

PROPERTY WEEK
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CONFIDENCE HAS RETURNED TO A PART OF THE region once seen as an industrial bad joke. A ring of activity encircling Liverpool, through Merseyside and Cheshire, is driving up industrial values and encouraging developers to take another look at a historically gloomy market.

'The industrial sector is feeling the effect of the recovering economy,' says Andrew Pexton, partner at GVA Grimley. 'There are plenty of redundant factories left over from the manufacturing era to convert into other uses.'

On the Wirral to the south-west of Liverpool, Morley Estates has just fully let a 250,000 sq ft (23,225 sq m) speculative phase at Candy Park at Wirral International Business Park and plans to deliver extra space.

Opposite Candy Park, Kenmore owns the Gateway, a speculatively developed 78,000 sq ft (7,246 sq m) industrial scheme that is fully let and sold to a combination of investors and owner-occupiers at £58/sq ft (£624.31/sq m).

Ellesmere Port, at the shoulder of the Wirral peninsula, was among the places worst hit by the retrenchment of manufacturing, particularly petrochemicals.

Peel Holdings' 87 acre (35.2 ha) Pioneer Point on the M53 will soon be carved up and all but developed. It will be home to a 210,000 sq ft (19,509 sq m) speculative shed funded by Arlington Securities, Rosemound's completed but vacant 625,000 sq ft (58,062 sq m) shed and a 100,000 sq ft (9,290 sq m) phased scheme by Evans Easyspace. Howard George, partner at DGi Davis George, which is advising

Peel, says only 20 acres (8.1 ha) will remain.

Spencer Holdings is another developer active in the reborn Ellesmere Port marketplace. The firm's Poole Hall Industrial Estate, Rossmore Business Park and Arrowe Brook Park are all bringing space to market.

Also back in the spotlight is Widnes, where developers are queuing up with schemes. Easter Developments, David Russell's Property Alliance Group, Priority Sites, Commercial Development Projects and St Modwen Properties are transforming the town.

Alastair Newman, partner at King Sturge in Liverpool, is advising Drawbridge Securities on Innovis in Widnes, a road-rail freight terminal on the banks of the Mersey.

'We are hoping to establish Innovis on the M6/M56 corridor for big distribution,' says Newman. 'It has a direct link to the West Coast Main Line, which is unusual in the north-west.'

RENTAL ARITHMETIC

Rents have risen from £4.25/sq ft to £5/sq ft (£45.75/sq m to £53.83/sq m) and freeholds from £45/sq ft to £75/sq ft (£484.39/sq m to £807.32/sq m) in the last two years.

'People are demanding better buildings and a quality environment,' says DGi's George. 'They want to move out of the old tat and have somewhere that reflects the new-found confidence.'

Colliers CRE associate director Rob Taylor adds: 'The market on Merseyside has clearly moved on in the last couple of years and you only have to

look at proposed speculative developments such as Gazeley's G Park Liverpool, and completed schemes such as Gladman's the Vault development at Speke as evidence of increasing occupier demand in the region.'

At more than £200,000/acre (£494,210/ha), the value of development land has almost caught up with the best locations in the north-west.

Matthews & Goodman is marketing the 60 acre (24.3 ha) Prysman Cables & Systems site next to Prescot Business Park. Bids of more than £1.6m were needed to make the shortlist. The winner is due to be announced this month.

'A good level of occupier and developer demand has resulted in significant growth in values,' says Jason Print, associate partner at Cushman & Wakefield in Manchester. 'Through marketing Liverpool International Business Park, on behalf of Peel, we have witnessed land prices for B1, B2 and B8 uses double in the space of two years. Consequently, values have almost caught up with other prime locations in the region.'

To the north of Liverpool, Knowsley and Prescot continue to turn out strong products.

Patrick Properties completed Galaxy last September. At 476,000 sq ft (44,220 sq m), this speculative unit is one of the largest industrial buildings in the north-west, and is waiting for an occupier.

At the smaller end of the scale, Langtree Group is speculatively building the 25 acre (10.1 ha) Alchemy development on the A580 East Lancashire Road in partnership with Knowsley Council. The first phase of the scheme, five units totalling 50,000 sq ft (4,645 sq m), will be completed this month.

Langtree also won a contest by Liverpool Land Development Company to deliver Wellington Employment Park in north Liverpool. Langtree promises 155,000 sq ft (14,399 sq m) of office and industrial space on three sites totalling 12 acres (4.8 ha). Construction of the first phases has begun and will end in the next 12 months.

If the industrial economy of Merseyside and north Cheshire can continue to recover this well for a while yet, the prospects for developers and investors here will be as good as anywhere in the region. ■



THE WIRRAL IS NOT ENOUGH

■ Prospects are improving for industrial sites in the area encircling Liverpool. Paul Unger reports



Sheds ahead: Langtree's Wellington (above left) and Alchemy (above) schemes