

# Q103



FULLY LET TO ADI-GARDINER LIMITED  
PRIME, FULLY REFURBISHED MODERN DISTRIBUTION  
**INVESTMENT OPPORTUNITY**

Q103, UNIT 6 BROADGATE, OLDHAM BROADWAY BUSINESS PARK, MANCHESTER, OL9 0JA



## INVESTMENT SUMMARY

- Strategic distribution location immediately adjacent to J20 & J21 of M60 Motorway
- One of the premier Distribution Locations in the North West
- Extensively refurbished prior to the current tenant taking occupation
- **103,781 sq ft on a 5.65 acre site**
- Let on FRI terms to ADI-Gardiner Limited for 15 years from 1st Feb 2019 incorporating a break clause at year 10
- The higher of a 5 yearly open market upward only rent review or RPI compounded annually (collar of 1% and capped at 3%)
- D&B Rating 4A1
- Tenant investing close to £3 million in tenant's enhancement
- Passing rent of **£518,905 per annum reflecting a low rent of £5.00 per sq ft**
- Reversionary ERV of £5.65 per sq ft
- Freehold
- Offers are sought in excess of **£9,265,000 (Nine Million, Two Hundred & Sixty Five Thousand Pounds)** subject to contract and exclusive of VAT, assuming purchaser's costs of 6.69%
- Attractive Net Initial Yield of 5.25%
- Low capital value of £89 per sq ft



## LOCATION

Oldham Broadway Business Park is strategically located at Junction 21 of the M60 Manchester Orbital Motorway, which in turn provides direct access to the M62, M6 and M56.

Oldham Broadway has excellent road communications with close proximity to Liverpool, Manchester and Leeds via the M62 Motorway. The M6 Motorway links to Birmingham to the south and Preston, Lancashire, Carlisle and Glasgow to the north while the M56 Motorway provides access to North Wales and South Manchester conurbations.

Manchester International Airport is within 18 miles of the property and is the UK's third largest airport in terms of both passenger and cargo handling. It also benefits from being close to the intercity rail route with regular services to Glasgow and London.

Oldham Broadway is the focal point of Oldham's commercial property market. It was developed by Oldham Council and is the home to a range of businesses including DVLA, Bifold Group, Iron Mountain, Ebay and SG Gaming. The Estate is fully developed and represents a total private sector investment in excess of £50 million and jobs for 1,500 people.

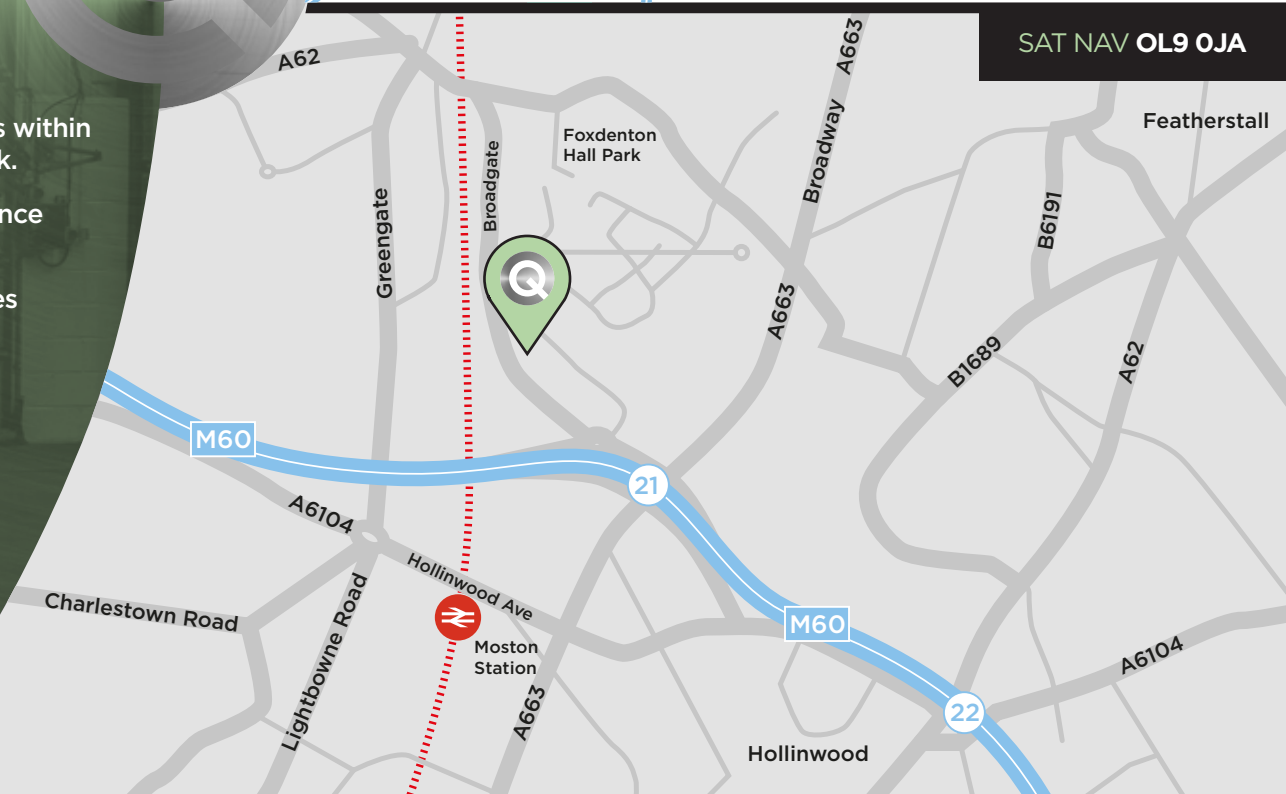
## SITUATION

Oldham Broadway is seen as one of the premier distribution locations within the North West with its easy access to the national motorway network.

Q103 is prominently positioned fronting Broadgate close to the entrance of the estate.

The excellent location has attracted Costco, Travel Lodge and JW Lees Public House amongst other facilities for the local occupiers.

MANCHESTER CITY CENTRE	8 MILES
MANCHESTER AIRPORT	18 MILES
LEEDS	40 MILES
BIRMINGHAM	95 MILES
CENTRAL LONDON	209 MILES



## DESCRIPTION

The property comprises a modern refurbished self-contained warehouse of steel portal frame construction with dual pitched roof supported by central steel columns. The property has the following specification:

- Profile metal cladding and pitched metal clad roof with approximately 10% roof lights
- Loading on 2 elevations
- 2 drive in loading doors
- 5 dock level loading doors
- 8.1m to eaves and 10.3m to apex
- High quality ground floor office accommodation
- Secure separate yard and car parking providing 86 spaces
- 50m deep secure yard
- Grade 3 intruder alarm and CCTV
- Fully heated and lit
- Comprehensive refurbishment completed January 2019 which includes a 15 year guarantee on the roof.

## TENANT'S ENHANCEMENT

- £3 million proposed expenditure
- Racking and sprinklered throughout
- Construction of 20,000 sq ft additional office accommodation
- Introduction of windows to the gable end elevation
- Construction of a new glazed office entrance canopy
- Creation of a trade counter in the existing single storey offices at the front of the unit
- Various landscaping work

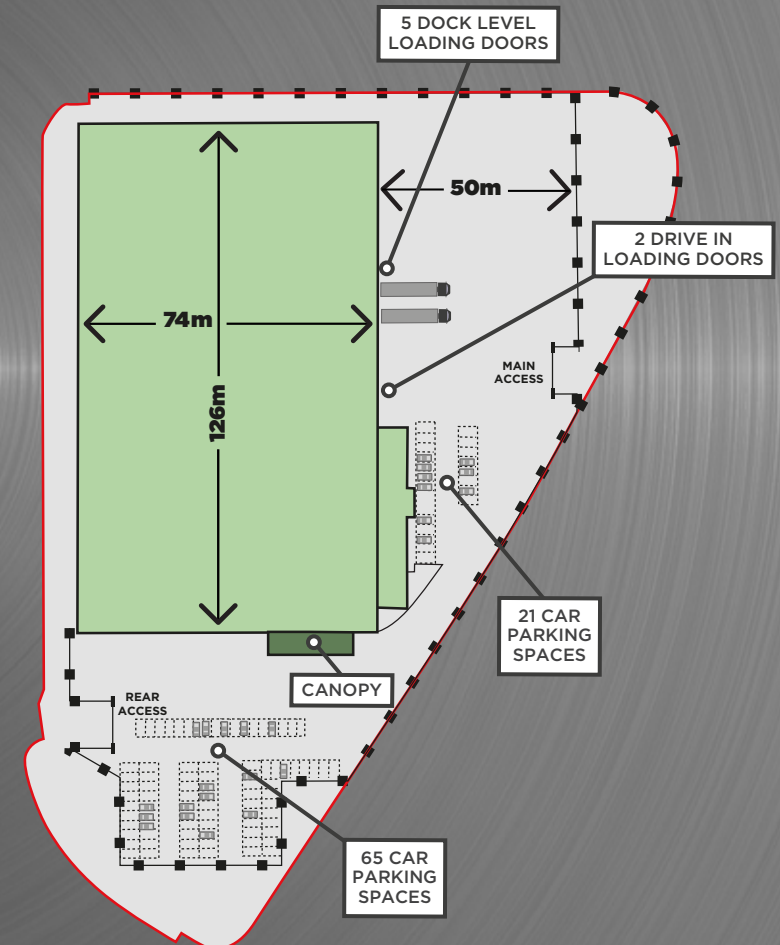
## ACCOMMODATION

Measured on a Gross Internal Area basis in line with the RICS Code of Measuring Practice:

WAREHOUSE	98,570 SQ FT	9,157.44 SQ M
OFFICES	5,211 SQ FT	484.17 SQ M
TOTAL GROSS INTERNAL AREA	103,781 SQ FT	9,641 SQ M
CANOPY	2,385 SQ FT	221.62 SQ M

## THE SITE

The site has a total area of 5.65 acres (2.29 hectares) and a site coverage of 42%



## TENURE

The property is held by way of a 999 year long leasehold from 23rd December 1993 at a peppercorn rent.

## TENANCY

On completion of the refurbishment programme the property was let to ADI-Gardiner Limited from the 1st February 2019 for a term of 15 years incorporating 5 yearly upward only rent reviews with a tenant only break option, exercisable at the end of the 10th year with 6 months prior written notice, expiring 30th April 2034.

The tenant has a rent free period equating to 12 months (This initial incentive will be topped up by the vendor.)

Passing rent of £518,905 per annum exclusive (£5.00 per sq ft).

The rent is to be reviewed on an upward only, basis to the higher of open market value or linked to RPI capped and collared at 3 and 1% respectively. The dates of the rent reviews are 1st February 2024 and 1st February 2029.

## COVENANT



Registered Number: 01322200  
D&B Rating: 4A1

Q103 Broadgate will be their UK Headquarters initially employing 131 staff, rising to 148.

ADI-Gardiner is the leading global wholesale distributor of security and low voltage products and are the leading global distributor for fire, safety & security products.

The ADI Global Distribution Business has more than 200 physical locations in nearly 20 countries, offering more than 350,000 products to more than 100,000 contractors. They have 28 locations throughout the UK.

[www.adiglobaldistribution.co.uk/AboutUs](http://www.adiglobaldistribution.co.uk/AboutUs)

	31/12/2017	31/12/2016	31/12/2015
SALES / TURNOVER	£135,031,000	£117,160,000	£103,834,000
PROFIT / (LOSS) BEFORE TAXES	£5,760,000	£3,619,000	£1,923,000
SHAREHOLDERS' FUNDS	£17,509,000	£11,882,000	£8,265,000

ADI-Gardiner were wholly owned by Honeywell plc until they were spun out with Honeywell Home Services in early 2019 under the holding company name of Resideo.

## resideo

Resideo is the leading global provider of home comfort and security solutions, present in more than 150 million homes globally, and installations in 15 million homes each year.

Resideo is a \$4.5 billion business specialising in home comfort, safety, security and energy efficiency, and a major global distributor of security, fire and low-voltage products.

They create technology and smart solutions that integrate seamlessly with our customers' lives. And they have built these solutions on a rich 130+ year heritage of taking care of the home, the workplace and the people in them.

With products licensed under the Honeywell Home brand, they work with more than 110,000 professional contractors, more than 3,000 distributors, and 1,200 original equipment manufacturers, major retailers and online merchants. More than 4.7 million customers use Resideo's connected devices in their homes, which provide them access to controls, monitoring and alerts.

[www.resideo.com](http://www.resideo.com)

- Long term licensing agreement with Honeywell
- Publicly traded. Stand alone company.
- £4.5 billion enterprise

## OCCUPATIONAL MARKET

Oldham Broadway is seen as one of the Premier Distribution locations within the North West with direct access to the national motorway network. The estate was originally developed in 1995 and totals approximately 4 million sq ft of high quality distribution warehouse and office accommodation.

The distribution market in the North West is experiencing significant demand for quality distribution buildings. The North West has been the most active region outside of the South East for take-up of distribution buildings over the last 24 months.

The lack of forthcoming supply, together with strong occupier demand in the North West, has resulted in vacancy levels decreasing both on prime and secondary industrial accommodation and rental values increasing.

This is a trend that is likely to continue in the foreseeable future.

Rental growth in the North West has outperformed most parts of the UK and remains a key performance driver for many investors.

The North West industrial market is well positioned compared with other regions and sectors due to the continued investment in infrastructure.

## ESTIMATED RENTAL VALUE

We are of the opinion that the ERV for this building equates to £5.65 per sq ft.

Key recent lettings in the North West are as follows:

DATE	TENANT	ADDRESS	SIZE (SQ FT)	RENT PER SQ FT	GRADE
Q3 2018	MBDA	LOGISTICS NORTH, BOLTON	175,000	£6.75	A
Q3 2018	McCORMICK	LINK 95, HARESHILL BUSINESS PARK, HEYWOOD	95,000	£6.35	A
Q3 2018	GLOBUS	T2, TRAFFORD POINT, MANCHESTER	98,000	£6.50	A
Q3 2018	CAF RAIL	UNIT A, AURORA, STOCKPORT	47,500	£6.95	A
Q3 2018	ARNORD MADRIX	UNIT 365 FOUR OAKS ROAD, PRESTON	84,051	£5.26	A
Q2 2018	THOMAS COOK	ALPHA, GLOBAL LOGISTICS, MANCHESTER AIRPORT	55,000	£7.00	A
Q1 2018	MARDIX GROUP	SIGMA 100, BLACKBURN	110,000	£6.25	A
Q1 2018	TOOLSTATION	TARGET M62, STAKEHILL	148,748	£5.15	B
Q4 2017	GREEN GROUP	BARTON DOCK ROAD, TRAFFORD PARK	133,636	£5.35	B
Q2 2017	R J EDWARDS	WARRINGTON SOUTH, WARRINGTON	105,100	£5.50	B
Q4 2016	GA PET FOOD PARTNERS GROUP LIMITED	REVOLUTION PARK CHORLEY	185,000	£5.45	A

## INVESTMENT MARKET

There remains a significant weight of capital chasing the industrial sector with investors buoyed by strong occupational fundamentals including record levels of take up, historically low availability rates and a constrained development pipeline.

The combination of diminishing stock levels and robust occupational demand, driven by e-commerce requirements has created a positive demand / supply imbalance, and a strong rental growth dynamic.

Current investor demand is being driven by sectors offering strong occupational growth and potential to enhance income returns. Online retailing, the consolidation of retailers, and the automotive push on occupational demand, all set against a backdrop of historically low availability and lack of alternative investment opportunities have resulted in the industrial and logistics markets attracting strong attention from regional national and global investors

By way of market comparable evidence, we believe the below examples are the most relevant to support our pricing and are indicative of the typical buyers for this type of product.

DATE	TENANT	PROPERTY	AREA (SQ FT)	AWULTC	AVE RENT PSF	NIY	CAPITAL VALUE (PSF)	PURCHASER
Q1 2019	GA PET FOODS	REVOLUTION PARK, CHORLEY PR7 7DW	185,181	10	£5.45	4.63%	£127	COLLIERS CAPITAL / STAFFORDSHIRE COUNTY COUNCIL PENSION FUND.
Q1 2019	McCORMICK	LINK 95, HARESHILL BUSINESS PARK, HEYWOOD	95,567	5.5	£6.35	5.5%	£108	DERBYSHIRE COUNTY COUNCIL
Q3 2018	CARGILL CHOCOLATE UK LIMITED	10 ESTUARY BANKS, SPEKE, LIVERPOOL, L24 8RB	63,654	13	£5.12	5.6%	£88	PALMER INCOME (SPEKE) LLP
Q3 2018	GEFCO FORWARDING UK LIMITED	93 GEORGE RICHARDS WAY, ALTRINCHAM	96,500	8	£4.44	5.09%	£72.54	CADOGAN INCOME PROPERTIES LIMITED
Q2 2018	MULTI-LET	OLYMPIC COURT, SALFORD	108,639	7.27	£4.90	4.59%	£100.10	PORTSMOUTH CITY COUNCIL
Q3 2017	PRIMAFLOW	F&P WHOLESALE, SILKWOOD BUSINESS PARK, WAKEFIELD, WF5 9TH	80,335	15.00	£4.73	4.75%	£93	WATFORD COUNCIL
Q3 2017	AMAZON	LOGISTICS NORTH, M61 JUNCTION 4, BOLTON	358,822	15.00	£5.95	4.20%	£133	AVIVA



## INVESTMENT CONSIDERATIONS

- Excellent distribution location within 200 metres of J21 M60 Motorway
- Fully refurbished modern distribution facility
- 15 year term with break clause at year 10
- 5 year open market rent review or RPI capped and collared at 1 and 3%, whichever is the higher
- Low passing rent of £5.00 per sq ft
- Reversionary rent with an estimated rental value of £5.65 per sq ft

## EPC

The EPC rating is C61. A copy of the Energy Performance Certificate is available upon request.

## VAT

The property has been elected for VAT and it is the intention to treat this transaction as a Transfer of a Going Concern (TOGC).

## PROPOSAL

We are instructed to seek offers in excess of **£9,265,000 (Nine Million, Two Hundred & Sixty Five Thousand Pounds)** subject to contract and exclusive of VAT.

A purchase at this level reflects a Net Initial Yield of 5.25%, assuming purchaser's costs of 6.69% and a low capital value of £89 per sq ft.

## FURTHER INFORMATION

For further information or to arrange a viewing please contact:



**RICK DAVIES**  
07831 658804

[rick@daviesharrison.com](mailto:rick@daviesharrison.com)



Davies Harrison Real Estate give notice to anyone who may read these particulars as follows: 1. These particulars are prepared for the guidance only of prospective purchasers. They are intended to give a fair overall description of the property but are not intended to constitute part of an offer or contract. 2. Any information contained herein (whether in the text, plans or photographs) is given in good faith but should not be relied upon as being a statement or representation of fact. 3. Nothing in these particulars shall be deemed to be a statement that the property is in good condition or otherwise for that any services or facilities are in good working order. 4. The photographs appearing in this brochure show only certain parts and aspects of the property at the time when the photographs were taken. Certain aspects may have changed since the photographs were taken and it should not be assumed that the property remains precisely as displayed in the photographs. Furthermore no assumptions should be made in respect of parts of the property which are not shown in the photographs. 5. Any areas, measurements or distances referred to herein are approximate only. 6. Where there is reference in these particulars to the fact that alterations have been carried out or that a particular use is made of any part of the property this is not intended to be a statement that any necessary planning, building regulations or other consents have been obtained and these matters must be verified by any intending purchaser. 7. Descriptions of a property are inevitably subjective and the descriptions contained herein are used in good faith as an opinion and not by way of statement of fact. Photography taken October 2018, published March 2019.