

**AVISON
YOUNG**

For Sale

Long Leasehold

Former Monarch
Aircraft Engineering
Hangar
Birmingham Airport
B26 3QN

April 2019

On behalf of the Joint Administrators of Monarch
Aircraft Engineering Limited

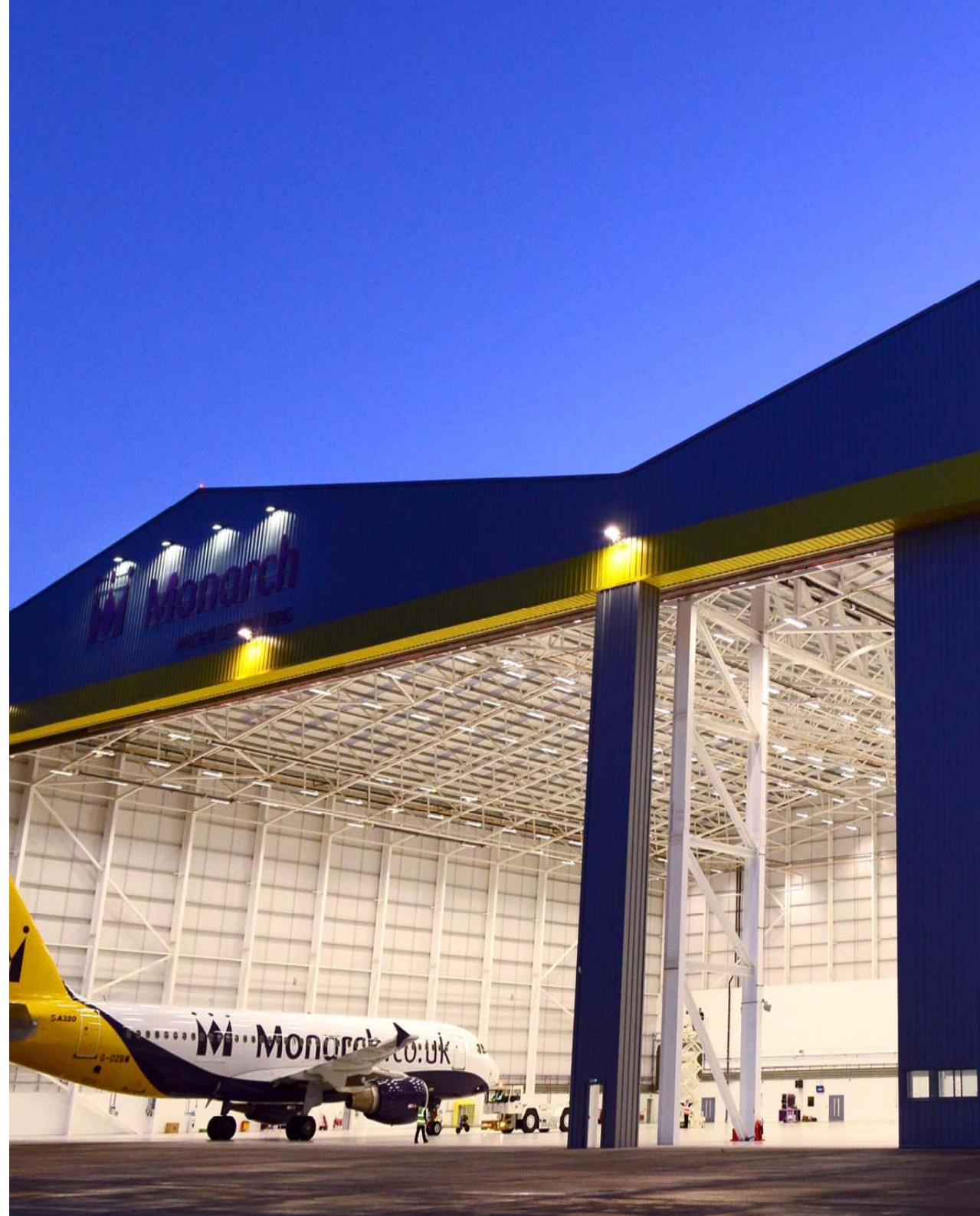
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avisonyoung.co.uk/14957



Highlights

- High specification aircraft hangar in a strategic MRO location
- Gross Internal Area of 13,517 sq.m (145,501 sq.ft.)
- Purpose built, completed in 2013
- Airside location with direct runway access
- Capable of accommodating up to ten narrow body aircraft or two wide body aircraft (up to Boeing 777)
- Additional airside apron extending to 1.03 ha. (2.55 acres)
- Min eaves 20m / Max eaves 24m
- Ancillary two storey office/bonded storage accommodation
- Large car park with 199 spaces





Operational Highlights - Reasons to Invest

- The UK has the **second largest aerospace sector in the world** and the largest in Europe.
- With an economy worth £28.1bn, Birmingham has the **largest economy of any UK city outside London**.
- Birmingham Airport is a **strategic MRO location** with circa 50 operating airlines including British Airways, EasyJet, Lufthansa, Ryanair and KLM. There are 400 specialist companies in the midlands that contribute directly into the aerospace sector.
- Greater Birmingham and the West Midlands is a **global centre for aerospace** companies including Rolls-Royce Control Systems, Dunlop Aircraft Tyres, Timet, Meggitt, Moog, Collins Aerospace, GKN which support the large international manufacturers such as Airbus, BAE Systems, Boeing and Rolls-Royce. Importantly the sector in the region continues to grow.
- The Midlands Aerospace Alliance, based in Coventry, represents **the largest aerospace cluster in Europe** and underlines the region's strength in the sector with more than 300 members.
- A **highly skilled local workforce** with almost **100,000 people employed in advanced engineering**. This is further supported by the fact that 20 universities (340,000 students) are located within a 1 hour drive time of Birmingham.
- **Landing / MRO equipment available by way of separate negotiations**

Airport Location

The airport is situated at the centre of the UK's transport infrastructure network just 10 miles south east of Birmingham city centre.

The M42 Motorway next to which the airport is located, provides access to all of the UK's main arterial motorways including the M40 providing access to London and the southeast, the M6 providing access to the northwest, the M1 (via the M6) providing access to the northeast and the M5 providing access to the southwest. A free monorail links the airport with Birmingham International Railway Station. This provides a direct train service to both London Euston and Birmingham New Street Railway Stations.

The National Exhibition Centre (NEC), the UK's premier exhibition centre and Resorts World Birmingham, comprising a first class shopping, entertainment and hotel complex are both accessible by foot. The new HS2 Interchange to be located at the Arden Cross Development will mean Birmingham Airport will be the only UK airport connected to a high-speed railway line, further improving connectivity and the future growth of Birmingham Airport.

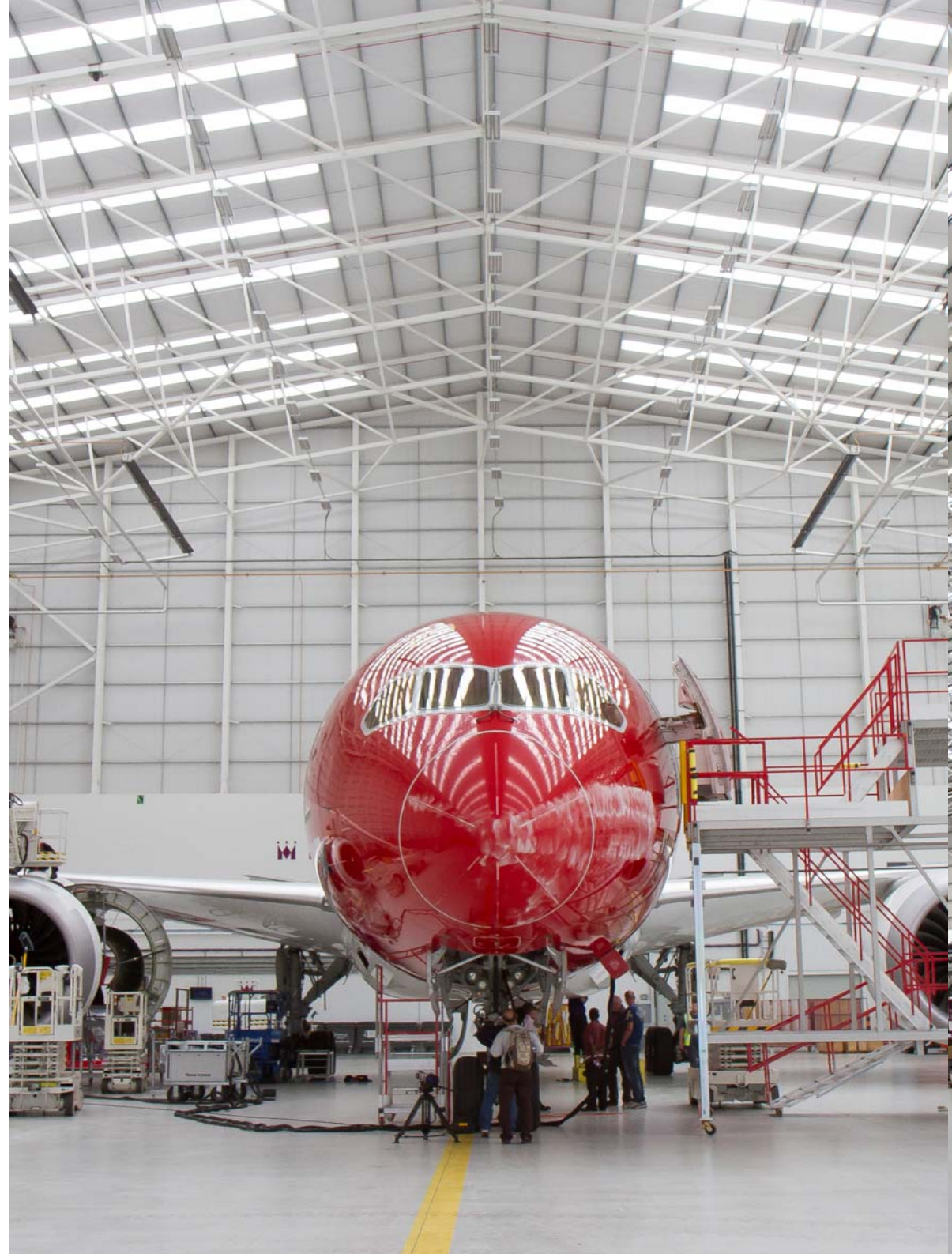


Airport Overview

Birmingham Airport is the UK's **third largest airport outside London**. Over **£300 million has been invested** in the Airport over the past 10 years, meaning Birmingham now boasts world class facilities and state-of-the-art infrastructure, including a newly extended runway. The recent runway extension means aircraft can now fly further, bringing new long-haul destinations within direct range for the first time, including the Far East, the West Coast of the U.S, South America and South Africa. This continued growth is also evidenced by the number of connecting flights to feed the long haul network and increased demand for cargo freight movement.

Approximately 50 airlines operate 143 direct routes, including daily flights to Istanbul, Dubai and frequent services to major European hubs. A further **280 global connections** are available via hub airports including Delhi, Dubai, Istanbul, Frankfurt, Amsterdam and Paris. Global flag carriers who operate from Birmingham Airport include Emirates, Turkish Airlines, Air India, KLM, Swiss, SAS, American Airlines, Brussels Airlines, Air France, Lufthansa and PIA.

Birmingham Airport is a one terminal operation featuring **115 check-in desks, 27 self service kiosks and 47 aircraft stands, of which 20 are air-bridge served**. There is circa **11,000 sq m (118,400 sq ft) of commercial space** including **1,880 sq m (20,000 sq ft) walk-through World Duty Free** store offering an extensive range of liquor, beauty, accessories and confectionery, with luxury brands including Chanel, YSL and Dior. There are **13,000 car parking spaces** across several short, medium and long term car parks, including three multi-storey car parks.



Airport Planning and Investment

In November 2018, Birmingham Airport's draft master plan was published (a copy of which is available within the data room). The draft plan outlines a **£500million development plan** spanning the next 15 years. This is in order to meet forecasted growth (passenger numbers are estimated to **increase to 18 million** by 2033) as well as fulfilling the desire to position Birmingham as one of Europe's leading regional airports.

One of the most notable elements of the draft plan is the proposed terminal extension. This will **expand the size of the north terminal departure lounge by almost 40%**, allow for improved baggage sortation facilities significantly improving operation efficiency, enhanced check-in area and expanded retail facilities.

In addition to the above, a significant upgrade is proposed to the 'Hangar Road' manned security access point with an improved 4 security lane system to be implemented. This will improve the operational effectiveness of this access point which needs to be crossed prior to accessing the airside roadway leading to the subject property. There will also be an enhancement in the support facilities that service the location in which the property is situated.

Situation

The property is located on the western side of the main runway in a highly prominent position, clearly visible to all arriving and departing aircraft. Landside access to the property is provided via Terminal Road and the main 'Hangar Road' manned security access point. Terminal Road links directly with the A45 Coventry Road which connects Birmingham city centre with Junction 6 of the M42 Motorway.

Airside access to the hangar is provided directly from the main runway and across the front airside apron.



The Property

The property comprises a modern detached purpose built aircraft hangar and adjoining airside apron.

Constructed in 2013, the hangar comprises two open span bays of steel portal frame construction, clad in insulated profile metal sheeting with translucent panels incorporated in the roof. The hangar has an approximate **width of 135m and a depth of 79m**. Two, fully **retractable curtain aircraft doors** (each are approx. **66m wide by 20m high**) provide aircraft access to the main hangar area. Eaves heights within the hangar are approximately **24 metres and 20 metres** to haunch.

We have been advised that the hangar can accommodate **10 narrow body aircraft or two wide body aircraft (e.g. Boeing 777)**.

To the front of the hangar is two storey office/bonded storage accommodation. The offices provide a mixture of open plan and cellular space with meeting rooms and main board room as well as welfare facilities in addition to a large canteen and kitchen area. The office accommodation is of a modern specification benefitting from carpeted floors, suspended ceilings with recessed lighting units, suspended air handling cassettes and perimeter trunking. There are double glazed aluminium framed windows throughout. Glazing between the hangar and offices at upper levels provides a clear viewing area. A roller-shutter door to the front elevation provides forklift access to the secure, bonded storage accommodation.

Externally, the **airside apron** measures approximately **77 by 135 metres** providing an overall area of circa **1.03 hectares (2.55 acres)**.

To the front of the property there is **car parking for 199 vehicles**.



Planning

Solihull Metropolitan Borough Council is the local planning authority.

Under the adopted local plan, Birmingham Airport has permitted development rights for aviation development.

A copy of the Airport Master Plan is available upon request.

Rating Assessment

The property has a rateable value of £800,000

The Uniform Business Rate for 2018/19 is 49.3p in the £.

Services

The property benefits from all mains services. These have not been tested and interested parties are to rely on their own enquiries.

Electricity, gas and telephone line are supplied by Birmingham Airport.

Service Charge

A service charge is payable if demanded. We understand that for the current year £nil has been demanded.



Accommodation

We calculate the property has the following Gross Internal Areas:

Floor	Use	Areas	
		sq m	sq ft
Ground	Hangar	11,078.9	119,253
Ground	Offices / stores	1,369.2	14,738
First	Offices	1,069.3	11,510
Total		13,517.4	145,501

The total site area including apron is 2.84 hectares (7.0 acres).

Tenure

The property is held long leasehold from 7 October 2013 for a term of 75 years, providing an unexpired term of circa 70 years.

The passing rent is peppercorn until 6 October 2020 and then increases to £102,500 p.a. until 6 October 2023.

On the 10th anniversary the rent will be reviewed to Market Rental Value (assuming bare serviced land) subject to a minimum of £410,000 p.a. and a maximum of £535,830 p.a. The reviewed rent is to be reduced by 50% for the period from the 10th to the 15th anniversary. Thereafter the rent reviews will be every five years on an upwards only basis (assuming bare serviced land).

A copy of the long lease is available upon request.

Separate Tenancy at Will agreements are in place in respect of ancillary storage land and a refuse area. Occupation of these ancillary areas (if required) will be subject to separate negotiations with Birmingham Airport Limited.





EPC

The property has a rating of C (69).

VAT

All prices are quoted exclusive of any VAT liability.

Data room

Access to a full data room is available subject to completion of a None Disclosure Agreement.

Viewing Arrangements

By prior appointment only.

Photographic identification (either driving licence or passport) will be required in order to obtain access to the premises.

Professional Costs

Each party is to be responsible for their own legal and professional costs incurred

Proposals

We are instructed to invite offers for the long leasehold interest.

Landing / MRO equipment available by way of separate negotiations





A321

Monarch.co.uk

G-DAJB



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Property ref

avisonyoung.co.uk/14957

David Pike, Ben Leith and David Standish were appointed as Joint Administrators of Monarch Aircraft Engineering Limited on 4 January 2019.

The affairs, business and property of the Company are being managed by the Joint Administrators. The Joint Administrators act as agents of the Company and contract without personal liability.

David John Pike, Ben Maitland Leith and David John Standish are authorised to act as insolvency practitioners by the Institute of Chartered Accountants in England & Wales

Avison Young

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