



INVESTMENT SALE

Industrial Investment

10.50 years Term Certain Income with Annual CPI Linked Rent Reviews

**Biffa
Greenbank Road
East Tullos Industrial Estate
Aberdeen
AB12 3BQ**

South Harbour

NESS Energy Project

subsea 7

Lyreco

proserv

John Lawrie METALS

BREEDON

Stena Drilling

Enviroco

Sims Fruit

Conserve

DRS

PPG

Jarvie Plant Hire Solutions Delivered

Arnold Clark

Stagecoach

KIA

A956

WELLINGTON ROAD

A956

GREENBANK ROAD





INVESTMENT SUMMARY

- Biffa's only operational site serving Aberdeen
- Site extends to circa 3.15 acres within the established East Tullos Industrial Estate. Low site density of 28%.
- The site comprises a mixture of industrial and office accommodation extending to 38,815 sq ft together with a large surfaced yard area
- Let to Biffa Waste Services on a 35 year lease expiring 18th May 2035 (10.5 years unexpired)
- Current rent passing of £301,351 per annum reflecting a low overall rent of £7.76 per sq ft
- Annual CPI-linked rent reviews with a collar at 2% and cap at 4%
- Minimum contracted rent (assuming 2% collar each year) of £3.56 million
- Heritable Interest
- Offers in excess of £3,200,000 exclusive
- Attractive Net Initial Yield of 9.02% and a capital rate of £82 psf

SITUATION

The subject property is located 2 miles south of Aberdeen City Centre and harbour, within East Tullis Industrial Estate. East Tullis is one of the principal industrial areas serving Aberdeen. Whilst the area is predominantly industrial, there are also a number of large offices and car showrooms within the locality. Major nearby occupiers include Shell, Subsea 7, Stena Drilling, Greenwell Equipment, BSS and John Clark Motor Group. In addition, the new state of the art NESS energy from waste facility is located approximately 200 yards to the east of the subjects.

The site is accessed from Greenbank Road, which provides direct access to Wellington Road (A956), one of the City's main arterial routes linking the harbour area with the A90 trunk road to Dundee and Edinburgh. The Aberdeen Western Peripheral Route, has a major junction, 3 miles south of the subject property. This has further enhanced its connectivity to the north and west, including Aberdeen International Airport.

A second, South Harbour, approximately 1 mile to the east of the subjects was completed in 2023. Road infrastructure upgrades are underway between East Tullis and the South Harbour as part of East Tullis's role in the UK government backed Aberdeen Energy Transition Zone (ETZ).



ENERGY TRANSITION ZONE

ETZ Ltd is a private sector led company spearheading the North East of Scotland's energy transition ambition supported by significant ongoing funding from both the Scottish and UK Governments. The North East of Scotland is now one of the most attractive locations in Europe for investment in low carbon and net zero technologies.

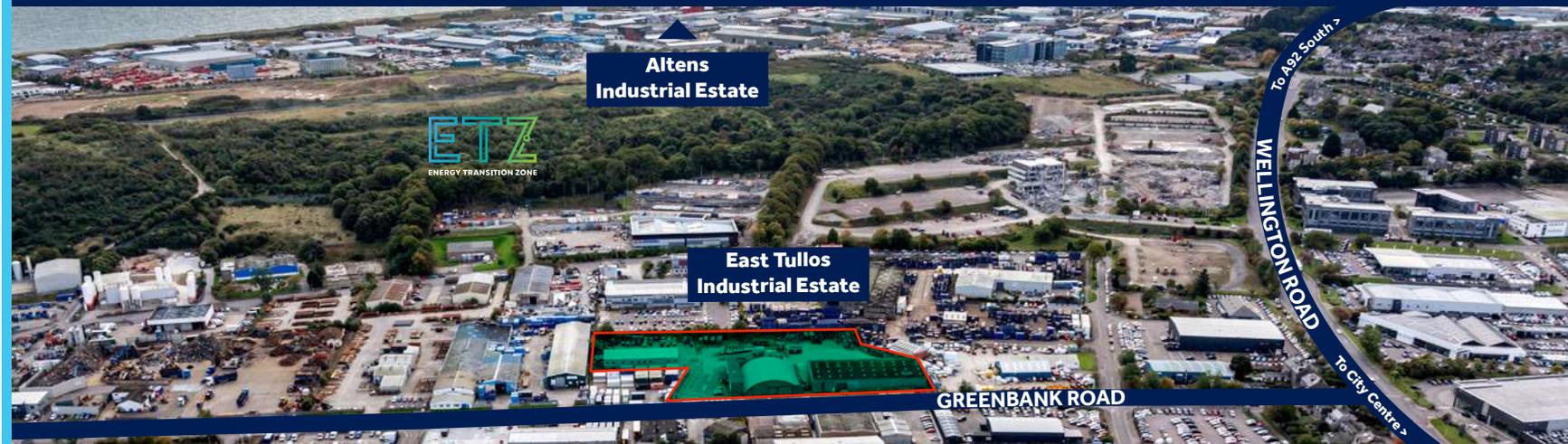
The Energy Transition Zone (ETZ), which comprises approximately 250 hectares including Altens and Tullis Industrial Estates together with the South Harbour and adjacent land, will be the catalyst for offshore renewables, production of hydrogen and CO2 storage making a significant contribution to the net zero objective. It is proposed that the ETZ will support 2,500 direct jobs with a further 10,000 energy transition related jobs.

A comprehensive investment program is underway to deliver market ready properties and sites for high value manufacturing and the wider energy transition supply chain. This investment will include a Marine Gateway and the creation of specialist campuses for Offshore Wind, Hydrogen, Innovation and Skills that will position the region as a global leader in energy transition, as shown on the adjoining plan.

For further information see: <https://etzltd.com>



ETZ Property Improvement Fund- Zone



DESCRIPTION

The property comprises a largely rectangular site comprising 3 industrial buildings, an office, a weighbridge, large areas of concrete yard and car parking.

The industrial buildings comprise a modern industrial unit with associated offices used by the tenant to store new equipment prior to customer delivery. There is also a rectangular, waste transfer station building with multiple vehicular access doors on one elevation and a barrel roofed building, known as the bailing unit, which houses waste bailing equipment.

The two storey offices house the business's administration function as well as driver/staff welfare facilities.



BIFFA'S ABERDEEN OPERATION

The subject site is Biffa's only presence in Aberdeen, an important market, being Scotland's third largest city. Biffa service a wide range of commercial contracts from the site. They are specialists in all types of business waste management including disposal of plastic, paper, metal, glass, food and general waste. Waste collection services from the site include:

- Industrial and commercial collection and disposal
- General waste collection and disposal
- Cardboard, plastic, paper and dry mixed recycling
- Asbestos collection, removal and disposal
- Skip and container hire

In Aberdeen, Biffa currently manage and transfer waste through a third-party operator off-site, as it is cheaper than their own internal cost. The depot is, however, vital to Biffa's Aberdeen operation for storage of all trucks, skips and bins as well as housing their operational and administrative functions.

The site benefits from a waste management Licence, granted in 1998. The licence permits the transfer, keeping and treatment of waste on the site. The maximum amount of waste permitted to be handled at the site is 24,999 tonnes per annum of household, commercial and industrial special waste. This is a valuable licence to Biffa; securing new licences is costly and requires additional legislation making them difficult and time consuming to obtain.

ENERGY PERFORMANCE

EPCs are available on the data site.



ACCOMMODATION

The property extends to the following approximate Gross Internal Areas:

	SQ FT	SQ M
Waste Transfer Station	12,870	1,195.61
Bailing Unit	12,687	1,178.68
Administration & Welfare Block	4,219	391.95
Modern Industrial Building	7,779	722.65
Total GIA	38,815	3,606.04
Surfaced Yard	58,871	5,469.25

SITE AREA

The site extends to approximately 3.15 acres. Low site density of 28%.



TENANCY

- Tenant: Biffa Waste Services Limited (No: 00946107)
- Lease Start: 19 May 2000
- Lease Expiry: 18 January 2035
- Annual Rent: £301,351 p.a. exclusive (reflecting a low £7.76 per sq ft overall)
- Rent Review: Annually on 25 December to CPI with a collar at 2% and a cap at 4%
- Next Review: 25 December 2024
- Repair: Full Repairing and Insuring (FRI) from lease commencement in 2000. There is no schedule of condition
- Use: Waste management facility and any ancillary uses or any use which falls within Classes 4, 5 or 6 of the Town & Country (Use Classes) (Scotland) Order 1997
- Our client proposes to top up the rent to the 2.00% collar at the December 2024 review - £307,378



TENANT COVENANT



Biffa Waste Services Limited (No: 00946107) www.biffa.co.uk

Experian Rating "63/100 – Below Average Risk"

Biffa is one of the UK's leading waste management businesses. In business for over 100 years they have an ambition to change the way people think about waste. They believe that if people think differently about waste, they will act differently. More will be redistributed, re-used, recycled, or recovered – helping to reduce emissions, protect the environment, and save the planet.

Biffa are leading the way in sustainable waste management creating solutions for the UK that enable the circular economy. Their goal is to help businesses, local authorities and communities to reduce waste by redistributing, recycling and recovering more.

	Financial Highlights to Year End 31 March		
	2023	2022	2021
Turnover	£1,188,000,000	£904,900,000	£715,300,000
Pre-Tax Profit	-£125,300,000	-£53,500,000	-£16,400,000
Net Assets	£257,400,000	£435,000,000	£456,900,000



PRICING

Offers are sought in excess of **£3,200,000 exclusive** for our client's Heritable Interest which, assuming standard purchaser's costs and prevailing LBTT, reflects a **Net Initial Yield of 9.02%** and a capital rate of **£82 psf**.

MINIMUM INCOME PROFILE / RUNNING YIELD

(ASSUMING 2.00% COLLAR EACH YEAR)

December 2024	£307,378	9.02%
December 2025	£313,526	9.20%
December 2026	£319,796	9.39%
December 2027	£326,192	9.58%
December 2028	£332,716	9.77%
December 2029	£339,370	9.96%
December 2030	£346,158	10.16%
December 2031	£353,081	10.37%
December 2032	£360,142	10.57%
December 2033	£367,345	10.78%
December 2034	£374,692	11.00%

TENURE

Heritable (Scottish equivalent to English freehold).

VAT

The exemption to VAT has been waived, however it is anticipated that any sale will be treated by way of a Transfer of a Going Concern (TOGC).

ANIT-MONEY LAUNDERING

Under both HMRC and RICS guidance, as property agents we are obliged to undertake AML diligence for both the purchasers and vendors (our client) involved in a transaction. As such, personal and or detailed financial and corporate information might be required before any terms are agreed or any transaction can conclude.

FURTHER INFORMATION/ DATA-ROOM

Interested parties are advised to note interest with the selling agent. Data-room access will be made available to seriously interested parties. Viewings are by appointment only. For additional information please contact:

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The Agents for themselves and for the vendors or lessors of this property whose agents they are give notice that:

(i) the particulars are set out as a general outline only for the guidance of the intended purchasers or lessees and do not constitute, nor constitute part of, an offer or contract; (ii) all descriptions, dimensions, reference to condition and necessary permissions for use and occupation, and other details are given without responsibility and any intending purchasers or tenants should not rely on them as statements or representations of fact but must satisfy themselves by inspection or otherwise as to the correctness of each of them; (iii) no person in the employment of the Agents has any authority to make or give any representation or warranty whatever in relation to this property.

Galbraith is a trading name of CKD Galbraith LLP registered in Scotland number S0300208 with registered address 18 George Street, Edinburgh, EH2 2JG

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