

national

BUSINESS SPACE *matters*



Co-op expands RDC network - *“it’s what we do”*

The Co-op Food Group, one of the world’s largest consumer co-operatives, has acquired 661,000 sq ft on a 50-acre site at Biggleswade Bedfordshire, for a new Regional Distribution Centre (RDC) - to support the retailer’s ambitions for continued growth across London, the South and South East.

M&G advised the Co-op on all aspects of the acquisition process - from the initial search and selection of the Biggleswade project, to securing the site. This involved working closely with the property and operations teams at the Co-op, as well as their nominated professional advisors - such as lawyers and project managers.

The transaction was undertaken with db symmetry (recently acquired by Tritax plc) as a leasehold turnkey for a 20-year term, at an initial rent of £7.10 per sq ft. Detailed planning permission has been granted for up to 1M sq ft of logistics space and construction is anticipated to commence at the end of 2019.

This facility, the ninth in the Group’s network, is part of a corporate strategy to underpin its strong growth - the result of a combination of organic growth, new units acquired (100 per year for the last three years) and the acquisition of Nisa Stores Group in 2017. Whilst the e-tailing shadow over the retail sector is significant, its impact on this part of the retail market (where the average shopping basket is sub £30), has been limited to date.

The building is expected to open in early 2022, following base build, fit out and commissioning of the unit and, the new 24/7, 364-day operation will employ up to 1,200 people.

“ This RDC, a major part of the Co-op’s food distribution network, highlights the growing importance of the London market to the company - where their retail expansion has gone from strength to strength ”

Welcome!

Welcome to the first issue of **Business Space Matters**, a publication designed to introduce you to the National Business Space team and showcase some of the diverse assignments we have worked on recently.

The team comprises experts with proven skills which range from buying and disposing of offices and industrial units, to confidently negotiating in the highly specialised aviation and airlines sector, to providing consultancy advice on issues which include occupational strategy and development.

We hope this brief review of our client work provides you with an indication of the clients we work with, what we do and how effective we are at doing it.

However, given the limitations of space, the story the profiles do not tell is the fact that our clients are often served by a multi-disciplinary team, working together to achieve the best result for them.

Almost every client profile featured in this publication epitomises a deep Matthews & Goodman philosophy:

one team, one goal, one focus



London Road, Manchester M1

CLIENT iQ Student Accommodation, UK's leading student accommodation provider

SIZE 26,000 sq ft office

BRIEF Advise on the strategic acquisition of a multi-let building because the owner was impeding progress of iQ's adjacent residential development scheme. The purchase also enables the client to redevelop the acquired property for residential or a complementary use for their development scheme

RESULT To alleviate the problem, we met with the owner's advisors, undertook a difficult negotiation and secured the off-market purchase of Bainbridge House

TEAM Agency



Minerva, Leeds City Centre

CLIENT FRP Advisory Limited, a leading UK business advisory firm

SIZE 3,000 sq ft office

BRIEF Identify and acquire an office in Leeds city centre, following a business acquisition. The new office had to reflect the cultures and values of both companies however, the brief was further complicated by the fact that limited Grade A accommodation has led to a market imbalance - demand outstrips supply

RESULT Appropriate office space, fulfilling the client's essential criteria, was secured on favourable lease terms

TEAM Agency

Wrexham Industrial Estate, North Wales

CLIENT Kingmoor Park Properties, a property investment and development company

SIZE 45 acres

BRIEF Advise on a tranche of strategic industrial land (for employment use) through the planning process and develop/implement a disposal strategy

RESULT Under offer: deal to be completed

TEAM Agency



Manchester Airport

CLIENT Thomas Cook Airlines, part of the Thomas Cook Group, the UK's oldest and best-known leisure travel brand

SIZE 200,000 sq ft commercial aircraft hangar

BRIEF Manage the rent review and negotiate amended lease terms of the hangar used by Thomas Cook Airlines - the landlord is the Manchester Airport Group

RESULT This is a current instruction

TEAM Lease Consultancy



The Plaza, Liverpool

CLIENT Weightmans, a leading UK law firm

SIZE 40,000 sq ft office

BRIEF Develop a disposal strategy for a significant area of surplus office space, outlining all the options available and detailing the cost implications, as well as the operational pros and cons of each

An impending lease break provided the opportunity to review options which include restructuring or surrendering part of the lease to the landlord, or disposing of surplus accommodation to a third party. The issue was complicated by the fact that the landlord has indicated they would like part of our Client's ground floor space to facilitate improvements to the entrance atrium - space our Client needs for current operational purposes

RESULT Heads of Terms submitted

TEAM Strategic Consultancy



Crewe

CLIENT Medtrade Products, developer and manufacturer of wound care and consumer products

SIZE 16,000 sq ft office

BRIEF Provide strategic advice on the relocation of the business to a more contemporary building which would encourage greater collaborative working. For operational reasons, the company has to stay within the Crewe area - a location with limited business space supply

RESULT Developed the brief for the Agency team, which reflects the Board's corporate and occupational requirements. Currently working with the Agency team to meet it

TEAM Strategic Consultancy



Portsmouth Road, Southampton

CLIENT Cubic Services, a storage solutions provider

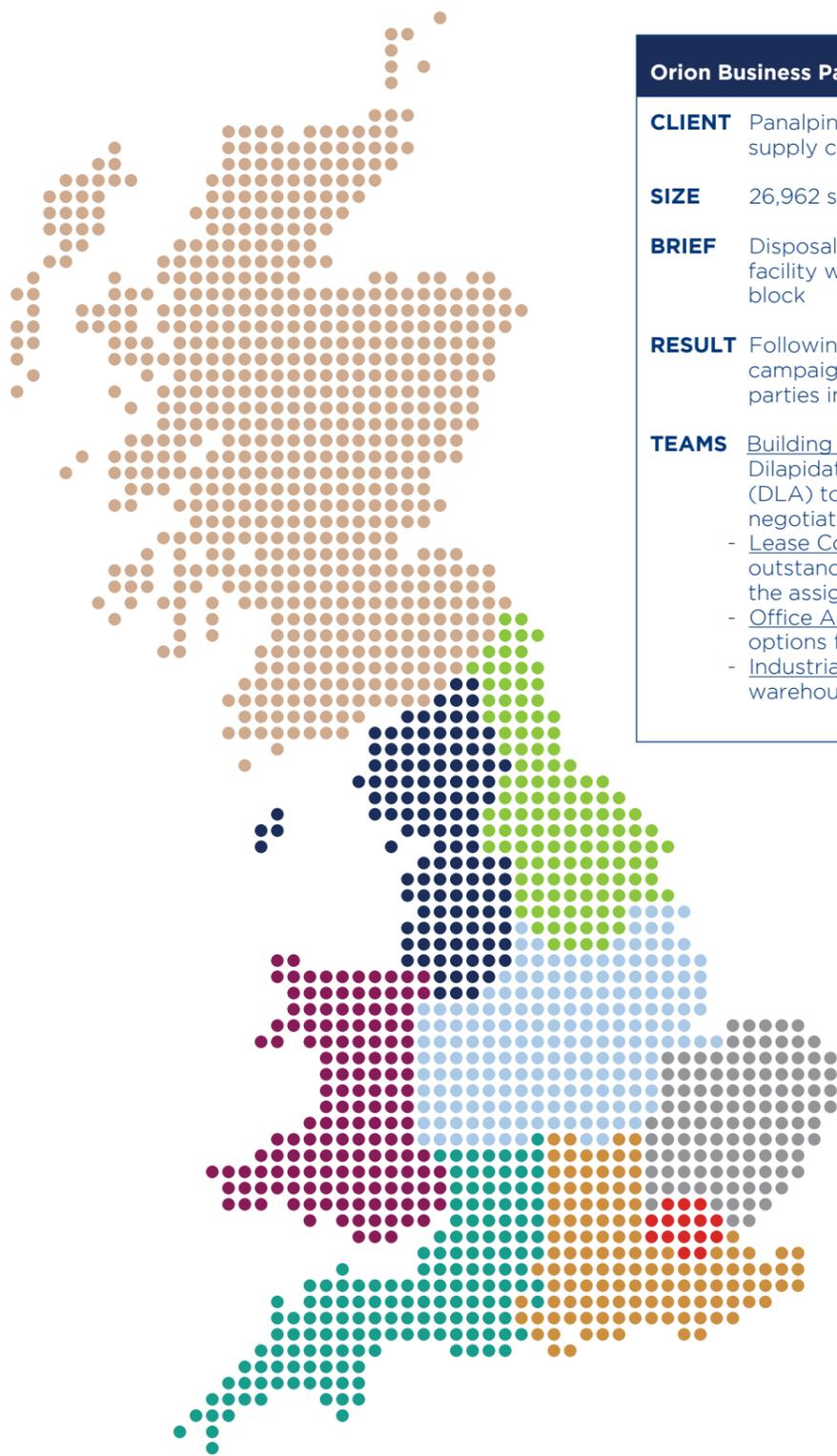
SIZE 33,422 sq ft industrial

BRIEF Acquisition

RESULT Identified a potential site, negotiated and agreed terms within four weeks: exchanged subject to planning four weeks later

TEAMS Industrial/Logistics Agency





Orion Business Park, Manchester

CLIENT Panalpina World Transport, a leading supply chain solutions provider

SIZE 26,962 sq ft industrial

BRIEF Disposal of a detached warehouse facility with a two-story attached office block

RESULT Following a tailored marketing campaign, currently have two interested parties involved in a contract race

TEAMS Building Consultancy undertook a Dilapidations Liability Assessment (DLA) to underpin the dilapidations negotiations with the assignee

- Lease Consultancy managed the outstanding rent review - indemnifying the assignee against any uplift in rent
- Office Agency advised on new office options for the administrative team
- Industrial Agency marketed the warehouse



Deer Park, Livingston

CLIENT ISS Facility Services (UK) Limited, a leading global provider of facility services

SIZE 5,200 sq ft office

BRIEF Provide strategic advice and a plan to dispose of surplus office space, whilst maintaining operational business continuity

CONSIDERATIONS An impending lease expiring break option provided the opportunity to assess a number of options - ranging from remain in situ or, relocate to an alternative location. The issue is complicated by the fact that under Scottish Property Law, vacant possession must be granted in the event that formal notice to quit is served by the landlord

TEAM Strategic Consultancy



Solar House, Stevenage

CLIENT Sodexo UK, one of Europe's leading food services and facilities management companies

SIZE 27,000 sq ft - self-contained office building

BRIEF Negotiate the Heads of Terms lease agreement

RESULT Secured a 22% reduction in rent, despite the protracted protestations of the freeholder. The new 10-year lease includes a tenant's option to break at the expiry of the sixth year

TEAM Lease Consultancy



Birmingham Business Park, Solihull

CLIENT ISS Facility Services (UK) Limited, a leading global provider of facility services

SIZE 3,500 sq ft office

BRIEF Develop a disposal strategy for surplus office space, outlining all available options - which ranged from restructuring or, surrendering part of the lease to the landlord, or disposing of surplus accommodation to a third party

RESULT Alternative space was identified and secured within the landlord's portfolio

TEAM Strategic Consultancy



Buckingham Gate, London SW1

CLIENT Devonshire Group, part of the Chatsworth Estate

SIZE 3,101 sq ft office

BRIEF Disposal of a prestigious refurbished office, in a 'fashionable' part of town

RESULT Let the entire building, within weeks of being appointed - with only an eight-weeks rent free incentive

TEAMS - Agency undertook the negotiations

- Business Rates retained to advise on part of the Estate's portfolio



Falcon Court, Stockton-on-Tees

CLIENT FRP Advisory Limited, a leading UK business advisory firm

SIZE 3,000 sq ft office

BRIEF Identify and acquire office accommodation which better reflected the firm's culture, brand, values and operational activities and was close to its exiting office - in a market with a limited supply of good quality, newly built accommodation

TEAM Strategic Consultancy



Invincible Road, Farnborough

CLIENT Albox Services Ltd, a self-storage specialist

SIZE 31,725 sq ft industrial

BRIEF Provide acquisition advice

RESULT Following a successful initial negotiation, the vendor halted proceedings for almost 18-months to allow them to find a new site. Within two weeks of being notified by the vendor that they had found new premises, we concluded negotiations and the lawyers were instructed

TEAMS Industrial/Logistics Agency

Church House, Sheffield

CLIENT Intercounty Properties Limited, a national property company

SIZE 25,000 sq ft office

BRIEF Develop a disposal strategy for a high value asset in the city centre. It had potential alternative use - residential or student accommodation, subject to obtaining planning permission. The challenge was that the property was fully let to an operating business centre

RESULT Being prepared for open market sale

TEAM Agency

MARKET PROFILE

at a glance

Liverpool

Segmentation (by office size) sq ft

- 0 - 1000
- 1001 - 2500
- 2501 - 5000
- 5001 - 10000
- 10001 - 20000
- 20001 +



Our Liverpool Team



Left to right:
Lynn Haime, David Colvin (rear), Chris Hennessy

London

Last quarter headline office rentals saw a marginal increase across Central London of 0.13%, producing a rise over the last year of 1.09%. The average rent is now £65.50 per sq ft



Our London Team

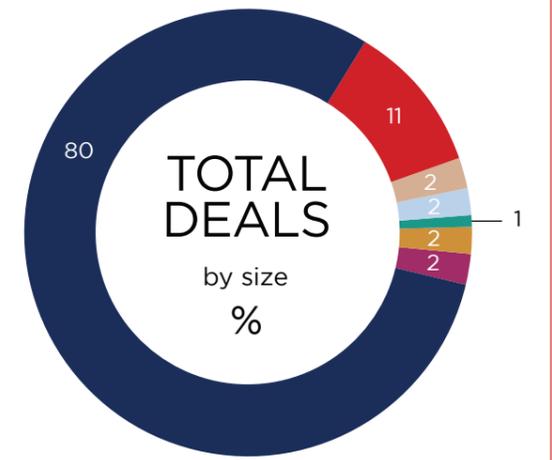


Left to right:
Giles Thomas, Steve Bennetts, Richard Beaumont, James Saxby, Mark Tillson

Manchester

Segmentation (by office size) sq ft

- 0 - 5000
- 5001 - 10000
- 10001 - 15000
- 15001 - 20000
- 20001 - 30000
- 30001 - 40000
- 40001 - 50000
- 50000+



Our Manchester Team



Left to right:
David Laws, David Newman, Steve Brittle

informed, impartial and independent

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& Goodman**

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