



**PRIME DISTRIBUTION WAREHOUSE INVESTMENT  
AAH PHARMACEUTICALS UNIT  
WOBURN ROAD, WINWICK QUAY  
WARRINGTON, CHESHIRE WA2 8UH**



## INVESTMENT SUMMARY

- Prime distribution unit situated adjacent to junction 9 of the M62 motorway on the established industrial location of Winwick Quay, Warrington
- Developed in 1990 the building comprises 150,808 sqft distribution facility incorporating two-storey integral offices
- Let and occupied by AAH since construction with the location viewed as 'mission critical' by the occupier
- Freehold warehouse let to AAH Pharmaceuticals Limited by way of a 25 year lease from 24 June 1991 on FRI terms at a rent of £765,000 per annum
- AAH have a current D&B rating of 5A1 based on a tangible net worth of £595m
- We are instructed by our clients to seek offers in excess of **£8,040,000 (eight million and forty thousand pounds)** reflecting an attractive net initial yield of 9% after allowing for purchaser's costs of 5.75%





## LOCATION

Warrington is strategically located at the heart of the UK motorway network, 18 miles east of Liverpool and 19 miles west of Manchester city centre. The town is located at the intersection of the M6, M56 and M62 motorways, providing excellent road communications for all areas of the north west of England and to other UK regions.

The M6 motorway links to Birmingham and the M1 to the south, and Preston, Lancaster and Glasgow to the north. The M62 provides access east towards Liverpool and west towards Manchester and Leeds whilst the M56 to the south of the town offers access to North Wales and the south Manchester conurbation.

There is a population of approximately 10 million within a one hour drive time from Warrington town centre.

## DRIVE TIMES

LIVERPOOL  
17.5 miles (30 mins)

MANCHESTER  
19.5 miles (30 mins)

LEEDS  
58 miles (1 hr)

BIRMINGHAM  
79 miles (1.5 hrs)

GLASGOW  
215 miles (3.5 hrs)

LONDON  
193 miles (3.25 hrs)



## SITUATION

The property is situated on Winwick Quay, a prime distribution location immediately adjacent to junction 9 of the M62. The property benefits from part frontage and visibility to and from the motorway itself. The site is bounded to the immediate north by the M62 motorway, to the east by the A49 which provides direct access from junction 9 of the M62 to Warrington town centre and to the south via Woburn Road.

Principal access to the site is provided from Woburn Road. Woburn Road links with Calver Road to the east with the road running through the heart of the estate linking the A49 to the south east. The A49 in turn links with the M62 to the north of Warrington town centre to the south.

Winwick Quay is an established mixed use commercial location where major occupiers include Royal Mail, Cleveland Cable Company, Kleuzan, Next, Millionaire and Eddie Stobart.



## DESCRIPTION

The property provides a prime distribution warehouse developed in 1990 being of steel portal frame design having profile steel clad elevations and roof and incorporating two storey integral offices.

Arranged over three bays, the warehouse benefits from:

- Eaves height of approximately 11m
- Warehouse lighting and heating
- Sprinkler system
- CCTV and finger print entry system
- 20 drive in loading doors to southern elevation with four additional dock level doors to western side
- 30m and 35m yard to southern and western elevations respectively

We would also highlight that the tenant has recently added a HVAC system into the warehouse which maintains the temperature between 18c and 25c constantly. In addition they have installed various automatic picking machines.

The units have two storey integral offices to the eastern elevation. The offices are well presented and fitted to a high standard including suspended ceilings with diffused recessed fluorescent strip lighting, air cooling to part, double glazed windows, carpeted raised floors, panelled radiators and an 8 person passenger lift. Visitor and staff parking for approximately 250 cars is provided to the north and east of the unit.



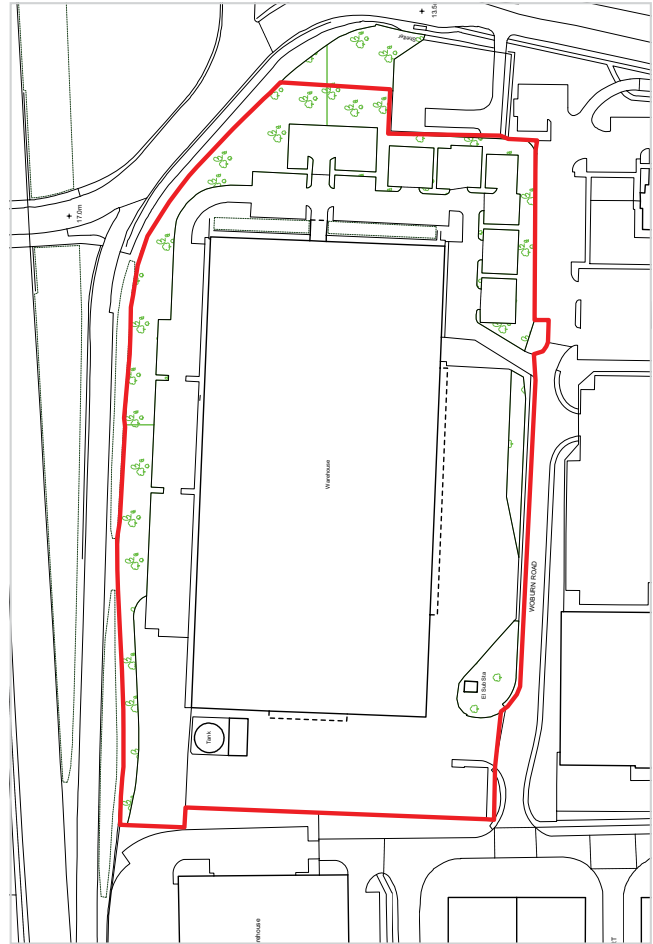
## ACCOMMODATION

The building has been measured on a gross internal area basis having the following approximate floor areas:

| USE/FLOOR                 | SQ FT          | SQ M             |
|---------------------------|----------------|------------------|
| Warehouse<br>Ground Floor | 140,893        | 13,098.28        |
| Office<br>Ground Floor    | 4,914          | 456.56           |
| Office<br>First Floor     | 5,001          | 464.57           |
| <b>TOTAL</b>              | <b>150,808</b> | <b>14,010.41</b> |

The site extends to a total area of approximately 8.27 acres (3.35 hectares) reflecting a site cover of 40.5%.





**TENURE** – Freehold.

**TENANCY DETAILS**

The property is let to AAH Pharmaceuticals Limited for a term of 25 years from 24 June 1992 expiring on 23 June 2016. The lease is drawn on full repairing and insuring terms subject to a current rent of £765,000 per annum.

**TENANT COVENANT**

AAH are the UK’s leading distributor of pharmaceutical and healthcare products and services to pharmacies, hospitals and doctors. Established since 1923 they are the only full line pharmaceutical wholesaler with comprehensive national reach including Northern Ireland, Channel Islands and the Isle of Man.

Summarised below are the financial accounts for AHH Pharmaceuticals Limited or the year ending 2007 through to 2009.

|                | 31 Dec 2009   | 31 Dec 2008   | 31 Dec 2007   |
|----------------|---------------|---------------|---------------|
| Turnover       | 3,117,830,000 | 3,040,616,000 | 3,080,482,000 |
| Pre Tax Profit | 111,662,000   | 121,930,000   | 136,071,000   |
| Net Worth      | 595,127,000   | 558,715,000   | 478,442,000   |

The company have a Dun & Bradstreet of 5A1 and further information can be obtained from the tenant’s web site at [www.aah.co.uk](http://www.aah.co.uk)





## VAT

Election to waive exemption for VAT has been made and therefore VAT will be charged on the purchase price.

## ASSET MANAGEMENT OPPORTUNITIES

AAH have occupied the unit since it was developed and we believe the facility is 'mission critical' to its business.

Our clients have had meetings with the tenant over their future occupation of the unit. Whilst the tenant will not commit now to a longer lease they have confirmed they do need a facility in the area and it is unlikely that they will vacate on lease expiry.

AAH from this facility employ over 400 people and service clients across the whole of the northern region together with supporting some of its smaller depots. The tenant has invested substantial capital in the facility not just in terms of staff but also equipment including their automatic picking machines and the HVAC system.

We are therefore of the opinion that a lease regear discussion will be possible as the lease gets closer to its expiry date. We would request interested parties liaise with ourselves on this prior to making any contact with the tenant.

## PROPOSAL

We are instructed to seek offers in excess of **£8,040,000 (eight million and forty thousand pounds)** reflecting a net initial yield of 9% after allowing 5.75% for purchaser's costs.

## FURTHER INFORMATION

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