



**Galbraith**

# INVESTMENT SALE

**Manufacturing and Distribution Facility | Units 1-7 Oakbank Park Way  
Oakbank Industrial Estate | Livingston | EH53 0TH**

- Well Secured Industrial / Pharmaceutical Investment
- Long Income Profile - 15 years with fixed rental uplifts

# INVESTMENT SUMMARY



- Industrial / Pharmaceutical Investment
- Livingston is the business hub for West Lothian - 15 miles West of Edinburgh
- Oakbank Park is situated immediately off the A71 and has direct access to the M8 Motorway
- Modern self-contained industrial estate extending to 77,936 sq ft across 4 buildings
- The estate is 100% occupied by NextPharma as their main UK production and distribution campus
- The tenant has created a combination of clean lab space, distribution warehousing and offices
- The cost of the tenant fit out is significant relative to the size of the asset
- Let to MW Encap Limited t/a NextPharma and guaranteed by their German parent
- Lease term extended by 15 years from February 2025
- Fixed rental increase of 13.10% every 5 years
- Low passing rent of £6.23 psf
- Long leasehold interest from West Lothian Council expiring 30 November 2145 - ground rent is calculated on 19.50% of the gross rent received
- Gross rent £485,728 per annum netting back to £391,057 after payment of the ground rent
- Offers in excess of £5,600,000 exclusive
- Attractive Net Initial Yield of 6.55% and a capital rate of £71.85 psf with reversion to 7.41% in 2030 and 8.38% in 2035



**INDICATIVE SITE BOUNDARY**

# LOCATION

**LIVINGSTON IS LOCATED APPROXIMATELY 15 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 around 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.

Livingston has become one of the principal distribution warehousing and high-tech centres in Scotland. Edinburgh Airport is 11 miles to the east of Livingston and Glasgow Airport is 44 miles to the west. There are two nearby railway stations with Livingston North forming part of the recently completed Airdrie to Bathgate Line.

The town is also one of Scotland's bio-chemistry and pharmaceutical hubs with a number of global operators attracted by the highly skilled and experienced labour pool.





# DESCRIPTION

The property comprises a self-contained industrial estate of seven units, arranged over four modern industrial buildings.

The buildings are of steel portal frame construction with profiled metal cladding to the walls and roofs. There is a large yard to the rear of the buildings and separate car parking areas to the front.

All of the buildings benefit from electrically operated, roller shutter, vehicular access doors to their rear elevations which open onto the yard.

The tenant has occupied space at Oakbank Park Way since it was developed and has over time expanded into all of the units, now operating the estate as their main UK operational campus. Accordingly, all adjoining units are now interconnected. They have invested significantly in the buildings and have fitted the units to comprise clean laboratory space, chilled storage, warehousing and associated offices and staff amenity space. The cost of this investment is significant relative to the scale of the asset as an investment.

The tenant has recently recoated the external cladding across the entire estate. Other recent improvements include the completion of a full lighting replacement to LEDs, electrically timed heating roll out in the offices and boiler upgrades to reduce waste heat and gas requirements. The tenant has also recently requested landlord's consent to investigate the installation of a roof mounted PV array and are planning to upgrade the warehouse section of Unit 7 to create a temperature and humidity controlled area.





# TENANCY & ACCOMMODATION

The rent review date for Unit 1 is 1st September in each of the review years and the rent review date for the remaining units is 17th February in the same years. As 2025 is a review year and the review for Units 2 to 7 has already passed our client intends to top-up the rent to the full rent as of 1st September 2025 i.e. £485,785 (gross) and £391,057 (net).

At the topped-up level, the annual rent of £485,785 across the estate represents an average rent per sq ft of £6.23 psf which is low in the context of the wider Central Belt Industrial Market. We estimate that, if the properties were let individually at current market rates of between £8.00 psf and £10.50 psf, depending on size, the ERV for the estate as a whole would be circa £720,000 reflecting an average rent of £9.25 psf.

Rent increases by 13.1% (fixed) at each rent review													
								2030 Rent Reviews			2035 Rent Reviews		
Unit	Area (sq ft)	Tenant	Lease Start	Current Rent (Per Annum)	Current Rental Rate (sq ft)	Lease Expiry	Unexpired Term (Years)	Review Date	Reviewed Rent (Per Annum)	Reviewed Rent (PSF)	Review Date	Reviewed Rent (£ Per Annum)	Reviewed Rent (PSF)
Unit 1	6,234	MW Encap Ltd Guaranteed by Bowtie Germany Bidco GMBH	31/01/2020	£40,542*	£6.50	06/10/2040	15.64	01/09/2025	£45,853	£7.36	01/09/2035	£51,860	£8.32
Unit 2	4,969		07/10/2015	£32,315	£6.50	06/10/2040	15.64	17/02/2030	£36,548	£7.36	17/02/2035	£41,336	£8.32
Unit 3	7,620		07/10/2015	£49,555	£6.50	06/10/2040	15.64	17/02/2030	£56,046	£7.36	17/02/2035	£63,389	£8.32
Unit 4/5	24,100		03/09/1997	£147,188	£6.11	16/02/2040	15.01	17/02/2030	£166,470	£6.91	17/02/2035	£188,278	£7.81
Unit 6	14,300		09/02/2007	£87,336	£6.11	16/02/2040	15.01	17/02/2030	£98,777	£6.91	17/02/2035	£111,717	£7.81
Unit 7	20,713		17/02/2015	£128,849	£6.22	16/02/2040	15.01	17/02/2030	£145,728	£7.04	17/02/2035	£164,819	£7.96
<b>77,936</b>				<b>£485,785</b>	<b>£6.23</b>				<b>£549,423</b>	<b>£7.05</b>		<b>£621,397</b>	<b>£7.97</b>
<b>West Lothian Council Ground Rent (Expires 2145)</b>				<b>£94,728</b>					<b>£107,137</b>			<b>£121,172</b>	
<b>NET RENT</b>				<b>£391,057</b>					<b>£442,285</b>			<b>£500,225</b>	

\* the rent payable for Unit 1 currently reflects £35,856 per annum and increases to £40,541.83 from 01/09/2025. The vendor will 'top up'.

# TENANT COVENANT



**MW Encap Limited (02886521) t/a NextPharma**

[www.nextpharma.com](http://www.nextpharma.com)

**Experian Rating “99/100 – Very Low Risk”**

MW Encap Limited is a subsidiary of NextPharma. NextPharma is a pharmaceutical contract development and manufacturing organisation serving worldwide markets. Headquartered in London but with its financial base in Germany, the business is located at sites in Germany, UK, France, Finland and Norway.

Next Pharma’s facility in Livingston is one of the world’s largest dedicated sites for the development and manufacture of liquid and semi-solid pharmaceuticals using liquid-filled hard capsule technology (LFHC). The site is fully integrated and supports all aspects of development, scale-up and manufacture of LFHC products. The 130 strong team has over 30 years’ experience in developing and commercializing innovative products using LFHC technology.

MW Encap Limited	Financial Highlights to Year End 31 December		
	2021	2022	2023
Turnover	£16,596,532	£13,914,755	£13,504,583
Pre-Tax Profit	£2,824,677	£4,029,422	-£124,000
Net Assets	£16,254,617	£19,994,735	£19,738,737

For financial year end 31 December 2022 (the most recent publicly available financial results) the guarantor under the leases, Bowtie Germany Bidco GMBH (6070807908), showed shareholders’ funds of EURO 58,300,000 and a net profit of EURO 10,500,000.



# ENERGY PERFORMANCE

Unit	Rating	Action Plan (Y/N)
1	C (42)	N
2	C (39)	N
3	D (53)	N
4/5	E (69)	N
6	D (56)	Y
7	B (28)	N

# SITE AREA

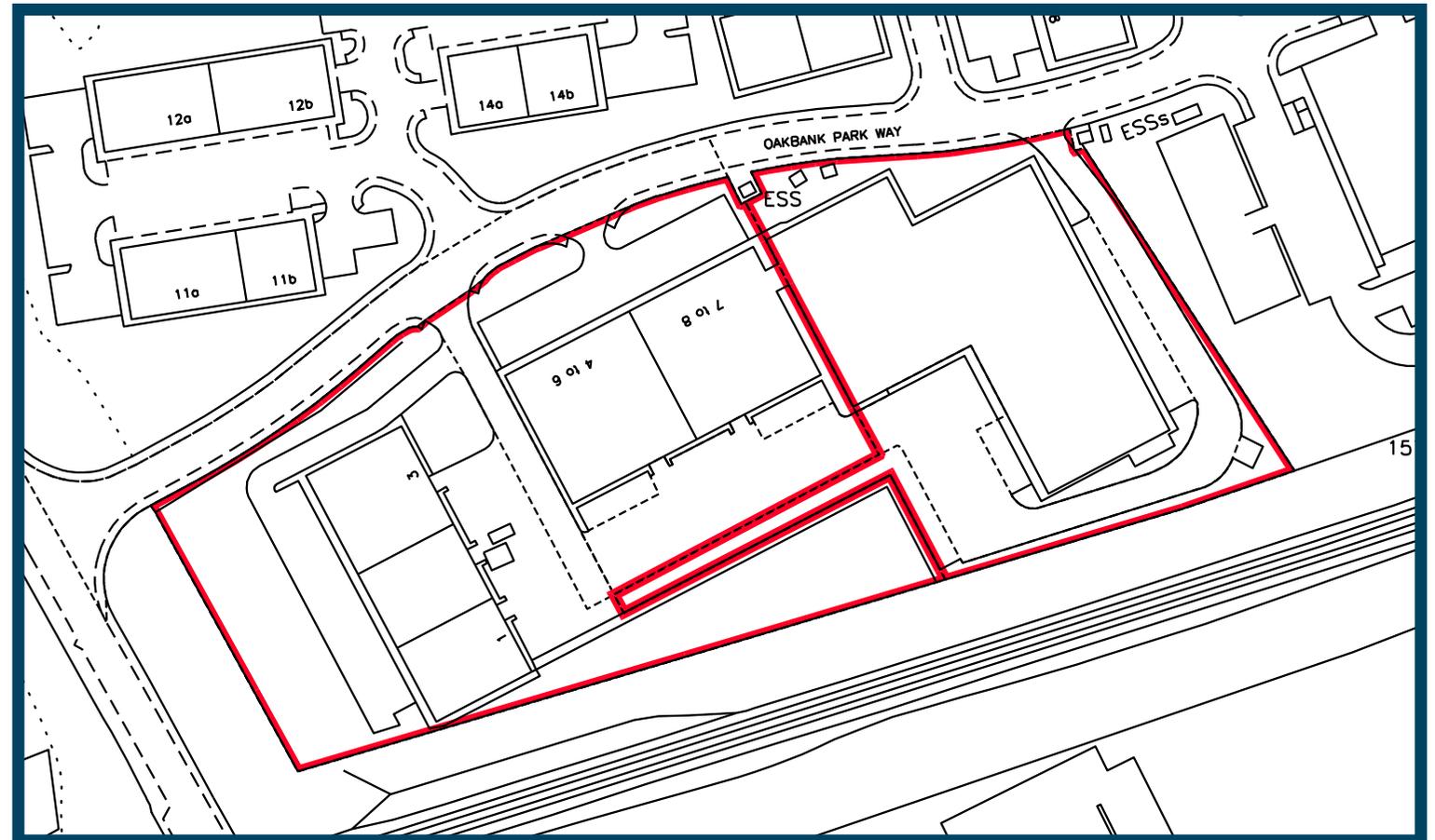
The site area extends to approximately 4.8 acres.

# SERVICE CHARGE

The common areas are managed and maintained via a service charge. The current budget is £19,100 p.a. reflecting approximately £0.26 psf.

# TENURE

The property is held by way of two coterminous long leasehold interests from West Lothian Council under title numbers MID 85978 and MID 85979. Extended by 50 years in 2020 the leases now both expire on 30 November 2145 (120 years remaining). The rent payable under the ground leases is calculated on 19.50% of rents received from the Investment Interest i.e. both interests sit completely side by side, in the event that the property was ever vacant, no ground rent would be payable.





# SCOTTISH INDUSTRIAL INVESTMENT MARKET

The Scottish industrial investment market remains buoyant, particularly for modern, good quality properties. In the UK, the sector maintains high levels of investor demand due to its strong fundamentals.

Scotland's Central Belt / M8 Corridor industrial market, which includes Livingston, is the focus for investors. It is characterised by record low vacancy rates which, coupled with low levels of development pipeline, is serving to promote continued rental growth across the region.

Date	Property	Area (sq ft)	Tenant	WAULT	Price	NIY	CV psf
Dec 2024	30 Coddington Crescent	72,422	SIG Trading Limited	9.1	£9.94m	5.80%	£137
Dec 2024	9 Brittain Way, Eurocentral	40,644	James Latham plc	9.3	£6.00m	4.77%	£148
Sept 2024	2 Ellismuir Way, Tannochside, Uddingston	42,345	Dfyne	7	£5.35m	6.87%	£126
Aug 2024	West Point Portfolio, Cardonald & Bellshill, Glasgow	117,344	Dr Schar, Master Removers, Accident Exchange, Activate Group	6.7	£14.15m	6.29%	£121
Aug 2024	Belgrave Logistics Park, Bellshill, Glasgow	261,613	Bunzl, Likewise, RES, Wincanton	13.8	£40m	5.47%	£153
Jul 2024	15 Robert Drive, Govan, Glasgow	34,778	Travis Perkins	7.8	£4.275m	6.16%	£123
Apr 2024	Gartcosh Industrial Estate, Gartcosh	58,998	DX Network Services, Vision Vehicle Solutions, Dreams	6.36	£6.875m	6.79%	£117
Apr 2024	Fullarton Drive, Cambuslang, Glasgow	126,963	Royal Mail, Siemens, Righton and Blackburns, DPD	4.15	£14.725m	6.11%	£116
Apr 2024	Apex, 28 Townhead Drive, Eurocentral	72,387	Stapletons Tyres	7.68	£8.7m	6.12%	£120
Nov 2023	100 Cambuslang Road, Cambuslang, Glasgow	49,150	Royal Mail	4	£6.35m	6.00%	£129
Nov 2023	120 Cambuslang Road, Cambuslang, Glasgow	29,287	Ferraris Piston Services	7	£3.4m	5.66%	£116
Sept 2023	51 McNeil Drive, Eurocentral	52,459	Biffa	11	£6.75m	6.20%	£129

## PRICING

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Offers are sought in excess of **£5,600,000 exclusive** for our client's Long Leasehold Interest which, assuming standard purchaser's costs and prevailing LBTT, reflects a **Net Initial Yield of 6.55%** and a capital rate of **£71.85 psf**.

The fixed increases associated with the future reviews will reflect **reversionary yields of 7.41% in 2030 and 8.38% in 2035**.

## VAT

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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).

## CAPITAL ALLOWANCES

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No capital allowances are available for transfer. The election will be £1.

## ANTI-MONEY LAUNDERING REGULATIONS

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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

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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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