

## Leeds-based SME secures £5m in factory sale and leaseback

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**The £5m sale of plastic manufacturer Esterform Packaging's 100,000 sq ft Leeds premises on Beeston Royds Industrial Estate to an unnamed private investor was completed today.**

The company has agreed to a 20-year leaseback of the property. Property management company, Genk Visick, acted on behalf of Esterform packaging, while BNP Paribas represented the purchaser.

Matthew Hopkins of Genk Visick told *The Manufacturer* that the sale and leaseback is for being carried out now for two reasons: "1) Finance is difficult to come by 2) there are a number of current business opportunities that they can exploit. Having £5m to invest gives the company a stronger internal rate of return (IRR) on that money than it would have in the property."

Esterform Packaging manufactures and distributes plastic containers and PET preforms for the food and drink industry but is hoping to expand into new product areas. Different types of plastics now need to be produced to expand the company's range of containers and jars. There will be new investment in machinery to enable this.

Simon Hartley, finance director for Esterform Packaging, said: "By releasing equity from this property and redeploying the capital into expanding the core business, we can take advantage of current growth opportunities and develop new product lines."

Mr Hopkins added: "With capital from traditional funding sources being hard to come by, there is still merit in considering a sale and leaseback where the equity released is reinvested in the business and due consideration has been given to the lease commitment entered into."