

LIVERPOOL FOOTBALL CLUB

FALLOWS WAY, M62/M57 INTERCHANGE,
HUYTON, LIVERPOOL, L35 1RZ

REVERSIONARY DISTRIBUTION INVESTMENT OPPORTUNITY



LIVERPOOL

SCREWFIX
TOOLSTATION
WOLSELEY
HOWDENS
HSS HIRE

COREX LIVERPOOL

ROYAL MAIL

SOVEREIGN
INDUSTRIAL PARK

JOHN MASON
INTERNATIONAL

CITY PLUMBING

HEMSEC

LIVERPOOL
FOOTBALL
CLUB

ANTOLIN INTERIORS

VILLAGE HOTEL

BATLEYS LIVERPOOL

OLYMPIC OILS



M57

M62

J6 M56 /
J1 M57

A5300 KNOWSLEY EXPRESSWAY

M62

M6/MANCHESTER

INVESTMENT SUMMARY

- A highly reversionary distribution warehouse investment opportunity let to an outstanding covenant
- Situated adjacent to Junction 6 of the M62 Motorway and Junction 1 of the M57 Motorway
- A distribution warehouse providing **93,634 sq ft (8,698.85 sq m)**
- Site area of 4.40 acres, which represents a site cover of 49%.
- Let to The **Liverpool Football Club and Athletic Grounds Limited** for a term of 10 years commencing 21st July 2023, with a tenant break option on 21st July 2028.
- Long-standing tenant who has been in occupation since 2009.
- Low passing rental of only **£470,000 per annum (£5.02 per sq ft)**.
- Highly reversionary with an **ERV of £608,621 per annum (£6.50 per sq ft)**.
- **OMRV rent review on 21st July 2028.**
- **Freehold.**

We are instructed to seek offers in excess of **£6,780,000 (Six Million Seven Hundred and Eighty Thousand Pounds)** subject to contract and exclusive of VAT.

A purchase at this level reflects a net initial yield of **6.50%** after purchaser's costs of 6.65%, reversionary yield of **8.41%** and a low capital value of **£72.40 psf**.





LOCATION

Huyton is a strategic North West logistics location, situated immediately adjacent to the M62 / M57 motorway interchange, known locally as Tarbock Island. Liverpool City Centre is located approximately 9.5 miles to the West of the property, whilst Warrington and Manchester are located 11.5 miles and 25 miles to the East.

The location provides a highly sought after industrial, logistics and trade hub, benefitting from excellent road communications, with good access to the M57, M56, M62, M58, M53 and the M6 motorways. Liverpool John Lennon Airport is located approximately 7 miles South, with Manchester International Airport located approximately 28 miles South East.

Liverpool Lime Street station and Runcorn station provide regular rail services to London Euston, and also provide links to the North West including Manchester, Preston and Warrington.

The locality has been further enhanced by the completion of a number of major infrastructure projects which include the Liverpool2 Container Terminal and also the Mersey Crossing Bridge.



Freeport Status

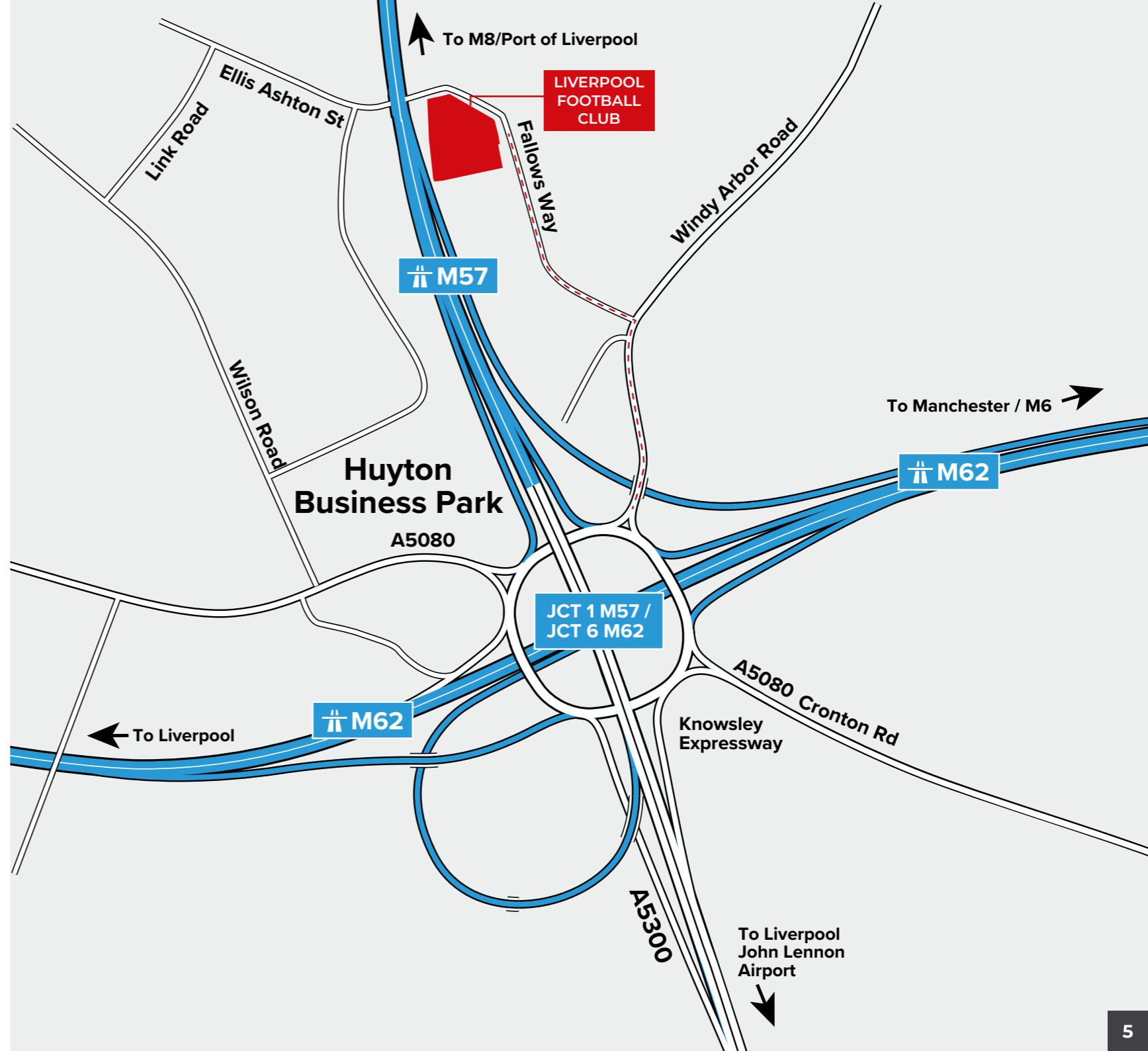
Huyton sits within the Liverpool City Region, which has been granted Freeport Status. This comprises a special economic zone with different and beneficial tax rules / breaks giving the region a massive boost and encouraging further investment. Spreading from Liverpool, across to the Wirral and over to Salford, the government anticipates that Liverpool Freeport's new status could bring a financial boost of £850 million to local areas. At Freeports goods can be imported, manufactured and re-exported without being subject to customs checks, paperwork or tariffs.

For further details click here - Liverpool City Region Freeport.

SITUATION

The subject property forms part of the established Huyton Business Park located adjacent to Tarbock Island (intersection of Junction 6 of the M62 and Junction 1 of the M57). The subject property fronts the M57 and is accessed from Fallows Way, which in turn adjoins Tarbock Island via Windy Arbor Lane.

The proximity to the motorway network coupled with a plentiful and relatively low-cost labour supply has helped attract numerous blue-chip occupiers, as illustrated below:



DESCRIPTION

The subject property comprises a modern, detached industrial distribution facility of steel portal frame construction, built to the following specification:



Metal profile clad elevations beneath a pitched metal clad roof



Minimum eaves height of 8.35 metres



7 dock level loading doors together with 2 level access doors



Fully sprinklered warehouse



LED lighting in warehouse



Warm air blowers supported with additional, localised heaters



Car parking to the front of the property for 65 vehicles (including 3 disabled bays)



Two storey ancillary office



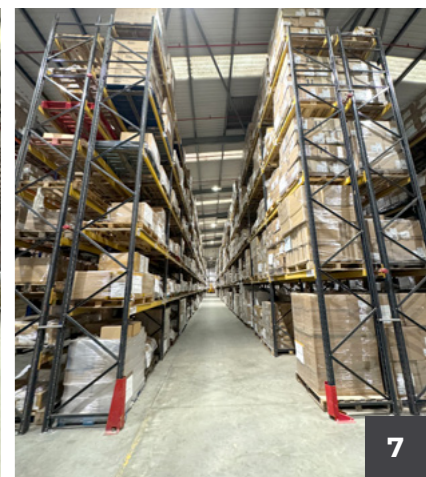
Security lighting and CCTV throughout



Self-contained secure site with significant fully concreted service yard to eastern elevation



M57



TENURE

The property is held freehold under title number MS351070.

ACCOMMODATION

The property has been measured in accordance with the RICS Code of Measuring Practice (6th Edition) and provides the following gross internal floor areas:-

Description	Area (sq m)	Area (sq ft)
Warehouse	7,594.56	81,748
Offices	982.96	10,581
Amenity Block	121.33	1,305
Total	8,698.85	93,634
Mezzanine Floor	391.36	4,213

SITE

The site extends to a total area of 4.40 acres (1.78 hectares), representing a site cover of 49%.

HIGHLY REVERSIONARY DISTRIBUTION INVESTMENT OPPORTUNITY LET TO LIVERPOOL FOOTBALL CLUB



TENANCY

The property is let on a recently re-gearred 10-year lease to The Liverpool Football Club and Athletic Grounds Limited on the following terms:

Tenant	Area (sq ft)	Lease Start	Lease Break	Lease End	Rent (£pa)	Rent (£psf)	ERV (£pa)	ERV (£psf)	Rent Review	Comments
The Liverpool Football Club and Athletic Grounds Limited	93,634	21/07/23	21/07/28	20/07/33	£470,000	£5.02	£608,621	£6.50	21/07/28 (Higher of passing rent or OMRV)	FRI Lease (subject to a Schedule of Condition) Inside L&T 1954 Act The tenant was granted 6 months rent free, which expired 21/01/24

TENANTS COVENANT

The Liverpool Football Club and Athletic Grounds Limited (Company Number: 00035668)

The Liverpool Football Club and Athletic Grounds Limited is solely owned by Fenway Sports Group LLC, through certain wholly owned subsidiaries, which is managed by John Henry and Tom Werner.

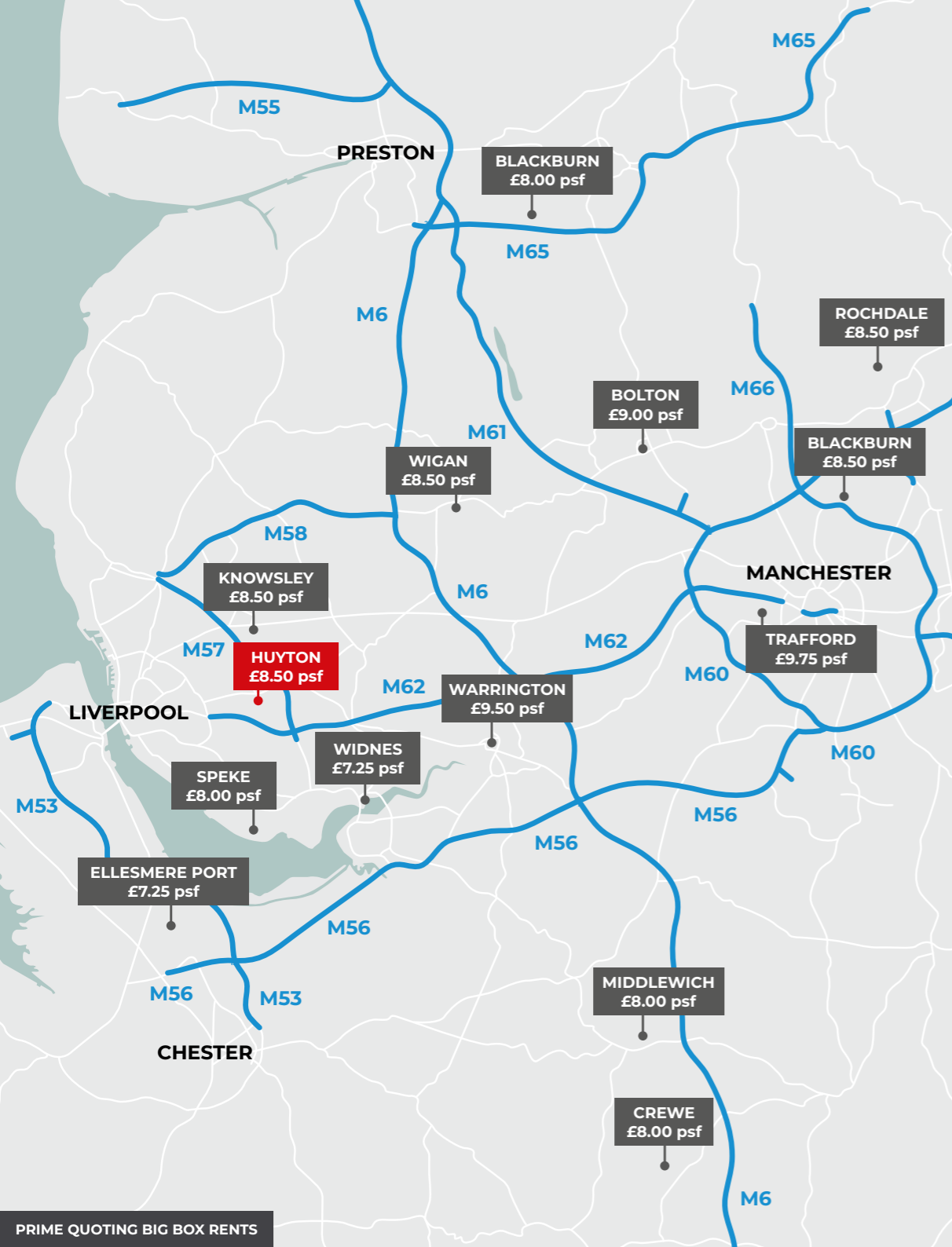
The Liverpool Football Club and Athletic Grounds Limited have published the following accounts:

	YE 31/05/22	YE 31/05/21	YE 31/05/20
Turnover	£594,271,000	£487,365,000	£489,860,000
Profit / (Loss) Before Taxes	£7,469,000	(£4,762,000)	(£46,317,000)
Equity Shareholders Funds	£201,669,000	£199,240,00	£208,775,000

The tenant has occupied the subject property since 2009 and it is a mission critical distribution facility, serving retail outlets across the UK and also exports merchandise globally.

The warehouse is home to over 70 (increasing further during peak times) staff and operates 24/7 at peak times.





OCCUPATIONAL MARKET COMMENTARY

2023 saw the return of a more normalised industrial occupational market, with transactional volumes closer to pre-covid levels, after 2-3 years of unprecedented levels of demand and record transactions. In the North West H1 2023 there were 9 big box transactions totalling 1.5 million sq ft which was in line with the 10 year regional H1 average.

The main driver of the logistics market over recent years has been the growth of the 3PL, food retailer, food processor, manufacturing and e-commerce sectors. This has resulted in unprecedented take-up of premises which has consequentially impacted on the availability of well-located employment land. In the North West there is still a significant imbalance between supply and demand, as increasing numbers of businesses seek sites for distribution and warehouse facilities in strategic locations, with easy access to the region's major transport networks.

Huyton has consistently proved attractive to distribution occupiers being located within close proximity to land, air and sea connectivity. Furthermore, there is a significant workforce population in the surrounding area.

Prime distribution rents in the North West are now firmly established in the £8.50 - £9.50 psf bracket, and we expect this growth to continue given the lack of development coming forward, and the continued occupational demand.

Key recent lettings in the North West are as follows:

Date	Address	Tenant	Size	Term	Rent psf
Q3 2023	K53 Acornfield Knowsley	Mac Logistics	53,000	5	£9.50
Q3 2023	*Solar 120, Warrington	J.K.Phillips	120,000	15	£8.75
Q3 2023	*Real 257, Warrington	Stapleton Tyres	257,000	15 (10)	£7.25
Q2 2023	MA6:149, Middlewich	Jet2	149,000	15	£7.50
Q2 2023	*Unit F Spectrum BP, Wrexham	Dearboy	115,000	10	£6.50
Q2 2023	*Unit 3 Omega, Warrington	Scientific Games International	91,000	15 (10)	£9.50
Q4 2022	Aviator 80, Ellesmere Port	Gwynedd Shipping	81,000	10	£7.50
Q4 2022	*Ark, Trafford Park	Supreme Imports	166,000	15	£8.05
Q2 2022	Stakehill 185, Middleton	Fanatics	185,000	15	£7.75
Q2 2022	Alpha 167, Warrington	Sykes Seafood	167,000	20	£7.85

* Denotes second hand refurbished units

INVESTMENT MARKET COMPARABLES

Date	Address	Size (Sq ft)	WAULT (Break)	Rent (£psf)	Price	NIY	Capital Value (£psf)
Under Offer	Iron Mountain, Warrington	106,000	7.00	£5.80	£12.13m	4.75%	£114
Under Offer	Likewise Floors, Leeds	80,654	7.00	£5.25	£6.90m	5.75%	£86
Nov 23	WN Vtech Holdings, Bradford	52,307	9.30	£6.50	£6.00m	5.30%	£115
Sept 23	Park Cakes, Heywood	85,000	8.00 (3.00)	£5.50	£8.25m	5.29%	£97
Aug 23	Card Factory, Wakefield	134,646	10.00 (5.00)	£5.75	£13.25m	5.50%	£98
Aug 23	Great Bear, Northampton	102,000	2.73	£6.06	£12.75m	4.56%	£125
Jul 23	Branded Garden Products, Ipswich	49,195	9.58 (4.58)	£7.49	£5.50m	6.26%	£112
May 23	DHL, Solihull	143,726	5.50	£6.32	£20.75m	4.15%	£144
Apr 23	Gefco, Speke	131,000	9.00 (4.00)	£6.33	£15.25m	5.10%	£116



EPC

The property has an EPC rating of C.

A certificate is available upon request.

CAPITAL ALLOWANCES

Capital allowances are available.

Further information is available upon request.

VAT

The properties have been elected for VAT and it is the intention to treat this transaction as a Transfer of a Going Concern (TOGC).

DATA ROOM

Data room access is available upon request.

ANTI MONEY LAUNDERING

In accordance with Anti-Money Laundering Regulations, two forms of identification and confirmation of the source of funding will be required from the successful purchaser.

CONTACTS

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

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PROPOSAL

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