BIBBY DISTRIBUTION
WORCESTER

Modern Distribution Warehouse
Investment Opportunity
INVESTMENT SUMMARY

A modern, strategically located distribution warehouse with immediate access to Junction 7 of the M5 Motorway.

- A self-contained distribution warehouse benefiting from the following specification:
  - Built in 2000
  - 9 metre eaves
  - 43 m secure yard
  - 2 storey ancillary offices

- The unit extends to 92,374 sq ft (8,581.83 sq m) GIA.

- 4.43 acre (1.80 hectare) site reflecting a low site cover of 48%.

- Freehold.

- The Property is let in its entirety to the established third party logistics provider Bibby Distribution Ltd.

- Strong covenant with a 4A2 D&B rating.

- Bibby Distribution Ltd have recently re-geared their existing lease to provide a new 5 year reversionary lease until 7th October 2025.

- Unexpired term of 5.2 years to expiry.

- Current passing rent of £510,000 per annum equating to a low base rent of £5.52 psf.

We are instructed to seek offers in excess of £7,900,000 (Seven Million and Nine Hundred Thousand Pounds) reflecting a Net Initial Yield of 6.05% (assuming purchaser’s costs of 6.66%) and a capital value of £85.52 per sq ft subject to contract and exclusive of VAT.
LOCATION

Worcester is located on the M5 Motorway (J6 & 7), 31 miles south west of Birmingham, and 62 miles north of Bristol.

The city benefits from a central position to strategically serve the West Midlands, North West, South West, Southern England and Welsh regions.

Worcester represents a key location for major occupiers such as Sainsbury’s, Booker, Royal Mail, and Worcester Bosch. Approximately 80% of the UK’s population can be reached in a 4.5 hour HGV drive time given the central location and excellent proximity to the National Motorway Network.

SITUATION

The Property is situated to the south east of Worcester on Whittington road, 1 mile to the east of Junction 7 of the M5 Motorway and benefits from swift and unencumbered access via the B4084.

The Property also backs onto Worcestershire Parkway train station. Only completed in February this year, this new station sits on the intersection of the Cardiff to Nottingham and Cotswolds railway lines. Such immediate proximity provides an easy sustainable alternative to car travel and greatly increases the subject property’s access to labour sources.
DESCRIPTION

The Property consists of a two bay modern distribution warehouse of steel portal frame construction extending to 92,374 sq ft (8,581.83 sq m) GIA.

The scheme was developed by Horton Developments in 2000.

The warehouse incorporates well maintained ancillary office accommodation over two floors to the front of the unit.

ACCOMMODATION

The Property benefits from the following Gross Internal Areas:

<table>
<thead>
<tr>
<th>Description</th>
<th>sq ft (GIA)</th>
<th>sq m (GIA)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Warehouse</td>
<td>80,102</td>
<td>7,441.72</td>
</tr>
<tr>
<td>Two storey offices</td>
<td>12,272</td>
<td>1,140.11</td>
</tr>
<tr>
<td>Total</td>
<td>92,374</td>
<td>8,581.83</td>
</tr>
</tbody>
</table>

SITE AREA

The site extends to approximately 4.43 acres (1.80 hectares) which equates to a low site cover of approximately 48%.

SPECIFICATION

Steel portal frame construction

Eaves height of 9m

3 surface level & 2 dock level loading doors

Secure service yard with 11 trailer and 5 HGV spaces

43m yard depth

50kN per m² floor loading

Separate car parking providing 86 spaces

Well specified ancillary office accommodation with:

- Suspended ceiling
- Solid carpeted floor with perimeter trunking
- Air conditioning
- Passenger lift (1 x 630kg)
The Property is let to Bibby Distribution Ltd by way of a re-gear of their existing lease that expires this year. The tenant has demonstrated its commitment to the unit by signing a new reversionary lease which expires on 7th October 2025, providing an unexpired term of 5.25 years.

The revised rent is £510,000 per annum, equating to £5.52 per sq ft.

The lease is drawn on full repairing and insuring terms, subject to a schedule of condition.

A rent free period was provided as part of the lease restructure, and any outstanding amount will be topped up by the vendor.
COVENANT

Bibby Distribution is part of the 200 year heritage Bibby Line Group.

Bibby Distribution operates from more than 40 locations across the UK. They operate from over 1.25 million square feet of warehousing space and employs over 1,500 people.

Bibby Distribution supports many industries from primary production through to multi-channel retailing providing contract logistic, warehousing, distribution, IT Support and other services.

The Property represents a strategic Midlands operational hub for the company servicing multiple contracts, including a major contract with the HM Government.

Bibby Distribution Ltd has a Dun & Bradstreet rating of 4 A2 based on accounts dated 31 December 2018, the last three years of accounts are summarised below:

<table>
<thead>
<tr>
<th>Bibby Distribution Ltd</th>
<th>31/12/2018</th>
<th>31/12/2017</th>
<th>31/12/2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales / Turnover</td>
<td>£185,491,000</td>
<td>£186,628,000</td>
<td>£187,191,000</td>
</tr>
<tr>
<td>Profit / (Loss) Before Taxes</td>
<td>(£7,060,000)</td>
<td>£863,000</td>
<td>£1,622,000</td>
</tr>
<tr>
<td>Equity Shareholders Funds</td>
<td>£21,369,000</td>
<td>£34,909,000</td>
<td>£35,878,000</td>
</tr>
</tbody>
</table>

For further information please go to www.bibbydist.co.uk
The Midlands logistics market is one of the largest in the UK, both in terms of employment and volume of stock. The market's strength lies in its central location nationally and the excellent transport infrastructure, which provides unrivalled access to the whole country. This has attracted a broad range of occupiers looking to establish large national and regional distribution centres in the region.

Over recent years the Midlands logistics market has been the stand-out performer, recording the highest level of take-up on record across the UK.

The surge in occupational demand and restricted supply of well-located logistics in the Midlands has helped drive rental growth, with prime quoting rents ranging between £6.75 and £7.25 for best in class product.

### OCCUPATIONAL MARKET

<table>
<thead>
<tr>
<th>Property</th>
<th>Date</th>
<th>Tenant</th>
<th>Area (sq ft)</th>
<th>Term (Break)</th>
<th>Rent (PSF)</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leofric Business Park</td>
<td>Q2 2020</td>
<td>Socotec</td>
<td>47,279</td>
<td>15 (12) yrs</td>
<td>£6.50</td>
<td>Modern, second hand unit</td>
</tr>
<tr>
<td>Coventry</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>T49, Tamworth Logistics Park</td>
<td>Q2 2020</td>
<td>Euro Pool Systems</td>
<td>49,825</td>
<td>10 (5) yrs</td>
<td>£7.25</td>
<td>New speculative Grade A unit</td>
</tr>
<tr>
<td>Tamworth</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Hub 120 Birmingham</td>
<td>Q2 2020</td>
<td>Beeswift</td>
<td>119,499</td>
<td>16 yrs</td>
<td>£6.00</td>
<td>Modern, second hand unit</td>
</tr>
<tr>
<td>Birmingham</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Velocity 42 Redditch</td>
<td>Q4 2019</td>
<td>Avon Freight</td>
<td>92,500</td>
<td>15 yrs</td>
<td>£6.50</td>
<td>New speculative Grade A unit</td>
</tr>
<tr>
<td>Redditch</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Redditch Gateway</td>
<td>Q4 2019</td>
<td>Amazon</td>
<td>360,873</td>
<td>15 yrs</td>
<td>£6.57</td>
<td>New speculative Grade A unit</td>
</tr>
<tr>
<td>Redditch</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sixways Park</td>
<td>Q2 2019</td>
<td>DHL</td>
<td>74,965</td>
<td>10 yrs</td>
<td>£6.00</td>
<td>Brand new pre-let building</td>
</tr>
<tr>
<td>Worcester</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Warrior I10 Wainwright Rd</td>
<td>Q2 2019</td>
<td>Transmec</td>
<td>110,345</td>
<td>10 (5) yrs</td>
<td>£5.25</td>
<td>Modern, second hand unit</td>
</tr>
<tr>
<td>Worcester</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unit 1 Wainwright Road</td>
<td>Q1 2019</td>
<td>Springpack</td>
<td>47,278</td>
<td>10 yrs</td>
<td>£5.86</td>
<td>Modern, second hand unit</td>
</tr>
<tr>
<td>Worcester</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Worcester Six</td>
<td>Q3 2018</td>
<td>Siemens</td>
<td>45,000</td>
<td>10 yrs</td>
<td>£5.95</td>
<td>New speculative Grade A unit</td>
</tr>
<tr>
<td>Worcester</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Q2 2018</td>
<td>Siemens</td>
<td>72,500</td>
<td>20 yrs</td>
<td>£6.05</td>
<td></td>
</tr>
</tbody>
</table>
**INVESTMENT MARKET**

The industrial market has shown strong resilience post the impacts of covid-19 as the market has reacted to the surge in internet retailing.

Supply chains are being shortened and greater 'On Shoring' of goods is being evidenced, all driving the need for more good quality warehousing. The deals outlined below are just a few examples of the strong pricing currently being achieved for logistics investments.

<table>
<thead>
<tr>
<th>Address</th>
<th>Date of completion</th>
<th>Area (sq ft)</th>
<th>Term certain (years)</th>
<th>Tenant</th>
<th>Purchase Price</th>
<th>NIY</th>
<th>Capital Value (£ psf)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Southgate Way, Peterborough</td>
<td>Q1 2020</td>
<td>81,028</td>
<td>10.5</td>
<td>EPD Insulation Group</td>
<td>£7,250,000</td>
<td>5.8%</td>
<td>£89</td>
</tr>
<tr>
<td>Quayside Drive, Walsall</td>
<td>Q2 2020</td>
<td>30,290</td>
<td>10+ RPI linked uplifts</td>
<td>Carrier Rental Systems Limited</td>
<td>£2,350,000</td>
<td>5.80%</td>
<td>£76</td>
</tr>
<tr>
<td>Units 1 &amp; 2 Gelderd Road, Leeds</td>
<td>Q2 2020</td>
<td>90,464</td>
<td>3.70</td>
<td>Clipper Logistics Plc</td>
<td>£8,600,000</td>
<td>5.70%</td>
<td>£95</td>
</tr>
<tr>
<td>Unit 3220 Magna Park, Lutterworth</td>
<td>Q1 2020</td>
<td>159,956</td>
<td>3.1</td>
<td>DHL</td>
<td>£15,900,000</td>
<td>5.75%</td>
<td>£99</td>
</tr>
<tr>
<td>Unit 2 Gateway 12 Business Park, Gloucester</td>
<td>Q3 2020</td>
<td>43,629</td>
<td>20</td>
<td>Procook</td>
<td>u/o £5,200,000</td>
<td>u/o c 5.4%</td>
<td>£119</td>
</tr>
</tbody>
</table>
FURTHER INFORMATION

EPC
The Energy Performance Certificate is available on request and provides a rating of C 72.

VAT
The Property has been elected for VAT and the purchase price is exclusive of any VAT that may be chargeable. It is anticipated that the transaction would be treated as a transfer of a Going concern (TOGC).

DATA ROOM
Additional information is available via a marketing data room.

PROPOSAL
We are instructed to seek offers in excess of £7,900,000 (Seven Million and Nine Hundred Thousand Pounds) reflecting a Net Initial Yield of 6.05% (assuming purchaser’s costs of 6.66%) and a capital value of only £85.52 per sq ft subject to contract and exclusive of VAT.

FURTHER INFORMATION

Simon Bennett
T: +44(0)1793 057171
M: +44 7808 290869
E: Simon.j.bennett@eu.jll.com

Shannon Johns
T: +44(0)1793 056559
M: +44 7849 636 665
E: Shannon.Johns@eu.jll.com

Allan Wilson
T: +44(0)121 49941
M: +44 7971 573462
E: Allan.Wilson@eu.jll.com

Bill Martyn-Smith
T: +44(0)121 634 6654
M: +44 7711 772202
E: Bill.MartynSmith@eu.jll.com

Important Notice: These particulars are not an offer or contract, nor part of one. You should not rely on statements by Jones Lang LaSalle in the particulars or by word of mouth or in writing (“Information”) as being factually accurate about the property, its condition or its value. Jones Lang LaSalle has no authority to make any representations about the property, and accordingly any information given is entirely without responsibility on the part of the agents, seller(s) or lessor(s). 2. The photographs show only certain parts of the property as they appeared at the time they were taken. Areas, measurements and distances given are approximate only. 3. Any reference to alterations to, or use of, any part of the property does not mean that any necessary planning, building regulations or other consent has been obtained. A buyer or lessee must find out by inspection or in other ways that these matters have been properly dealt with and that all information is correct. 4. The VAT position relating to the property may change without notice. August 2020.