



High-Yielding Refurbished Multi-Let Office Investment

OLDHAM BUSINESS CENTRE

HOBSON STREET, OLDHAM, OL1 1BB

University Campus
Oldham

Your Future → →

uco.oldham.ac.uk

Anchored by University Campus
Oldham with 8 years unexpired



CBRE



Oldham Mumps

OLDHAM COLISEUM THEATRE

CARDINAL COURT

Spindles Town Square Shopping Centre

DEBENHAMS



next PRIMARK

TOPMAN

OLD TOWN HALL LEISURE SCHEME

OLDHAM COLLEGE

OLDHAM GALLERY

OLDHAM COUNCIL

SAINSBURYS & TK MAXX

PUREGYM & MATALAN

Oldham Central

METROPOLITAN HOUSE

UNIVERSITY CAMPUS OLDHAM

FIRST CHOICE HOMES HQ

OLDHAM BUSINESS CENTRE

REGIONAL SCIENCE CENTRE OLDHAM

Oldham King St



INVESTMENT SUMMARY

An excellent opportunity to acquire a **high-yielding office investment**.

Oldham is an important town within the **Greater Manchester region** with a population of over 2.5 million within a 30 minute drive.

The property is prominently located within the **town's commercial, education and retail centre** with the Metrolink within 250m.

Refurbished office building comprising **45,367 sq ft** of accommodation arranged over ground and three upper floors, together with 45 car spaces.

The property is multi-let to three tenants producing **£350,328 per annum** equating to a low average rent of **£8.50 per sq ft** and occupancy of **90%**.

Anchored by Oldham College, occupied by University Campus Oldham, on a **10 year unbroken lease** from November 2015.

AWULT of **7.00** years to expiry and **6.30** years to earliest terminations.

Estimated rental value of **£453,670 per annum** reflecting a conservative level of £10.00 per sq ft.

The property presents **additional** refurbishment, lease re-gear, new letting and reconfiguration opportunities to improve value.

Significant public and private investment is being made across Oldham in recent years - £430m in housing, £80m in healthcare and £135m in education.

Offers in the region of £3,450,000 (subject to contract)

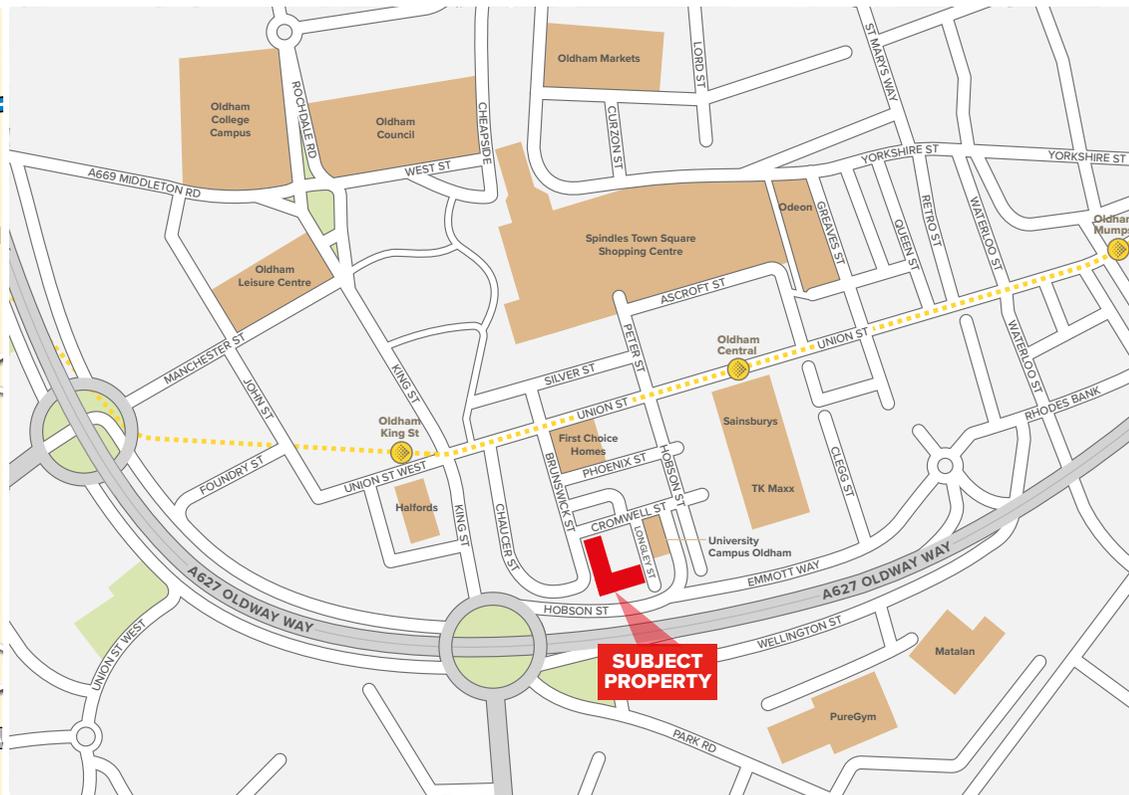
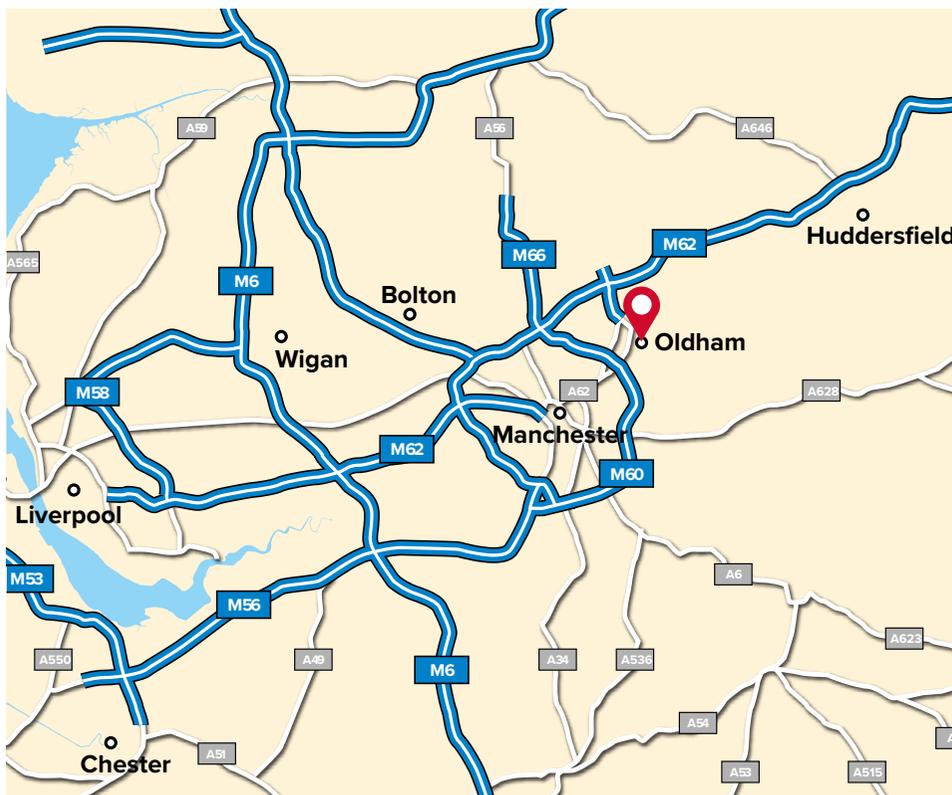
Net Initial Yield: 9.50%

Triple Net Yield: 9.50% (vendor rates and service charge guarantee)

Reversionary Yield: 12.40%

Low Capital Value of £75 per sq ft





LOCATION

Oldham is located within Greater Manchester, being only 8 miles north east of Manchester City centre.

The borough is home to a growing, young population with a continuing upward trend in educational achievement. Its population is currently 220,000 but is expected to grow 10% within the next 5 years.

Within a 30 minute drive from Oldham town centre, the total population is 2.7 million with a retail catchment of 1.2 million.

The town has excellent road communications being situated at the southern end of the A627 (M) providing access to Junction 20 of the M62 Trans-Pennine Motorway.

The town also benefits from close proximity to the M60 Manchester Orbital Motorway, with Junction 22 being within 2 miles of the town centre.

Local, regional and national rail networks link Oldham via Manchester to all parts of the country.

The Metrolink was expanded in 2014 with 4 brand new stops being added to the Oldham to Rochdale line. Trams run every 12 minutes from Oldham onto Manchester City Centre with a journey time of around 20 minutes. The 3 existing stops within Oldham Town Centre are Oldham King Street, Oldham Central and Oldham Mumps.





WHY OLDHAM?

'Oldham is undergoing Significant Change'

A STRONG LABOUR MARKET WITH SUSTAINABLE POPULATION

- Age profile within the 30 minute catchment population of 2.7 million is younger than the UK average.
- Almost 40% of the Borough's population are classed within Acorn's top 3 classifications.
- 34% of the Borough's working age population is within the 25 to 44 age group – higher than the national average.

A STRONG BUSINESS BASE

- Over 6,000 businesses in Oldham – home to a number of international and national brands such as Trinity Mirror Group, Ferranti Technologies and NOV Mono Pumps.
- Home to a large number of public organisations including Christie NHS Foundation Trust, Pennine Acute Hospitals Trust and First Choice Homes.
- Over 100,000 businesses within a 30 minute drive.

STATE-OF-THE-ART EDUCATION

- Oldham has an improving pattern of educational attainment with an A-Level pass rate of over 98%.
- Over 10,000 full and part-time students in Oldham.
- Home to a number of high-quality Higher and Further Education providers including Oldham College.

LEISURE, CULTURAL AND RETAIL AMENITIES

- Oldham is home to many historic buildings including the Grade II Listed Old Town Hall and high-quality cultural attractions such as Gallery Oldham and Oldham Coliseum.
- Leisure and cultural facilities are also undergoing substantial regeneration – including a new ODEON Cinema and restaurant complex, with funding in place for new Arts and Theatre centres.
- Oldham Council is progressing plans with a number of national housebuilders to deliver new high-quality housing across the Borough.
- Prince's Gate Retail Development currently under consultation.



SITUATION

Oldham Business Centre benefits from a central position within the town's commercial, education and retail centre. There is significant amenity within the close vicinity including the following:

- Old Town Hall Leisure Re-Development;
- Spindles Town Square Shopping Centre;
- Sainsbury's;
- Puregym;
- Oldham Coliseum Theatre;
- Oldham Leisure Centre;
- New First Choice Homes HQ;
- University Campus Oldham.

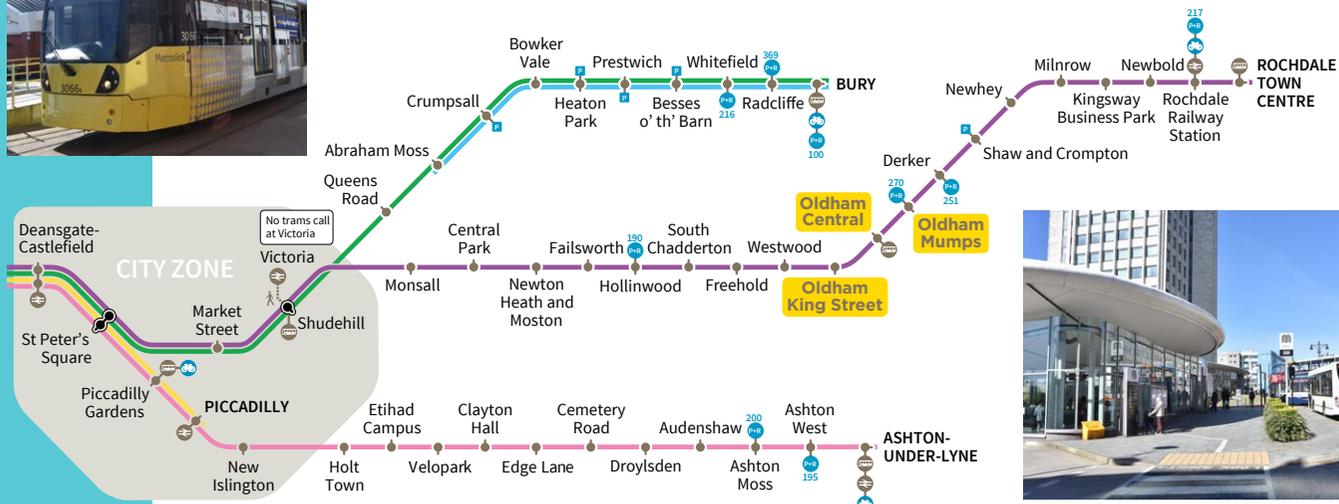
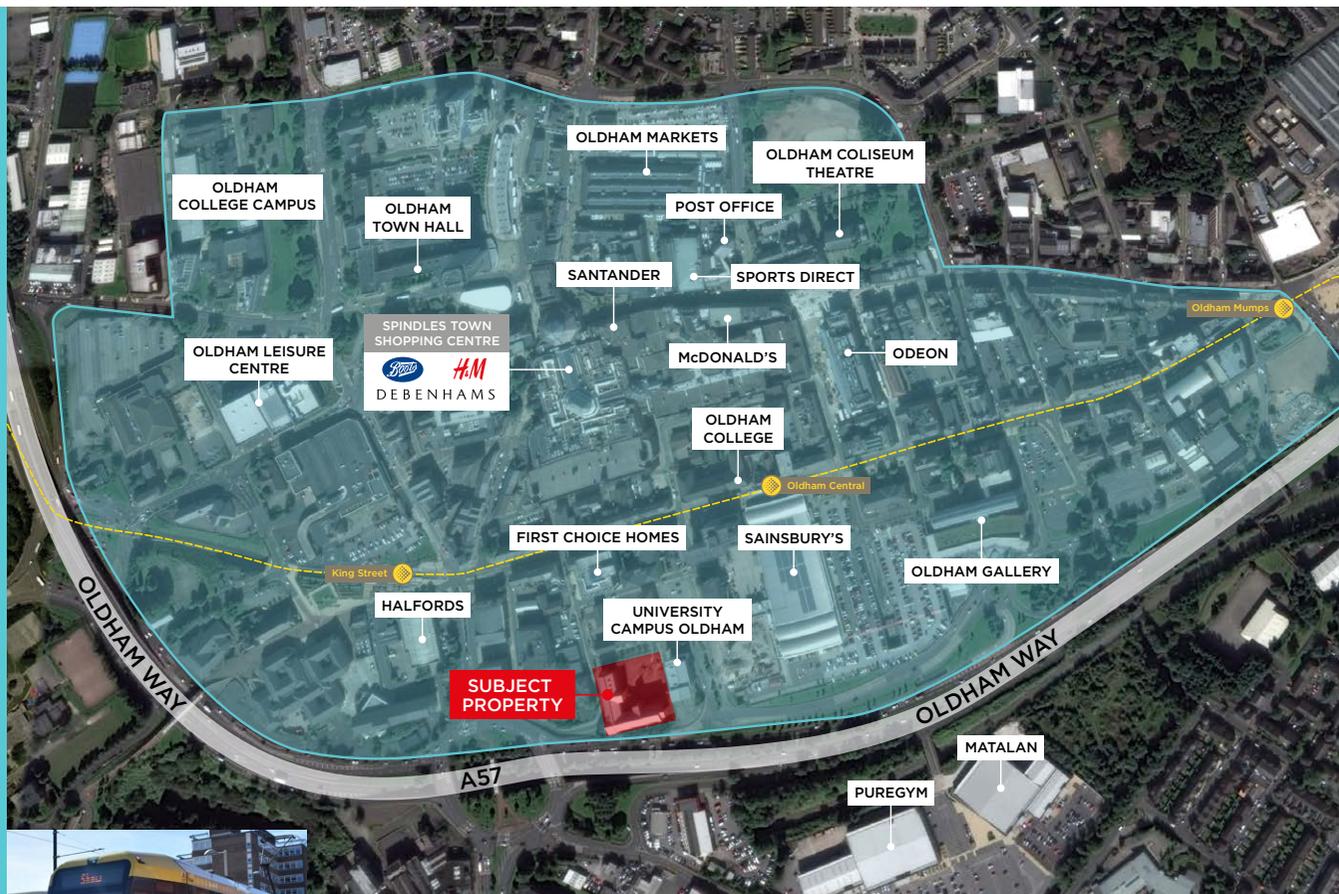
The property is very well-connected with all three town centre Metrolink stops within a ten minute walk.

Oldham Bus Interchange provides a transport hub at the heart of the town centre with frequent bus services across the borough, including express bus services every 10 minutes into Manchester City Centre.

Directly opposite to the property is further accommodation for University Campus Oldham, with Oldham Sixth Form College within a 5 minute walk. The property's immediate situation is a significant hub of education facilities.

The property lies within Western Gateway part of the town centre which is identified as a business and educational quarter with identified opportunities including developing education, technology, leisure and public realm improvements.

'Public Realm and Infrastructure Improvements'





DESCRIPTION

Oldham Business Centre is a prominent office building within Oldham Town Centre which provides flexible and refurbished accommodation.

The property provides a specification including:

- Air-conditioning system
- Suspended ceilings
- Cat II lighting
- Double-glazed windows
- Perimeter trunking
- Male, female and disabled WCs on each floor
- 4 passenger lifts
- Manned reception

The property benefits from a large surface car park which provides 45 spaces equating to an attractive ratio of 1:1000 sq ft.

As the main occupier, University Campus Oldham have a fit-out commensurate to an education provider with a number of teaching and educational rooms.





OLDHAM OFFICE MARKET AND ECONOMY

Oldham Office Market

The Oldham office market is predominately driven by local and regional businesses, with the town centre being the preferred location within the Borough. In addition, a number of public and government bodies / organisations have a presence across the town centre.

Despite being only 20 minutes from Manchester City Centre, rents are very affordable with an ever increasing level of amenity across the town centre.

A good level of activity has been experienced over the past 12 to 18 months with the majority of transactions being within the 1,000 to 10,000 sq ft bracket. It is important to note that there is a distinct lack of available good quality accommodation with no development currently under construction.

The subject property benefits from offering flexible and refurbished accommodation which is far superior to the majority of competition across the town centre.

Amongst the largest transactions within the past couple of years include University Campus Oldham taking almost 30,000 sq ft at the subject property and First Choice Homes taking 35,000 sq ft on Union Street.

Other pertinent transactions include Oldham Council's purchase and refurbishment of Metropolitan Place with lettings being secured in the past few months.

'Proactive and Positive Council'

Oldham Economy and Business

There have been some significant changes to the composition of Oldham's economy in recent years, with a continued reduction in manufacturing employment over the last decade and growth in the health, business and professional sectors. In addition, Oldham has a buoyant education sector, together with creative, science and research industries.



The Borough benefits from a diverse and vibrant community, a young, growing and entrepreneurial population, and access to an extensive labour pool.

There continues to be significant financial investment in Oldham across transport, housing, business, education and health care over the course of the last few years.

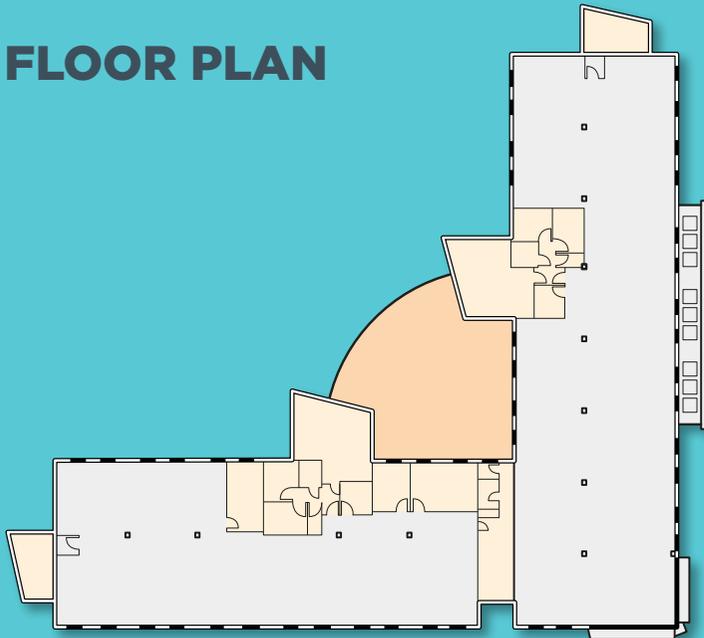
Oldham Council is an ambitious and progressive force within the Borough with significant plans across the town centre.



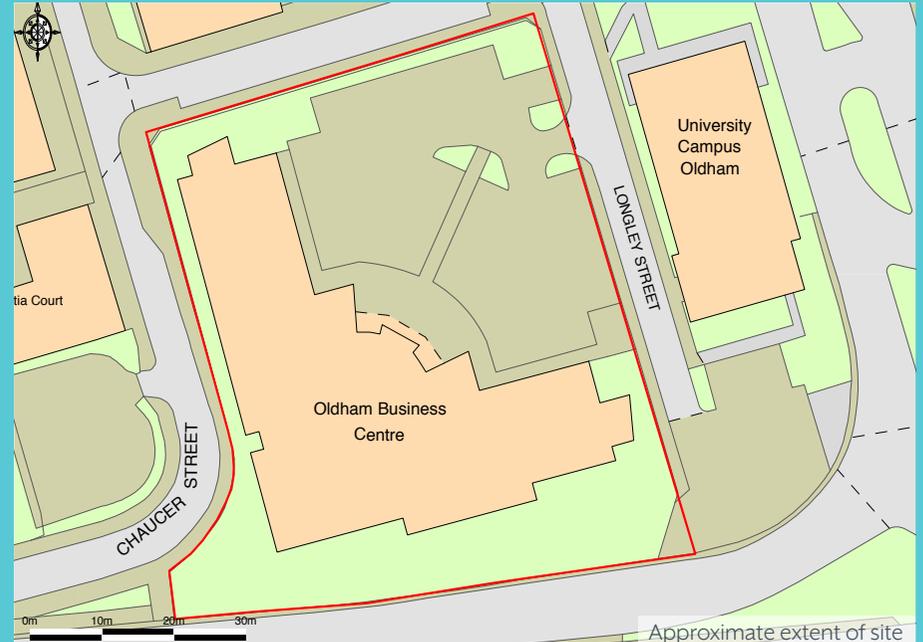
TENANCY SCHEDULE & ACCOMMODATION

Floors	Tenant	Start Date	Expiry	Break Option	Size (sq ft)	Rent (per sq ft)	Estimated Rental Value (per sq ft)	Comments
Ground, First, Second and Third Floors – South Wing	Oldham College	01/11/2015	31/10/2025		28,291	£233,400 (£8.25 per sq ft)	£282,910 (£10.00 per sq ft)	Tenant benefiting from half-rent period until 31st October 2017. Vendor to provide top-up.
Ground Floor – West Wing	Vacant – Rates and Service Charge Guarantee				4,346		£43,460 (£10.00 per sq ft)	18 month vendor rates and service charge guarantee.
1st Floor – West Wing	Kier Business Services Limited	31/03/2013	30/03/2022	31/03/2019	4,926	£45,378 (£9.20 per sq ft)	£49,260 (£10.00 per sq ft)	Mutual Landlord or Tenant break option. Service charge cap applicable - not breached. Tenant currently not in occupation
2nd Floor – West Wing	Kier Business Services Limited	31/03/2011	30/03/2022	31/03/2019	4,615	£37,120 (£8.05 per sq ft)	£46,150 (£10.00 per sq ft)	Mutual Landlord or Tenant break option. Service charge cap applicable - not breached.
Part 3rd Floor – West Wing	Seetec Business Technology Centre Limited	07/02/2012	06/02/2018		3,189	£34,430 (£10.80 per sq ft)	£31,890 (£10.00 per sq ft)	Service charge cap applicable - not breached.
TOTAL					45,367	£350,328	£453,670	

FLOOR PLAN



SITE PLAN





COVENANT INFORMATION

Oldham College
67% of income



University Campus Oldham has been part of the Oldham College group since August 2012.

Oldham College was originally established in 1893 after a donation from a local family which led to the institution of the school of art and science in the town centre. The College now offers an extensive range of qualifications in a variety of areas.

In the last 2 years, the College has invested over £20m in its campus with 3 new state-of-the-art buildings. Each year the College welcomes around 10,000 students who study over 500 full time and part time courses.

The College has an established and experienced senior leadership team. It is classified as a further education and charity entity with funding received through government.

University Campus Oldham allows thousands of students in the Borough to access degree level qualifications closer to home. The University of Huddersfield oversees the courses offered to students. Central government policy is to encourage the growth of affordable higher education through the college sector – with Oldham College an exemplary example.



Kier Business Services Limited
23% of income



Kier Business Services are one of the UK's largest providers of outsourced professional and support services in the UK. For example, Unity Partnership is a Kier JV with Oldham Council which employs more than 375 staff across the Borough with services including highways, property, ICT and customer services.

The company is part of Kier Group PLC which is a leading property, residential, construction and services group. It employs over 21,000 people in its operations across the world.

Kier Business Services Limited has an Experian rating of 77/100 with a most recent turnover in excess of £37m.

Seetec Business Technology Centre Ltd
10% of income



Founded in 1984, Seetec offers services across the skills, employment, justice and health sectors. Originally founded as a registered charity, the company provides opportunities and training to people from all works of life.

The company has over 100 delivery sites across the UK with links to over 15,000 employers. Seetec Business Technology Centre Ltd has an Experian rating of 96/100 with a most recent turnover in excess of £80m.



INVESTMENT RATIONALE

- **Market dominant** multi-let office scheme in Oldham's commercial centre
- **Refurbished and flexible** accommodation with attractive car parking ratio
- Excellent public transport links including **close proximity** to Manchester Metrolink
- Anchored by **Oldham College** – supported by Government Funding and with student numbers of around 10,000
- AWULT of **7.00 years** to expiry / **6.30 years** to expiry
- Low average base rent of **only £8.50 per sq ft** with opportunities to improve the rental tone
- **90% occupancy** with opportunities to improve AWULT through tenant re-gears and new lettings
- Significant investment has taken place and is planned to take place across the Borough backed by the **progressive and proactive Oldham Council**
- Vendor service charge and rates **guarantee** on vacant suite
- Opportunities for further **refurbishment and reconfiguration** to add value

SERVICE CHARGE

Further details and a copy of the latest service charge budget are available on request.

EPC

The building has an EPC rating of E-101 and the certificate is available upon request.

TENURE

The property is held on a Freehold and Long Leasehold basis. Further information is available on request.

VAT

We understand that the property has been elected for VAT. As such, it is anticipated that the sale will be handled as a transfer of a going concern (TOGC).





PROPOSAL

We are instructed to seek unconditional offers in excess of **£3,450,000 (Three Million Four Hundred and Fifty Thousand Pounds)**, subject to contract and exclusive of VAT. A purchase at this level would reflect the following attractive yield profile after allowing for purchaser's costs of 6.50%:

Net Initial Yield:	9.50%
Triple Net Yield:	9.50% (vendor rates and service charge guarantee)
Reversionary Yield:	12.40%
Low Capital Value of £75 per sq ft	

FURTHER INFORMATION

If you require any further information or would like to arrange an inspection, please contact:

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SUBJECT TO CONTRACT.

The properties are being marketed on behalf of the joint LPA Receivers of Oldham Estates Limited (in receivership), therefore no warranties in any respect can be given. The joint administrators act as agents of the vendor company and without personal liability or any other liability whatsoever in respect of any information and documentation in this brochure, legal pack or otherwise provided.

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