

## Interview



ON A ROLL Middleton and McConville

# Dig the new breed

Neil Tague catches up with one of the North West's busiest landlords

**M**orley Estates is a name that's cropping up with increasing regularity. Oliver Morley, who founded the business in 1998, is still involved day to day. But former commodities broker Matt McConville has been the public face of Morley for the last four years.

With a rapidly expanding portfolio – up to around £115m when we meet – in 2006 Morley swooped for Gareth Middleton, formerly head of industrial agency at Lambert Smith Hampton. Morley is on a roll.

It has 22 sites across the North West and, says McConville, you can drive round them all in a day. There's another 400,000 sq ft currently under offer or in solicitor's hands. McConville says: "We never sell. We've sold maybe two sites in nine years." The company has done 350,000 sq ft of lettings in two months. In the several hours I spend in their company the phones never stop ringing.

The whole portfolio is within one hour's drive of Morley's Altrincham headquarters. There's a reason for that, says McConville: "We manage everything ourselves and can keep on top of everything this way. There's plenty to go at in the North West. We like to buy in clusters."

Middleton adds: "We don't buy prime sites usually – we have nothing in Trafford Park, for example. Although

we are looking to go more into new-build and are looking at mixed-use now, we stick to what we know."

Morley sites include Candy Park in Bromborough, where it's just done four lettings totalling 115,000 sq ft. There's 22 acres of land in Haydock that the company is ready to build on, in two

**"You've got to get on with the people. That's the key. Our customers will come to us for additional sites because they know we'll help them."** GARETH MIDDLETON

sites either side of Penny Lane. One side will be grade A offices – Middleton says they will be going for a record rent in the area – with industrial on the other side.

Morley has just acquired a 77,000 sq ft unit in Drury Lane, Oldham – a stone's throw from the M60/A62 junction and an area in which it now owns over 400,000 sq ft. Barnes Logistics has just taken 101,000 sq ft in the area.

Royleworks in Rochdale shows the new direction hinted at by Middleton, says McConville. "It's on the main gateway into Rochdale. It's 21 acres

of existing industrial that is predominantly let. We're working towards a planning application with the local authority for an employment-led mixed-use scheme."

So what's the Morley method? "The bread and butter of our business remains empty industrial secondary product," says McConville. "We'll look to add value, to split it up or do whatever necessary to make it work for us. A lot of people think it's brave to buy empty, but it's not really. There will always be a way out – you'll always make back what you pay. Buying empty is not as big a risk as people perceive."

It's also a business that looks after its people – kind of a shed version of Bruntwood. Middleton says: "You've got to get on with the people. That's the key. Our customers will come to us for additional sites because they know we'll help them."

Because it's a small team, customers never deal with middlemen. An advantage, reflects McConville: "We deal mostly principal to principal. And we've generally got the flexibility in our estate to help people. If they're struggling we'll say OK, we'll remarket your building, put you in something half the size, rip up your lease and start again. Then they'll stay with us when they're on the upturn again."

Middleton says: "A lot of fund-backed schemes have benchmark rents they have to hit. We work on volume so we can take a long-term view on deals." McConnell chimes in: "Because we're not flipping the site on they know we're here for the long term. Our rent reviews are every three years, rather than five so we can renegotiate, do the deal and move on again. That's been the basis of the business."

Middleton adds: "We've got a high success rate in lettings because we work quickly. We do all our own viewings, whether or not we employ an agent on a site. And we'll look to do a deal there and then, when possible."

Traditional lenders and institutions don't approve of short-term lettings, but if overheads can be kept low and tenants kept happy, it clearly can be made to work.

"Most of our sites are roadside and that makes them very lettable. What we buy is generally easy to get to, in a prominent location and there will be an angle in addition to the existing use," says McConnell ▀