

NORTH WEST

Logistics and Industrial Commentary

H2 2015 Review

- Total take-up of units over 50,000 sq ft for the second half of 2015 reached 2.1m sq ft, down 29% on the previous six months and 20% down on the same period last year. This brings take-up for the whole of 2015 to 5.1m sq ft, compared with 5.2m sq ft in 2014.
- Retailers once again accounted for a significant proportion of take-up across the North West region in H2. The largest letting during this period was to discount retailer Poundland, who signed up for 335,272 sq ft of design and build at M6Epic in Wigan, while on-line retailer Amazon signed up for 110,000 sq ft at Venus110 in Knowsley and for 168,392 sq ft at Lancashire Business Park in Leyland.
- In line with improved confidence, the second half of 2015 also saw an increase in the number of owner occupier freehold purchases across the region. These included the on-line retailer, Boohoo, who extended their warehousing capacity in Burnley by purchasing a further 111,066 sq ft. Other owner occupier transactions of note include Britannia Hotels, who acquired 50,223 sq ft in Trafford Park and Comfy Quilts, who extended their space at Stakehill Industrial Estate in Middleton through the purchase of 110,000 sq ft at the former Bibby Distribution depot.
- A number of developers are now looking at less than 100,000 sq ft; these include Harbert, who are developing 62,254 sq ft at North Point in Trafford Park along with 67,510 sq ft and 145,320 at Heywood Distribution Park. Graftongate/Aviva are also developing 95,116 sq ft at Hareshill in Heywood.



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Q4 2015 Prime headline rents (£ per sq ft) ▼ / ▲ - movement expected to Q4 2016			
Market	under 20,000 sq ft	20,000 to 50,000 sq ft	50,000 + sq ft
Manchester	£6.25 ▲	£6.00 ▲	£5.50 ▲
Warrington	£6.25 ▲	£5.50 ▲	£5.50 ▲
Liverpool	£5.25 ▲	£5.25 ▲	£5.00 ▲



Stakehill Industrial Estate Middleton, the former Northwest distribution centre for Aldi supermarkets. Knight Frank sold a unit extending to 146,063 sq ft to Vengrove on behalf of LGIM

Selected North West transactions in H2 2015				
Address	Occupier	Size (sq ft)	Rent / Price (per sq ft)	Date
Olivers Place Preston	Owner Occupier	150,752	FH	Dec-15
Venus 110 Knowsley	Amazon	110,000	£5.25	Dec-15
Lancashire Business Park	Amazon	168,392	£4.50	Oct-15
M6Epic Wigan	Poundland	335,272	£4.85	Sep-15
Central Park Trafford Park	XPO Logistics	250,000	£5.50	Jul-15

Regional outlook

- Speculative development has continued to pick up over the last six months. There is now over 2.1m sq ft of speculative development taking place across the region above 50,000 sq ft.
- With a number of large speculative units coming to fruition we expect to see increased take-up of 100,000 sq ft plus as supply improves in key strategic locations across the North West.
- We envisage further upward rental pressure for good quality space in the mid-range sizes as supply continues to shrink.
- Demand for development land remains high and with limited opportunities coming forward we anticipate land values in prime and good secondary locations to increase.