

# Manufacturing / Distribution Investment

> Thermal Ceramics, Commercial Road, Wirral International Business Park, Bromborough >>



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Summary >>

## Investment Summary

- Located on the established Wirral International Business Park at Bromborough, close to junction 5 of the M53, linking to the M56 and M6.
- Low site cover of approximately 40% on a site of 2.63 hectares (6.5 acres).
- 11,769 sq m (126,689 sq ft) warehouse incorporating a canopy and a security gatehouse.
- 10 dock level loading doors and one drive-in loading door.
- 125 year long Leasehold interest from 25 March 1988 (101 years unexpired) at a current ground rent of £70,000 pa.
- Let to Thermal Ceramics UK Limited for a term of 17 years with effect from 1 August 2000 (c.5<sup>1/2</sup> years unexpired). The lease is guaranteed by both Thermal Ceramics Europe Limited and Morgan Crucible Company plc.
- For the year ending 2 January 2011, Morgan Crucible posted a turnover of £1.017 bn and a pre-tax profit of £67.7m.
- The current passing rent is £425,000 pa reflecting c. £37.97 per sq m (£3.53 per sq ft) with our opinion of ERV at £43.05 per sq m (£4.00 per sq ft).
- Net current income is therefore £355,000 pa.
- Seeking offers in excess of £3,050,000, reflecting a net initial yield of 11%, assuming 5.8% purchasers costs. Adopting our opinion of ERV, this provides a Reversionary Yield of 12.75%, at next review in August 2015.

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## Location

Location >>

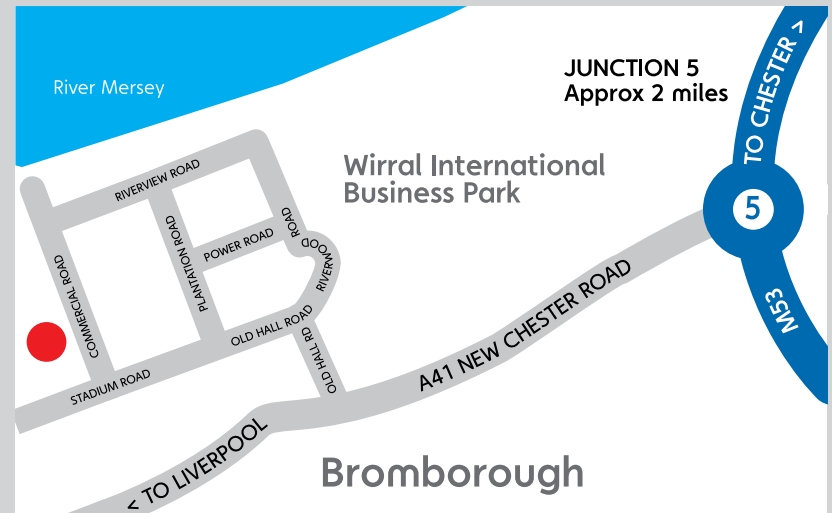
Bromborough is situated on the Wirral Peninsular, to the western side of the River Mersey. Liverpool City Centre is 9.65 km (6 miles) to the east, Chester 20.92 km (13 miles) to the south and Birkenhead 3.2 km (2 miles) to the north.

Bromborough is one of the principle and commercial retail centres of the Wirral with an estimated catchment population in the region of 323,000 people.

The town's road communications are excellent, being close to Junction 5 of the M53, linking to the M56 and M6 motorways.

The Wirral has become a focus area for many commercial sectors including the petro chemical, car manufacturing and port related industries. The area is home to a number of major companies including General Motors, Shell UK, Meyer International, Typhoo Tea, Bakemark UK, Unilever, Sun Valley and Cereal Partners amongst others.

The property is situated on Wirral International Business Park, off the A41 dual carriageway, on the north side of Commercial Road, which runs off Stadium Road.





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## Demographics

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Wirral has a growing population and 64.5% of residents in the catchment area are of working age. There is a particularly young profile, with those aged under 30 accounting for 29.2% of working age population against 27.3% regionally and 27.5% nationally.

60 Minute Catchment (Preston, Manchester, Stoke, Chester)	120 Minute Catchment (Birmingham, Carlisle, Leeds, Hull)
6.8m residents	14.8m residents
4.3m working age population	9m working age population
2.6m (38.1%) under 30	5.7m (38.2%) under 30



## Wirral International Business Park (WIBP)

The property is situated on the Wirral International Business Park (WIBP), a well master planned park, which in turn has attracted significant occupational interest and development over recent years. The park currently provides an excellent business location for more than 100 organisations.

More than £150m has been invested in WIBP, with 1,800 of a targeted 3,000 jobs having been created through attracting new companies to the new business park areas within WIBP.

Staff working on the park also benefit from a highly successful retail and leisure park, with major occupiers including Smyths Toys, Dreams, Currys, Tesco Home Plus, DW Health and Fitness, PC World, Odeon Cinema, Frankie & Benny's and Pizza Hut.



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### Description

Built in circa 1990, the property comprises a secure, well specified warehouse/former chill store linked to a two storey office building, together with a large yard area.

Internally the warehouse provides an eaves height of approximately 11.26m (37 ft) and is lit by way of high bay sodium lighting. The unit is also partly sprinklered.

Loading to the unit is provided by way of 10 dock level loading doors, together with a single drive-in loading door. A substantial canopy area is provided above the dock level loading area.

The office accommodation benefits from suspended ceilings, surface mounted fluorescent strip lighting, perimeter trunking, gas fired central heating and double glazing.

Parking to the office accommodation is provided by way of a separate sectioned-off tarmacadamed parking area providing approximately 68 car parking spaces.

A manned gatehouse and barrier entry system is located at the entrance to the site.



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## Accommodation

We have measured the property in accordance with the RICS Code of Measurement Practice, on a gross internal basis and summarised the areas below.

Accommodation >>

Description	SQ M	SQ FT
Warehouse	10,048	108,160
Office and Link	547.55	5,894
Gatehouse	21.27	229
<b>Sub Total</b>	<b>10,616.82</b>	<b>114,283</b>
Canopy	1,152.52	12,406
<b>TOTAL</b>	<b>11,769.34</b>	<b>126,689</b>



The unit is set within a total site of approximately 2.63 hectares (6.5 acres), providing a low site cover of approximately 40%.



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## Tenure

The entire property is held long leasehold for the term of 125 years with effect from 25th March 1988, providing an unexpired term of almost 101 years. The current ground rent is £70,000 per annum and is subject to 5 yearly rent reviews with the next review on 25th March 2013.

Tenancy >>

The rent is reviewed to the open market rental value of the land, disregarding any buildings on site. In our opinion, the land is rack rented at £70,000 per annum, following a significant increase from £50,000 pa at the last review at close to the peak of the market.



## Tenancy

The property is let to Thermal Ceramics UK Ltd for a term of 17 years with effect from 1st August 2000 (circa 5<sup>1/2</sup> years unexpired). The lease is guaranteed by both Thermal Ceramics Europe Ltd and Morgan Crucible Company Plc. The lease incorporates 5 yearly Rent Reviews with the next Review due on the 1st August 2015.

The lease is subject to a schedule of condition, a copy of which can be provided upon request.

The current passing rent is £425,000 per annum reflecting a low rent of £37.97 per sq m (£3.53 per sq ft), adopting a discounted rate on the canopy.

We are of the opinion that the rent is reversionary with an Estimated Rental Value of £43.05 per sq m (£4.00 per sq ft) providing a rent payable of £481,944 per annum.





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### Thermal Ceramics

Thermal Ceramics are part of the Morgan Crucible Group and operates as part of the Morgan Ceramics division.

Thermal Ceramics moved its UK Fired Shapes division to this unit in 2002 and have installed substantial plant and machinery since taking occupation. The unit is principally used for manufacturing and draws on the highly skilled workforce within the catchment area. In addition, Thermal Ceramics removed a break option in July 2010 and this, along with having their main office, sales and distribution unit situated also on Wirral International Business Park in Bromborough, is an indication of their commitment to this unit and the area.

Morgan Thermal Ceramics designs, manufactures and installs a broad range of thermal insulation products that significantly reduce energy consumption and omissions in a variety of high temperature processing applications.

In essence, the light weight insulating products help reduce energy uses and contribute to the reduction of wasted energy and operation inefficiency, something which is high on many Corporate's agendas.

We have summarised the last 3 years accounts for the tenant and the 2 companies who provide guarantees for the lease.

#### Thermal Ceramics UK Ltd (Tenant)

	Fiscal YE 02/01/11 GBP (000's)	Fiscal YE 03/01/10 GBP (000's)	Fiscal YE 04/01/09 GBP (000's)	Experian Rating
Sales Turnover	£13,747	£11,504	£15,651	A Very Low Risk (confidence)
Profit Before Taxes	£1,596	£17	£948	
Tangible Net Worth	£10,014	£8,422	£7,713	

#### Thermal Ceramics Europe Ltd (Guarantor)

	Fiscal YE 03/01/10 GBP (000's)	Fiscal YE 04/01/09 GBP (000's)	Fiscal YE 04/01/08 GBP (000's)	Experian Rating
Sales Turnover	£4,233	N/A	£3,142	A Very Low Risk (confidence)
Profit (Loss) Before Taxes	£77	£23	(£116)	
Net Worth	£897	£1,011	£781	

#### Morgan Crucible Company PLC (Guarantor)

	Fiscal YE 03/01/11 GBP (000's)	Fiscal YE 04/01/10 GBP (000's)	Fiscal YE 04/01/09 GBP (000's)	Experian Rating
Sales Turnover	£1,017,100	£946,600	£835,000	A Very Low Risk (confidence)
Profit (Loss) Before Taxes	£67,700	£31,400	£82,800	
Net Worth	(£32,900)	(£112,300)	£400	

More information on the Group can be found on -  
[www.morgancrucible.com](http://www.morgancrucible.com)



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Gallery >>



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## VAT

The property is elected for VAT and it is anticipated the transaction will be treated as a Transfer of a Going Concern (TOGC).

## Proposal

My client is seeking offers in excess of £3,050,000, reflecting a net initial yield of 11%, assuming 5.8% purchasers costs. Adopting our opinion of ERV, this provides a Reversionary Yield of 12.75%, at next review in August 2015.

## Contact Us

If you require any further information or wish to arrange an accompanied inspection, please do not hesitate to contact either of the following -

**Matt Stretton** - Director  
**Jones Lang LaSalle**

**DD >>** 0161 828 6493

**Adam Roberts** - Associate Director  
**Jones Lang LaSalle**

**DD >>** 0161 828 6456

Contact Us >>

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