

# NORTH WEST

## Logistics and Industrial Commentary



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### H1 2017 Review

- The North West saw strong take-up in H1 2017, compared with both the previous six months and the same period last year. A total of 2.52m sq ft of units above 50,000 sq ft was transacted during H1 2017, up 8% on the level of transactions in H2 2016 and 32% up on transactions in H1 2016.
- Amazon once again accounted for a significant amount of take-up in H1, signing long term leases on two of the largest speculatively built units in the region. During the first half of 2017 Amazon took 356,192 sq ft of space at Omega in Warrington and they also took 357,700 sq ft of space at 360 Logistics North on the M61 in Bolton.
- The largest letting in H1 2017 was the deal on 368,400 sq ft to Accrol Paper at M58 Distribution Centre in Skelmersdale. Other significant transactions include Whistl's occupation of 225,000 sq ft of speculative space at Logistics North and sportswear retailer FootAsylum's acquisition of 146,063 sq ft at the refurbished Point 62 warehouse at Stakehill.
- There have been a number of owner occupier transactions across the region in H1 2017. North West Logistics bought a 103,000 sq ft distribution facility in Lancashire and Westland Horticulture bought a 137,000 sq ft facility with additional land in Ellesmere Port.
- Speculative development activity for large units in key distribution locations has decreased in recent months, although Harworth Estates/KFIM are now on site at Logistics North for a smaller multi-let scheme. 110,000 sq ft will also be built by Quorum in Crewe.

### Q2 2017 Prime headline rents (£ per sq ft) ▼ / ▲ - movement expected to Q2 2018

Market	under 20,000 sq ft	20,000 to 50,000 sq ft	50,000 + sq ft
Manchester	£7.00 ▲	£6.75 ▲	£6.25 ◀ ▶
Warrington	£6.50 ▲	£6.00 ▲	£6.25 ◀ ▶
Liverpool	£6.00 ▲	£5.50 ◀ ▶	£5.50 ◀ ▶



Knight Frank secured a 146,063 sq ft letting to trainer and sportswear retailer FootAsylum at Point 62 Stakehill

### Selected North West transactions in H1 2017

Address	Occupier	Size (sq ft)	Rent /Price (per sq ft)	Date
Point 62, Stakehill	FootAsylum	146,063	£4.75	Jun-17
Unit 3/4 M58 Distribution Centre	Accrol Papers	368,400	£3.45	Mar-17
Logistics 225	Whistl	224,938	£6.00	Feb-17
Prime @ omega	Amazon	356,192	£6.00	Feb-17
360 Logistics North	Amazon	357,700	£5.70	Feb-17

### Regional outlook

- We anticipate continued rental growth, albeit at a slowing rate, mainly due to supply constraints.
- We expect to hear announcements of further speculative 'big box' schemes, however this will be limited to prime industrial locations
- Design & build will become more prevalent with the level of built stock available.
- Given the limited supply of new build space, we anticipate continued strong demand for good quality second hand space.