

2 Prime '**LAST MILE**' Logistics Investments

Sainsbury's



Tornado 70 - Liverpool International Business Park - **SPEKE** - L24 8AD
Amethyst Court - South Rings - **PRESTON** - PR5 6BZ



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TORNADO⁷⁰

Liverpool International Business Park,
Speke **L24 8AD**



AMETHYST^{COURT}

South Rings, Preston **PR5 6BZ**

INVESTMENT SUMMARY



Opportunity to forward fund the acquisition of 2 newly constructed Sainsbury's warehouse facilities.



Excellent strategic location within the North West region of England.



Unbroken 15-year index linked leases to Sainsbury's Supermarkets Ltd, one of Britain's largest supermarket chains, benefiting from a 5A2 D&B rating.



A total floor area of **109,900 sq ft (10,210 sq m)**, with Preston being 42,900 sq ft and Speke 67,000 sq ft.



Very low site density with Speke having 31% site cover and Preston 33% site cover.



Attractive income profile with a passing rent of **£834,975 per annum**, which equates to **£7.60 per sq ft overall**.



RPI rent reviews, reviewed every 5 years, compounded annually subject to a cap and collar between **1.50% - 3.50% p.a.**



Long-leasehold (947 & 993 years)

We are instructed to seek a sale by way of a forward funding structure, with offers sought in excess of **£18,045,000 (Eighteen Million and Forty Five Thousand Pounds)**, subject to contract and exclusive of VAT.

A purchase at this level reflects a net initial yield of **4.50%**, (assuming purchaser's costs of 2.82%), and a capital value of **£164.00 per sq ft**.

PORTFOLIO OVERVIEW

Town	Estate	Postcode	Total Area GIA (sq ft)	Site Density	Headline Rent (psf)	Headline Rent (pa)	Tenure	Number of units	AWULT	Rent Reviews	Repair
Speke	Liverpool International Business Park	L24 8AD	67,000	31%	£502,500	£7.50	LLH (947 yrs)	1	15	5-yearly RPI-linked rent reviews compounded annually subject to a collar of 1.50% pa and a cap of 3.50% pa.	FRI
Preston	South Rings Business Park	PR5 6BZ	42,900	33%	£332,475	£7.75	LLH (993 yrs)	1	15	5-yearly RPI-linked rent reviews compounded annually subject to a collar of 1.50% pa and a cap of 3.50% pa.	FRI
Total			109,900		£834,975	£7.60	FH	2	15		

COVENANT ANALYSIS

Sainsbury's Supermarkets Limited

Sainsbury's was established over 150 years ago and is now one of the UK's largest supermarket chains, with 600+ supermarkets, 800+ convenience stores, and employing approximately 189,000 people.

Brands included in the Sainsbury's portfolio, include: Argos, Habitat, TU, Sainsbury's Bank and Nectar.

Sainsbury's Supermarkets Ltd has a Dun and Bradstreet Rating of 5A2 and has published the following accounts:

	07/03/2020	09/03/2019	10/03/2018
Turnover	£24,059,000,000	£24,030,000,000	£23,606,000,000
Pre-Tax Profit	£172,000,000	£174,000,000	£187,000,000
Tangible Net Worth	£4,542,000,000	£5,669,000,000	£4,562,000,000

Argos

habitat

TU

Sainsbury's Bank

nectar

INDUSTRIAL OCCUPATIONAL MARKET

UK

The UK industrial & logistics market continues to go from strength to strength, with take-up hitting a record high in H1 2021 and supply dropping to an all-time low. UK-wide take-up was a stellar 59.7m sq ft in 2020, the highest annual total on record and surpassing 2016's previous high by a massive 23%.

North West

The North West is one of the most successful and dynamic regions in the UK. The region benefits from excellent proximity to growing markets, a rising population of over 7 million people and continued investment into the region's infrastructure.

Large projects such as Liverpool2, the new deep-water terminal at The Port of Liverpool, The Mersey Gateway Project between Runcorn and Widnes and Terminal 1 at Manchester Airport will only drive economic development and increase demand in the region's industrial market.

There is an acute lack of supply of Grade A Mid box space on the market, which is largely due to the limited amount of new build development undertaken within the 20,000 to 100,000 sq

ft size band. Where land has become available, it is often being developed out for higher value alternative use (e.g. residential) or for Big Box Logistics development. Current availability of Grade A Mid Box accommodation is very low at approximately 690,750 sq ft across 17 buildings.

Headline rents for Grade A Mid Box space, let at 45%-50% site densities have now comfortably reached a level of £7.00-£7.50 psf and in certain prime locations have pushed on further between £7.50- £8.50 psf. With demand significantly outweighing supply, we are seeing continued rental growth, longer average lease terms and reduced incentives being offered as the market continues being in the landlord's favour.

Date	Address	Size (sq ft)	Tenant	Rent (£psf)	Term (Break)
Q3 2021	Carrs Hall, Whalley Road, Blackburn	32,800	MuoviTech U.K.	£8.50	10
Q3 2021	LN50, Logistics North, Bolton	50,805	AM Screen	£7.50	10
Q3 2021	Unit 4, Raven Locks, Bolton	39,000	Peloton	£7.75	10 (5)
Q3 2021	WS50 Warrington South, Lyncastle Road, Warrington	50,450	Markovitz	£7.50	10 (5)
Q2 2021	Unit 1, Raven Locks, Salford	61,000	J Rosenthal & Sons	£7.25	15 (10)
Q2 2021	Unit 8, Preston East, Preston	64,000	DHL Parcel UK Ltd	£6.50	10
Q1 2021	720 Daten Avenue, Birchwood Park, Warrington	58,846	Arneclo	£7.00	10 (5)

The North West benefits from excellent proximity to growing markets, a rising population of over 7 million people and continued investment into the region's infrastructure

INDUSTRIAL INVESTMENT MARKET

Investor demand for industrial and logistics real estate soared in the first six months of 2021, with £7.6 billion invested into the UK investment market, the second highest amount for any half year period. The competition for stock, combined with rising expectations of rental growth, saw prime logistics yields compress another 25 bps across all main market geographies over the first six months of the year and we are currently witnessing further compression moving into Q4.

The sector is buoyed by structural changes to retail and the shift to e-commerce, low vacancy rates with a limited supply

of modern / new build accommodation, and loss of land to higher value uses. There has also been a consistently strong tenant occupational market with significant rental growth in certain key areas. Many of these structural changes have been accelerated by the pandemic and also accompanied by the onshoring of many manufacturing processes / supply chains in the wake of Brexit. The North-West Logistics and Industrial market is of particular interest to investors with its strong demographics, connectivity, growing markets and population. Total North-West industrial investment transactions in H1

2021 reached unprecedented levels (c.£620m completed transactions), compared to £695m and £508m in the whole of 2020 and 2019, respectively. This has continued into H2 2021 with approximately £480m of transactions under offer / completing so far and we do not foresee this strength of demand weakening in the short term. The continuing challenge is the lack of prime opportunities for sale.

Recent comparable transactions include:

Date	Property	Size (sq ft)	AWULT (to break)	Rent (£pa) (£psf)	Price	NIY	Cap Val (£psf)
Under Offer	Hermes, Vector 31 West, Sheffield	85,000	15.00	£505,750 (£5.95)	£16,2000,000	4.25%	£191
Q3 2021	Hermes, Bermuda Park, Nuneaton	75,422	15.00	£865,000 (£11.47)	£22,500,000	3.65%	£298
Q2 2021	A Plant & Sachets, Rugby Business Park, Oldham	120,000	15.00	£991,176 (£6.50)	£21,000,000	4.42%	£175
Q2 2021	APS, Whitehouse Vale Business Park, Runcorn	96,840	8.50	£558,250 (£5.76)	£11,800,000	4.50%	£122
Q2 2021	DHL, Nepshaw Lane, Leeds	71,416	8.50	£356,000 (£5.00)	£7,500,000	4.45%	£105
Q1 2021	Activate & Ikea, Gemini Business Park, Warrington	73,237	5.80	£484,458 (£6.61)	£10,560,000	4.30%	£144

TORNADO 70

Liverpool International Business Park | Speke L24 8AD

INVESTMENT SUMMARY

- ▶ A **100% prime** industrial warehouse investment opportunity.
- ▶ Excellent location in an established industrial area with good strategic transport communications.
- ▶ **New detached warehouse** to be constructed to a high specification, comprising 67,000 sq ft (GIA) on a site of 4.94 acres (**only 31% site cover**).
- ▶ **Unbroken 15-year lease** index linked to Sainsbury's Ltd, one of Britain's biggest supermarket chains, benefiting from a 5A2 D&B rating.
- ▶ Passing rent of **£502,500 per annum**, which equates to **£7.50 per sq ft** overall.
- ▶ **RPI rent reviews**, reviewed every 5 years, compounded annually subject to a cap and collar between **1.50% - 3.50% p.a.**
- ▶ Long-leasehold (947 years unexpired).



[Click here for video overview](#)

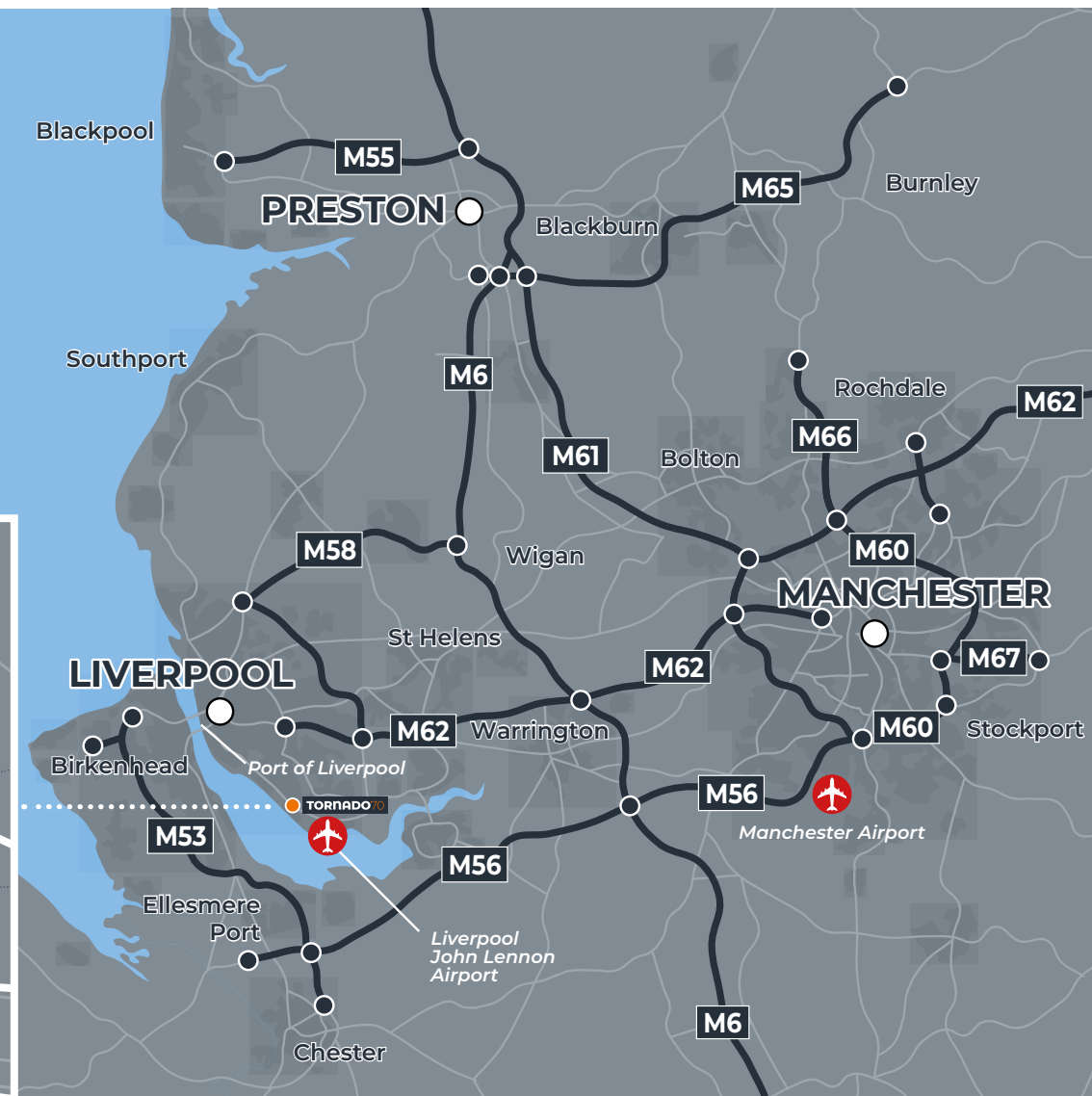
2 Prime **'LAST MILE'** Logistics Investments
15 years term certain with RPI increases

SPEKE

Speke is approximately 7 miles (11 km) south east of Liverpool City Centre near the north bank of the River Mersey. The area is served by the A561 dual carriageway, which is the principle southern gateway into Liverpool, as well as providing access to junction 6 of the M62 (via the A562 and A5300) and junction 12 of the M56 (via the A533 and A557).

Speke has benefitted from major public and private led regeneration initiatives during recent years, with developments including Estuary Commerce Park, Liverpool International Business Park, Boulevard Industry Park and New Mersey Shopping Park. These schemes have attracted major occupiers including B&M Bargains HQ, AstraZeneca, Seqirus Vaccines, HBOS, DHL, National Blood Centre, Riverside Housing Association, David Lloyd Leisure, Littlewoods amongst others.

The nearby Halewood car manufacturing plant has been established in Speke for circa 60 years and is occupied by Jaguar Land Rover, the largest automotive employer in the UK. Halewood extends to 4.51m sq ft and is home to the 24-hour production of the Range Rover Sport and Evoque models. The plant employs over 4,000 people and JLR have recently spent over £200m on this plant.



Speke has benefitted from major public and private led regeneration initiatives during recent years



Adient UK

Hurricane 47

North West Ambulance Service

Liverpool John Lennon Airport

GEFCO

Bidfood

TORNADO70


B&M Distribution

SITUATION


The property will form part of Estuary Business Park, which has established itself at the heart of South Liverpool's dramatic resurgence. It is now recognised, both in the North West and beyond as a premier location for a wide variety of business occupiers, who have been attracted by the high quality environment.

DESCRIPTION


Tornado 70 will comprise a highly specified detached warehouse facility, to be completed in November 2022 and provides the following specification:




Fully enclosed self-contained site




12.50m eaves height




Pitched insulated metal clad roof incorporating 10% translucent roof lights




4 drive in level and 2 dock level loading doors




Floor loading of 50kN/m²




3 phase power supply of 400KVA



2-storey external offices



8 person passenger lift



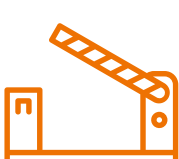
100 car parking spaces in a separate delineated parking area



2 separate yard areas extending to 50m and 45m depths



2 dual electric car charging points

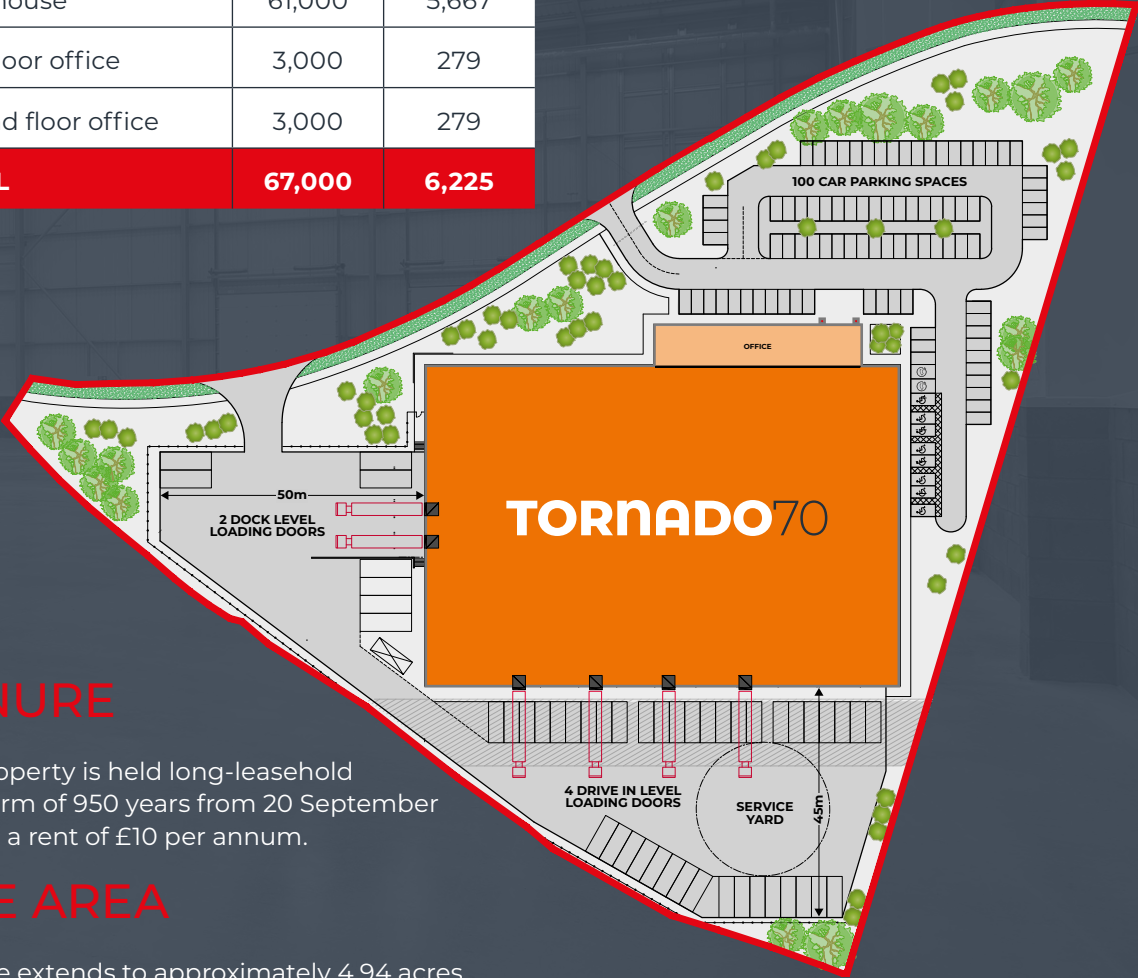


Secure fully fenced and gated site

ACCOMODATION

The scheme will provide the following gross internal floor areas (as a minimum):

	Sq ft	Sq m
Warehouse	61,000	5,667
First floor office	3,000	279
Second floor office	3,000	279
TOTAL	67,000	6,225



TENURE

The property is held long-leasehold for a term of 950 years from 20 September 2018 at a rent of £10 per annum.

SITE AREA

The site extends to approximately 4.94 acres (2.00 hectares) reflecting a low site density of 31%.

OCCUPATIONAL MARKET COMMENTARY

Speke is a strong automotive, pharmaceutical and distribution/retail centre. Demand for industrial space in Speke is particularly high due to its excellent transport infrastructure, with access via air, sea and motorway network, and extensive large occupier base.

Notable occupiers include:

Automotive

- 1 JLR and Getrag Ford (> 1,000,000 sq ft)
- 2 IAC (160,000 sq ft)
- 3 Johnson Controls (150,000 sq ft)
- 4 Gefco (135,000 sq ft)

Pharmaceutical

- 5 Eli Lilly (400,000 sq ft)
- 6 Seqirus (300,000 sq ft)
- 7 Astra Zeneca (250,000 sq ft)

Distribution/Retail

- 8 B&M Bargains (1,700,000 sq ft in 3 buildings)
- 9 Shop Direct (150,000 sq ft)
- 10 Rayware (250,000 sq ft)

Letting activity continues to be strong across the size ranges.



PRESTON

Sainsbury's **Argos**

AMETHYST COURT

South Rings | Preston | PR5 6BZ



INVESTMENT SUMMARY

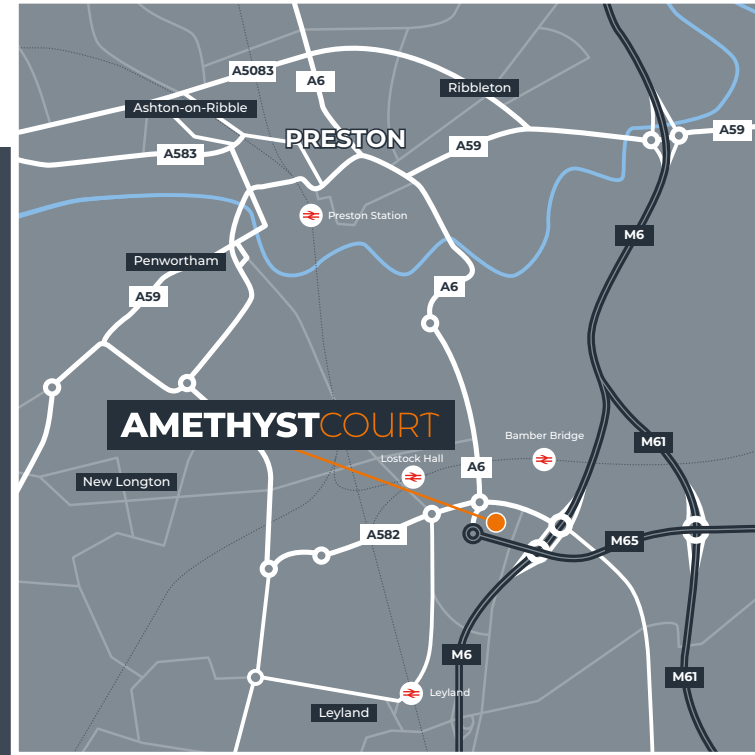
- ▶ **A 100% prime** industrial warehouse investment opportunity.
- ▶ Excellent location, position on the interchange of the M6, M65 and M61.
- ▶ **New detached warehouse** facility to be constructed to a high specification, comprising 42,900 sq ft (GIA) on a site of 2.96 acres (**only 33% site cover**).
- ▶ **Unbroken 15-year lease** opportunity to the strong covenant of Sainsbury's Ltd, one of Britain's biggest supermarket chains, benefiting from a 5A2 D&B rating.
- ▶ Passing rent of **£332,475 per annum**, which equates to **£7.75 per sq ft** overall.
- ▶ **RPI rent reviews**, reviewed every 5 years, compounded annually subject to a cap and collar between **1.50% - 3.50% p.a.**
- ▶ Long-leasehold (993 years unexpired)



[Click here for video overview](#)

2 Prime **'LAST MILE'** Logistics Investments
15 years term certain with RPI increases

Preston is the principle administrative centre of Lancashire and represents the North West region's third largest City after Manchester and Liverpool



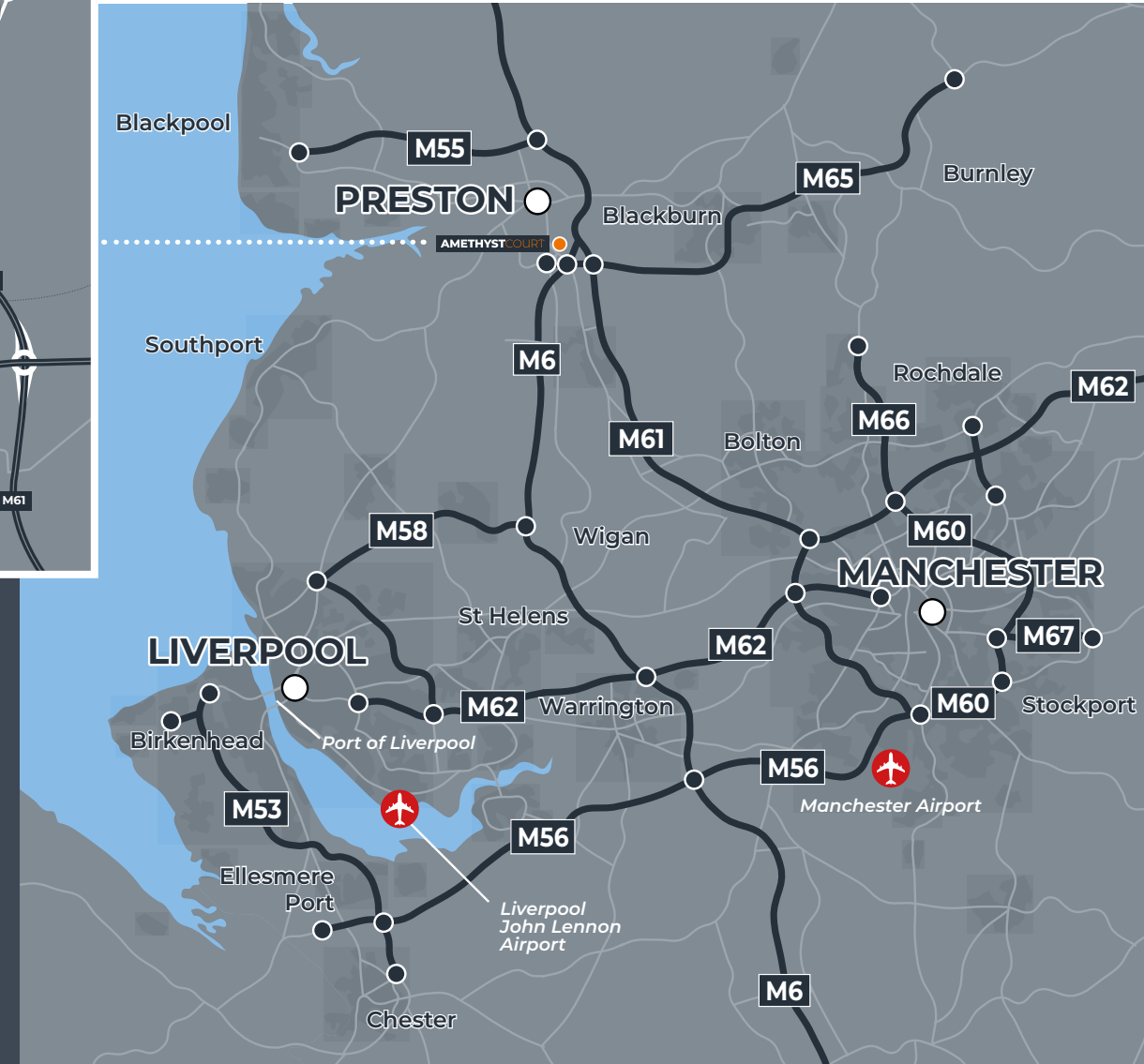
PRESTON

Preston is the principle administrative centre of Lancashire and represents the North West region's third largest City after Manchester and Liverpool. Preston was granted City status in 2002 and is situated approximately 33 miles North-West of Manchester and 35 miles North of Liverpool.

The city benefits from excellent road communications, with the M6 motorway accessed via Junctions 29-32 with direct links

to the M61, M65 and M55 motorways. Preston Railway Station is nearby and situated on the West Coast Mainline providing regular direct services to Manchester (40 minutes), London (2 hours 15 minutes) and Glasgow (2 hours 18 minutes).

Manchester International Airport, the UK's third busiest airport, is located 35 miles to the south of Preston.





LEYLAND

AMAZON

LEYLAND TRUCKS

AMETHYSTCOURT

AUTOGLASS

PLACES FOR PEOPLE

PREMIER INN

B&Q

SITUATION

South Rings extends to 15 Hectares (37 acres) and comprises a mixed-use development. The Business Park offers offices, hotel, retail & leisure and industrial uses.

The asset will front Craven drive, just off the A6 which is at the intersection of 3 motorways (J29 M6, J1 M65, J9 M61).

The City of Preston is 4 miles to the north, whilst Greater Manchester and Merseyside conurbations are half an hours drive to the south.

DESCRIPTION

Amethyst Court will comprise a highly specified detached warehouse facility, to be completed in September 2022, and provides the following specification:



Fully enclosed self-contained site



9m eaves height



Pitched insulated metal clad roof incorporating 10% translucent roof lights



2 dock level and 3 level access loading doors



2-storey fully fitted offices



8 person passenger lift



3 phase power supply of 400KVA



Large concrete yard extended to 35m deep



45 parking spaces in a separate delineated parking area.



1 dual electrical charging point



Fully fenced and gated site

AMETHYSTCOURT

ACCOMODATION

The scheme will provide the following gross internal floor areas (as a minimum):

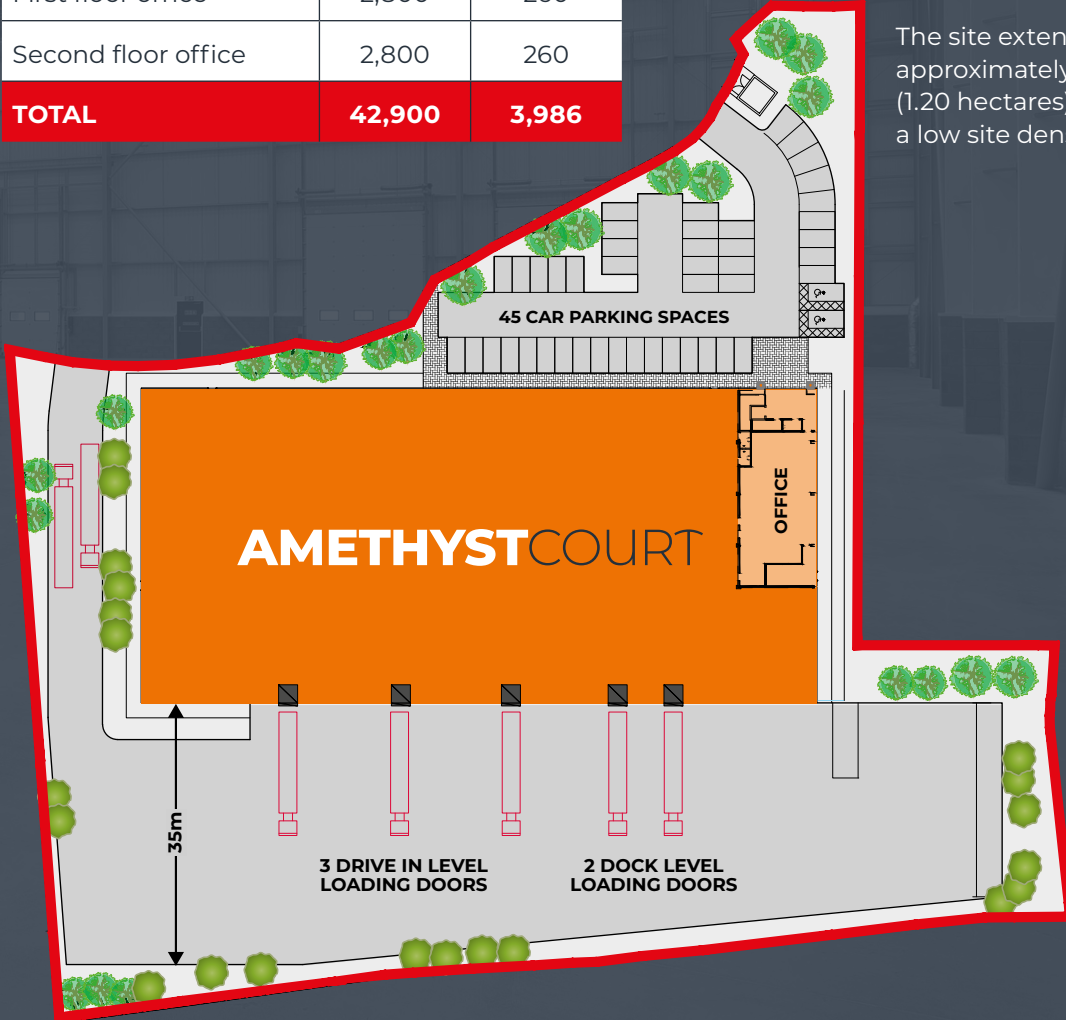
	Sq ft	Sq m
Warehouse	40,100	3,725
First floor office	2,800	260
Second floor office	2,800	260
TOTAL	42,900	3,986

TENURE

The property is held long-leasehold for a term of 999 years from 10 December 2015 at a rent of 1 peppercorn per annum.

SITE AREA

The site extends to approximately 2.96 acres (1.20 hectares) reflecting a low site density of 33%.





AMETHYSTCOURT

OCCUPATIONAL MARKET COMMENTARY

Preston was founded on a strong industrial heritage based on the textile and engineering industry, which gradually developed into a strong manufacturing based local economy. Although manufacturing remains an important driver behind the Preston economy, the town now has a much wider and sustainable economic base with strong service sector representation now supplementing the traditional industries.

Preston is widely viewed as one of the most dynamic local economies in the region. Major employers in the Preston area include:

- 1 BAE Systems
- 2 The University of Central Lancashire
- 3 Leyland Trucks
- 4 Booths
- 5 Royal Preston Hospital
- 6 Amazon
- 7 Westinghouse Springfields
- 8 Lancashire Care Foundation Trust
- 9 Currys PC World

FURTHER INFORMATION

Development Programme

SPEKE

The developer expects to be on site 07/02/22 with practical completion schedule for 07/11/22.

PRESTON

The developer expects to be on site 10/01/22 with practical completion scheduled for 12/09/22.

Planning

SPEKE

Planning was issued and granted on 25/05/21.

PRESTON

Planning was issued and granted on 31/07/20 with a NMA decision notice on 13/10/21.

The Developer

Founded in 1901, Marshall Construction (West Yorkshire) Limited has an area of activity throughout the UK. The Marshall Group specialises in the development and construction of commercial property across the North of England, with clients including: Safeway Group Plc, Asda Stores Limited, Dansk Supermarket A/S (Netto), Helical Bar Plc, Meadowhall Leisure Limited, Man Diesel UK Limited and Stadium City Limited, amongst others.

Marshall Commercial Development Projects (CDP) was formed in 1968 and during the past 50 years it has carried out virtually all forms of development including: In-Town Retail Schemes, Supermarkets, Non-Food Retail Parks, Leisure Parks, Industrial Estates, Distribution Depots, Inner City Offices and Edge of Town Office Parks.

MARSHALL

The Professional Team

CONTRACTOR: MARSHALL CONSTRUCTION

ARCHITECT: BMS LTD.

ENGINEER: SPEKE: RWO ASSOCIATES (YORKSHIRE) LTD.
PRESTON: JPG (LEEDS) LTD

Energy Performance Certificates / BREEAM

Target BREEAM ratings to be “very good” specification.

VAT

The properties will be elected for VAT and it is proposed that the sale will be treated as a Transfer of a Going Concern (TOGC).

Data Room

Data room access is available upon request.

Proposal

We are instructed to seek a sale by way of a forward funding structure, with offers sought in excess of **£18,045,000 (Eighteen Million and Forty Five Thousand Pounds)**, subject to contract and exclusive of VAT.

A purchaser will be required to acquire the land for the sum of **£3,950,000** (£500,000 per acre) subject to contract and exclusive of VAT.

A purchaser will be required to make stage payments throughout the construction process and a balancing payment on practical completion.

A purchase at this level reflects a net initial yield of **4.50%**, (assuming purchaser's costs of 2.82%), and a capital value of **£164.00 per sq ft**.

TORNADO⁷⁰



AMETHYSTCOURT



Sainsbury's Argos



[Click here for video overview](#)

FURTHER INFORMATION

To discuss the opportunity, or to arrange an inspection please contact:

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B8
REAL ESTATE

A development by

MARSHALL

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