

PRIME SINGLE LET INDUSTRIAL INVESTMENT

9.25 YEARS UNBROKEN SECURE INCOME WITH RPI INCREASES

EVOQUA WATER TECHNOLOGIES | HAWLEYS LANE | WARRINGTON | WA2 8JP





Gemini Business Park

Haydock Industrial Estate

Eddie Stobart

Evri

Puregym

AAH

Winwick Link Road

M6

J22

M62

J9

Ikea

Junction NINE Retail Park



Kammac

Royal Mail

Tesco Extra

Lok'n Store

Warrington Wolves

Golden Square Shopping Centre

INVESTMENT SUMMARY

- A rare opportunity to acquire a prime, detached single let industrial investment in Warrington.
- **100% prime location in Warrington** – one of the premier industrial locations in the North West region, with immediate access to J9 of the M62.
- Comprising a detached **29,228 sq ft** industrial warehouse on a significant 1.88-acre site.
- **Low site cover of 36%.**
- Let to Evoqua Water Technologies Limited on a **10-year FRI lease**, expiring 25 April 2032 (Circa 9.25 years unexpired).
- Excellent covenant with a turnover over £32M and net assets over £10.5M. Guaranteed by Evoqua Water Technologies LLC with a **total equity of \$880M.**
- Passing rent of **£213,338.50 pa (£7.30 psf)** offering scope for reversion.
- Net rent of **£212,702 pa (£7.28 psf).**
- RPI rent review on the 5th anniversary (cap and collared at 2%-4% per annum)
- ERV of **£233,824 pa (£8.00 psf).**
- 200-year long leasehold to Warrington Borough Council.
- We are instructed to seek offers in excess of **£3,415,000 (Three Million Four Hundred and Fifteen Thousand Pounds)**, subject to contract and exclusive of VAT.
- A purchase at this level provides an attractive net initial yield of **5.85%**, (assuming purchasers costs of 6.49%) and a capital value of **£116.81 psf.**



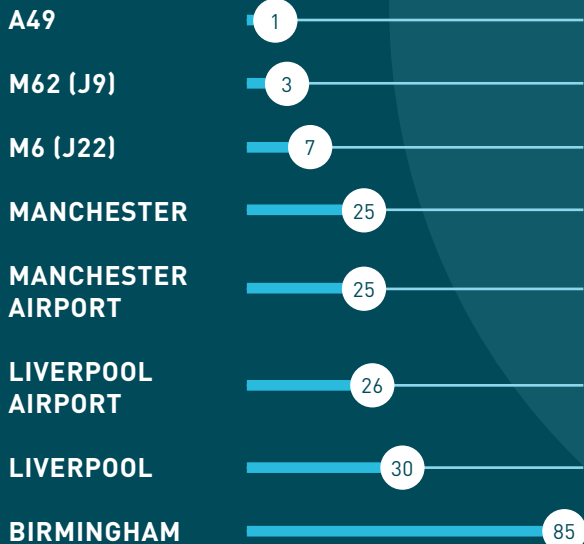
LOCATION

WARRINGTON IS ONE OF THE NORTH WEST'S MOST PRIME INDUSTRIAL AND LOGISTICS LOCATIONS, SITUATED IN THE HEART OF THE REGIONAL MOTORWAY NETWORK, APPROXIMATELY 17 MILES EAST OF LIVERPOOL AND 15 MILES WEST OF MANCHESTER.

Warrington benefits from an excellent strategic location, with 10 million people within a 90-minute drive time. The location provides immediate connectivity to the wider UK motorway network, providing access to the major regional consumer hubs of Liverpool and Manchester via the M62, alongside the wider UK via the M6 situated to the east of the town providing direct links to Birmingham and London.



DRIVE TIMES IN MINUTES



CONNECTIVITY



TRAIN

Warrington has strong rail connectivity with two main line train stations in the town: Warrington Bank Quay and Warrington Central. These provide a regular service to London Euston (1 hour 48 minutes); Manchester (25 minutes) and Liverpool (25 minutes).



AIRPORT

Warrington is situated conveniently for both Manchester Airport (10 miles to the south east) and Liverpool John Lennon Airport (13 miles to the west). Manchester Airport is the UK's third largest passenger airport, linking 28 million passengers with 220 global destinations every year. It is also the UK's fourth largest freight airport handling over 117,200 tonnes.



PORT

The port of Liverpool is 17 miles to the west and one of the busiest container ports in the UK. Liverpool 2 is Peel Ports new deep-water container terminal. Accommodating 95% of the global container vessel fleet, Liverpool 2 enables the Port of Liverpool to house two 13,500 TEU Post-Panamax vessels simultaneously.



SITUATION

THE PROPERTY IS SITUATED ON HAWLEYS LANE, PROVIDING IMMEDIATE ACCESS TO THE A49 (WINWICK ROAD), A KEY ARTERIAL ROUTE LINKING JUNCTION 9 OF THE M62 WITH WARRINGTON TOWN CENTRE AND THE M56.

Hawleys Lane is a strategic last mile industrial location, lying within 1 mile of Junction 9 of the M62 and 2.7 miles from the M6 / M62 intersection. Warrington Town Centre lies approximately 1.5 miles to the south.

The surrounding area has been extremely successful in attracting blue chip occupiers including Eddie Stobart, Royal Mail, Halfords Autocentre, Topps Tiles, amongst others. Additionally, Junction Nine Retail Park is located adjacent to the property and is home to a number of high profile high street occupiers, providing a range of amenities.



DESCRIPTION

The property comprises a self-contained detached industrial warehouse, which was extended approximately 10 years ago. The property has recently been comprehensively refurbished and provides the following specification:



Steel frame construction with brick elevations and metal cladding



LED lighting throughout



Pitched metal clad roof incorporating translucent roof lights



Well specified, integral two storey office accommodation



1 level access loading door



Large self-contained yard area, with electronically gated access, plus separate access for HGVs



Eaves height ranging from 4.00m - 6.29m



Dedicated car parking spaces for approximately 51 vehicles

RECENT REFURBISHMENT WORKS

As part of the current letting the landlord has undertaken significant refurbishment works including:

- New LED lighting in the warehouse
- Internal office decoration
- Repaint of the warehouse floor with epoxy paint
- New metal fencing around the perimeter of the property
- External decoration to the cladding
- Internal decoration of the blockwork
- Refurbishment of the electric roller shutter door



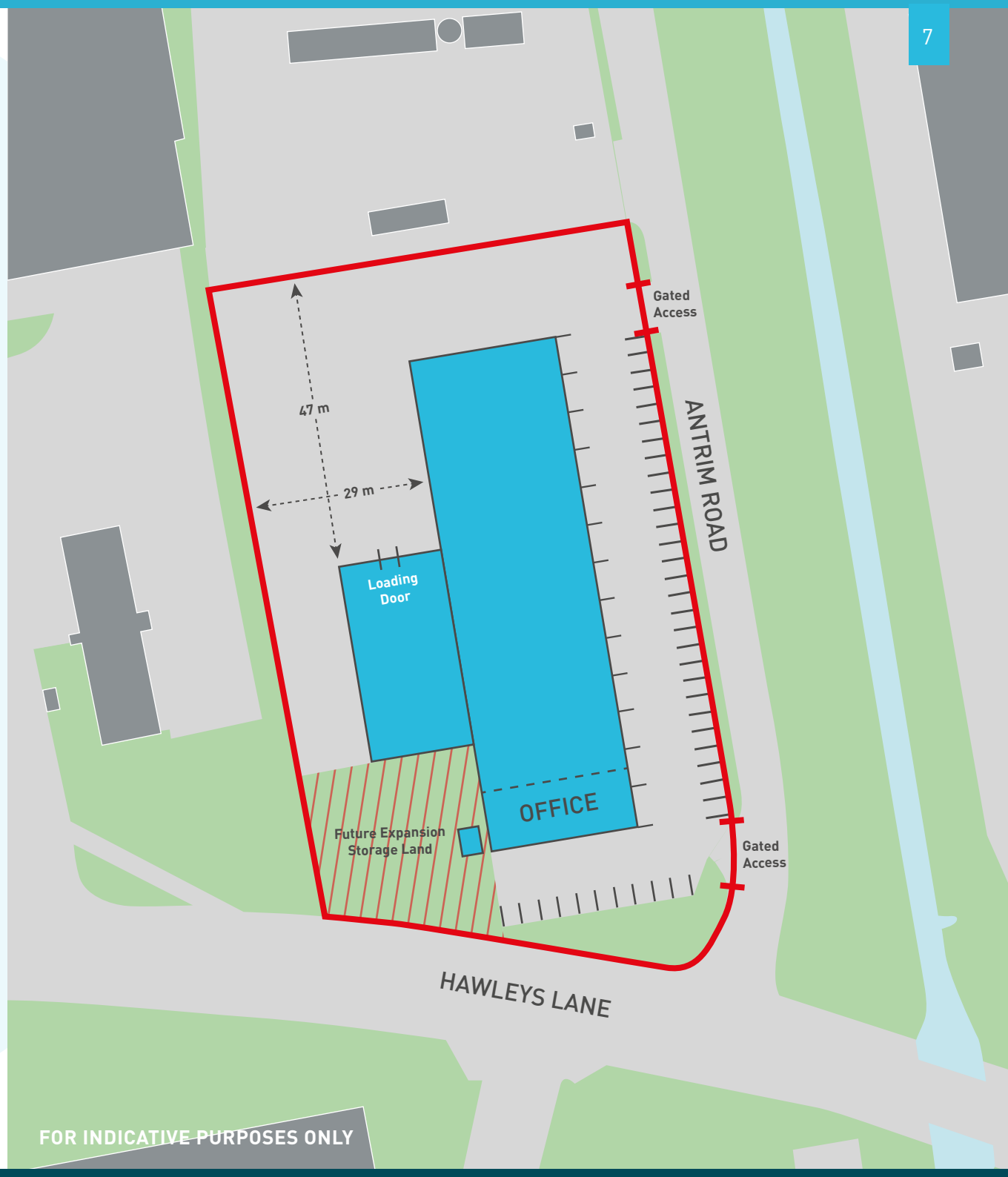
SITE AREA

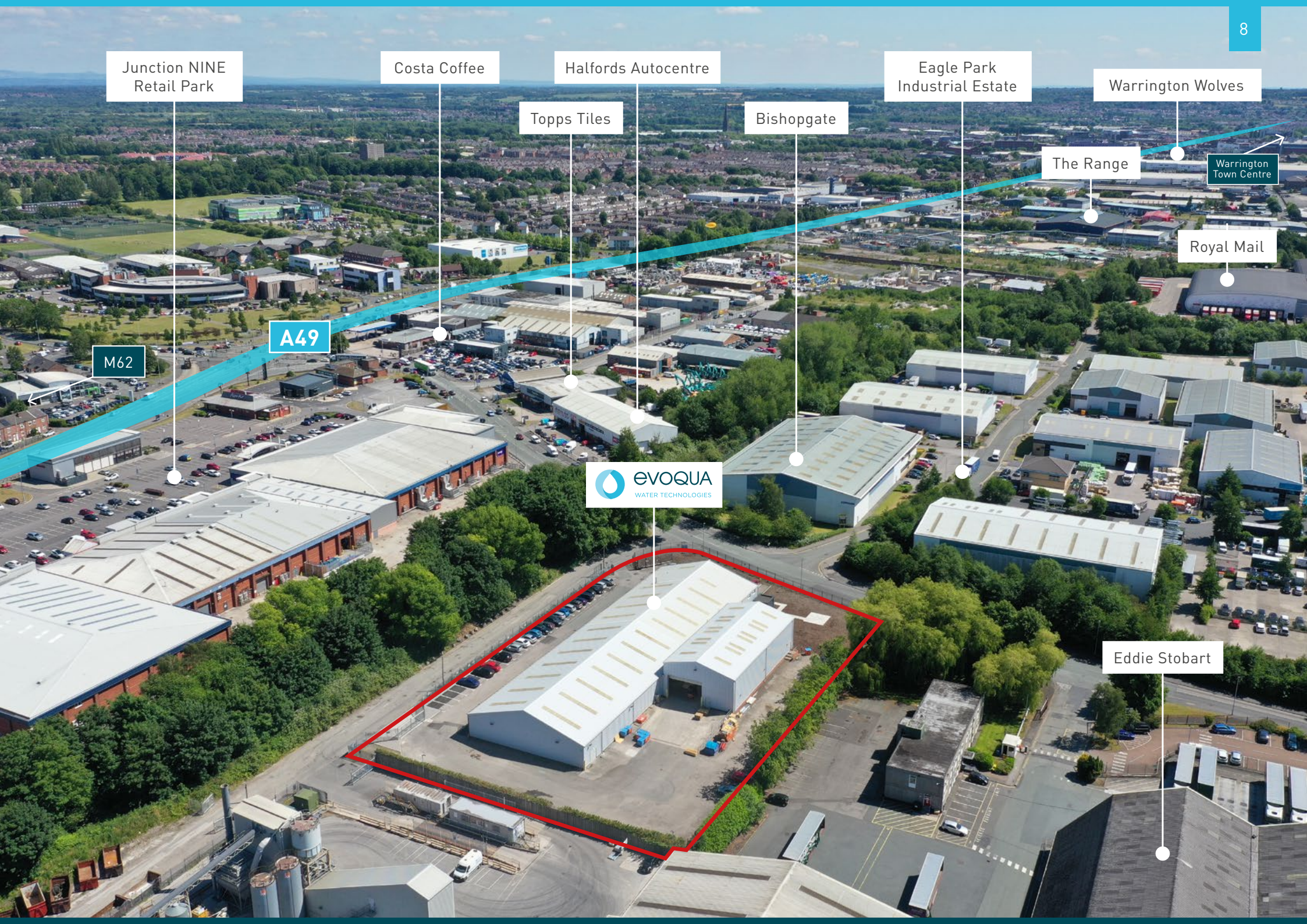
The site extends to approximately 1.88 acres, providing a **very low cover of 36%**.

ACCOMMODATION

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

Accommodation	GIA (SQ M)	GIA (SQ FT)
Main Warehouse	1,594	17,160
Warehouse Extension	476	5,124
Ground Floor Office	325	3,499
First Floor Office	320	3,445
Total	2,715	29,228





Junction NINE
Retail Park

Costa Coffee

Halfords Autocentre

Eagle Park
Industrial Estate

Warrington Wolves

Topps Tiles

Bishopgate

The Range

Warrington
Town Centre

Royal Mail

A49

M62

 **evoQUA**
WATER TECHNOLOGIES

Eddie Stobart

TENURE

Long leasehold – Newly agreed 200-year term to Warrington Borough Council at £636.50 pa subject to review on 12 August 2063 and every 10 years thereafter to OMRV, assuming a cleared site.

TENANCY

The property is let to Evoqua Water Technologies Limited on a 10-year FRI lease, on the following terms:

TENANT	SIZE (SQ FT)	LEASE START	LEASE EXPIRY	RENT £PA (£PSF)	ERV £PA (£PSF)	RENT REVIEW	REPAIR	COMMENTS
Evoqua Water Technologies	29,228	25/04/2022	24/04/2032	£213,338* (£7.30 psf)	£233,824 (£8.00 psf)	5th anniversary (RPI cap and collared at 2%-4% per annum)	FRI, subject to a Schedule of Condition.	12 months rent free from lease commencement – outstanding amount upon completion to be deducted from the purchase price. Guaranteed by Evoqua Water Technologies LLC. *Net rent £212,702 (£7.28 psf)



TENANT COVENANT

EVOQUA WATER TECHNOLOGIES IS A LEADING PROVIDER OF WATER AND WASTEWATER TREATMENT SOLUTIONS, OFFERING A BROAD PORTFOLIO OF PRODUCTS, SERVICES AND EXPERTISE TO SUPPORT INDUSTRIAL, MUNICIPAL AND RECREATIONAL CUSTOMERS.

Headquartered in Pittsburgh, Pennsylvania, Evoqua and their brands have over a 100-year heritage of innovation. Evoqua help more than 38,000 customers solve water challenges at over 200,000 installations worldwide and operate in more than 150 locations across ten countries. Every day, millions of people and thousands of companies rely on Evoqua as their trusted advisor to help them meet their water needs.

Evoqua Water Technologies Limited (08608208) have a D&B rating of 3A2 and have reported the following accounts:

	FY 30/09/2021	FY 30/09/2020	FY 30/09/2019
Sales Turnover	£30,259,000	£35,624,000	£30,735,000
Profit / (Loss) Before Taxes	£1,665,000	£1,182,000	(£3,733,000)
Net Assets	£10,748,000	£9,914,000	£8,316,000

Evoqua Water Technologies LLC (Guarantor) have reported the following accounts:

	FY 30/09/2020	FY 30/09/2019	FY 30/09/2018
Revenue	\$1,113,660,000	\$1,066,503,000	\$1,017,445,000
Earnings before Interest and Taxes	\$110,797,000	\$47,939,000	\$34,974,000
Total Equity	\$880,824,000	\$675,860,000	\$618,093,000



Website
www.evoqua.com/en/about-us

OCCUPATIONAL MARKET COMMENTARY

THE NORTH WEST IS ONE OF THE MOST SUCCESSFUL AND DYNAMIC REGIONS IN THE UK. THE REGION BENEFITS FROM EXCELLENT PROXIMITY TO GROWING MARKETS, A RISING POPULATION OF OVER 7 MILLION PEOPLE, 80% OF THE UK POPULATION WITHIN 4-5 HOURS' DRIVE TIME AND MORE MOTORWAYS PER SQ FT THAN IN ANY OTHER REGION.

The industrial property market remains very buoyant in the region, with particularly good demand in the smaller sub 40,000 sq ft category. Second hand headline rents are now above new build rents of just two years ago in prime locations showing the strength of the occupier market and ongoing rental growth.

Warrington is regarded as one of the prime locations within the North West and as such demand levels have been consistently strong across all sizes. With demand continuing to outstrip supply, we have seen several record headline rentals being achieved for modern and good quality second hand accommodation, as outlined in the table opposite.

Occupiers pay a premium for standalone facilities on a self-contained site, particularly for properties which benefit from a generous yard area. We expect rents to grow further and levels of demand to remain strong across the Warrington area due to the lack of supply of good quality existing buildings.

ADDRESS	TENANT	DATE	SIZE (SQ FT)	LEASE LENGTH (BREAK)	RENT (£ PSF)	DESCRIPTION
Eagle Park	TBC	Q1 2023	31,000	TBC	£10.00	Modern unit
Unit 714, Birchwood Park, Warrington	Safestyle	Exchanged Q1 2023	19,250	10	£10.50	New build - under construction and expected to complete in March 2023
Unit 9, Gemini 8 Business Park, Warrington	Kenji	Q4 2022	19,250	10	£11.50	New build unit. PC date Q4 2022
Unit 715, Birchwood Park, Warrington	Werfen	Exchanged Q3 2022	19,250	10	£10.50	New build - under construction and expected to complete in March 2023
Unit 26/27, Melford Court, Warrington	Dreams	Q2 2022	22,656	10	£8.75	Self-contained fully refurbished unit with new roof.
Unit 1, Hallwood Avenue, Haydock	Kalzip	Q2 2022	19,266	10	£8.30	High-quality second-hand unit with generous yard.
Unit 7, Eagle Park, Warrington	Rivian	Q2 2022	14,660	15 (5 & 10)	£9.00	Modern unit with large loading/yard area.
Unit 9, Taurus Park, Warrington	Under Floor Heating Trade Direct Ltd	Q2 2022	13,186	10 (5)	£8.00	Modern unit with shared loading / parking.



Warrington is regarded as one of the prime locations within the North West

INVESTMENT MARKET COMMENTARY

THE NORTH WEST'S INDUSTRIAL INVESTMENT MARKET PERFORMED RELATIVELY STRONGLY IN 2022, WITH APPROXIMATELY £900M OF NORTH WEST INDUSTRIAL PROPERTY INVESTMENTS TRANSACTED – CIRCA 5.00% ABOVE THE 5-YEAR AVERAGE.

Despite the difficult economic market conditions, the fundamentals of the industrial sector continue to remain strong, with a manageable supply pipeline, underpinned by the structural changes positively shaping the occupier market.

Demand continues to be exceptionally strong for self-contained assets let to strong covenants in last mile locations. Demand for core locations is greater than ever - particularly Warrington, Trafford Park and Greater Manchester.

DATE	ADDRESS	SIZE (SQ FT)	WAULT (YEARS)	PRICE	NIY
Q4 2022	Yorkshire Ambulance Service, Wakefield	19,500	10.00	£2.48M	5.00%
Q3 2022	GNG Group, Wakefield	36,780	10.80	£4.55M	4.64%
Q3 2022	Evri, Trafford Park	12,837	6.00	£2.90M	3.80%
Q3 2022	Blok N Mesh, Runcorn	38,850	10.00	£4.10M	5.15%
Q2 2022	Stuncroft, Doncaster	27,589	7.50 (2.5)	£3.30M	4.46%
Q2 2022	Ungerer, Bromborough	14,219	6.40	£1.50M	4.75%



£900M NW INDUSTRIAL TRANSACTIONS IN 2022

DEMAND FOR CORE LOCATIONS IS GREATER THAN EVER - PARTICULARLY WARRINGTON, TRAFFORD PARK & GREATER MANCHESTER

EPC

An Energy Performance Certificate is available upon request.

VAT

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

DATA ROOM

Data room access can be provided upon request.

PROPOSAL

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FURTHER INFORMATION

To discuss the opportunity, or to arrange an inspection please contact:

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