

M&S

EST. 1884



**FOR SALE 261,904 SQ FT**

**EM 262 | LONG EATON | NG10 1PR**

**PROJECTTRIANGLE.CO.UK**





## OPPORTUNITY SUMMARY.

- **Highly sought after** opportunity to acquire **East Midlands 'Big-Box'** Logistics asset with a variety of **asset management** and **development opportunities**.
- **Excellent connectivity** – located approximately 3.5 miles from **Junction 25 / M1**, and 4.5 miles from Junction **24A / M1** providing **direct links** to the UK's major distribution / motorway network.

- **Strategically located** logistics / distribution warehouse extending to **261,904 sq ft** situated on a site of approximately **11.94 acres**.
- Held **Freehold**.
- The asset presents a broad range of **asset management, redevelopment,** and **owner occupation opportunities**.
- To be sold as part of a **portfolio** of assets under the instructions of Marks & Spencer Plc.



# LOCATION.

EM262 is located to the south of Long Eaton Town centre with strategic access to the M1(J25) / A52 Sandiacre Intersection (3.2 miles / 7 mins) providing immediate access to the national motorway network and a direct link between the major regional consumer hubs of Derby (11 miles / 18 mins) and Nottingham (7.7 miles / 20 mins). Junction 24A / M1 (4.5 miles / 10 mins) provides further connectivity to the A50 / Southern Derby Bypass, East Midlands Airport, and the A42 (J14). Nearby high profile developments include SEGRO Logistics Park East Midlands Gateway and East Midlands Distribution Centre.



# SITUATION.

The property is situated in an established commercial area in close proximity to Long Eaton mainline station. EM262 is accessed off Fields Farm Road opposite Clowes Developments' speculative Forbes Park trade / warehouse development. Neighbouring occupiers include DFS, Travis Perkins, CEF and Wolseley UK, with high profile occupiers including Marks & Spencer Plc, Aldi, Amazon, XPO, Keuhne & Nagel, DHL, Very Group, Buy It Direct, and AGA all represented within a 10 mile radius.

| AIRPORT       |       |           |
|---------------|-------|-----------|
| AIRPORT       | MILES | JOURNEY   |
| East Midlands | 8     | 13 mins   |
| Birmingham    | 43    | 47 mins   |
| Manchester    | 73    | 1h 39mins |

| PORT        |       |           |
|-------------|-------|-----------|
| PORT        | MILES | JOURNEY   |
| Immingham   | 95    | 1h 43mins |
| Ellesmere   | 98    | 1h 52mins |
| Hull        | 99    | 1h 55mins |
| Liverpool   | 106   | 2h 1mins  |
| Felixstowe  | 169   | 3h 2mins  |
| Southampton | 172   | 3h 5mins  |

| PALCES                            |       |         |
|-----------------------------------|-------|---------|
| PALCES                            | MILES | JOURNEY |
| A50 (J1)                          | 3.4   | 8 mins  |
| M1                                | 3.6   | 9 mins  |
| SLP East Midlands Gateway         | 6.7   | 14 mins |
| East Midlands Distribution Centre | 5.5   | 12 mins |
| Nottingham                        | 8     | 18 mins |
| Derby                             | 11    | 19 mins |
| Leicester                         | 24.7  | 40 mins |
| Birmingham                        | 45.5  | 55 mins |

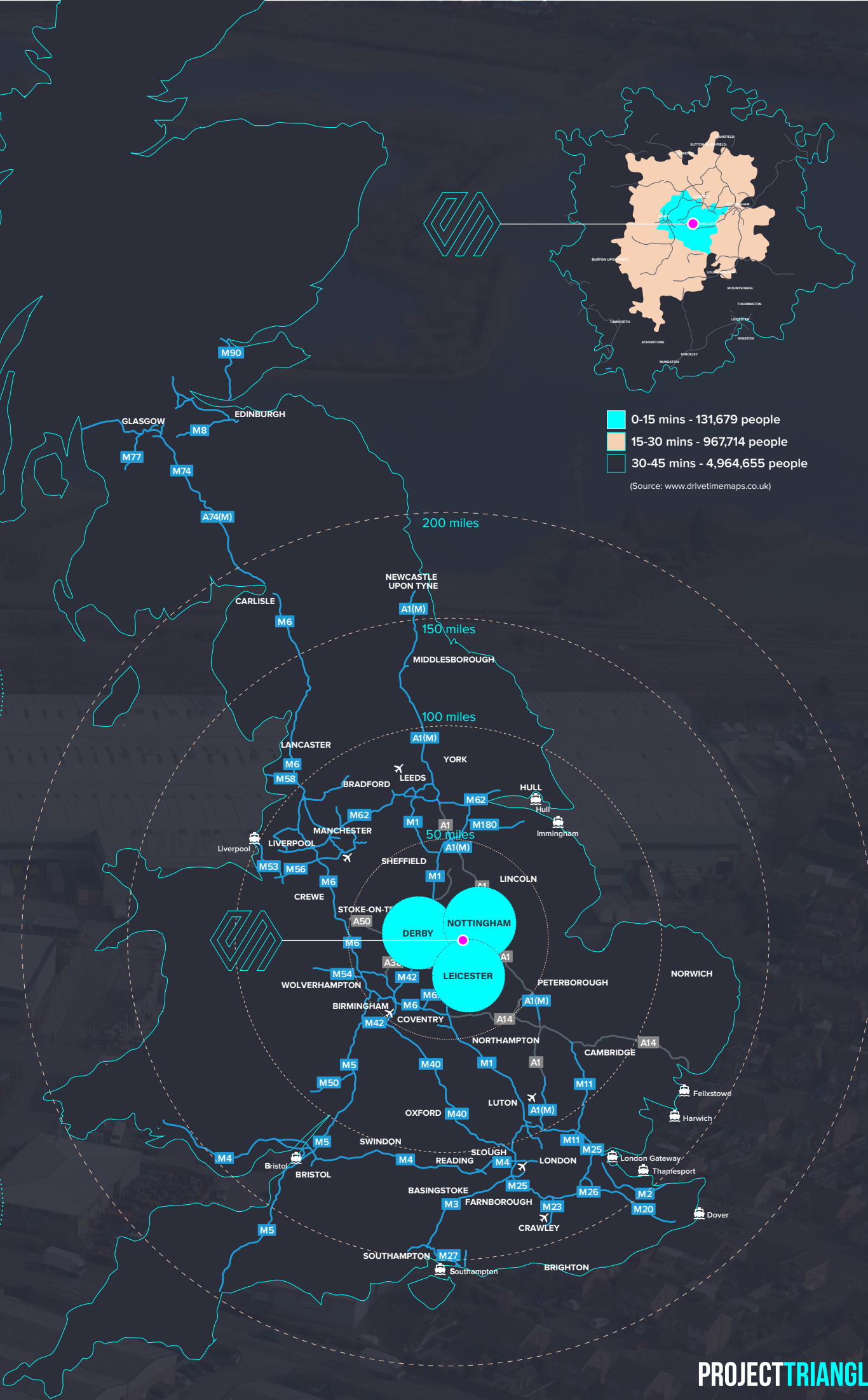
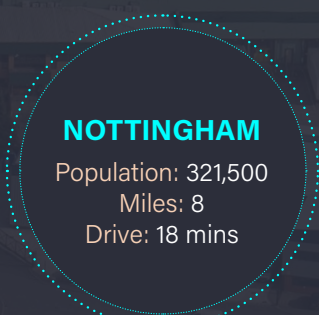
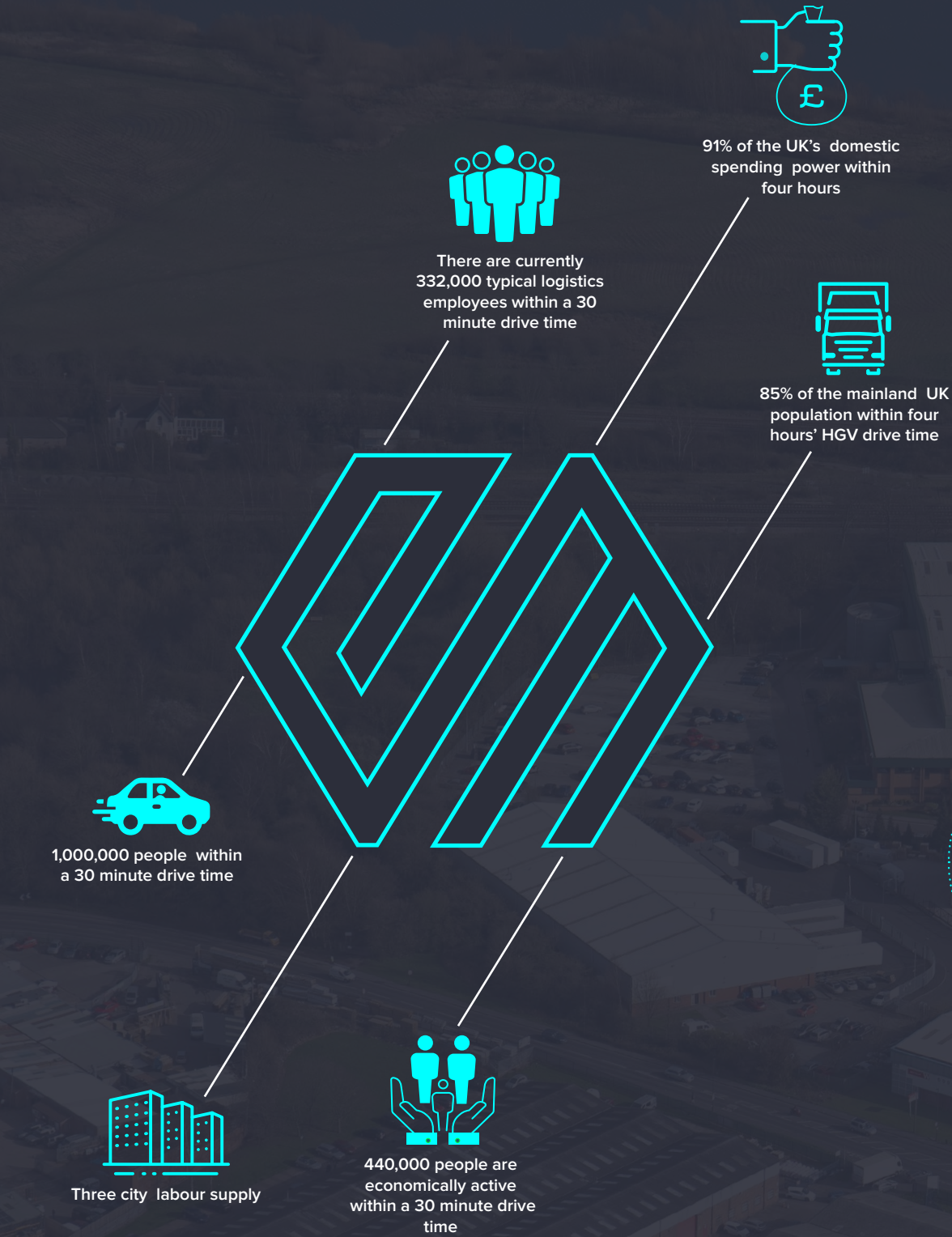


GOOGLE MAPS



# STRATEGIC LOGISTICS LOCATION.

EM262 is ideally situated, benefiting from prime connectivity and proximity to three established regional consumer cities of Derby, Nottingham, and Leicester providing access to a population of over 1m people within a 30 minute drive, ensuring a plentiful local labour supply.






# ASSET SUMMARY.


The property comprises a detached three-bay warehouse constructed of steel portal frame with insulated profile steel clad elevations and roof. The property benefits from a two-storey ancillary office block on the front (north-west) elevation.

The current fit-out includes lighting, heating and sprinkler system throughout, a two storey free standing steel mezzanine, integrated Garment Handling System, and goods lifts providing access to the upper levels.


The high level specification includes the following:




11.94 ACRE SITE




MAX. INTERNAL  
EAVES HEIGHT OF  
11.38M (MIN. 10.21M)




FULLY FITTED  
WAREHOUSE: HEATING,  
LIGHTING AND  
SPRINKLER SYSTEM  
plus MEZZANINES AND  
GARMENT HANDLING  
SYSTEM




32 DOCK LEVEL  
LOADING DOORS




2 LEVEL ACCESS  
LOADING DOORS




MAX. 48M DEEP  
LOADING YARD



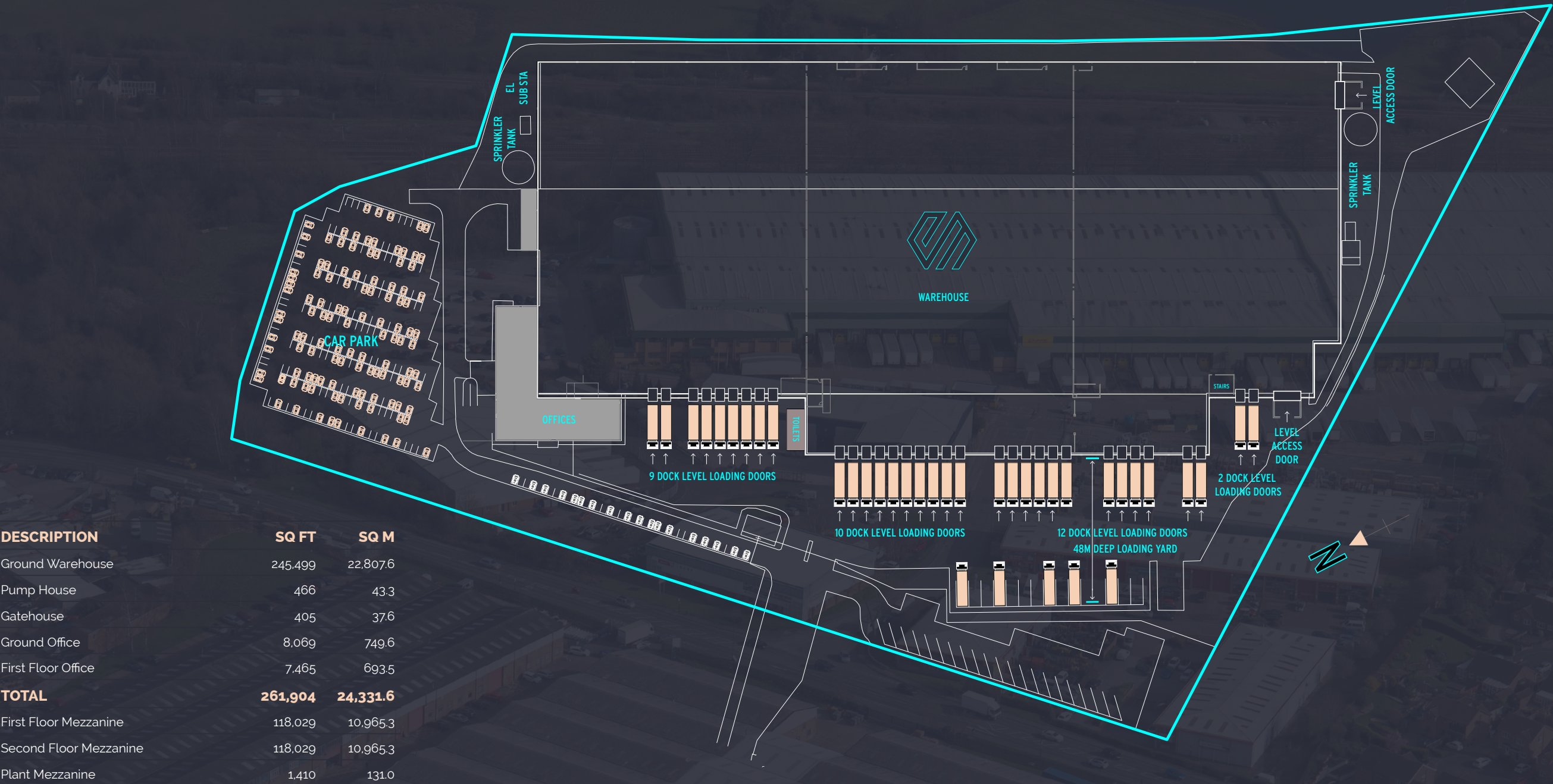
33 HGV SPACES  
PLUS 18 TRACTOR  
UNIT SPACES



APPROX 225  
VISITOR AND  
EMPLOYEE CAR  
PARKING SPACES



FITTED TWO  
STOREY ANCILLARY  
OFFICES



| DESCRIPTION            | SQ FT          | SQ M            |
|------------------------|----------------|-----------------|
| Ground Warehouse       | 245,499        | 22,807.6        |
| Pump House             | 466            | 43.3            |
| Gatehouse              | 405            | 37.6            |
| Ground Office          | 8,069          | 749.6           |
| First Floor Office     | 7,465          | 693.5           |
| <b>TOTAL</b>           | <b>261,904</b> | <b>24,331.6</b> |
| First Floor Mezzanine  | 118,029        | 10,965.3        |
| Second Floor Mezzanine | 118,029        | 10,965.3        |
| Plant Mezzanine        | 1,410          | 131.0           |

Approximate Gross Internal Area (GIA)

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# 11.94 ACRE ESTABLISHED EMPLOYMENT SITE.

The site provides a rare opportunity to acquire an established employment site in the UK's Logistics / Distribution heartland extending to approximately 11.94 acres, providing an existing site cover of approximately 50% and a variety of creative asset management options.

## INTERACTIVE LINKS



MARKETING VIDEO



VIRTUAL TOUR





## OCCUPATIONAL MARKET SUMMARY.

### DEMAND.

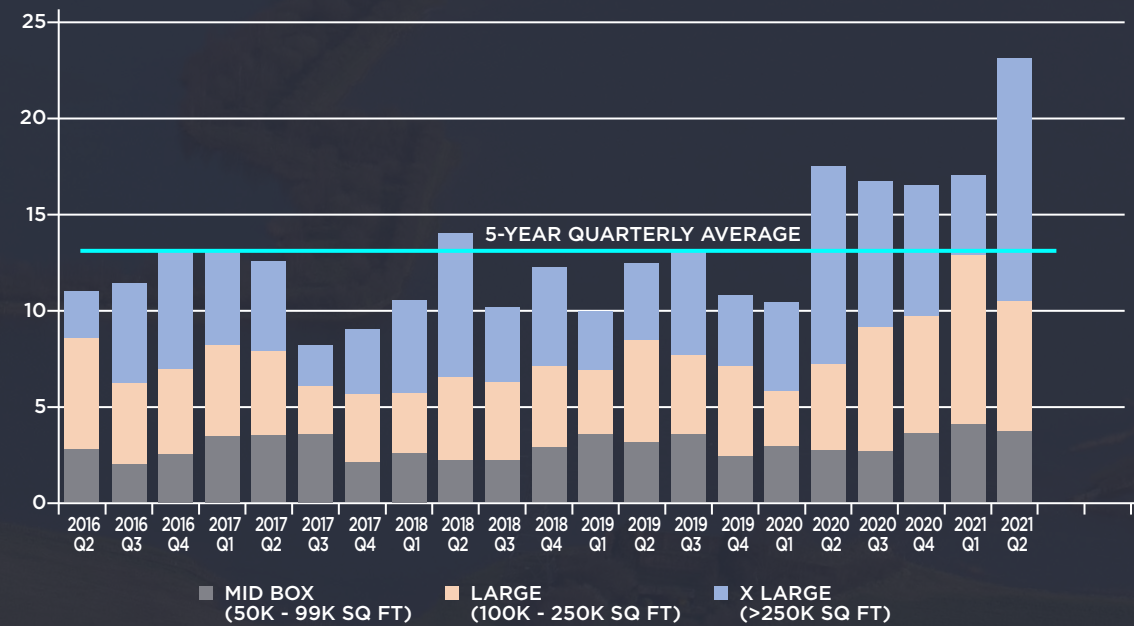
Following a phenomenal year for the UK industrial & logistics market in 2020, occupier activity continued at a relentless pace in H1 2021, with strong demand fueled by accelerated structural changes triggered by the pandemic. UK-wide take-up reached 40.0m sq ft in H1, the strongest half-year total on record, and 21% up on the previous six months.

Analysed by quarter, Q2 was the standout period, with take-up of 23.0m sq ft smashing Q2 2020's previous record for a single quarter of 17.4m sq ft. While, Q1's take-up of 17.0m sq ft was slightly less stellar, it was still an impressive 30% above the five-year quarterly average and the strongest total on record for a first quarter.

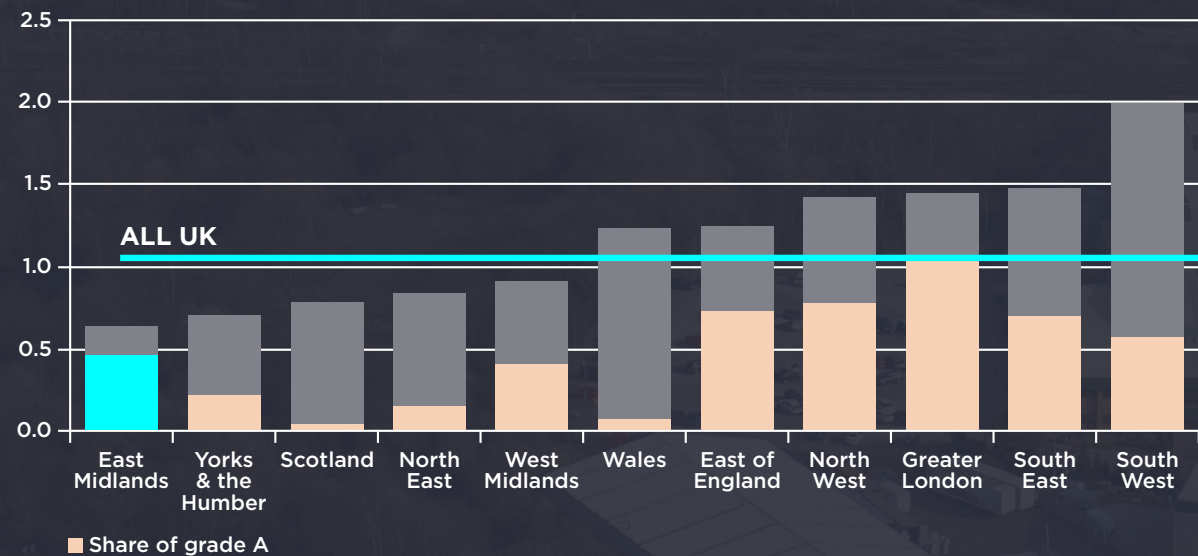
As the UK's logistics heartland, the East Midlands continued to attract the largest share of demand, with 9.5m sq ft of take-up in H1, 74% above its average.

As the diagram demonstrates there is an increasing occupier emphasis on 'Large' and 'X-Large' logistics space - particularly in the 250,000 sq ft + size range.

### UK TAKE-UP BY SIZE-BAND (MSQ FT)



### YEARS OF SUPPLY BY REGION



### SUPPLY.

Despite a marked development response since the onset of the pandemic, UK-wide supply has continued to fall. Securing space has become a business-critical issue for many occupiers, but it remains challenging given the acute supply shortages in much of the country. Supply fell by 21% over the course of H1, to stand at 55.5m sq ft at the mid-year point. Across all segments combined, current supply is equivalent to just over a year's worth of average annual take-up.

Each of the size segments recorded a fall in supply during H1 2021. The XL segment saw the sharpest reduction, with availability falling by 31% since the start of the year. The tightening of supply was also seen across the grades, with both grade A and secondhand supply falling, by 12% and 28% respectively.

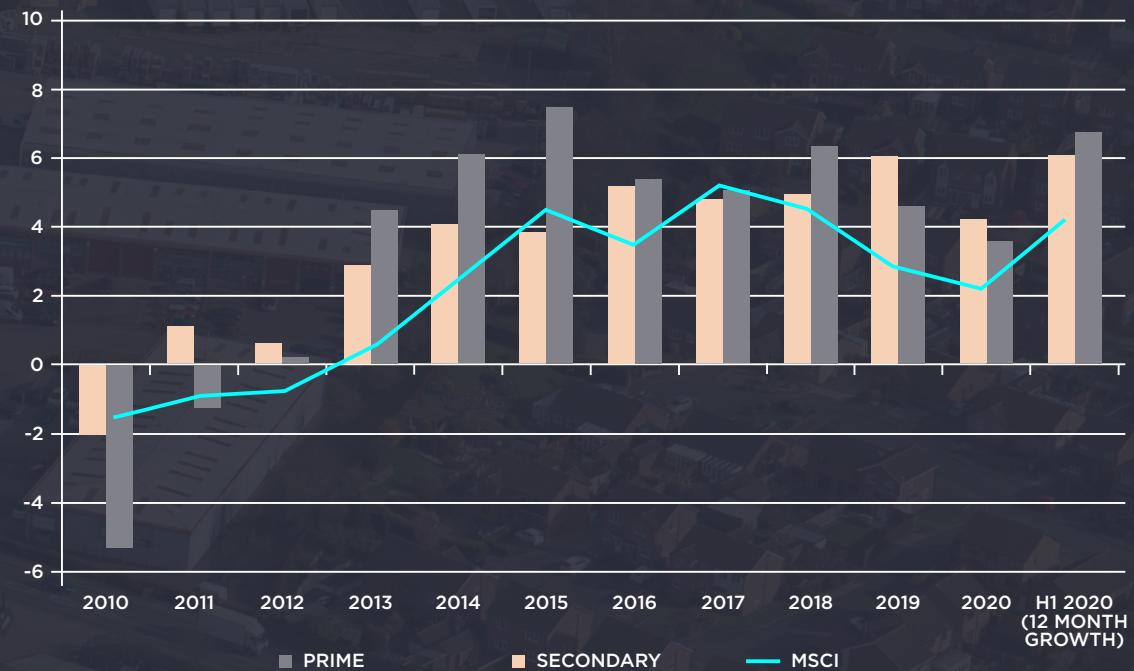
The East Midlands is the most tightly supplied region relative to average take-up, with barely half a year of supply remaining following a dramatic 41% fall in availability during H1.

### RENTAL GROWTH.

In contrast with other property sectors, the perfect storm of insatiable demand and record-low supply has driven upward pressure on rental levels. Prime rents for 50,000 sq ft+ units increased by an average of 3.3% during H1, while secondary rents increased by 3.8%. Of the 59 key locations that LSH tracks around the UK, a substantial 35 locations recorded increases in rents during H1.

Prime rental growth varied between locations, with Greater London, Yorkshire & the Humber and the East Midlands recording the strongest growth on average, all seeing in excess of 4% growth during the first half of 2021 with the shortage in supply resulting in a narrowing delta between prime new-build rents and those for existing quality space.

### AVERAGE UK RENTAL GROWTH (%)





OCCUPATIONAL COMPARABLES.

| Quarter | Scheme Name/Unit                             | Market            | Occupier              | Size (sq ft) | Grade                                  | Achieved Rent / Price (£PSF) |
|---------|--|-------------------|-----------------------|--------------|--|------------------------------|
| 2021 Q3 | Derby 515, Derby Commercial Park             | Derby             | JD Sport              | 514,193      | New build Spec                         | £6.35                        |
| 2021 Q3 | Interlink 170, Bardon, Coalville             | Leicester         | Amazon                | 170,087      | Existing                               | £6.50                        |
| 2021 Q2 | EMDC 525, East Midlands Distribution Centre  | Derby             | Buy It Direct Ltd     | 523,404      | New build Spec                         | £6.14                        |
| 2021 Q2 | Evolution 27, Willow Drive, Sherwood Park    | Nottingham        | DFS                   | 217,416      | Existing                               | £4.60                        |
| 2021 Q2 | MPS3 Magna Park South, Lutterworth           | Lutterworth       | Whistl                | 300,325      | New build Spec                         | £7.10                        |
| 2021 Q2 | Skygate, East Midlands Gateway               | Castle Donnington | The Very Group        | 535,235      | Existing Refurbished                   | £7.44                        |
| 2021 Q1 | Plot 8, East Midlands Gateway                | Leicester         | Amazon                | 150,000      | Pre-let (prior to committing to build) | £18.90 (base rent £7.00)     |
| 2020 Q4 | Derby 370, Derby Commercial Park, Yraynesway | Derby             | Alloga                | 370,991      | New build Spec                         | £5.75                        |
| 2020 Q4 | Zorro, Ashby Park, Junction 13 M42           | Ashby De-la-Zouch | EV Cargo              | 237,565      | New build Spec                         | £6.00                        |
| 2020 Q3 | Interlink 225                                | Bardon            | Oakland International | 226,070      | New build Spec                         | £6.00                        |
| 2020 Q2 | Nottingham 550, Panattoni Park Nottingham    | Nottingham        | Amazon                | 551,031      | New build Spec                         | £5.50                        |
| 2020 Q2 | Tornado 186, Magna Park                      | Lutterworth       | Bleckmann Logistics   | 186,695      | New build Spec                         | £6.75                        |



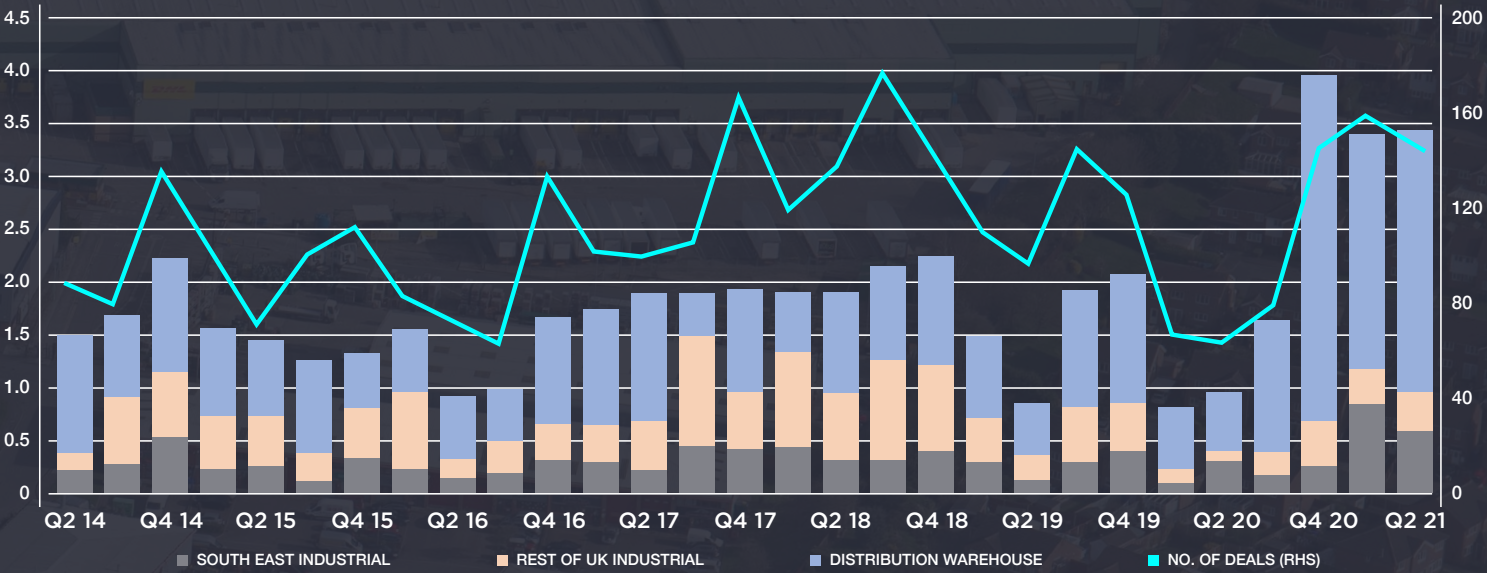
INVESTMENT MARKET SUMMARY.

The industrial and logistics sector has continued to be the most defensive commercial property sector since the outbreak of the Covid-19 pandemic. Q2 2021 continued this trend and delivered a third successive quarter of colossal industrial volume. Turnover of £3.5bn pushed the total for H1 2021 to £7.0bn, smashing the record for a half-year period. With Q2 volume of £2.5bn, distribution warehouses dominated once again. Global appetite also continued to dominate in Q2, with overseas investors being the biggest buyers and sellers in the sector. Having been net-sellers of industrial throughout the recent boom, UK institutions also ploughed a record £898m into the sector in Q2. The current occupier market conditions of constrained supply and strong demand also present a positive outlook for continued rental growth. All of this activity resulted in the average industrial transaction yield moving in by 38bps during Q2 to an all-time low of 4.56%.

INVESTMENT COMPARABLES.

| Date   | Address                   | Tenant                 | Size (sq ft) | Term      | Rent (sq ft) | Price       | NIY   | Cap Val (sq ft) | Purchaser               |
|--------|---------------------------|------------------------|--------------|-----------|--------------|-------------|-------|-----------------|-------------------------|
| Nov-20 | Amber Park, Alfreton      | XPO Logistics          | 203,407      | 0.2 years | £4.46        | £16,650,000 | 5.06% | £82             | Exeter Property Group   |
| Nov-20 | Magna Park, Lutterworth   | Renault & Nissan       | 423,978      | 2.6 years | £6.49        | £44,312,500 | 5.81% | £104            | Ares Management         |
| Aug-20 | Blenheim Park, Nottingham | Health Store Wholesale | 79,397       | 4.7 years | £5.73        | £7,830,000  | 5.84% | £92             | Urban Logistics REIT    |
| Feb-20 | Rhosili Road, Northampton | Wickes                 | 105,000      | 5.0 years | £4.75        | £7,350,000  | 6.40% | £70             | UK Warehouse Properties |
| Jan-20 | Magna Park, Lutterworth   | DHL Supply Chain       | 159,956      | 3.1 years | £6.13        | £15,900,000 | 5.78% | £99             | CCLA                    |
| Dec-19 | ZF Services, Daventry     | ZF Services            | 96,210       | 0.8 years | £5.14        | £7,450,000  | 6.23% | £77             | UK Warehouse Properties |
| Dec-19 | Crystal 24, Smethwick     | Cadbury UK Ltd         | 130,524      | 1.0 years | £5.55        | £8,015,000  | 8.48% | £61             | UK Warehouse Properties |

INVESTMENT MARKET ACTIVITY, £BN



| PRIME YIELDS            | END Q2 2021 | 3 MONTH CHANGE (BPS) | 12 MONTH CHANGE (BPS) |
|-------------------------|-------------|----------------------|-----------------------|
| South East Estates      | 4.43%       | -25                  | -50                   |
| Rest of UK Estates      | 5.23%       | -25                  | -50                   |
| Distribution Warehouses | 4.46%       | -25                  | -75                   |

| TRANSACTION YIELDS      | Q2 2021 | 3 MONTH CHANGE (BPS) | 12 MONTH CHANGE (BPS) |
|-------------------------|---------|----------------------|-----------------------|
| South East Estates      | 4.43%   | -8                   | -213                  |
| Rest of UK Estates      | 5.23%   | -128                 | -179                  |
| Distribution Warehouses | 4.46%   | -46                  | -13                   |
| All Industrial          | 4.56%   | -38                  | -149                  |



## TENURE.

The property is held Freehold under title number DY153035.

## BUSINESS RATES.

We have accessed the Valuation Office Agency (VOA) website and have determined that the property has the following assessment:

Description: Warehouse & Premises

Rateable Value: £1,090,000

Rates Payable: £558,080 (based on the current UBR for 2021/22 of 51.2p)

Interested parties are advised to undertake their own investigations to satisfy themselves.

## VAT.

The property has been elected for VAT and the purchase price is exclusive of any VAT that may be chargeable. The proposed transaction structure means the sale cannot be treated as a transfer of a going concern.

## EPC.

The property has an EPC rating of D(97). Further information is available upon request.

## PROPOSAL.

Offers are invited for the portfolio via sealed bids. The bidding deadline is to be confirmed and parties are advised to bid on a 'best and final' basis for the collective assets. No formal price is being quoted.

## DATA ROOM.

A full suite of technical and due diligence information will be made available to interested parties upon request. No reliance is provided on the contents of the data room and interest parties are advised to rely on their own investigations in order to satisfy themselves during the course of negotiation.

## FURTHER INFORMATION.

Further information is available by contacting the sole agents.



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