

# PRIME NORTH WEST LOGISTICS FACILITY

A Unique Logistics Investment Opportunity



J23 M6 | HAYDOCK | WA11 9SE

# INVESTMENT SUMMARY

Haydock Green is a premier distribution location fronting onto J23 of the M6 and midway between Manchester and Liverpool. In the past 20 years it has attracted an increasing number of blue-chip occupiers including Amazon (360,000 sq ft), Sainsbury's (626,000 sq ft), Booker (400,000 sq ft), Costco (100,000 sq ft), WH Malcoln (150,000 sq ft) and The Book People (82,000 sq ft).

- A newly completed Prime logistics facility comprising **35,073 sq m (377,000 sq ft) GIA**
- Excellent accessibility to the UK and wider motorway network via the M6 (J23) or the A580 Liverpool / Manchester link
- Institutional specification including Steel Portal Frame Construction, 14 m eaves, 20 dock level and 3 level access doors, full sprinkler system, high specification offices, 50m full length yard
- Substantial fit out including extensive racking throughout, chilled storage and cold storage
- Let on FRI terms to Movianto UK Limited with a guarantee from Movianto France SAS and Owens & Minor International.
- 15 years subject to a tenant break option in year 10
- A substantial healthcare logistics and solutions tenant operating out of 11 countries.
- Headline rent of £2,331,250 per annum (only £6.25 per sq ft)
- 5 yearly upwards only rent reviews to the higher of RPI (1% and 3% per annum) or the open market rental value
- Freehold

We are instructed to seek offers in excess of **£43,650,000** subject to contract and exclusion of VAT reflecting a net yield of **5%** after purchasers costs of 6.78%





**COSTCO**  
CO.UK

**amazon**

**BOOKER**

**Sainsbury's**

**OM Movianto**  
AN OWENS & MINOR COMPANY

**Aimia**  
foods

**syncreon**  
supply chain synergy

**ERIKS**

**ALFAGOMMA**

**A580**

**TO MANCHESTER**

**Rentokil**  
Initial

**GCE**  
Gas Control Equipment

**DEVELOPMENT LAND**

**M6**

**23**

**PENNY LANE**

**TO J23**



# LOCATION

Haydock Industrial Zone is an established and successful industrial area close to the intersection of the A580 East Lancashire Road and M6 Motorway and 5 miles from the intersection of the M6 and M62 Motorways.

The Estate is within approximately 16 miles of The Port of Liverpool and enjoys speedy access to the national motorway network via the A580 East Lancashire Road which intersects with J23 of the M6. and provides an invaluable connection between Manchester (21 miles west) and Liverpool (15 miles West).

Occupiers in the vicinity include Amazon (360,000 sq ft), Sainsbury's (626,000 sq ft), Booker (400,000 sq ft), Costco (100,000 sq ft), WH Malcoln (150,000 sq ft) and The Book People (82,000 sq ft) amongst others.

## HGV DISTANCES

	Liverpool 20 miles		40m
	Manchester 22 miles		27m
	Liverpool John Lennon 25 miles		39m
	Hams Hall 97 miles		2h 50m
	East Midlands 98 miles		3h
	Immingham 130 miles		2h 30m
	London Heathrow 197 miles		3h 08m

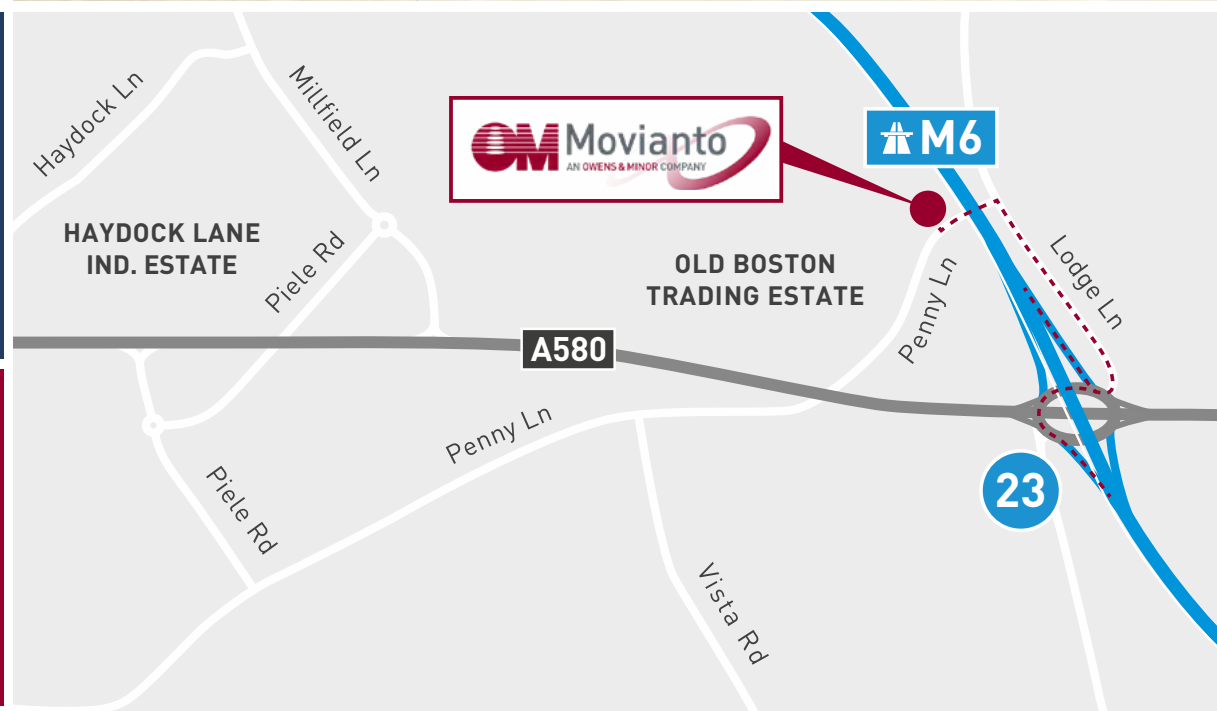
THE NORTH WEST OF ENGLAND IS A **"SUPER REGION"** FOR FREIGHT AND HANDLES AROUND A THIRD OF UK ROAD, RAIL, DISTRIBUTION CENTRE AND PORT ACTIVITY AND IS HOME TO MANY PORT, DISTRIBUTION, HAULAGE AND MANUFACTURING COMPANIES

# SITUATION

The property is situated in an extremely rare and prominent position fronting onto the M6 motorway within 0.5 miles drive of J23 of the M6.

Access to the property is off Penny Lane (A599) close to its intersection with Lodge Lane where a new traffic light junction has been built as a condition of the development.

# ESTABLISHED LOCAL WORKFORCE



2.5 m people within a 30 minute drive



Productivity in St Helens is 14% higher than the North West average



Average earnings in St Helens are 9.6% lower than the national average & lower than all surrounding authorities



12.6% of those employed in St Helens work in logistics compared to the NW average of 7.8%

# DESCRIPTION

A newly completed Prime logistics facility comprising 35,073 sq m (377,523 sq ft) GIA, built to an institutional specification including:

- Portal frame construction within 3 bays
- Pitched metal clad roof
- Profile metal clad and glazed elevations
- 14.2m eaves to the underside of haunch
- 20 dock level and 3 level loading doors
- Sprinkler pump house, tank, base and roof level sprinklers installed by landlord
- 50kN per sq m floor loading
- Single storey transport office
- 3 storey high quality office accommodation with feature reception area, raised floors, comfort cooling, passenger lift, etc
- Large 54m deep service yard
- 50 trailer spaces and separate delineated vehicle parking

The tenant has undertaken a significant amount of “Cat B” works including:

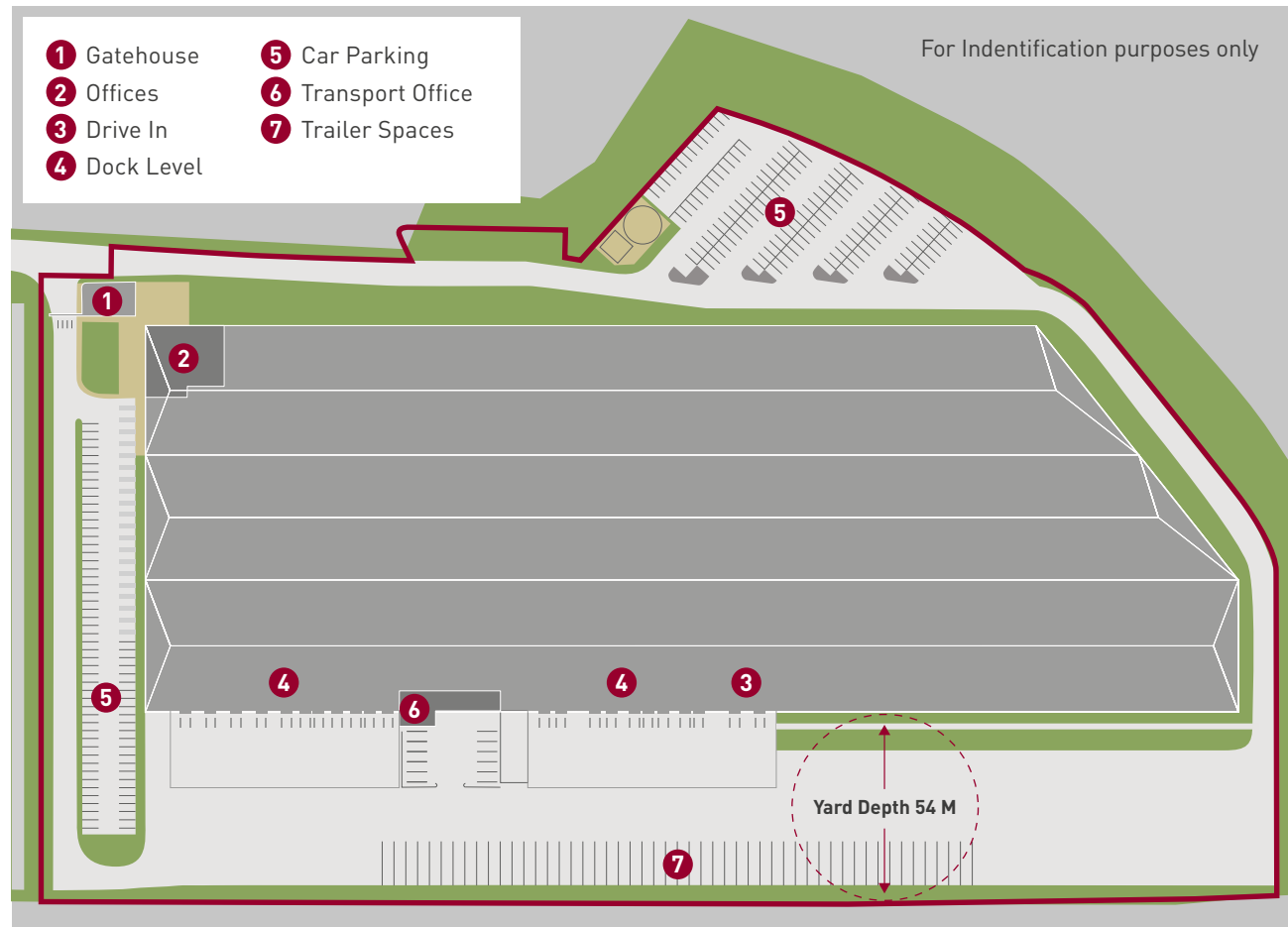
- HVAC system to the warehouse
- Internal freezer
- Racking system
- High Bay LED lights to the warehouse

The site is fully secured by way of **Paladin perimeter fencing** and an **automated gated entrance**.



[VIEW VIDEO](#)

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# ACCOMMODATION

The property has been measured in accordance with the RICS Code of Measuring Practice (7th Edition) on a Gross Internal Basis as follows:

DESCRIPTION	AREAS (SQ FT)	AREA (SQ M)
Warehouse	365,016	33,911
Offices (g floor)	3,288	306
Office (1st floor)	2,994	278
Office (2nd floor)	2,998	279
Transport office	3,226	300
<b>TOTAL</b>	<b>377,523</b>	<b>35,073</b>

The property has a total site area of 17 acres (6.88 hectares) which provides a low site cover of 47%.

# TENURE

Freehold

# EPC

The property has yet to be provided with an EPC rating although the specification is targeting an "A" rating.

# VAT

The property will be elected for VAT purposes. It is the intention of the vendor to treat this transaction as a TOGC (Transfer of a Going Concern).



# TENANCY

The property is let to Movianto UK Limited with a guarantee from Movianto France SAS and Owens and Minor International Limited for a term of 15 years from practical completion (Scheduled for 12th July 2019), subject to a tenant break option upon the expiry

The passing rental rent is £2,331,250 per annum (only £6.25 per sq ft) subject to 5 yearly upwards only rent reviews to the higher of the RPI (capped and collared at 1% & 3% per annum) or the open market rental value.



# COVENANT

Movianto is part of US based O&M Inc. headquartered in Richmond, Virginia. They offer a diverse product and service business with customers including hospitals, integrated healthcare systems, group purchasing organisations, healthcare supplies and the Federal Government.

O&M Movianto offers best in class quality for the pharmaceutical, biotech, medical device and diagnostic industries with outsourcing services along the supply chain such as warehousing, transportation, active temperature control logistics as well as value added services; ordered cash and sourcing.

O&M Movianto's international appliance benefits from a Pan-European Network, a broad range of healthcare logistics services and the company has expanded rapidly over the last few years with more than 1,900 teammates managing over 275,000 pallet locations spread over a network of 20 wholly owned warehouses in 11 European countries.

O&M Movianto operates in 3 regions in Europe with capabilities in the UK, Belgium, Netherlands, Germany, Switzerland, Denmark, Nordics, Poland, Czech Republic, Slovakia, France and Spain.

Movianto UK Limited reported the following accounts:

	31.12.17 12 Months (000's)	31.12.16 12 Months (000's)	31.12.15 12 Months (000's)
Turnover	£123,850	£114,716	£114,282
Pre-Tax Profit	(£4,992)	(£1,236)	(£19,610)
Tangible Net Worth	(£546)	£4,139	£5,082

Movianto France SAS reported the following accounts:

	31.12.17 12 Months (000's)	31.12.16 12 Months (000's)	31.12.15 12 Months (000's)	31.12.14 12 Months (000's)
Turnover	€300,812	€302,922	€346,826	€364,421
Pre-Tax Profit	(€3,357)	(€1,971)	€961	(€233)
Net Worth	€38,244	€22,456	€16,952	€16,285

The company have a Dunn and Bradstreet rating of 4A1.



Owens & Minor International Limited reported the following accounts:

	31.12.17 12 Months (000's)	31.12.16 12 Months (000's)	31.12.15 12 Months (000's)
Turnover	-	-	-
Pre-Tax Profit	-	-	-
Net Assets	€286,822	€262,112	€234,152

Further information can be found at [www.movianto.com](http://www.movianto.com).



# OCCUPATIONAL MARKET COMMENTARY

Haydock is acknowledged as one of the regions premier distribution locations with the North West with direct access to the regional and national motorway network via J23 of the M6. Haydock was originally developed in the 1970's but has subsequently seen considerable development for mid and big box schemes with occupiers including Sainsburys and Amazon.

The North West industrial market is well positioned when compared with other regions and sectors due to continues investment in infrastructure. Key examples of this include the opening of Peel Ports £400 million deep water container terminal Liverpool2 in 2016, the £600 million New Mersey Gateway Bridge in 2017, the completion of the £190 million A556 trunk road between the M56 and M6 motorways in 2017 and continued expansion/development of Manchester Airport as a major global hub.

The distribution market in the North West is experiencing consistent and significant levels of demand for good quality 'big box' accommodation with an average take up of 4.3 million sq ft per annum making it the most active region outside the South East over the last 24 months. Units above 300,000 sq ft have seen consistent strong demand with over 2.1million sq ft of transactions in the last 12 months representing over 50% of overall 'big box' take-up.



The current shortage of deliverable sites across the North West has resulted in limited large scale building supply across region with on 2 units above 350,000 sq ft currently available.

The similar lack of Grade A/B supply, together with consistent occupiers demand in the North West, has result in reduced void periods and strong headline rentals being achieved. As such rental growth in the North West has out-performed most parts of the UK and remains a key performance driver with North West industrial rental growth forecast to be over 2% per annum (source: B8RE).

Prime distribution rents are now established in excess of £6.50 per sq ft.

Key recent lettings in the North West are as follows:

DATE	SCHEME	AREA (SQ FT)	RENT PA (£PSF)	TENANT	GRADE
Q4 2018	Mountpark Omega Warrington (J8, M62)	346,153	£6.50	Royal Mail	A
Q4 2018	K333 Trafford Park (J9, M60)	333,562	£6.40	AKW	A
Q4 2018	MW353 Middlewich (J18, M6)	353,102	£5.25	Go Outdoors	B
Q3 2018	M6 Major Haydock (J23, M6)	361,062	£9.38	Amazon	A

# INVESTMENT MARKET

Sales volumes in the North West are currently well ahead of the 10-year average as investor demand for the region continues to surge.

There remains a significant weight of capital chasing the industrial sector with investors buoyed by strong occupational fundamentals including record levels of take-up, historically low availability rate and a constrained development pipeline.

On average, 260 acres per annum of industrial land has been lost to residential development as Local Authorities seek to address the housing crisis. The combination of diminishing stock levels and robust occupational demand, driven by ecommerce requirements has created a positive demand/supply imbalance, and a strong rental growth dynamic.

Current investor demand is being driven by sectors offering strong occupational growth and potential to enhance income returns.

The continued structural shift provided by the 'evolution' of online retailing, the consolidation of retailers, and the automotive push on occupational demand, all set against a backdrop of historically low availability and lack of alternative investment opportunities, has resulted in the industrial and logistics market attracting strong attention from a wide range of investors.

By way of comparable evidence, we believe the below examples are the most relevant to support our pricing and are indicative of the typical buyers for this type of product and lot size.

DATE	TENANT	PROPERTY	AREA (SQ FT)	AWULTC	RENT PA (£PSF)	PRICE (£)	NIY (%)	CAPITAL VALUE (PER SQ FT)	PURCHASER
Jan-19	Symphony Group	Park Spring Road, Barnsley	482,341	16.5	£2,249,896.00 [£4.66]	£43,900,000	4.80	£91	Halsey Garton Property Investments
Dec-18	GA Pet Foods	Revolution Park, Chorley	181,191	10	£1,008,729.00 [£5.45]	£20,365,000	4.64	£110	Staffordshire CC
Sep-18	Amazon	M6 Major, Haydock	361,062	15	£3,386,762.00 [£9.38]	£68,700,000	4.90	£190	Tritax
Sep-18	Eddie Stobart	Stretton Green, Warrington	164,048	15	£1,213,292.00 [£7.40]	£26,420,000	4.34	£161	Warrington Borough Council
Apr-18	Crown Packaging Manufacturing UK Limited	Metalbox, Radar Road, Leicester	185,494	10	£940,000.00 [£5.07]	£17,100,000	5.15	£92	FWHRE
Apr-18	Swan Commercial Services Ltd	Honywood Road, Basildon,	134,183	9.5	£958,522.00 [£7.25]	£20,750,000	4.33	£155	Aberdeen Standard Investments
Jan-18	AO.com	Crossflow 380, Weston Road, Crewe	386,750	8.8	£1,972,440.00 [£5.10]	£35,188,000	5.25	£91	Tritax
Nov-17	Amazon	Logistics North, M61 junction 4, Bolton	358,822	15	£2,134,991.00 [£5.95]	£47,605,000	4.2	£133	AVIVA

# PROPOSAL

We are instructed to seek offers in excess of **£43,650,000 (Forty Three Million, Six Hundred and Fifty Thousand Pounds)** for this very rare prime logistics investment offering a secure income stream with fixed increases.

A purchase at this level reflects a net initial yield of 5% assuming purchasers costs of 6.78%.

## FURTHER INFORMATION

Data site access is available upon request.

## CONTACT

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

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Sale on behalf of Administrators.

moorfields

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