

Chesterbank Business Park & Borders Industrial Estate

High Yielding
Multi-let
Industrial
Investment

River Lane, Saltney,
Chester, CH4 8SL



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Executive Summary

- Two freehold multi-let industrial estates expanding to approximately **105,244 sq ft**.
- Located in a popular industrial location in Saltney, Chester.
- 46 separate units with 38 tenants producing a total gross rent of **£246,660 per annum**.
- Rent increasing to **£270,660 per annum** once the lettings which are in legals complete.
- ERV on the vacant accommodation of **£68,294 per annum**.
- Asset management opportunities including, letting vacant accommodation, maximise rental growth through rent review and regears, refurbishment opportunities, breakup of each estate / sell to owner occupiers.
- We are instructed to seek offers in excess of **£2,000,000 (two million pounds)**, exclusive of VAT and subject to contract.
- A purchase at this level would reflect a **net initial yield of 11.66%** and a low overall **capital value of £19.00 per sq ft**, after normal purchaser's costs of 5.80%.

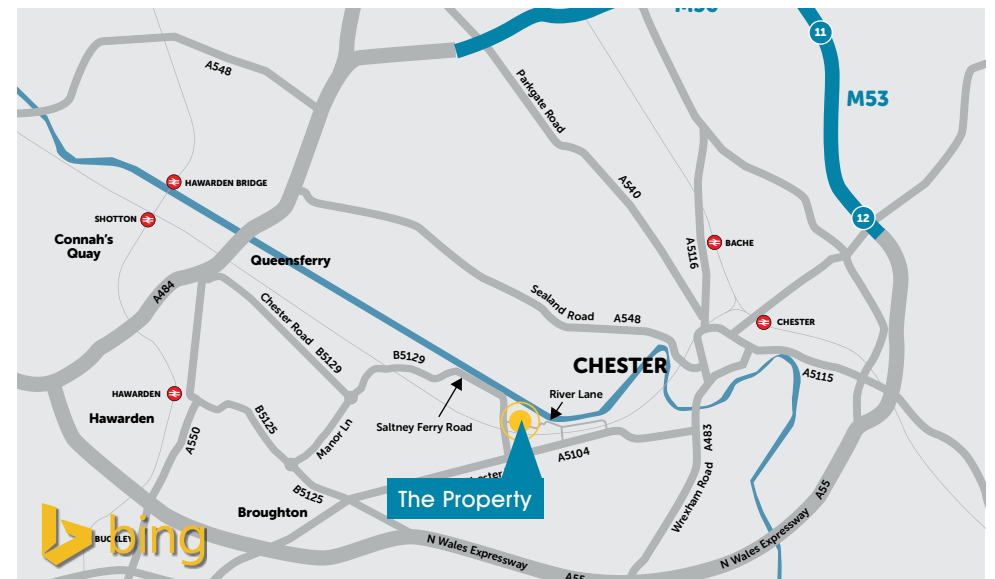
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Location

Chester is the administrative centre of Cheshire and is located 20 miles south of Liverpool, 38 miles south west of Manchester and 10 miles north of Wrexham. The city has a resident population of 120,000 and an extensive primary catchment of around 800,000 which extends into Wales, Merseyside and Cheshire. Chester has a prosperous local population as the area is an excellent commuter base for both Liverpool and Manchester workers.

Chester benefits from excellent road communications with the M53 (Junction 12) located 2 miles to the north east of the city centre which provides direct access to Liverpool and the M56. In addition the A55, A583 and A41 provide access around the city centre.





Situation

The property is located in Saltney which is a suburb of Chester lying approximately 2 miles south west of the city centre, 2.5 miles east from Broughton and 6.5 miles south east of Deeside and Queensferry. The town straddles the Flintshire and Cheshire border. The Saltney area has seen substantial residential development in recent years predominantly due to Chester's growth.

Saltney has excellent road connections lying adjacent to Chester Road (A5104), one of the main arterial routes into the city centre from the west. The A5104 links directly to Junction 35a of the A55 North Wales Expressway which is the dual carriageway to North Wales and Anglesey to the west and the M53 (Junction 12) approximately 4 miles to the east.

Chesterbank Business Park (BP) and Borders Industrial Estate (IE) are located adjacent to each other in a prominent position fronting River Lane which is a popular industrial and commercial location within Saltney. The property is located at the western end of River Lane and is approximately 2 miles from Chester city centre which can be accessed directly from Chester Road.

National occupiers within the vicinity include Go Outdoors, Morrisons supermarket, Farm Foods and Asda. The nearby Brymau Industrial Estates comprise 70 industrial and commercial units occupied by a range of local operators. The major BAE Aerospace factory is located a short distance from the premises as is the successful Broughton Retail Park.



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Site Area

Chesterbank BP, as shown edged red extends to approximately 4.43 acres (1.79 hectares) and has a site coverage of 38%.

Borders IE, as shown edged blue extends to approximately 4.87 acres (1.97 hectares) and has a site coverage of 34%.

The properties have a combined total site area of 9.30 acres (3.76 hectares) and have a site coverage of 37%.

The units which are edged green have been sold off on separate freehold titles whilst the areas edged purple have been sold off on separate 999 year long leaseholds. Please note that the site plan is for identification purposes only. Further information can be provided on request.

[Click for Alternative Aerial](#)

Chesterbank Business Park & Borders Industrial Estate, River Lane, Saltney, Chester, CH4 8SL



[Click for Alternative Aerial](#)

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Description

Chesterbank Business Park and Borders Industrial Estate are located adjacent to each other although have separate accesses and are situated within their own secure perimeter fence. Together they provide a total of 154,253 sq ft (some units have been sold off on separate titles) within a combined site area of 9.30 acres.

Chesterbank BP comprises a substantial multi-let industrial estate which was initially built as a number of single units but have since been sub-divided in the 1990's to provide a number of smaller self-contained units. In addition there is an office building known as Saltney House (Unit 12) again this has also been split into a number of smaller units.

Two of the units, 1 & 11 at Chesterbank BP have been sold off on a freehold and separate 999 year long leasehold basis respectively.

Chesterbank BP provides a total of 33 units providing approximately 72,198 sq ft of industrial accommodation and 3,534 sq ft of office accommodation (excluding the ones which have been sold off on separate freehold basis).

Borders IE comprise a multi-let industrial estate of 25 separate units (13 of which have been sold off), the largest which was constructed in the 1970's with the majority of the remainder constructed during the late 1990's.

Units 2, 11-16 and 24-25 have all been sold off on a freehold basis whilst units 6 – 8 have been sold off on various 999 yearlong leaseholds.

Of those remaining within the ownership, unit 1 has been split to provide two self-contained units. Unit 9 and 10 is occupied by Newey & Eyre. While, 16 – 23 provide effectively small lock-up / storage units and are located to the south of the site.

Borders IE provides a total of approximately 29,512 sq ft of industrial accommodation (excluding the units which have been sold off on separate freehold and long leasehold basis).



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Tenure

Both Chesterbank BP and Borders IE are held on separate freehold titles. A number of the units (as shown on the site plan) have been sold off on a mix of long-leasehold and freehold titles.

Tenancy

The properties are let in accordance with the tenancy schedules and are summarised as follows.

Chesterbank BP is let to 29 tenants on separate leases and currently produces a total gross income of £133,350 per annum.

Borders IE is let to 9 tenants on separate leases and currently produces a total gross income of £113,310 per annum.

The combined total gross income is **£246,660 per annum**.

The combined rent will increase to **£270,660 per annum** once the leases in legals complete.

Service Charge

Chesterbank's service charge budget for the year 1 April 2015 - 31 March 2016 is £0.57 per sq ft.

Borders service charge budget for the year 1 April 2015 - 31 March 2016 is £0.36 per sq ft.

Further information can be provided upon request.





Further Information

Asset Management

The property has significant asset management opportunities including:

- Let vacant accommodation
- Maximise rental growth through rent reviews and re-gears
- Potential to increase WAULT through new lettings
- Refurbishment opportunities
- Improve signage and branding of estates
- Break up / sell to owner occupiers

EPC

Energy Performance Certificates are available upon request or downloaded from our website gva.co.uk/8750

VAT

Election to waive exemption for VAT has been made and therefore VAT will be charged on the purchase price. It is anticipated that the sale will be treated as a transfer of a going concern.

Proposal

We are instructed to seek offers in excess of **£2,000,000 (two million pounds)**, subject to contract and exclusive of VAT for the property.

A purchase at this level would reflect a **net initial yield of 11.66%** and a low overall **capital value of £19.00 per sq ft** assuming purchaser's costs of 5.80%.

The net initial yield will increase to 12.79% once the leases in legals complete.



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Tenancy Schedule - Chesterbank Business Park

| Unit | Tenant | Areas | | Lease Start | Expiry (Break) | Rent \$pa (\$psf) | Comments |
|------------------|-------------------------|--------|-------|-------------|-------------------|----------------------|---|
| | | Sq m | Sq ft | | | | |
| Unit 2 | K Parkinson Esq | 369.94 | 3,982 | 07/11/2011 | 06/11/2014 | 12,000.00 (3.01) | New 3 year lease agreed in principal at £12,000 pa. In legals |
| Unit 3 | Fisher Wilson (Eng) Ltd | 106.37 | 1,145 | 24/10/2008 | 23/10/2009 | 5,500.00 (4.80) | Tenant holding over |
| Unit 3A | Jason Stanway | 120.22 | 1,294 | 01/08/2014 | 31/07/2017 | 3,900.00 (3.01) | |
| Unit 3B | Alan Jones | 139.91 | 1,506 | | | 6,500.00 (4.32) | Tenant in occupation - new 3 year lease agreed at £6,500 pa. In legals |
| Unit 3C & 12 E/F | Tony Dobson | 463.12 | 4,985 | 01/10/2011 | 30/09/2014 | 11,000.00 (2.21) | Tenant holding over Unit 12 E/F (office) - 1,485 sq ft |
| Unit 3D | Vacant | 309.55 | 3,332 | | | | |
| Unit 4 | Under Offer | 436.64 | 4,700 | | | | U/O to Muscle Works Chester Ltd - new 10 year lease (5 year break) at £12,000 pa (12 months rent free). In legals |
| Unit 5 & 5A | Tower Joinery | 214.70 | 2,311 | 01/02/2015 | 31/01/2016 | 5,700.00 (2.47) | |
| Unit 5B | Mr P Boateng | 63.73 | 686 | 25/05/2010 | 24/05/2011 | 3,400.00 (4.96) | Tenant holding over |
| Unit 5C | Vacant | 182.65 | 1,966 | | | | |
| Unit 6 | Alex McDermott | 203.74 | 2,193 | 14/06/2007 | 13/06/2010 | 8,000.00 (3.65) | Tenant holding over |





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| Unit | Tenant | Areas | | Lease Start | Expiry (Break) | Rent \$pa (\$psf) | Comments |
|-------------|--|--------|-------|-------------|-------------------|----------------------|-----------------------|
| | | Sq m | Sq ft | | | | |
| Unit 6A | Michael Clandillion | 189.99 | 2,045 | 01/07/2012 | 30/06/2013 | 6,000.00 (2.93) | Tenant holding over |
| Unit 6B | Egerton Electrical | 87.33 | 940 | 18/11/2007 | 14/11/2012 | 3,845.00 (4.09) | Tenant holding over |
| Unit 6C | Gary Butler | 82.78 | 891 | 01/05/2002 | 30/04/2004 | 3,325.00 (3.73) | Tenant holding over |
| Unit 6D | Brian Buckley | 55.74 | 600 | 01/12/2011 | 30/11/2014 | 1,800.00 (3.00) | Tenant holding over |
| Unit 6E | Autosteer Direct Ltd | 126.16 | 1,358 | 28/10/2003 | 27/10/2006 | 3,400.00 (2.50) | Tenant holding over |
| Unit 6F | Countess of Chester Hospital NHS Trust | 102.47 | 1,103 | 23/07/2007 | 22/07/2010 | 3,800.00 (3.45) | Tenant holding over |
| Unit 6G & H | Ian Wilson | 171.87 | 1,850 | 01/04/2005 | 31/03/2008 | 5,500.00 (2.97) | Tenant holding over |
| Unit 6J | P Allam | 83.61 | 900 | 26/08/2008 | 25/08/2011 | 2,400.00 (2.67) | Tenant holding over |
| unit 6K | Fortress Windows (Chester) Ltd | 48.22 | 519 | 01/12/2006 | 30/11/2009 | 2,080.00 (4.01) | Tenant holding over |
| Unit 6L | Ian Thomas | 92.90 | 1,000 | 30/09/2002 | 29/09/2005 | 3,250.00 (3.25) | Tenant holding over |
| Unit 7 | DTS Scaffolding | 124.77 | 1,343 | 09/09/2014 | 18/09/2019 | 3,600.00 (2.68) | Schedule of condition |



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Tenancy Schedule - Chesterbank Business Park

| Unit | Tenant | Areas | | Lease Start | Expiry (Break) | Rent \$pa (\$psf) | Comments |
|--------------------------------|---------------------------------|----------|--------|-------------|-----------------------|----------------------|---|
| | | Sq m | Sq ft | | | | |
| Unit 9 | David Jackson | 106.37 | 1,145 | 01/05/2011 | 30/04/2012 | 2,000.00 (1.75) | Tenant holding over |
| Unit 9A | Lukasz Lesko | 144.00 | 1,550 | 01/05/2014 | 30/04/2015 Anytime | 4,550.00 (2.94) | All inclusive rent Tenancy at Will |
| Unit 9B | Bartek Rafalski | 144.00 | 1,550 | 06/04/2014 | Anytime | 6,000.00 (3.87) | All inclusive rent Tenancy at Will |
| Unit 9C | Picture Connection Interiors | 142.05 | 1,529 | 01/10/2013 | 01/10/2015 Anytime | 4,800.00 (3.14) | All inclusive rent Licence agreement |
| Unit 9 D , E & F | ATG Furniture Ltd | 445.94 | 4,800 | 05/03/2015 | 04/09/2015 | 9,400.00 (1.96) | Temporary 6 month lease has been agreed (outside the act) New 5 year lease being negotiated |
| Unit 9G/M | Vacant | 1,486.45 | 16,000 | | | | First floor unit |
| Unit 9H | Paul Fitzsimmons | 60.39 | 650 | 19/02/2015 | 18/02/2018 | 2,600.00 (4.00) | |
| unit 9J | African Womens Aid | 103.31 | 1,112 | 01/10/2013 | 30/09/2014 | 0.00 (0.00) | Tenancy At Will Tenant does not contribute to service charge |
| Unit 9K | Under Offer | 55.56 | 598 | | | | Under Offer to Forrest & Jones Ltd. New 1 year lease at £3,000 pa agreed. In legals |
| Unit 9L /10 | Paul Mitchel | 380.90 | 4,100 | 01/03/2008 | 30/02/2013 | 9,000.00 (2.20) | New 5 year lease agreed at £18,000 pa. In legals |
| Part office block - Unit 12 | Vacant | 190.36 | 2,049 | | | | 9 units ranging from 120 - 455 Sq ft. |
| Total | | 7,035.74 | 75,732 | | | 133,350 | |



Tenancy Schedule - Borders Industrial Estate

| Unit | Tenant | Areas | | Lease Start | Expiry (Break) | Rent \$pa (\$psf) | Comments |
|----------------|------------------------|----------|--------|-------------|-------------------|----------------------|--|
| | | Sq m | Sq ft | | | | |
| Unit 1A | GMT Spas International | 985.14 | 10,604 | 30/10/2011 | 02/10/2014 | 22,500.00 (2.12) | Tenant holding over. New lease terms agreed at the same rent. Expiry to be co-terminus with unit 1B. In legals |
| Unit 1B | Geotechnics Ltd | 1,052.69 | 11,331 | 28/05/2003 | 24/05/2018 | 51,500.00 (4.55) | |
| Unit 9/10 | Newey & Eyre Ltd | 469.07 | 5,049 | 06/08/2008 | 05/08/2018 | 22,750.00 (4.51) | |
| Storage 16 | Richard Forrester | 29.36 | 316 | | Anytime | 1800.00 (5.70) | All inclusive rent Tenancy at Will |
| Storage 17 | Vacant | 29.36 | 316 | | | | |
| Storage 18 | Paul Hillyard | 29.36 | 316 | 21/08/2008 | Anytime | 1,500.00 (4.75) | All inclusive rent Tenancy at Will |
| Storage 19 | Vaidota Jasas | 29.36 | 316 | 04/03/2013 | Anytime | 2,000.00 (6.33) | All inclusive rent Tenancy at Will |
| Storage 20 | Vacant | 29.36 | 316 | | | | |
| Storage 21 | Vacant | 29.36 | 316 | | | | |
| Storage 22 | Hickories Smokehouse | 29.36 | 316 | 18/07/2014 | Anytime | 2,400.00 (7.59) | All inclusive rent Tenancy at Will |
| Storage 23 | Vacant | 29.36 | 316 | | | | |
| Landlord Store | E Ritchie | | | 10/05/2004 | Anytime | 2,400.00 | All inclusive rent Tenancy at Will |
| Telephone Mast | Orange | | | 25/02/2000 | 24/02/2015 | 6,460.00 | |
| Total | | 2,741.76 | 29,512 | | | 113,310 | |



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