



FIRST CIRCLE PACKAGING LIMITED

2 FRASER ROAD
KIRKTON CAMPUS
LIVINGSTON
EH54 7BU

SINGLE LET
INDUSTRIAL
OPPORTUNITY



EXECUTIVE SUMMARY

- **Modern industrial unit** constructed in the late 1990s and subsequently extended in 2000
- Steel portal frame construction
- The property comprises of a **large open plan distribution area** with associated offices over ground and first floor of the northern elevation
- The property is let to **First Circle Packaging Limited** who produce lightweight, durable and sustainable packaging solutions
- The property has a **total area of 52,425 sq ft**
- The property is occupied on a **lease expiring 30th September 2033**. The tenant recently removed their break option and extended their lease for a further five years, providing an unexpired term certain of **8.75 years**
- **Passing rent of £314,550 pa**, reflecting a **low £6.00 per sq ft**.
- **Heritable Interest** (Scottish equivalent of Freehold)

We are instructed to seek offers in excess of **£3,690,000 (Three Million Six Hundred and Ninety Thousand Pounds)** exclusive of VAT. This reflects a low capital value of **£70psf**.

A purchase at this level would provide an attractive **net initial yield of 8.00%**, after allowing for **purchasers' costs of 6.49%** including LBTT (Land Building and Transaction Tax).



LOCATION

Livingston is located approximately 19 miles west of Edinburgh and 35 miles east of Glasgow.

It is the administrative centre for West Lothian. The town has a population in the order of 62,000 people and a wider catchment of c.1.9 million within 45 minutes' drive time. The town is strategically situated in the heart of the Central Belt on the M8 motorway, benefiting from excellent transport links.

The town has become one of the principal distribution warehousing and high-tech centres in Scotland. Edinburgh Airport is 12 miles to the east of Livingston and Glasgow Airport is 40 miles to the west. There are two nearby railway stations with Livingston North forming part of the recently completed Airdrie to Bathgate Line.

SITUATION

Kirkton Industrial Estate is Livingston's most established industrial estate and is situated to the south-west of the town centre.

The property is located to the east side of the estate, off Fleming Road, and surrounding occupiers include Sky, Memstar, Almond Engineering and Locktel.

CONNECTIVITY



Destination	Miles
Edinburgh	19
Glasgow	35



Road	Miles
M8 (J3)	1.5
A71	0.3



Air	Miles
Edinburgh Airport	12
Glasgow Airport	40

DEMOGRAPHICS



The property benefits from a population of c.980,000 within a 30-minute drive of the property and c.3.5 million within a 1-hour drive demonstrating the areas strength as a logistics location.



Within a 1-hour drive, there are c.114,000 process, plant and machine operatives in occupation showing the abundant skill-set suited to the local logistics and warehouse industries.



35.3% of the nearby population have an income of less than £19,999 providing an affordable local labour force.



Google Maps link



What3Words:
///twig.stud.paints

DESCRIPTION & SPECIFICATION



Standalone high-quality industrial warehouse with offices and was originally constructed in the early 1990s and subsequently extended in the year 2000.



The premises themselves are of steel portal frame construction with a mixture of brick and blockwork cavity walls and profile sheeting under a pitched insulated roof.



Commercial access to the premises is via 4 dock and 2 ground level access doors.



Upgraded LED lighting throughout.



Front of the premises is attractively designed in brick and comprises a two storey office and welfare block providing a mixture of cellular and open plan accommodation throughout decorated to a high standard with raised floors and suspended ceiling with integrated lighting.



Double height glazed attractive atrium reception. Heating to the offices is via temperature-controlled gas central system and the window fittings are double glazed.



The warehouse accommodation is predominantly open plan benefiting from concrete floor and minimum eaves height of 7.6m rising to 10m.



Total site area of 1.73 ha (4.27 acres) resulting in a site cover of 28%.



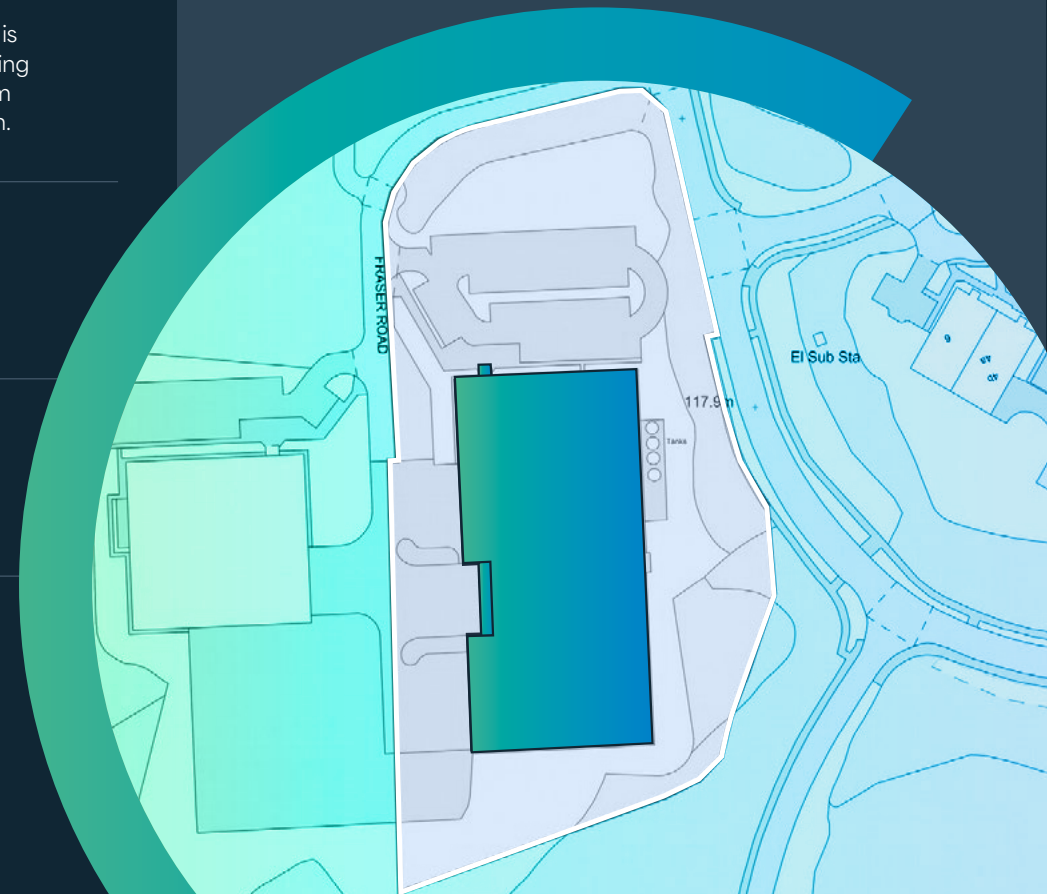
The power supply was upgraded in 2019 with a 1000kVA sub-station being installed.



Externally the property benefits from demised car parking for approximately 57 spaces as well as a generous yard provision.

ACCOMMODATION

	Floor	Area (sq m)	Area (sq ft)
Warehouse	Ground	4,111	44,256
Offices	Ground	392	4,219
Offices	First	367	3,950
Total		4,870	52,425



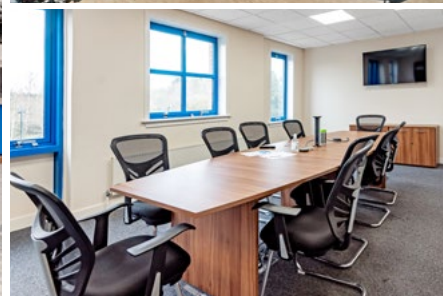
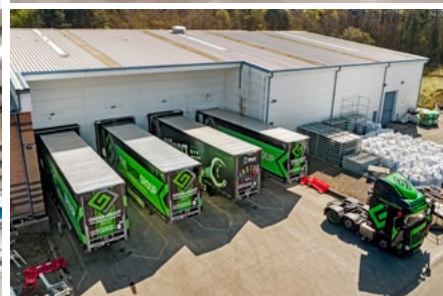
TENANCY SCHEDULE & OPERATION

Formerly operating as Nampak Plastics Europe Ltd, First Circle Packaging have over 25 years' industry experience, across a wide range of industries.

The property is let to First Circle Packaging on a lease expiring 30th September 2033. The current passing rent is £314,550 per annum representing a low £6.00psf with a further rent review on 1st October 2028. During 2024 the tenant engaged with the current landlord to extend the Lease for 5 years to 30 September 2033 and to remove the break option that the tenant benefitted from. The Lease therefore now runs unbroken to 30 September 2033.

Rent free periods were agreed as follows; 3 months rent free from 19 December 2024; 3 months rent free from 01 October 2025; and, 3 months rent free from 01 October 2028.

First Circle are the UK market leader in blow moulding HDPE plastic bottle manufacturing. Supplying over a billion single and multi-layer bottles every year to the liquid food and drink market. Fully automated machinery worth approx. £8m facilitates the operations in Livingston.



COVENANT

D&B Rating: 2A3

First Circle
Packaging Limited



	2023	2022	2021
Sales Turnover	£33,735,000	£44,440,000	£42,061,000
Pre-Tax Profit	£292,000	£899,000	(£5,617,000)
Shareholder Funds	£2,838,000	£3,965,000	£7,227,000

INVESTMENT MARKET

The industrial market is currently the most in demand sector of all the UK property asset classes, driven by the compelling fundamentals of its very strong occupational market seeing record low availability rates, secure income streams and tangible rental growth. Investors have been attracted by the imbalance of supply and demand of good quality assets, particularly within key last mile locations close to urban populations.

Industrial assets continue to remain in good demand. There have been several recent comparable transactions of note, a number of which are highlighted below.

The Scottish industrial investment market remains buoyant, particularly for modern, high-quality stock. Prime yields peaked in 2022 at 3.50%-4.50%, driven by a weight of capital targeting the attractive fundamentals of the sector.

Challenging economic conditions which emerged in Q3 2022 led to a rapid increase in interest rates and a more challenging 2023, during which yields moved out.

Notwithstanding this, 2024 has witnessed a notable uptick in activity driven by improving sentiment and a positive market outlook which has led to yield compression since the start of the year.



KEY COMPARABLES

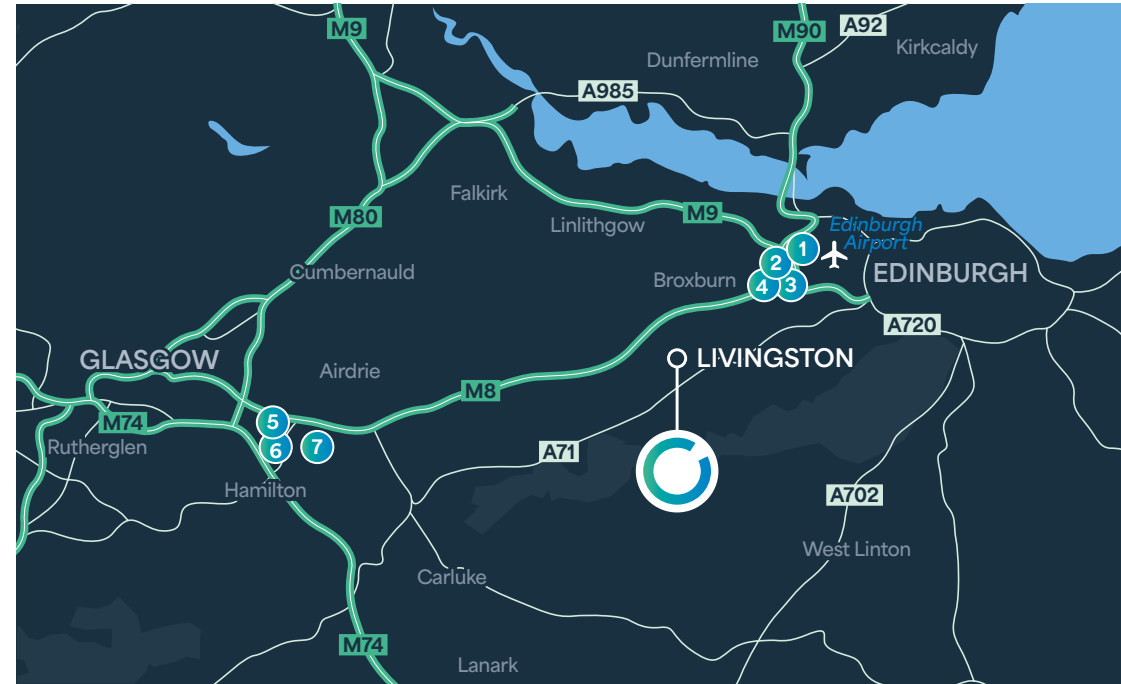
Date	Property	Area (sq ft)	Tenant	WAULT (years)	Purchase Price	NIY	Capital Value (psf)
December 2024	9 Brittain Way, Eurocentral, Glasgow	40,644	James Latham PLC	9.3	£6.00m	4.77%	£148
December 2024	30 Coddington Crescent, Eurocentral	72,422	SIG Trading Limited	9.1	£9.94m	5.80%	£130
September 2024	2 Ellismuir Way, Tannochside, Uddingston	42,345	Dfyne	10 (TBO 7)	£5.35m	6.87%	£126
August 2024	West Point Portfolio, Cardonald & Bellshill, Glasgow	117,344	Dr Schar, Master Removers, Accident Exchange, Activate Group	6.7	£14.15m	6.29%	£121
August 2024	Belgrave Logistics Park, Bellshill, Glasgow	261,613	Bunzl, Likewise, RES, Wincanton	13.8	£40m	5.47%	£153
July 2024	15 Robert Drive, Govan, Glasgow	34,778	Travis Perkins	7.8	£4.275m	6.16%	£123
April 2024	Gartcosh Industrial Estate, Gartcosh	58,998	DX Network Services, Vision Vehicle Solutions, Dreams	6.36	£6.875m	6.79%	£117
April 2024	Fullarton Drive, Cambuslang, Glasgow	126,963	Royal Mail, Siemens, Righton and Blackburns, DPD	4.15	£14.725m	6.11%	£116
April 2024	Apex, 28 Townhead Drive, Eurocentral	72,387	Stapletons Tyres	7.68	£8.7m	6.12%	£120
November 2023	100 Cambuslang Road, Cambuslang, Glasgow	49,150	Royal Mail	4	£6.35m	6.00%	£129
November 2023	120 Cambuslang Road, Cambuslang, Glasgow	29,287	Ferraris Piston Services	7	£3.4m	5.66%	£116
September 2023	51 McNeil Drive, Eurocentral	52,459	Biffa	11	£6.75m	6.20%	£129

SCOTTISH CENTRAL BELT

MARKET COMMENTARY

The industrial and logistics market throughout central Scotland remains very strong despite uncertainty in the wider economy and a lack of good quality availability. In addition to continued strong demand from logistics occupiers, demand remains strong from trade counter operators, manufacturers and bonded warehouse operators / drinks industry. Excellent connectivity along the M8 and M74 motorways make central Scotland a key industrial and logistics hub providing access to all points of Scotland and to the south.

During 2024 occupier demand has remained strong although frustrated by lack of available properties. Vacancy rates are at historic lows of 2.4% across the central belt. Newly constructed, state-of-the-art units in good locations are being leased at impressive rental levels of up to £11.50psf and this has a ripple effect to secondary assets where there has been significant rental growth. Looking ahead the supply and demand imbalance will continue which will in turn drive rental growth further.



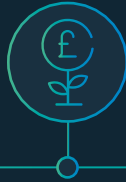
KEY LEASING COMPARABLES

Map	Address	Floor Area (sq ft)	Tenant	Type	Rent (psf)	Term (break)	Date
1	Unit 2 Newbridge Link, Newbridge Industrial Estate	50,000	Undisclosed	New Letting	£9.50	10	Under Offer
2	Unit 1 Newbridge Interchange, Chariot Drive	16,456	PTS (Plumbing Trade Supplies)	Lease Extension	£9.25	10 (5)	Q4 2024
3	A3 & A4, Block A, Clifton Trading Est, Cliftonhall Rd, Newbridge	21,020	SCB Vehicle Dismantlers	Sub-lease	£7.25	3	Q3 2024
4	Unit 17C Newbridge Industrial Estate	28,748	WGM Engineering	New Letting	£8.25	10	Q1 2024
5	Unit 1 Righead Industrial Estate, Bellshill	19,623	Tait Logistics	New Letting	£7.00	5	Q4 2023
6	Unit 5 Righead Industrial Estate, Bellshill	15,252	GST	New Letting	£7.00	10	Q3 2023
7	30 Coddington Crescent, Eurocentral	17,112	Gemini Accident Repair Centre Ltd	New Letting	£8.50	10	Q2 2023

INVESTMENT RATIONALE



Market leader
in blow moulding
HDPE plastic bottle
manufacturing



Tenant has
invested over
£8m automating
the process



**Modern
industrial unit**
with a long lease
let off a low passing
rent of £6.00psf



The warehouse
is **essential to**
the operation
of the company



Rent review
is linked to **OMV**
and therefore there
is an opportunity
to drive returns at
the 2028 review



The warehouse was
fully refurbished
in 2018 prior to
the tenant taking
occupation



The investment
opportunity provides a
low capital value of £70
psf and attractive yield
from day of acquisition



PROPOSAL

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EPC

The current rating is B (18). A copy of the EPC certificate is available on request.

VAT

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

DATA ROOM

Access to the legal data room will be provided upon request.

FURTHER INFORMATION

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