

Q17

FOR SALE

NEW BUILD URBAN LOGISTICS **INVESTMENT OPPORTUNITY**

CROSSLEY ROAD, HEATON CHAPEL, STOCKPORT, SK4 5BB



EPC A RATING

INVESTMENT SUMMARY

- Prominent 'last mile' industrial facility located on Crossley Road, Heaton Chapel
- Newly constructed building on a secure self contained site
- High specification building with generous loading/ parking area, eaves height of 8m and **EPC of A(23)**
- Strong occupational interest in unit leading to pre-let
- High output roof mounted solar panel system which provides substantial energy savings for the tenant and enhances the environmental credentials of the building
- 4 vehicle charging points and infrastructure to increase provision
- Building extends to **16,466 sq ft**
- Let to Currentbody.com Ltd on FRI terms for a term of **10.25 years from April 2023**
- Occupier is leading provider of clinically proven beauty devices for home use, with a significant online presence
- Tenant is a fast growing company with increased sales of over 145% in two year period and strong future growth prospects
- **Rent of £200,000 p.a reflecting a rent of £12.15 psf**
- Offers in the region of **£3.13m**
- Assuming standard purchasers costs, a purchase at this level reflects a **Net Initial Yield of 6%**





LOCATION

Stockport Metropolitan Borough is one of the 10 boroughs that comprise the Greater Manchester conurbation, with the borough currently having a resident population of over 285,000 people.

The town benefits from excellent transport communications via road and rail, with the A34 and A6 providing the main arterial routes into Manchester City Centre and the M60 motorway provides access to the M56, M61, M62 and M67 motorways. Stockport Railway Station provides both local and national services with direct services to Manchester Piccadilly and London Euston, additionally Manchester International Airport is located approximately 9 miles south west of the property.

Stockport is undergoing a significant transformation with schemes such as Stockport Exchange and Redrock seeing significant inward investment and an improvement to the towns offering.

A number of new residential and leisure developments add to the c. £1bn injection the town has experienced, with an associated increase in the number of jobs and available employees that it has brought.



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SITUATION

Q17 is situated in a prominent position on Crossley Road, Heaton Chapel, just off the main A6 Stockport to Manchester Road (Wellington Road North).


The property lies directly on the border of where Manchester meets Stockport.

The immediate area is in commercial use with Crossley Park and Discovery Park both adjacent to the property, as well as the McVitie's Biscuit factory which is 100m to the east.

Nearby occupiers include McVitie's Biscuit, St John's Ambulance, ISG and Mckenna Kitchens.

 Stockport Town Centre is within 5 minutes' drive

 Manchester International Airport 7 miles South-West

 J1 & J27 of the M60 Orbital Motorway is within 2 miles

 Inter-City train service between Stockport and London in 1 hour 57 minutes

 Manchester City Centre is 4 miles away to the North





DESCRIPTION

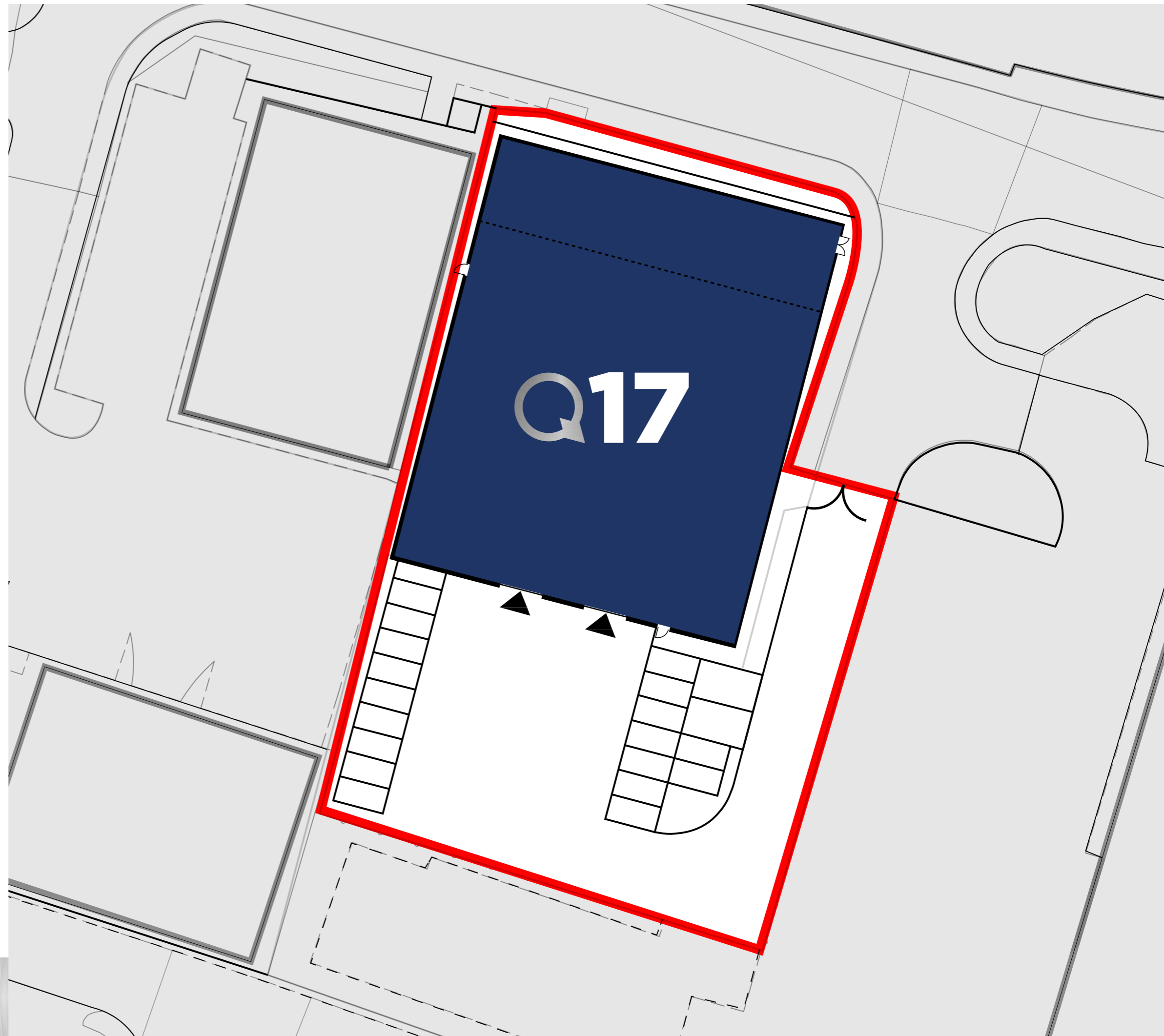
The property is a newly constructed, detached steel portal frame warehouse, with fully fitted first floor office accommodation.

The property has been built to a very high specification which is attractive to modern occupiers and provides longevity from an ESG and investment perspective.

The specification can be summarised as follows:

- Steel profile clad elevations
- EPC of A(23)
- Eaves height of 8m
- 2 x electrically operated loading doors
- Floor loading of 37.5 kN/m²
- Generous self-contained yard
- Secure fenced site with CCTV
- Three phase electrical supply of 140 KVA
- Over specified Solar PV system
- 4 x electrical vehicle charging points with ducting fitted to allow increased provision
- High quality offices:
 - Suspended ceiling with integrated LED lighting
 - Double glazed windows
 - Automatic daylight dimming LED lights
 - Air conditioning with Mechanical Vent Heat Recovery System (MVHR)





ACCOMMODATION

The property has been measured in accordance with the RICS Code of Measuring Practice (6th Edition) and provides the following gross internal floor areas:

Accommodation	Sq ft	Sq M
Warehouse	13,818	1,284
First floor offices	2,648	246
Total	16,466	2,648

The site extends to 0.71 acres.

LEASE

The property is let Currentbody.com Ltd for a term of 10 years and 3 months from 1st March 2023 (no break).

The lease is drawn on FRI terms at a rent of £200,000 per annum and incorporates an upward only open market rent review on the 5th anniversary of the term.

COVENANT

Currentbody.com the world's largest provider of clinically proven beauty devices for home use and an established South Manchester occupier.

Founded by Laurence Newman and Andrew Showman in 2009, CurrentBody is the world's only pure play online platform specialising in beauty devices, in what is the fastest growing category within the beauty sector.

CurrentBody is the first company to recognise one of the fastest growing trends in the world of beauty. With modern innovation allowing manufacturers to create devices that mimic the on-site devices used by professionals in salons, spas, and clinics, CurrentBody has brought together a complete selection available for home use technology.

The company began with a website geared solely towards technology of health and wellbeing with a range of devices that were mostly seen in physio rooms and the homes of elite athletes. However, these EMS (electrical muscle stimulation) devices also had aesthetic programmes for slimming, facial toning and detoxing.

As their popularity grew, it became apparent that demand for safe, home use equipment with actual results was on an upward spiral. Since 2012 there has been an influx of hand-held lasers, light-based devices, radio frequency and sonic rotating cleansing brushes. The way a person treated hair removal,

facial cleansing, skin rejuvenation and slimming had a completely new dimension. CurrentBody became official online stockists of L'Oreal's Clarisonic after a stringent selection process and continue to strategically partner some of the biggest names in beauty.

This dynamic progression saw CurrentBody cementing their name as the go-to website for this new niche. Journalists have also recognised the company as thought leaders, regularly featuring the latest product pipeline in the national press, as well as products featuring in various films and TV series, including the Netflix series, Emily in Paris.

The business has grown rapidly and now has 17 international websites with over 14 million users and has posted the following financial results:

Year ended 31st Jan	Turnover	Pre Tax Profit	Net Worth
2023*	£59m	£4m	TBC
2022	£38.8m	£949,000	£1.7m
2021	£34m	£321,000	£1.2m

* Provisional figures.

Currentbody have seen significant growth in recent years, with over 145% growth in sales from 2021 to 2022. With the acquisition of Q17, the company expect to continue to see exponential growth.

CURRENTBODY
THE BEAUTY DEVICE EXPERTS

CLICK THE LINKS TO VIEW THE NEWS ARTICLES:



NW OCCUPATIONAL MARKET

The North West is one of the most successful and dynamic regions in the UK. The region benefits from excellent proximity to growing markets, a rising population of over 7m people, 80% of the UK population within 4-5 hours drive time and more motorways per sq ft than in any other region.

The industrial property market remains very buoyant in the region, with particularly good demand in the smaller sub 40,000 sq ft category. Second hand headline rents are now above new build rents of just two years ago in prime locations showing the strength of the occupier market and ongoing rental growth.

South Manchester is highly regarded as one of the prime locations within the North West and as such demand levels have been consistently strong across all sizes for new and second hand buildings. Occupiers pay a premium for standalone facilities on a self-contained site, particularly for properties which benefit from a generous yard area.

This is demonstrated by the strong occupational interest for Q17 during marketing on both a Freehold and Leasehold basis. The unit was pre-let during construction with the lease completing on practical completion.

We expect rents to grow further and levels of demand to remain extremely strong across the South Manchester area due to the lack of supply of good quality existing buildings. The exceptionally high residential land values will also continue to constrain supply of industrial development land and therefore deliverable new build pipeline.



NW INVESTMENT MARKET

The North West industrial investment market performed relatively well during 2022, despite difficult economic conditions, with approximately £900m of assets traded which is 5% above the 5-year average.

The fundamentals of the industrial sector continue to remain strong, with a manageable supply pipeline, underpinned by the structural changes positively shaping the occupier market.

Demand continues to be exceptionally strong for self-contained assets let to strong covenants in last mile locations.

ENVIRONMENTAL CREDENTIALS

EPC

The building has been built to a high specification with strong focus on Environmental credentials, with the building having an **EPC rating of A(23)**.

The building has an MCS certified PV system with 33 high output roof mounted PV panels which can generate up to around 15Kw of electricity at peak.

The estimated annual energy generated (subject to solar emissions) would be in the region of 11,000 kwh p.a which is a substantial energy saving for the tenant. There is also additional roof space for future PV panels to be added in the future.



HEAT RECOVERY SYSTEM

The first floor offices benefit from the installation of a highly efficient mechanical Vent heat recovery system (MVHR). The system can recover up to 75% of heat from exhaust air to temper the incoming fresh air and the fans have variable speed local controls to suit occupancy and usage.

This is not only significantly improves energy efficiency, but also avoids the need for windows to be opened inefficiently in winter in order to maintain air quality in the offices.



FURTHER INFORMATION

PRICING

We are seeking offers in the region of **£3.13m**

Assuming standard purchasers costs, a purchase at this level reflects a **Net Initial Yield of 6%**.

VAT

The property is elected for VAT but it is assumed the transaction will be by way of a Transfer of Going Concern (TOGC).

ANTI-MONEY LAUNDERING REGULATIONS (AML)

In accordance with anti-money laundering regulations, evidence of identity and source of funding will be required from the successful purchaser prior to agreement of Heads of terms.

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