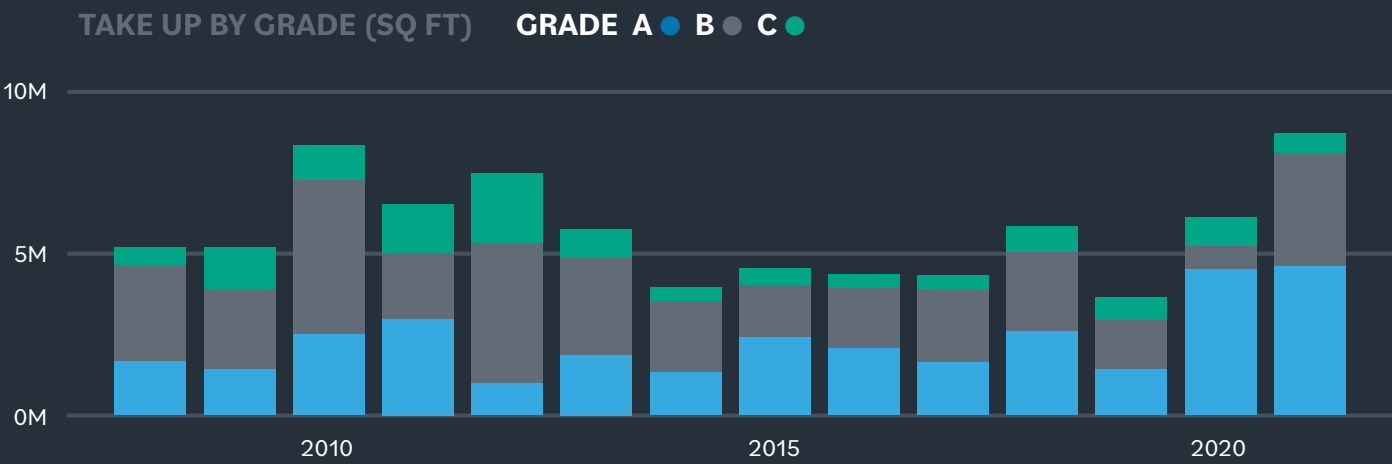
Sketch of the proposed development.





## North West Occupational Market

- With 8.7 million sq ft transacted, take-up is at an all-time high throughout 2021.
- In contrast, supply remained constrained with 7.2 million sq.ft of space available at the end of 2021. Of this, 2.2 million sq ft was under offer as at the end of Q4.
- E-commerce accounted for over 30% of take-up in the north-west throughout 2021 (including parcel delivery operators). 3PLs are joint most active occupier groups (30%).
- Prime ERVs for Big Box are up by 11.11% y-o-y according to Cushman & Wakefield rental index.
- Manufacturing has continued as a force to be reckoned with in 2021, accounting for just under a quarter of take-up throughout 2021.



Graphs: Cushman & Wakefield Market Research

## UK Investment Market

There continues to be a significant weight of both domestic and International capital targeting the UK industrial and logistics sector, drawn by the strength and security of the underlying occupational market.

Investors have been particularly attracted to the North-West in the last 12 months due to the recent and forecasted rental growth in the region. Much of this rental growth is driven by the supply-demand imbalance and limited development pipeline.

These positive supply and demand dynamics and future rental growth prospects means return projections for the industrial sector in the short and medium term is set to deliver higher returns than the all property's average.

The schedule of comparable investment transactions below highlights the appetite within the current market for value-add multi let industrial estates:

Sale Date	Property	Tenants	GIA (sq ft)	Term Certain	Rent pa (psf)	Sales Price	Cap Value (psf)	NIY
Under Offer	Rhodes Business Park, Manchester	6	192,127	5.75yrs (1.46yrs)	£4.45	£19,500,000	£101.50	4.10%
Dec-21	Longford Trading Estate, Greater Manchester	18	140,318	3.29yrs (2.36yrs)	£4.73	£10,500,000	£75	5.19%
Oct-21	Potter Point, Pimbo Industrial Estate, Skelmersdale	10 (1 vacant)	57,081	8yrs (6.9yrs)	£4.02	£8,600,000	£150	6.31%
Sep-21	Ringway Industrial Estate, Huddersfield	22	139,529	5.66yrs (4.16yrs)	£6.54	£15,875,000	£114	5.27%
Aug-21	Mottram Way Trading Estate, Macclesfield	11	95,155	6.9yrs (3.6yrs)	£6.88	£12,920,000	£137	4.75%
Aug-21	Melford Court, Hardwick Grange, Warrington	9	114,107	6.5yrs (4.6yrs)	£5.06	£10,990,000	£96	4.75%
Jul-21	Bradley Hall Trading Estate, Wigan	92	287,663	3.09yrs (2.41yrs)	£4.43	£20,600,000	£71	6.42%
Mar-21	Riverside Industrial Estate, Newcastle	14	122,603	TBC	£6.40	£10,900,000	£89	6.80%
Dec-20	Stanley Green Trading Estate, Manchester	13	148,446	3.6yrs (3.02yrs)	£6.48	£35,255,000	£237	5.54%



Covenants

PRODUCT CARE TRADING LTD - (34% of Total Income) 06938838

Product Care Trading Ltd import and distribute own-branded and licensed branded home appliance products. Product Care Trading Ltd include product design, sourcing and development, quality assurance, range and category management, distribution and end user fulfilment.

Product Care Trading Ltd hold the exclusive licence to produce and supply Russell Hobbs Major Domestic Appliances, Microwaves and Floorcare to the UK and European Markets. They also distribute a number of branded product ranges to customers in the UK.

Year Ending	Turnover	Profit Before Tax	Net Assets
Jun-21	£73,183,400	£4,737,098	£11,615,795
Jun-20	£51,464,834	£2,272,1512	£8,129,919
Jun-19	£46,285,817	£830,167	£6,375,941

KARTELL UK LTD - (35% of Total Income) 06682104

Kartell UK Limited supply radiator and bathroom supplies to the plumbing industry. Kartell UK Ltd was established in 2008 and developed in association with Coşkunöz Radyatör to become the sales, marketing and distribution arm in the UK, Ireland and France. With a focus on an innovative and forward-thinking approach to radiator supply, Kartell UK Ltd is fast becoming one of the key suppliers and leading brands to the UK, Irish and French heating markets.

Year Ending	Turnover	Profit Before Tax	Net Assets
Feb-21	£58,865,821	£5,583,213	£6,702,880
Feb-20	£62,075,802	£1,099,051	£2,679,621
Dec-18	£52,630,542	£559,710	£1,770,846

DC VOLTAGE GRADIENT TECHNOLOGY & SUPPLY LTD - (2% of Total Income) 02939265

DC Voltage Gradient Technology and Supply Ltd. is the world’s leading company in DC Voltage Gradient Technology. The company manufactures, sells and conducts training on pipeline survey equipment that is globally recognised as the industry standard. Due to their size, their requirement is to report abridged average accounts and they have net assets (FYE Dec-20) of £52,741.

PROWOOD LTD - (24% of Total Income) 03271673

The principal activity of Prowood Limited is timber importation, saw-milling and distribution. Prowood supply manufacturers, contractors, merchants and importers throughout the UK and Ireland. Prowood Limited has the UK’s largest stockholding of Clear Softwood, all of which is available with full Chain of Custody Certification and they supply all species either rough sawn or machined to standard or bespoke profiles.

In October 2021, Prowood were acquired by Haldane Fisher Ltd, a leading independent supplier to the construction industry, operating from a branch network employing 586 staff across the UK and Ireland. Prowood are still the legal entity and trading from this property, however have a strong backing from Haldane Fisher who have 100% share in Prowood Ltd. The accounts for both Prowood and Haldane Fisher are provided below respectively.

Year Ending	Turnover	Profit Before Tax	Net Assets
Dec-20	£12,315,804	£2,827,028	£6,791,718
Dec-19	£12,942,231	£1,433,203	£5,137,716
Dec-18	£12,407,625	£1,872,929	£4,631,582

HALDANE FISHER LTD - NI024075

Year Ending	Turnover	Profit Before Tax	Net Assets
Dec-20	£126,837,000	£7,767,000	£30,434,000
Dec-19	£83,769,000	£3,518,000	£29,425,000
Dec-18	£82,342,360	£4,200,536	£16,456,673

TRUECOMMERCE (MANCHESTER) LTD - (5% of Total Income) 03757963

TrueCommerce provide digital commerce solutions, such as software to enable and enhance e-invoicing, product-information management, order forecasting, stock management and order fulfilment.

Year Ending	Turnover	Profit Before Tax	Net Assets
Dec-19	£3,256,117	£912,328	£101,001
Dec-18	£3,059,277	£590,917	(£812,433)
Dec-17	£3,036,278	£26,808	(£990,035)







## Proposal

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## Anti-Money Laundering Statement

In order to discharge its legal obligations, including under applicable anti-money laundering regulations, vendor's agents will require certain information of the successful bidder. In submitting a bid, you agree to provide such information when Heads of Terms are agreed.



## VAT

The Property is elected for VAT.

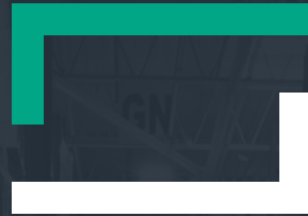
## EPC

All EPC's are available in the data room.

## Data Room

A full data room is available on request, including assignable surveys.





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HINDLEY GREEN WIGAN WN2 4EZ

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