

BOULEVARD INDUSTRY PARK

SPEKE LIVERPOOL L24 9JW



PRIME INDUSTRIAL INVESTMENT OPPORTUNITY



BOULEVARD
INDUSTRY

INVESTMENT SUMMARY

- The properties are situated on Boulevard Industry Park in Speke which is regarded as one of Liverpool's most successful and popular business locations.
- The opportunity to acquire seven modern self-contained industrial units which are all let to established companies in both the automotive and bio-pharmaceutical sectors and are fully income producing.
- Strategic location fronting onto Speke Boulevard (A561 dual carriageway), the principal southern gateway into Liverpool.
- Current net rental income of £3,163,864 per annum exclusive.
- Immediately adjoining Jaguar Land Rover's Halewood manufacturing plant, and less than half a mile north of Liverpool John Lennon Airport.
- Seven detached units providing a total of 623,630 sq ft (57,936 sq m) let by way of seven tenancies with an average rent weighted unexpired term of 6.68 years to expiry.
- Seeking offers of £32,330,000 (Thirty Two Million Three Hundred and Thirty Thousand pounds) subject to contract and exclusive of VAT, to provide a net initial yield of 9.25%, a reversionary yield of 9.72% (based on the minimum increase at review in November 2015), and an equivalent yield of 9.65%, after allowance for purchase costs of 5.80%.



UNIT 5B

UNIT 6

UNIT 7

UNIT 1A

UNIT 1B

UNIT 2

UNIT 3

**HALEWOOD
JAGUAR LAND ROVER**

LIVERPOOL

Liverpool is the sixth largest city in the UK with a total regional population of 1,500,000 persons and a resident labour force of approximately 1 million people. The city is the commercial and administrative centre for the Merseyside region and is located 212 miles (340km) north west of London, 98 miles (157km) north west of Birmingham and 35 miles (55km) west of Manchester.

The city's heritage and growth has historically evolved from its port activities and this is still a major wealth generator with the Port of Liverpool handling 30,000,000 tonnes of freight per annum, more than at any time in its history.

Road communications are excellent with the M62, M56, M57 and M53 all providing motorway access around the region.

Major employers within Liverpool and Merseyside include HM Revenue & Customs, Criminal Records Bureau, Health & Safety Executive, Child Support Agency, Eli Lilly, TJ Hughes, Royal & Sun Alliance, B & M Bargains, Matalan, and Jaguar Land Rover.

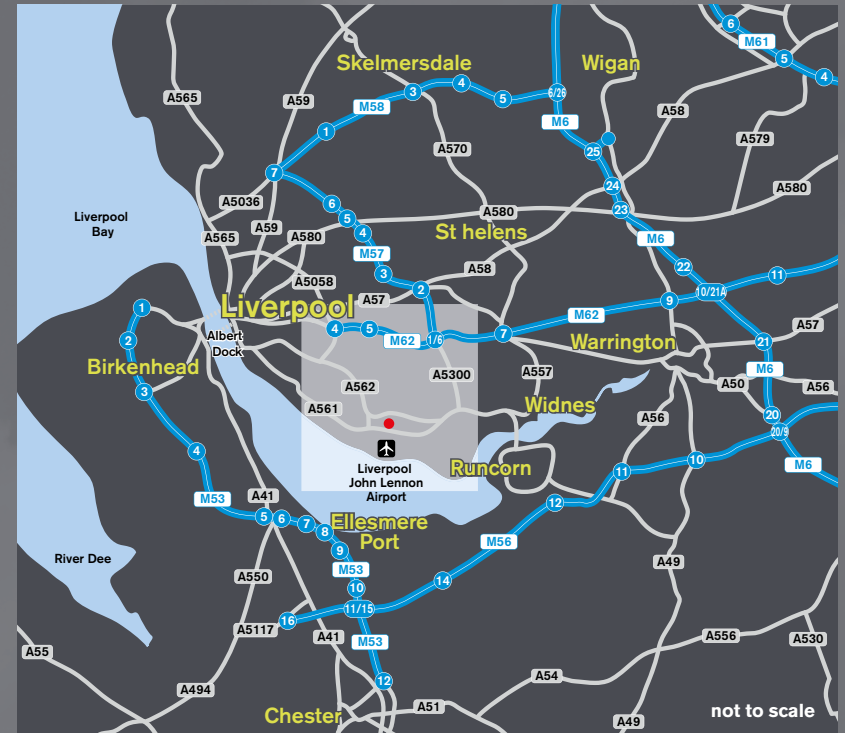
SPEKE

Speke is located approximately 7 miles (11km) south east of Liverpool city centre on the north bank of the Mersey. The area is served by the A561 dual carriageway, which is the principal southern gateway into Liverpool, as well as providing access to Junction 6 of the M62 (via the A562 and A5300) and Junction 12 of the M56 (via the A533 and A557).

The area has an economy traditionally based on manufacturing and has benefited from major public/private led regeneration initiatives during recent years, originally spearheaded by the Speke Garston Development Company and subsequently reinforced by the Homes & Communities Agency in conjunction with Liverpool Local Enterprise Partnership. Following the infrastructure and environmental improvements, the completion of a number of significant commercial development schemes, comprising some 3.9 million sq ft (365,109 sq m), has raised the profile of Speke even further.

These developments include Estuary Commerce Park, Liverpool International Business Park, Boulevard Industry Park and British Land's open A1 retail park, New Mersey Shopping Park. These schemes have attracted major occupiers including B & M Bargains, GlaxoSmithKline, Eli Lilly, HBOS, DHL, National Blood Centre, Riverside Housing Association, Bertelsmann, Marriott Hotels and David Lloyd Leisure.

Speke's excellent infrastructure, proximity to the road communications network, ports (air and sea) combined with the thriving workforce of Liverpool has seen it become a major industrial manufacturing and business location within the North West region of England.



SITUATION

Boulevard Industry Park, extends to 26 hectares (65 acres) and is situated on the north side of Speke Boulevard (A561). The conception of the Park was aimed at the automotive supply and the bio pharmaceutical sectors both of which have historically had a strong presence in the area. The Park stands immediately to the west of Jaguar Land Rover's Halewood plant with Liverpool John Lennon Airport one mile to the south.

Strategic transport communications are excellent with Garston Freight Intermodal Terminal within 2 miles of the subject, providing access to the west coast mainline and national rail networks whilst the dock facilities at Seaforth, just north of Liverpool are within 9 miles of the Park. The docks form part of one of the world's leading international ports, providing a gateway to the USA and Canada.





HALEWOOD [JAGUAR LAND ROVER]

The Halewood car manufacturing plant has been established in Speke for 50 years. Originally developed by Ford (where the Jaguar X-Type and Freelander models were made), the plant was acquired by Tata Motors through their purchase of Jaguar Land Rover (JLR) in 2008 for £1.15 billion.

JLR is the largest automotive employer in the UK having created 9,000 new jobs in this country over the last two years. Halewood, which extends to 4.51 million sq ft (419,000 sq m) is where the highly popular Range Rover Evoque is built. Due to the huge success in sales, JLR has expanded its operations on Merseyside and for the first time in the factory's 50 year history, their 4,500 employees are now working around the clock to meet the demand for both the Evoque model and to support the launch of the updated Land Rover Freelander. The 24-hour production shifts have resulted in vehicles rolling out at the rate of one every 77 seconds.

In order to maintain this consistency in production, JLR apply a value stream mapping system for its inbound automotive parts. Just in time (JIT) delivery is an essential part of Halewood's continuing success and there is a strong preference for its suppliers to locate as close as possible to the plant. At Halewood, delivery times are expected within less than one day.

JLR has awarded UK companies contracts worth £2 billion to supply components. The proximity of the subject property to Halewood is crucial therefore to the automotive supply companies in Speke and in particular the subject property where the tenants of Units 1A, 1B, 2, 3 and 5B all benefit from supply contracts with JLR.

PHARMACEUTICAL INDUSTRY

Speke is home to the largest cluster of biologic manufacturing in Europe where the pharmaceutical presence in the area continues to generate strong employment opportunities in the local market from where the industry draws its specialist labour skills. Further substantial investment in this sector has taken place during the last 36 months which has witnessed Yanco taking a 44,000 sq ft facility and Novartis spending an additional \$250 million dollars on their facilities on the park itself. Medimmune are also in the process of completing a further extension to their premises at Unit 6.

DESCRIPTION

The subject properties comprise seven of the nine units on the Boulevard Industry Park arranged on either side of Renaissance Way, the principal estate road which runs north from Speke Boulevard.





ACCOMMODATION

The seven units of the subject property provide a total of 623,630 sq ft (57,936 sq m). The gross internal floor areas for the individual units are set out in the accommodation schedule below.

Unit	sq ft	sq m	acres	hectares
Unit 1A	77,385	7,189	5.89	2.38
Unit 1B	161,641	15,017	7.44	3.01
Unit 2	74,603	6,931	4.65	1.88
Unit 3	72,555	6,740	5.05	2.04
Unit 5B	21,255	1,975	1.70	0.69
Unit 6	87,086	8,090	7.91	3.20
Unit 7	129,105	11,994	7.41	3.00
Total	623,630	57,936	40.05	16.20

UNITS 1A, 1B, 2, 3 AND 5B

Units 1A to 3 and Unit 5B are similar, each unit being detached and comprising a production/warehouse building with two storey office/ancillary accommodation to the front. The properties are of steel portal frame construction with an eaves height of approximately 8m (26 ft). Walls are clad with full height composite panels and roofs are generally on a built up system of lined and insulated profile metal sheeting, incorporating continuous barrel roof lights along each ridge. There are loading doors to both sides of the buildings. Internally there is lighting, gas fire space heaters and where required a sprinkler system.

The office building for each unit generally has a double height entrance atrium, with feature steel staircase. The ground floors typically offer staff changing accommodation and production offices, whilst the first floors provide office accommodation.

Each unit stands in the centre of its site, with car parking at the front and a secure concrete yard to the side of the production warehouse building. Units 1A to 3 have a yard on both sides of the building, with access roads shared between neighbouring units.





Unit 2



Unit 3



Unit 5B



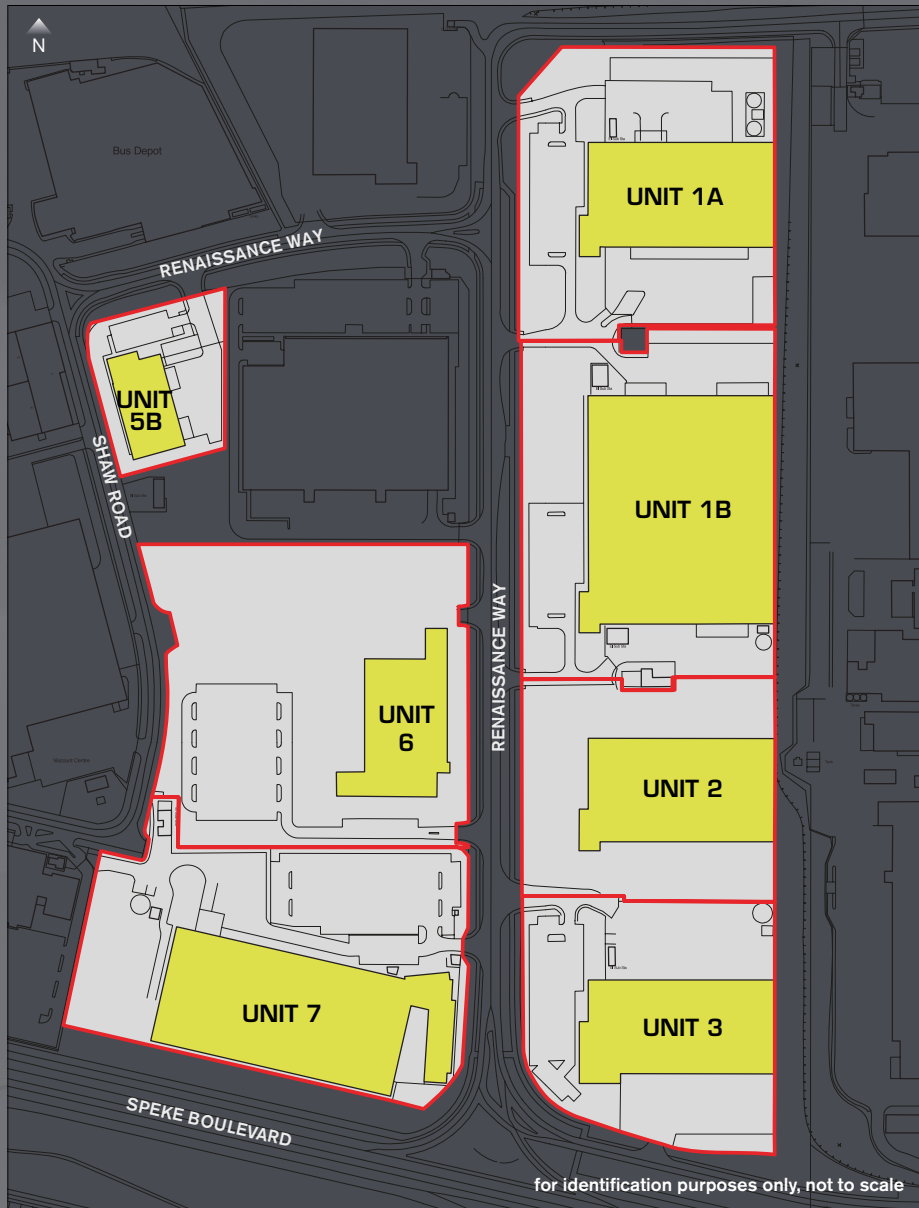
UNIT 6 & 7

Unit 6 comprises a production building together with single storey offices (tenant alteration), which are linked to the production building behind, by an atrium. The production building is of steel portal frame construction with an eaves height of 8m (26 ft) and is fitted out as a sterile medical research, development and manufacturing facility. The tenant has installed a mezzanine level to provide additional research and development space. The tenant is constructing a further extension to the rear of the property with further extensive expansion land remaining to the rear.

Unit 7 comprises a large production building with a two storey office building at the front which are linked to one another by a fully glazed, double height atrium. The main production building has a eaves height of approximately 7.5m (24 ft). There is also a high-bay warehouse 16m eaves (52ft) at the western end of the unit which is fully fitted as a chilled warehouse to a specification meeting the requirements of the UK & North American drug agencies. The building was originally fitted out as a sterile medical manufacturing facility, although this has now been reinstated back to the base shell specification with some reinstatement works still required to the floor slab.







TENURE

Each unit is held by way of a separate long lease for a term of 150 years, less one day, from 31st March 1998, at a peppercorn rent, without review, from the superior landlord, the Homes & Communities Agency.

TENANCIES

- The properties are fully let to seven tenants on full repairing and insuring terms, with 5 yearly upwards only rent reviews.
- There is one review currently outstanding relating to Unit 7.
- There are minimum fixed uplifts contained in the leases for Units 1A, 3 & 5B for the remaining reviews.
- The lease for Unit 6 incorporates rent reviews linked to RPI collared and capped at 0.50% and 2.50% respectively.
- The total current net rent is £3,163,864 per annum exclusive, which increases to £3,325,460 per annum exclusive with the contracted minimum increase at review in November 2015. The individual rent under each of the leases is set out in the tenancy schedule.
- The average rent reflects £5.07 per sq ft, with an average weighted unexpired term (AWUT) of 6.29 years (taking into account tenant options to break) and an average rent weighted unexpired term of 6.68 years to expiry.

TENANCY SCHEDULE

Unit	Tenant	Floor Area (sq ft)	Lease Start	Lease Expiry	Breaks	Reviews	Term Certain	Rent £pa	Rent £psf	Comments	
Unit 1A	International Automotive Components Group Ltd	77,385	06-Nov-00	05-Nov-20		06-Nov-15	7.39	£390,000	£5.04	<ol style="list-style-type: none"> 1. Minimum increase at next review to £442,778 pa. 2. Surety : International Automotive Components Group SA-Luxembourg. 3. 12.33% of current total income. 	
Unit 1B	Decoma UK Ltd	161,641	01-Dec-99	30-Nov-24	01-Dec-16	01-Dec-14 01-Dec-19	3.46	£801,131	£4.98	<ol style="list-style-type: none"> 1. Break option is subject to 6 months notice. 2. 25.32% of total current total income. 	
Unit 2	DHL Supply Chain Ltd	74,603	11-May-01	10-May-17		11-May-11 11-May-16	3.90	£371,322	£4.98	<ol style="list-style-type: none"> 1. Trade as DHL. 2. The 2011 rent review not activated. 3. 11.74% of current total income. 	
Unit 3	Johnson Controls Automotive (UK) Ltd	72,555	19-May-00	18-May-16		19-May-15	2.92	£363,846	£5.01	<ol style="list-style-type: none"> 1. Minimum increase at next review to £421,796 pa. 2. 11.50% of total current income. 	
Unit 5B	Anixter Ltd	21,255	13-Jul-01	12-Jul-21	13-Jul-17	13-Jul-16	4.07	£115,350	£5.43	<ol style="list-style-type: none"> 1. Minimum increase at next review to £133,725 pa. 2. Surety: Anixter International Limited (Co. No. 02265172). 3. Tenant's break option is subject to 12 months notice. 4. 3.64% of total current income. 	
Unit 6	Medimmune UK Ltd	87,086	29-Sep-99	28-Sep-24		29-Sep-14 29-Sep-19	11.29	£490,000	£5.63	<ol style="list-style-type: none"> 1. Reviews in 2014 and 2019 are subject to RPI increase (collared and capped at 0.50% and 2.50% respectively). 2. Tenant has approached Landlord regarding funding and building a further extension. 3. Surety: Medimmune, LLC who are 100% owned by AstraZeneca. 4. 15.90% of current total income. 	
Unit 7	Novartis Vaccines & Diagnostics Ltd	129,105	24-Jun-99	23-Jun-24		24-Jun-09 24-Jun-14 24-Jun-19	11.02	£632,215	£4.90	<ol style="list-style-type: none"> 1. Guarantor: Medeva Ltd (Company No 2086530). 2. Novartis currently in occupation of part of the demise only. 3. The 2009 rent review remains outstanding. 4. 19.98% of the current total income. 	
Totals								*	£3,163,864	£5.07	

* The total average term certain of 6.29 years.

TENANT COVENANTS

UNIT 1A - INTERNATIONAL AUTOMOTIVE COMPONENTS GROUP LIMITED

International Automotive Components Group Limited (Company Number: 05611434) manufactures and sells components of the automotive industry. Turnover has increased substantially over the last 3 years although profits have declined. The company has recently won a contract worth £500 million to supply JLR. The company has an Experian Risk Rating of 'above average risk'. Please see table below for last 3 years accounts:

Description	Y/E 31/12/2011	Y/E 31/12/2010	Y/E 31/12/2009
Turnover	£284,666,000	£156,339,000	£100,543,000
Pre-tax Profit	(£2,124,000)	£685,000	£7,000
Net Worth	£10,189,000	£11,789,000	£11,201,000

International Automotive Components Group SA, registered in Luxembourg, stand as surety to the lease. As at 31/12/12 the company had total equity of \$345 million.

UNIT 1B - DECOMA UK LIMITED

Decoma UK Limited (Company Number: 03647960) is a subsidiary of a Canada based international automotive body-trim manufacturer. The company has an Experian Risk Rating of 'maximum risk'. The Company is currently working on three/four new launches across the Jaguar Land Rover range which will underpin the future strategy for the business. The new models will be rolled out over 2013 and 2014. Please see table below for last 3 years accounts:

Description	Y/E 31/12/2011	Y/E 02/01/2010	Y/E 03/01/2009
Turnover	£59,902,000	£26,717,000	£45,740,000
Pre-tax Profit	(£12,134,000)	(£4,112,000)	(£5,590,000)
Net Worth	(£4,202,000)	(£23,180,000)	(£18,969,000)

The ultimate parent company is Magna International Inc, a company incorporated in Canada, who for the year end 31/12/12 reported sales of \$30.8 billion.

UNIT 2 - DHL SUPPLY CHAIN LIMITED (FORMERLY KNOWN AS EXEL EUROPE LIMITED).

DHL Supply Chain Limited (Company Number: 00528867) is an international supply chain management and logistics company. The company has an Experian Risk Rating of 'very low risk'. Please see table below for last 3 years accounts:

Description	Y/E 31/12/2011	Y/E 31/12/2010	Y/E 31/12/2009
Turnover	£3,396,997,000	£3,088,138,000	£2,712,447,000
Pre-tax Profit	£37,970,000	£59,845,000	£42,858,000
Net Worth	£167,421,000	£179,563,000	£144,850,000



UNIT 3 - JOHNSON CONTROLS AUTOMOTIVE (UK) LIMITED

Johnson Controls Automotive (UK) Limited (Company Number: 00443687) is a group engaged in the manufacture and sale of trimmed seats, seat components and interiors to the automotive industry. The company has an Experian Risk Rating of 'very low risk'. Please see table below for last 3 years accounts:

Description	Y/E 30/09/2012	Y/E 30/09/2011	Y/E 30/09/2010
Turnover	£461,862,000	£499,082,000	£571,095,000
Pre-tax Profit	£11,533,000	£25,097,000	£19,707,000
Net Worth	£53,744,000	£30,748,000	£1,988,000

UNIT 5B - ANIXTER LIMITED

Anixter Limited (Company Number: 00248952) provides direct line feed systems for manufacturers, systems that control and manage the supply of fasteners and small components delivered directly to the point of use. The company has an Experian Risk Rating of 'below average risk'. Please see table below for last 3 years accounts:

Description	Y/E 31/12/2011	Y/E 31/12/2010	Y/E 01/01/2010
Turnover	£355,196,000	£318,873,000	£365,970,000
Pre-tax Profit	£5,476,000	£1,465,000	£18,762,000
Net Worth	£42,990,000	£30,074,000	£33,996,000

Anixter International Limited (Company Number: 02265172) is an investment holding company which acts as guarantor for this tenant. The company has an Experian Risk Rating of 'low risk'. Please see table below for last 2 years accounts:

Description	Y/E 31/12/2011	Y/E 31/12/2010
Turnover	n/a	n/a
Pre-tax Profit	£8,289,000	(£2,559,000)
Net Worth	£64,366,000	£26,675,000

UNIT 6 - MEDIMMUNE UK LIMITED

Medimmune UK Limited (Company Number: 03854275) manufacture chemical products for the pharmaceutical industry. The company has an Experian Risk Rating of 'very low risk'. Please see table below for last 3 years accounts:

Description	Y/E 31/12/2011	Y/E 31/12/2010	Y/E 31/12/2009
Turnover	£29,234,158	£21,152,025	£31,276,177
Pre-tax Profit	£1,770,560	£159,857	£1,440,754
Net Worth	£29,516,559	£28,057,953	£27,738,083

Medimmune LLC, registered in the United States of America, stand as surety to the lease. Medimmune LLC is 100% owned by AstraZeneca one of the world's largest pharmaceutical companies with representation in over 100 countries.

UNIT 7 - NOVARTIS VACCINES AND DIAGNOSTICS LIMITED

Novartis Vaccines and Diagnostics Limited (Company Number: 03970089) manufacture and sell vaccines for the pharmaceutical industry. The company has an Experian Risk Rating of 'below average risk'. Please see table below for last 3 years accounts:

Description	Y/E 31/12/2011	Y/E 31/12/2010	Y/E 31/12/2009
Turnover	£134,800,000	£356,100,000	£342,300,000
Pre-tax Profit	(£77,300,000)	£127,700,000	£158,900,000
Net Worth	£288,200,000	£366,900,000	£273,700,000

Medeva Limited (Company Number: 2086530) provide investment and treasury services to fellow group companies is guarantor to Novartis. Please see the table below for the last 3 years accounts:

Description	Y/E 31/12/2011	Y/E 31/12/2010	Y/E 31/12/2009
Turnover	n/a	n/a	n/a
Pre-tax Profit	£39,476,000	£9,784,000	£13,152,000
Net Worth	£594,134,000	£566,733,000	£630,321,000

SERVICE CHARGE

There are service charge provisions that cover the common areas of the park, responsibility for which lies with the superior landlord, Homes & Communities Agency, thereby ensuring that the general appearance and condition of the Park is kept to a high standard. The budget for the current service charge year equates to an overall average for the seven units of just under 0.07 pence per sq ft. Under the terms of the occupational leases, there is 100% recovery of these charges from the tenants.

ENVIRONMENTAL

Our client has commissioned Delta-Simons Environmental Consultants to carry out a Phase I Environmental Assessment of the subject property, the findings of which conclude that the site, in its current use, represents a low overall risk. A copy of this assessment is available upon request.

ENERGY PERFORMANCE CERTIFICATES

Energy Performance Certificates are held in respect of each of the buildings and copies of these certificates are available upon request.

VAT

The property has been elected for VAT.

PROPOSAL

Our client is seeking offers of £32,330,000 (Thirty Two Million Three Hundred and Thirty Thousand Pounds), subject to contract and exclusive of VAT, for their interest in the property. A purchase at this level will provide an investor with a net initial yield of 9.25%, a reversionary yield of 9.72% (based on the minimum increase at review in November 2015), and a nominal equivalent yield of 9.65%, after allowance for purchase costs of 5.80%.

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