

Trinity Industrial Portfolio For Sale

A PORTFOLIO OF THREE SINGLE LET INDUSTRIAL PROPERTIES

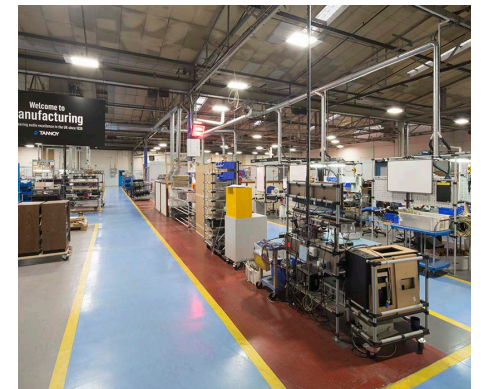
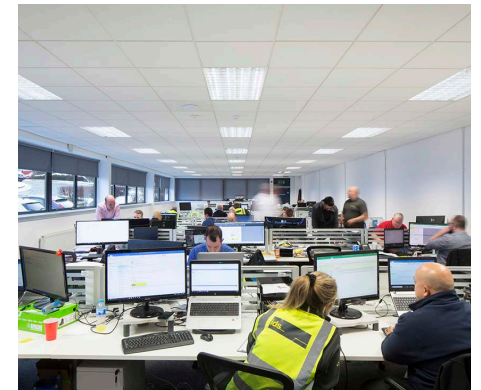


Investment Summary

TRINITY INDUSTRIAL PORTFOLIO | FOR SALE



- Opportunity to acquire a **portfolio of 3 well located, single let industrial units.**
- Established industrial / distribution locations to the east of Glasgow at the heart of Scotland's Central Belt, **with excellent motorway connections** – all units within 12 miles of Glasgow city centre.
- Let to the covenants of **Euro Car Parts Limited, ID Systems UK Ltd and Music Group Innovation SC Ltd.**
- WAULT of **7.6 years** to expiry and **4.8 years** to breaks.
- Total Gross Internal Area of **13,853.62 sq m (149,119 sq ft).**
- Total income of **£652,714 per annum**, reflecting a low average rent of only **£4.38 per sq ft.**
- Seeking offers in excess of **£7,680,000** (exclusive of VAT) for the benefit of our client's heritable interests. A purchase at this level would provide a **net initial yield of 8.0%**, after purchasers costs of 6.17%.
- Quoting price reflects a **low capital rate** of only **£51.50 per sq ft.**
- Offers may be considered for individual units.



Portfolio Overview

TRINITY INDUSTRIAL PORTFOLIO | FOR SALE



ADDRESS	TENANT NAME	LEASE START	LEASE EXPIRY	BREAK OPTION	NEXT REVIEW	WAULT (EXP)	WAULT (BRK)	AREA SQ.FT. (GIA)	RENT	RENT / SQ.FT	COMMENTS
Unit 1 Springhill Drive South, Glasgow Business Park G69 6GA	Euro Car Parts Ltd	16/05/2016	15/05/2026	16/05/2022	16/05/2021	8.3	4.3	39,196	£210,914	£5.38	Schedule of condition.
Axis Park Orchardton Road, Westfield Cumbernauld G68 9HD	ID Systems UK Ltd	15/07/2017	14/07/2027	14/07/2022	15/07/2022	9.5	4.5	40,218	£191,800	£4.77	Schedule of Condition. Half rent incentive until 14/12/18, will be topped up by vendor.
10 Palacecraig Street, Coatbridge ML5 4TF	Music Group Innovation SC Ltd	15/08/2013	14/08/2023	N/A	14/08/2018	5.5	5.5	69,705	£250,000	£3.59	Schedule of Condition. Tenant options to renew at expiry.
	PORTFOLIO					7.6	4.8	149,119	£652,714	£4.38	







M8, M73, M74 MOTORWAY IMPROVEMENTS PROJECT

The £500m M8, M73, M74 Motorway Improvements Project opened to traffic in Spring 2017. This included a new 7 mile stretch of the M8 motorway between Baillieston and Newhouse, a new all-purpose A8 between Baillieston and Eurocentral and improvements to the Raith Interchange on the M74. This major new infrastructure is having a significant impact on improving connectivity and journey times across central Scotland.

Following the M8 motorway improvement, Transport Scotland's analysis indicates that journey times are significantly improved, with vehicles now travelling along the M8 at an average speed of almost 70mph, even during peak times. The new and more efficient motorway network can save up to 20 minutes travel time in one journey. The improvement is predicted to contribute more than £1bn to Scotland's economy improving business connections between Scotland's two largest cities Edinburgh and Glasgow.





The market for industrial and logistics investments remains strong. Recent figures show that UK manufacturing output expanded at its fastest rate for 10 years, after recording a seventh consecutive month of growth in November 2017. The occupational market remains robust, with consistent rental growth being experienced and low vacancy rates.

The industrial sector across Scotland's Central Belt has witnessed a sharp increase in investor/developer interest in recent years primarily due to a general lack of availability coupled with rental growth prospects. According to Costar analysis, the Central Belt recorded in excess of 3 million square feet of occupier take-up during 2017.

UK Industrials were the best performing UK Sector over the last 12 months (to December 2017). Industrial delivered Total Returns of 21.1%, ahead of Offices at 7.7% and Retail at 8.5% (source: MSCI).

Industrials were also the best performing sector in Scotland, with North and Scotland industrials delivering a Total Return of 13.2% in the 12 months to December 2017. This was in excess of the other main sectors (Scottish Retail Total Return 9.6%; Scottish Office Total Return 4.6%), and indeed ahead of the UK All Property Total Return of 11.2%.

The Total Return for North & Scotland Industrials comprised Income Return of 6.3% and Capital Growth of 6.5%. MSCI also reported Scottish Industrial Market Rental Value Growth of 2.1% in the 12 months to December 2017, again ahead of all other Scottish sectors.

Over the last 12 months Glasgow Industrials delivered a Total Return of 12.0% (again ahead of UK All Property), comprising Income Return of 6.5% and Capital Growth of 5.2%. Glasgow Industrials displayed stronger Market Rental Value Growth than Scotland as a whole, at 2.6%.

Key industrial and logistics occupiers include Amazon, Wincanton, Co-Op, Lidl, Clyde Blowers, WH Malcolm, John Lewis Partnership and increasingly from the parcel delivery firms such as DPD, UPS and Hermes. Strong demand seen in the Midlands is now filtering into Scotland as third party logistics providers see company expansion moving north.

RECENT LETTINGS

We are aware of the following comparable lettings.

ADDRESS	DATE	TENANT	AREA (sq ft)	RENT (psf)
2 Jubilee Court, Hillington Park, Hillington	Dec-17	Stearn Electric	30,494	£6.31
Unit 7, Edinburgh Interchange, Newbridge	Nov-17	Extreme Karting (lease extension)	42,242	£5.50
5 Brittain Way, Eurocentral	Jun-17	GIST Ltd	91,955	£5.93
2 James Street, Righead, Bellshill	Nov-16	HSS Hire	52,857	£5.00
3 Watt Place, Hamilton International Park, Blantyre	Sep-16	Edinburgh Napier University	34,866	£6.00
44 Fullarton Drive, Cambuslang	Jul-16	Siemens	38,360	£6.00
18 Palacecraig Street, Coatbridge	Apr-16	Fishers	49,528	£5.00

RECENT INVESTMENT DEALS

ADDRESS	TENANT (LEASE EXPIRY)	DATE	PURCHASER	PRICE	NIY	CAPITAL RATE (psf)	COMMENTS
Royal Mail Distribution Centre, Canyon Road, Wishaw	Royal Mail (exp 2027)	Nov 17	Private Investor	£8.76m	5.75%	£87.13	100,000 sq ft distribution unit let for a further 9.5 years. OMV rent reviews.
6 & 10 Brittain Way, Eurocentral	Amazon (exp 2020) & Eddie Stobart (exp. 2027, TBO 2022)	Oct 17	Private Investor	£12.2m	6.95%	£75.92	Combined 160,700 sq ft distribution units. WAULT of 5.8 years to expiry and 3.7 years to breaks. OMV rent reviews.
Brittain Way, Eurocentral Eurocentral	DX Group (exp 2027)	Aug 17	Broomford Holdings	£3.315m	6.4%	£82.98	40,000 sq ft distribution unit let for a further 10 years.
5 Brittain Way, Eurocentral Eurocentral	Hovis (exp 2022)	Mar 17	Threadneedle	£7.3m	7.0%	£79.39	92,000 sq ft unit let for a further 5 years. OMV rent reviews.
DHL Tradetam Bogleshole Road, Cambuslang	DHL Tradetam (exp 2027, TBO 2022)	Feb 17	Legal & General	£9.0m	7.5%	£66.40	135,500 sq ft distribution unit with 5 years unexpired to break.



Unit 1, Springhill Drive South, Glasgow Business Park, G69 6GA





Unit 1, Springhill Drive South, Glasgow Business Park, G69 6GA

LOCATION

The subject property is situated within Glasgow Business Park, approximately 6 miles east of Glasgow City Centre, adjacent to the recently upgraded M8 Motorway and in close proximity to the Baillieston Interchange. The area provides a mixture of commercial accommodation, predominantly industrial but with some offices also. Neighbouring occupiers include Volkswagen Commercial, Iveco Ford and Autoglass.

Glasgow Business Park has a strategic location with immediate access to Junction 9 of the M8 Motorway to Glasgow and the Central Belt, as well as the M73, the M74 (M6) via the Baillieston Interchange which connects the M77 to the west. Access is also afforded from Junction 8 and 10 of the M8.

DESCRIPTION

The property comprises a modern detached industrial unit of steel portal frame construction in excellent condition. It was originally constructed in 2004 with a large extension built in 2007. The unit has 4 ground level loading doors, good quality 2 storey offices and a large yard area with car parking.

ACCOMMODATION

The property has a site area of approximately 2.11 acres (0.85 ha), equating to site coverage of 40%.

Floor	Use	Area (sq m)	Area (sq ft)
First	Office	231.7	2,494
Ground	Office	230.9	2,485
	Warehouse	3,178.9	34,217
	Total	3,641.5	39,196

The main warehouse area has an internal eaves height of 8.05 metres, clear internal height of 7.03 metres and a ridge height of 10.42 metres.

TENURE

The Vendor is selling the Heritable Title (Scottish equivalent of English freehold).

TENNANCY

ADDRESS	TENANT NAME	LEASE START	LEASE EXPIRY	BREAK OPTION	NEXT REVIEW	WVAULT (EXP)	WVAULT (BRK)	AREA SQ.FT. (GIA)	RENT	RENT / SQ.FT	COMMENTS
Unit 1, Springhill Drive South, Glasgow Business Park, G69 6GA	Euro Car Parts Ltd	16/05/2016	15/05/2026	16/05/2022	16/05/2021	8.3	4.3	39,196	£210,914	£5.38	Schedule of condition.





Unit 1, Springhill Drive South, Glasgow Business Park, G69 6GA

COVENANT

Euro Car Parts Limited - D&B Rating 5A1



Euro Car Parts is a large distributor of car parts and accessories. Founded in 1978, Euro Car Parts have expanded rapidly currently employing over 9,000 staff operating from over 200 locations in the UK and Ireland with their 200th branch opening in 2015.

www.eurocarparts.com

	31 December 2016 (£'000s)	31 December 2015 (£'000s)	31 December 2014 (£'000s)
Turnover	988,215	904,671	716,494
Pre-Tax Profit	81,151	87,979	63,380
Tangible Net Worth	316,110	263,259	192,663
Net Current Assets (Liabilities)	204,161	162,506	123,987

D&B Report is available upon request.

EPC

The Energy Performance Certificate (EPC) rating for the property is 'C'. A copy of the EPC can be made available upon request.

Investment Considerations

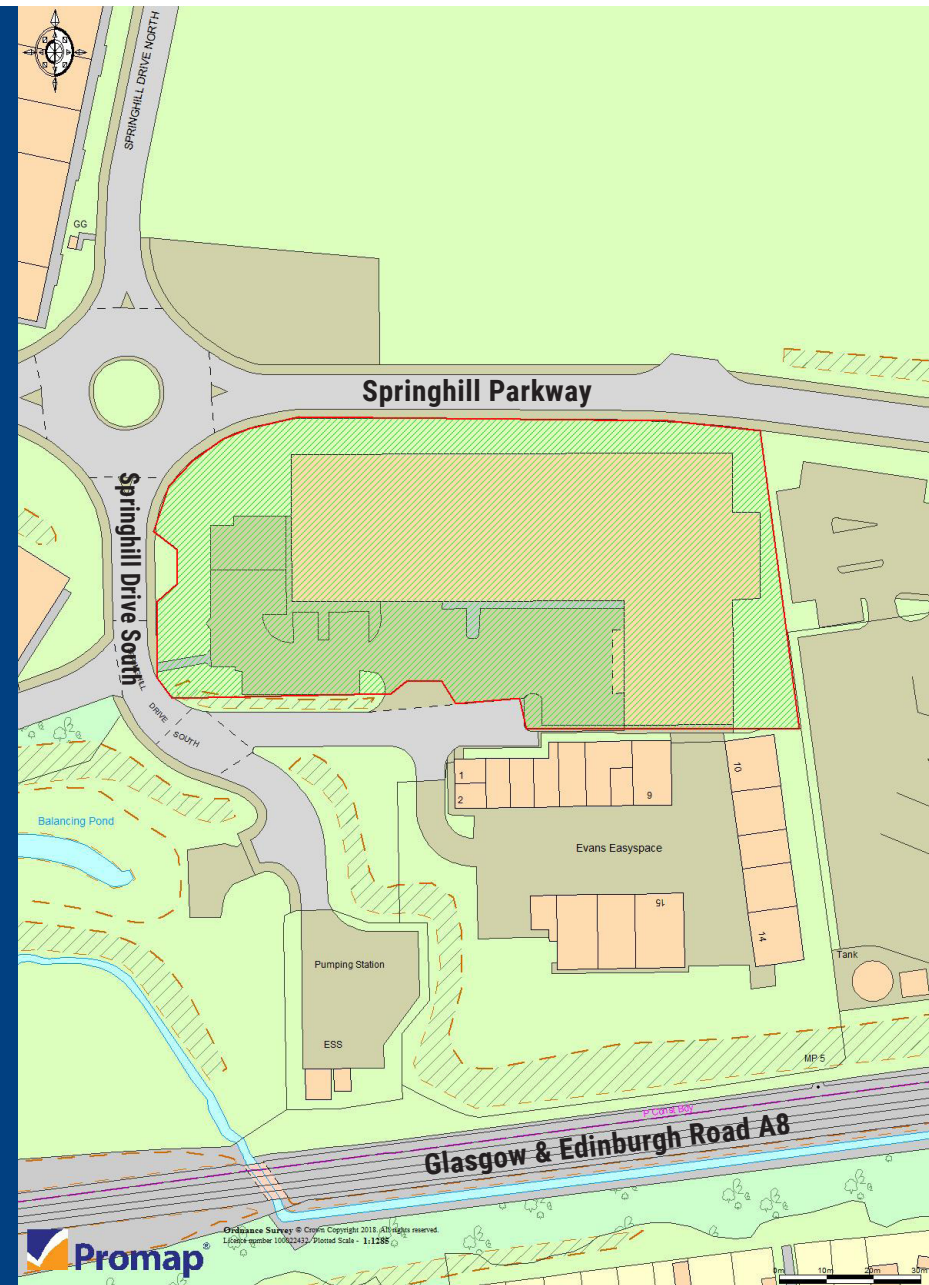
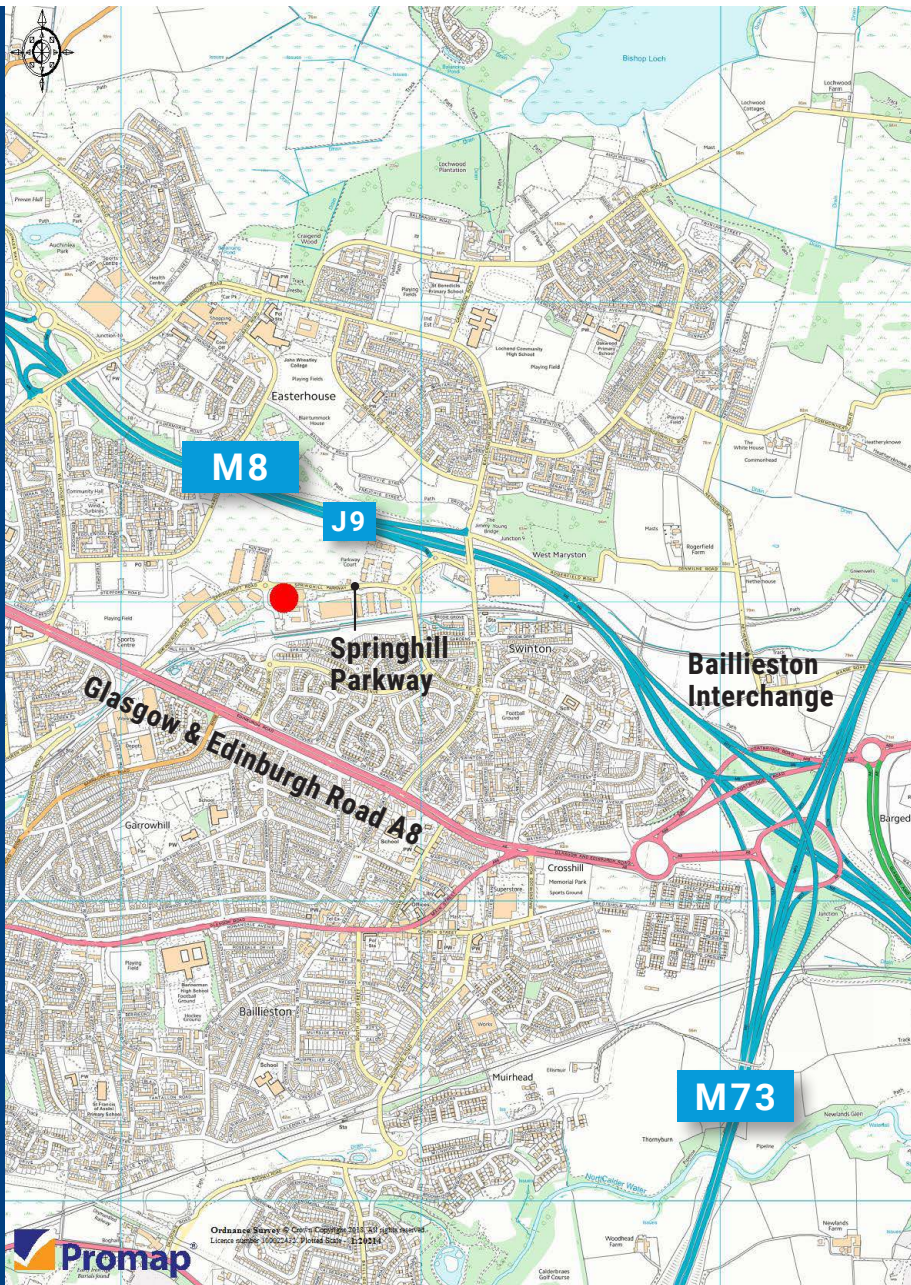
- > Well located, highly visible unit adjacent to M8 motorway.
- > New lease to undoubted covenant (5A1) for 10 years (break year 6).
- > Sensible rental level with strong potential for rental growth.
- > Modern highly specified unit maintained in excellent condition - tenant has invested heavily in unit which presents extremely well.
- > This facility provides a "hub" for operations in the local area.





Unit 1, Springhill Drive South, Glasgow Business Park, G69 6GA

Boundaries are approximate and for identification purposes only.





Axis Park, Orchardton Road, Westfield, Cumbernauld, G68 9HD





Axis Park, Orchardton Road, Westfield, Cumbernauld, G68 9HD

LOCATION

Cumbernauld is one of Scotland's New Towns situated in the heart of Scotland, 12 miles north east of Glasgow and 43 miles west of Edinburgh. Cumbernauld's central position and proximity to the motorway network (A80, M73, M8 and M9) makes the town a key location for organisations servicing the whole of Scotland. Westfield has direct access from Junction 3 of the M73 motorway where it merges with the A80/M80, which in turn leads to the M9 motorway to the north east and the M8 motorway to the south west.

Westfield is an established industrial area with surrounding occupiers including AG Barr plc, DHL and DSG.

DESCRIPTION

The property comprises a modern detached industrial unit of steel portal frame construction in excellent condition. It was originally constructed in 2007. The unit has 2 ground level loading doors, good quality single storey offices (with the ability to install an upper floor subject to consents) and a large yard area with car parking.

ACCOMMODATION

The property has a site area of approximately 3.04 acres (1.23 ha), equating to a site coverage of 30%.

Floor	Use	Area (sq m)	Area (sq ft)
Ground	Warehouse	3,736.4	40,218
	Total	3,736.4	40,218

The main warehouse area has an internal eaves height of 7.27 metres, clear internal height of 6.06 metres and a ridge height of 10.43 metres.

TENURE

The Vendor is selling the Heritable Title (Scottish equivalent of English freehold).

TENNANCY

ADDRESS	TENANT NAME	LEASE START	LEASE EXPIRY	BREAK OPTION	NEXT REVIEW	WAULT (EXP)	WAULT (BRK)	AREA SQ.FT. (GIA)	RENT	RENT / SQ.FT	COMMENTS
Axis Park Orchardton Road Westfield Cumbernauld G68 9HD	ID Systems UK Ltd	15/07/2017	14/07/2027	14/07/2022	15/07/2022	9.5	4.5	40,218	£191,800	£4.77	Schedule of Condition. Half rent incentive until 14/12/18, will be topped up by vendor.





Axis Park, Orchardton Road, Westfield, Cumbernauld, G68 9HD

COVENANT

ID Systems UK Limited - D&B Rating 1A3

ID Systems UK are an engineering firm who provide MEICAT services within the Water, Industrial and Commercial sectors throughout the United Kingdom. ID Systems UK provide a wide range of services across mechanical, electrical, instrumentation, control & automation and telemetry systems providing solutions from initial design through to installation. In 2016, ID Systems UK announced plans to create a further 120 jobs within the company as part of their expansion plans as a result of securing several long-term projects.
www.idsystemsuk.co.uk

	30 April 2016 (£'000s)	30 April 2015 (£'000s)	30 April 2014 (£'000s)
Turnover	7,845	-	-
Pre-Tax Profit	592	-	-
Tangible Net Worth	1,032	610	575
Net Current Assets (Liabilities)	944	507	454

D&B Report is available upon request.

EPC

The Energy Performance Certificate (EPC) rating for the property is 'E'. A copy of the EPC can be made available upon request.

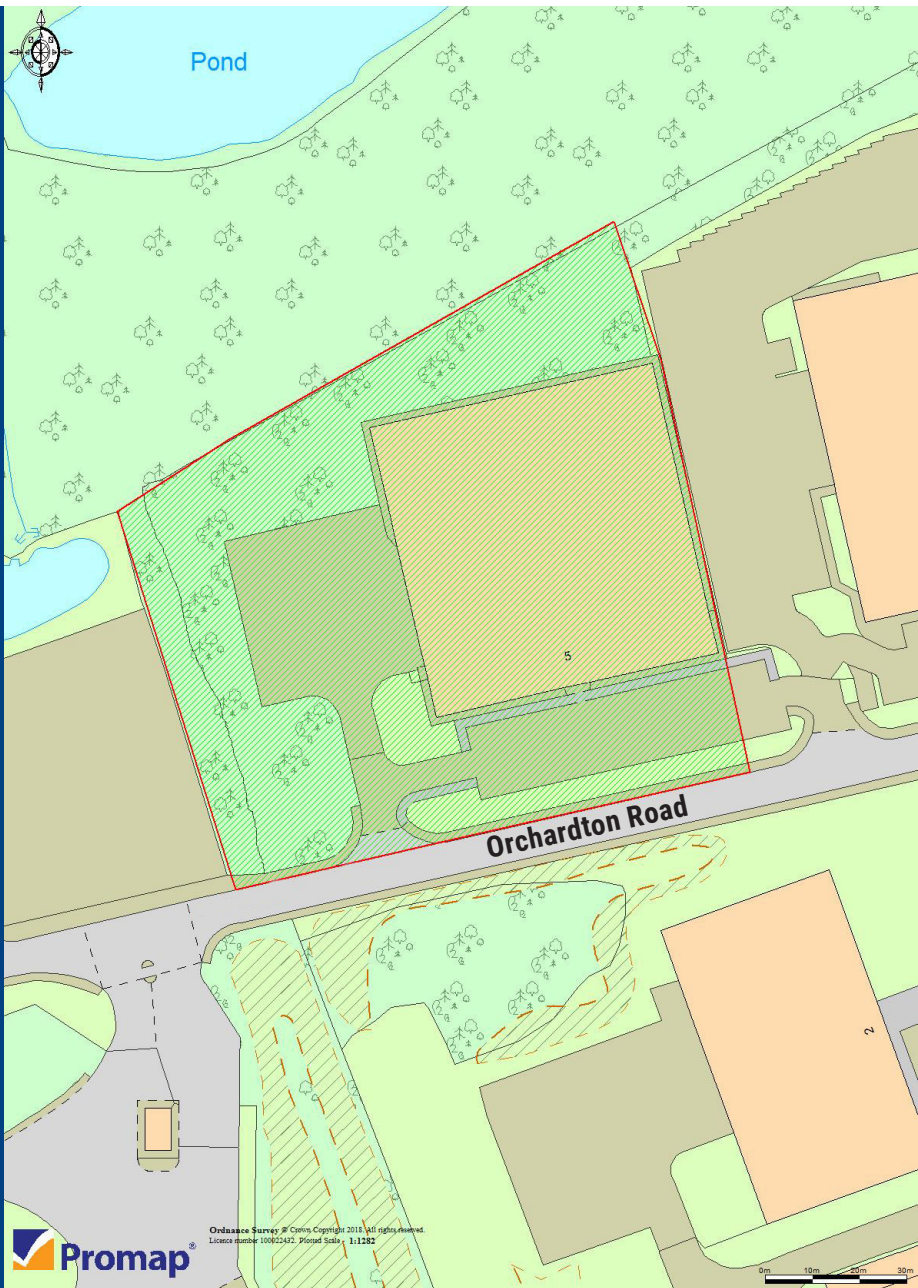
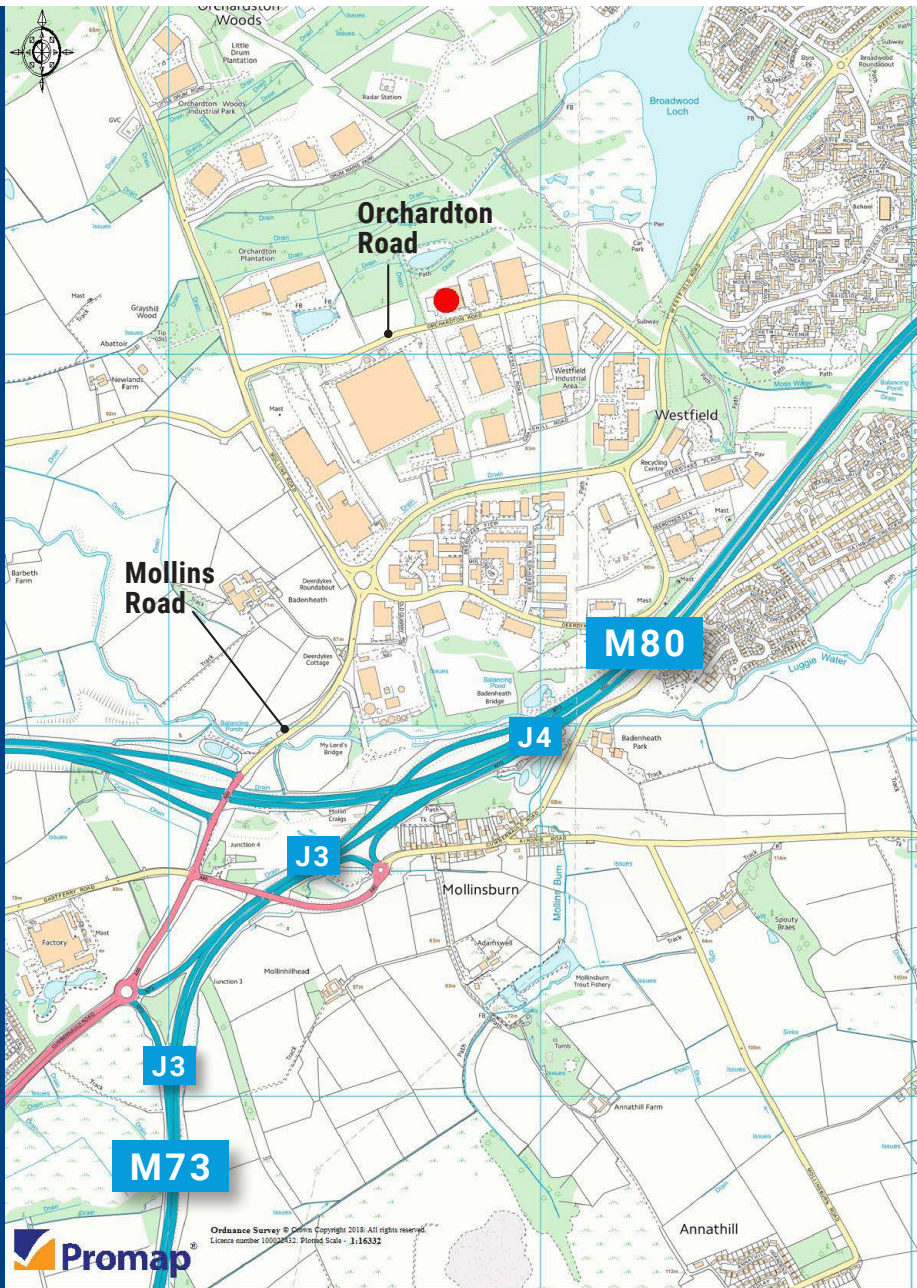


Investment Considerations

- > Strategically located unit situated in established industrial area adjacent to motorway network at intersection of M73 and M80 motorways.
- > New 10 year lease (break at year 5) secured following minimal void following previous occupier vacating – underlines occupational demand.
- > Opportunity to secure rental uplift at upcoming review.
- > Modern highly specified unit maintained in excellent condition.
- > Tenant has expressed an interest in installing first floor offices and may consider rentalising these subject to landlord contribution.
- > Purchaser can take over historic dilapidations claim with former tenant (further details available from selling agents).

Axis Park, Orchardton Road, Westfield, Cumbernauld, G68 9HD

Boundaries are approximate and for identification purposes only.



Music Group Innovation

TRINITY INDUSTRIAL PORTFOLIO | FOR SALE



10 Palacecraig Street, Coatbridge, ML5 4TF



Music Group Innovation

TRINITY INDUSTRIAL PORTFOLIO | FOR SALE



10 Palacecraig Street, Coatbridge, ML5 4TF

LOCATION

Coatbridge is located 11 miles east of Glasgow city centre, adjacent to the M8 Motorway (newly upgraded section) at its junction with the A725. The surrounding area benefits from excellent connections to Central Scotland's motorway network including the M73, M74, M80 and M77.

The location is characterised by a mixture of industrial and residential uses. Nearby occupiers include Mackinnon Mills, CEM Scotland and Olleco, as well as Boots, PTS Group, Rentokil and Scotia Plant on the neighbouring M8 Interlink.

DESCRIPTION

The property comprises a detached industrial unit with 2 storey offices to the front elevation. The unit has been extended in various sections and is of steel frame construction. The unit sits on a substantial site with car parking and yard areas.

ACCOMMODATION

The property has a site area of approximately 4.45 acres (1.80 ha), equating to a site coverage of 34%.

Floor	Use	Area (sq m)	Area (sq ft)
First	Office	412.0	4,435
Ground	Warehouse	6,063.8	65,270
	Total	6,475.8	69,705

The main warehouse area has an internal eaves height ranging from 5.51 metres to 7.20 metres, clear internal height ranging from 4.57 metres to 6.54 metres and a ridge height ranging from 6.81 metres to 8.01 metres.

TENURE

The Vendor is selling the Heritable Title (Scottish equivalent of English freehold).

TENNANCY

ADDRESS	TENANT NAME	LEASE START	LEASE EXPIRY	BREAK OPTION	NEXT REVIEW	WAULT (EXP)	WAULT (BRK)	AREA SQ.FT. (GIA)	RENT	RENT / SQ.FT	COMMENTS
10 Palacecraig Street, Coatbridge ML5 4TF	Music Group Innovation SC Ltd	15/08/2013	14/08/2023	N/A	15/08/2018	5.5	5.5	69,705	£250,000	£3.59	Schedule of Condition. Tenant options to renew at expiry.



Music Group Innovation

TRINITY INDUSTRIAL PORTFOLIO | FOR SALE



10 Palacecraig Street, Coatbridge, ML5 4TF

COVENANT

Music Group Innovation SC Limited - D&B Rating 2A3



Tannoy was founded in 1926 and are a recognised leader in loudspeaker design and audio quality. Tannoy relocated from London to Coatbridge in 1976. In 2015 Tannoy were acquired by The Music Group to form a conglomerate of high-end brands and technology.

www.tannoy.com | www.musictri.be

	31 December 2015* (£'000s)	30 June 2014 (£'000s)	30 June 2013 (£'000s)
Turnover	29,573*	20,674	19,693
Pre-Tax Profit	130	779	466
Tangible Net Worth	3,657	3,931	2,892
Net Current Assets (Liabilities)	4,030	4,055	3,846

*18 month financial reporting period

D&B Report is available upon request.

EPC

The Energy Performance Certificate (EPC) rating for the property is 'E'. A copy of the EPC can be made available upon request.

Investment Considerations

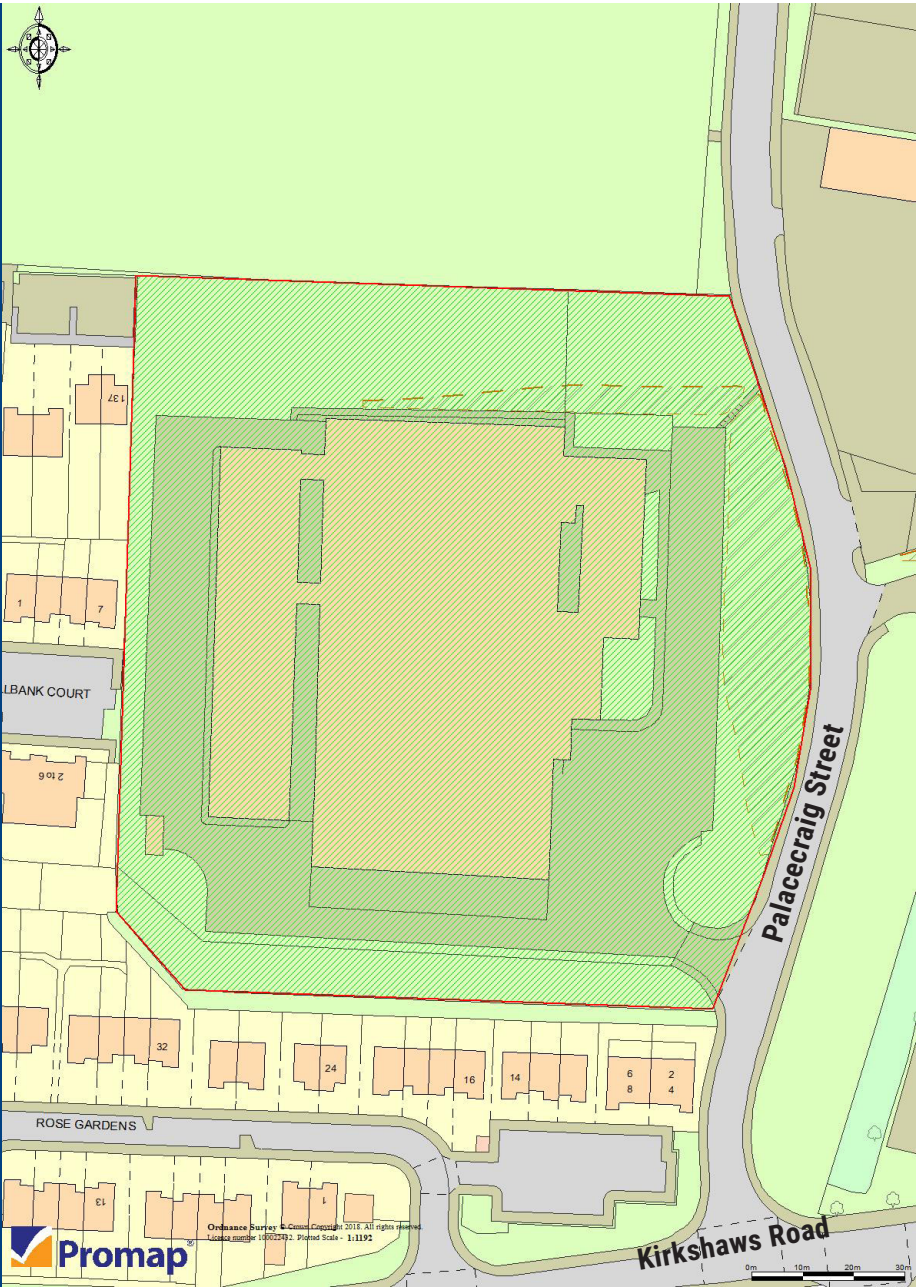
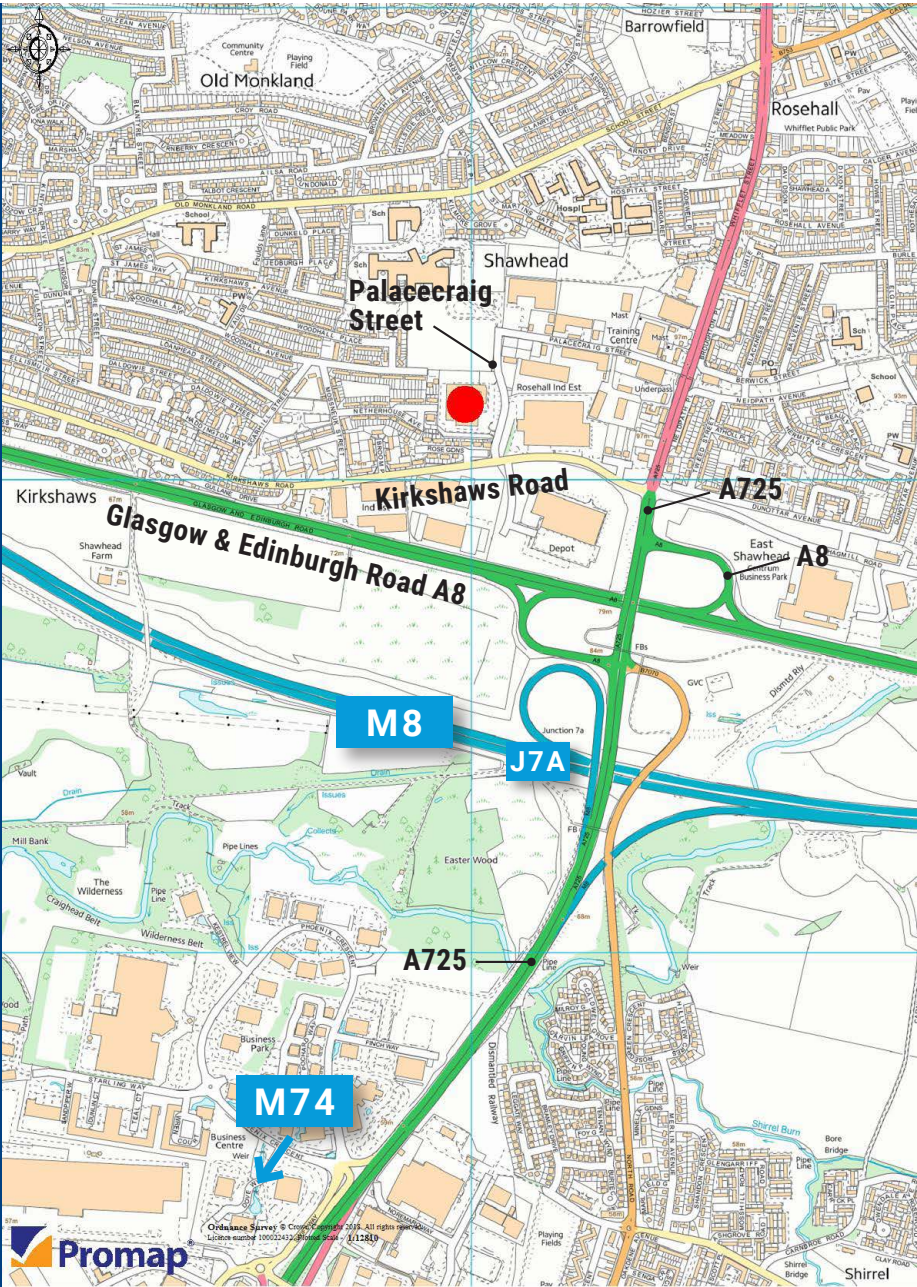
- > Excellent location adjacent to newly upgraded section of M8 motorway, affording excellent access to Central Scotland's motorway network.
- > Tenant has been in occupation for over 40 years at facility, and plans to recruit several new staff.
- > Low rental level, tenant has previously extended lease.
- > Tenant has maintained and refurbished areas of the unit during their extensive period of occupation.
- > Opportunity to increase rental income at rent review later this year.
- > Good covenant with substantial trading history. Tenant business restructured following recent acquisition.
- > Medium term residential redevelopment opportunity (subject to necessary consents, etc) – new residential development nearby.



Music Group Innovation

10 Palacecraig Street, Coatbridge, ML5 4TF

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VAT

The subject properties are elected for VAT and is expected to be structured as a Transfer of a Going Concern (TOGC).

CAPITAL ALLOWANCES

Capital Allowances may be available by separate negotiation. Please contact the selling agents for further information.

SURVEYS

Measured, Building and Environmental surveys are available to a purchaser and are assignable.

PROPOSAL

We are seeking offers in excess of **£7,680,000** (Seven Million, Six Hundred and Eighty Thousand Pounds) exclusive of VAT for the benefit of our client's heritable interest.

A purchase at this level would provide a **net initial yield of 8.0%**, after allowing for normal purchasers costs of **6.17%**.

A purchase at our quoting price reflects a **low capital rate** of only **£51.50 per sq ft**.

Alternatively, our clients may consider individual offers for the units. Please contact the selling agents for more information.

VIEWINGS AND FURTHER INFORMATION

Please contact the selling agents.

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Trinity Industrial Portfolio For Sale

Euro Car Parts

Unit 1, Springhill Drive South,
Glasgow Business Park, G69 6GA

ID Systems

Axis Park, Orchardton Road, Westfield,
Cumbernauld, G68 9HD

Music Group Innovation

10 Palacecraig Street,
Coatbridge, ML5 4TF

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