BIBBY DISTRIBUTION LTD  WORCESTER
Junction 7 M5, Woodbury Lane, WR5 2PT

Modern Distribution Warehouse Investment Opportunity
Investment Summary

- **A modern, strategically located** distribution warehouse with links to Junction 7 of the M5 Motorway at Worcester
- **A self-contained distribution warehouse** benefiting from the following specification:
  - Built in 2000
  - Circa 10 m eaves
  - 43 m secure yard
  - 2 storey ancillary offices
- The unit extends to 92,402 sq ft (8,584.44 sq m) GIA
- 4.43 acre (1.80 hectare) site reflecting a low site cover of 48%
- The Property is let in its entirety to the established Third Party Logistics provider Bibby Distribution Ltd (Experian Rating 99/100)
- Bibby Distribution Ltd occupy by way of a lease assignment from TM Logistics Ltd, for a period of **10 years commencing from 8th October 2010**. The Full Repairing and Insuring lease (subject to a Schedule of Condition) is subject to a tenant break option on 8th October 2015 with 9 months’ notice which has not been activated by the Tenant
- Unexpired term of approximately **5.7 years** to expiry
- Current passing rent of **£467,850 per annum** equates to **£5.06 per sq ft (£54.50 per sq m)**
- The rent is subject to a **five yearly upward only open market rent review** mechanism, with the next review due on **17th July 2015**
- **Freehold**
- We are instructed to seek offers in excess of **£6,100,000 (Six Million One Hundred Thousand Pounds)** reflecting a **Net Initial Yield of 7.25%** (assuming purchaser’s costs of 5.80%) and a **low capital value of £67 per sq ft (£722 per sq m)**, subject to contract and exclusive of VAT
Location

Worcester is located on the M5 Motorway (J6 & 7), 31 miles (50 km) south west of Birmingham, and 62 miles (100 km) north of Bristol, providing a central position to strategically serve Wales, the West Midlands, North West and South West regions.

Worcester has a total population of 94,029 (2011 Census) and represents a key location for major occupiers such as Sainsbury’s, Booker, Royal Mail, Worcester Bosch, Wolseley Group and Ceva Logistics.

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 (1.6 km) to the east of Junction 7 of the M5 Motorway.

The unit benefits from swift and unencumbered access to the M5 Motorway via the B4084.

<table>
<thead>
<tr>
<th>Location</th>
<th>Distance (miles)</th>
<th>Drive Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>London</td>
<td>136</td>
<td>2 hours 25 mins</td>
</tr>
<tr>
<td>Birmingham</td>
<td>31</td>
<td>38 mins</td>
</tr>
<tr>
<td>Bristol</td>
<td>62</td>
<td>1 hour 2 mins</td>
</tr>
<tr>
<td>Gloucester</td>
<td>30</td>
<td>36 mins</td>
</tr>
<tr>
<td>Cheltenham</td>
<td>25</td>
<td>35 mins</td>
</tr>
<tr>
<td>Kidderminster</td>
<td>15</td>
<td>26 mins</td>
</tr>
</tbody>
</table>

Road

Worcester benefits from excellent road links by virtue of its proximity to Junction 6 and 7 of the M5 Motorway, providing direct access to major conurbations and the wider motorway network. Within a 1 hour drive time Worcester links to the M6, M54, M42 and M40 to the north and M4 to the south.

Rail

Worcester is well served by rail, with direct services connecting with Birmingham in 47 minutes, London Paddington in 2h 23min and Bristol in 1h 33min.

Air

Worcester is located approximately 35 miles (56 km) south of Birmingham International Airport, which provides excellent passenger and freight forwarding air traffic links around the world.

Port

Bristol Port is currently the country’s most economical port centric distribution location and is located approximately 60 miles (97 km) to the south of Worcester via the M5 Motorway.
Description

The Property was developed by Horton Developments in 2000 and consists of a two bay modern distribution warehouse of steel portal frame construction extending to 92,402 sq ft (8,584.44 sq m) GIA. The Property incorporates well maintained ancillary office accommodation over two floors.

Specification:
- Steel portal frame construction
- Eaves height of approximately 10m
- 3 surface level and 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 approximately 85 spaces
- Well specified ancillary office accommodation with raised floors, suspended ceiling and passenger lift (1x630 kg)

Accommodation

The Property has been measured on a Gross Internal Area basis in accordance with the RICS Code of Measuring Practice (6th Edition) as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Sq ft (GIA)</th>
<th>Sq m (GIA)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Warehouse</td>
<td>80,002</td>
<td>7,432.45</td>
</tr>
<tr>
<td>Two Storey Offices</td>
<td>12,400</td>
<td>1,151.99</td>
</tr>
<tr>
<td>Total</td>
<td>92,402</td>
<td>8,584.44</td>
</tr>
</tbody>
</table>

Site Area

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

Freehold.

Tenancy

The Property is let entirely to Bibby Distribution Ltd, by way of a lease assignment from TM Logistics Ltd, for a period of 10 years commencing 8th October 2010 and expiring 7th October 2020.

The Full Repairing and Insuring lease (subject to a Schedule of Condition) is subject to a tenant break option on 8th October 2015 with 9 months’ notice period which has not been activated by the Tenant. Therefore, the term certain to expiry equates to 5.7 years.

The current passing rent of £467,850 per annum equates to £5.06 per sq ft (£54.50 per sq m) and is subject to an upward only open market rent review on 17th July 2015.

Tenant Covenant Details

Top 10 logistics provider Bibby Distribution Ltd is part of the Bibby Line Group of companies. Bibby Distribution Ltd was founded in July 1999 and is one of the leading logistics providers in the country. Bibby operate from more than 90 locations across the UK, employ 2,500 people and occupy 2 million sq ft (185,800 sq m) of warehousing space.

The Company has grown year-on-year through acquisitions, organic development and continued improvement in initiatives to serve new and existing customers – such as ‘PLS’, the returnable packaging business.

This unit represents a strategic midlands operational hub for the Company servicing multiple contracts, including inbound logistics for a major local manufacturer.

Corporate Acquisitions

Atchison Topeka - 2011
Bibby Distribution has further enhanced its service portfolio with the purchase of Atchison Topeka - a specialist, accredited logistics provider for the food manufacturing industry. The acquisition will further strengthen the business by establishing a significant presence in niche markets, estimated to increase annual turnover by £26 million.

TM Logistics - 2010
Bibby Distribution acquired TM Logistics in 2010, adding an additional £31 million of business to its annual turnover, further strengthening Bibby Distribution’s position in the logistics market.

Accounts

Bibby Distribution Ltd has an Experian rating of 99/100 representing a ‘very low risk’ of business failure based on accounts dated 31 December 2013 summarised below:

<table>
<thead>
<tr>
<th>Bibby Distribution Ltd</th>
<th>31/12/2013</th>
<th>31/12/2012</th>
<th>31/12/2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Turnover</td>
<td>£220,410,000</td>
<td>£211,107,000</td>
<td>£216,029,000</td>
</tr>
<tr>
<td>Pre-Tax Profits</td>
<td>£7,103,000</td>
<td>£24,397,000</td>
<td>£5,565,000</td>
</tr>
<tr>
<td>Total Assets</td>
<td>£16,643,000</td>
<td>£14,026,000</td>
<td>£17,098,000</td>
</tr>
<tr>
<td>Net Worth</td>
<td>£32,553,000</td>
<td>£32,580,000</td>
<td>£8,374,000</td>
</tr>
</tbody>
</table>
The industrial market continues to attract strong investor demand from UK institutions, foreign investors and property companies alike. Modern, well connected investments, let with mid-term income offer excellent re-gear prospects given the absence of built alternative accommodation and forecast supply/demand dynamics.

The following table illustrates the most recent comparable investment evidence:

<table>
<thead>
<tr>
<th>ADDRESS</th>
<th>DATE OF COMPLETION</th>
<th>AREA (SQ FT)</th>
<th>TERM CERTAIN</th>
<th>TENANT</th>
<th>RENT (PA)</th>
<th>RENT (PSF)</th>
<th>PURCHASE PRICE</th>
<th>NIY</th>
<th>CAP VAL (PSF)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stratton Business Park, Biggleswade</td>
<td>Under Offer</td>
<td>141,624</td>
<td>7.4 yrs</td>
<td>Bibby Distribution Ltd</td>
<td>£985,380</td>
<td>£6.80</td>
<td>c. £13,700,000</td>
<td>c. 6.80%</td>
<td>c. £97</td>
</tr>
<tr>
<td>Middlemarch Business Park, Coventry</td>
<td>Under Offer</td>
<td>81,774</td>
<td>4.8 yrs</td>
<td>Unipart Group Ltd</td>
<td>£425,000</td>
<td>£5.20</td>
<td>c. £6,000,000</td>
<td>c. 6.60%</td>
<td>c. £75</td>
</tr>
<tr>
<td>Charbridge Way, Bicester</td>
<td>Under Offer</td>
<td>68,250</td>
<td>4.7 yrs</td>
<td>Baker &amp; Taylor (UK) Ltd</td>
<td>£399,586</td>
<td>£5.95</td>
<td>c. £5,435,000</td>
<td>c. 7.35%</td>
<td>c. £80</td>
</tr>
<tr>
<td>Crow Lane Industrial Estate, Northampton</td>
<td>Under Offer</td>
<td>58,672</td>
<td>3.6 yrs</td>
<td>Booker Ltd</td>
<td>£250,000</td>
<td>£4.26</td>
<td>c. £3,175,000</td>
<td>c. 7.40%</td>
<td>c. £53</td>
</tr>
<tr>
<td>Interlink Way South, Bardon</td>
<td>Under Offer</td>
<td>63,756</td>
<td>3.7 yrs</td>
<td>Ceva Logistics Ltd</td>
<td>£334,719</td>
<td>£5.25</td>
<td>c. £4,520,000</td>
<td>c. 7.00%</td>
<td>c. £72</td>
</tr>
<tr>
<td>Magna Park, Lutterworth</td>
<td>Under Offer</td>
<td>122,231</td>
<td>6.0 yrs</td>
<td>P&amp;O Ferrymasters Ltd</td>
<td>£610,000</td>
<td>£4.77</td>
<td>c. £11,200,000</td>
<td>c. 5.15%</td>
<td>c. £92</td>
</tr>
<tr>
<td>Forge Lane, Birmingham</td>
<td>Under Offer</td>
<td>104,558</td>
<td>5.1 yrs</td>
<td>Kuehne + Nagel Ltd</td>
<td>£381,000</td>
<td>£3.64</td>
<td>c. £4,800,000</td>
<td>c. 7.50%</td>
<td>c. £45</td>
</tr>
<tr>
<td>Magna Park, Lutterworth</td>
<td>Nov-14</td>
<td>194,678</td>
<td>6.4 yrs</td>
<td>Toyota Logistics GC Ltd</td>
<td>£995,530</td>
<td>£5.11</td>
<td>£17,450,000</td>
<td>5.39%</td>
<td>£90</td>
</tr>
<tr>
<td>Meridian South Business Park, Leicester</td>
<td>Nov-14</td>
<td>65,164</td>
<td>5.8 yrs</td>
<td>DHL Supply Chain Ltd</td>
<td>£350,000</td>
<td>£5.37</td>
<td>£5,200,000</td>
<td>6.36%</td>
<td>£80</td>
</tr>
<tr>
<td>Crossways Business Park, Dartford</td>
<td>Sep-14</td>
<td>67,649</td>
<td>4.6 yrs</td>
<td>Veerstyle Ltd</td>
<td>£440,000</td>
<td>£6.50</td>
<td>£6,470,000</td>
<td>6.42%</td>
<td>£96</td>
</tr>
<tr>
<td>White Rose Way, Doncaster</td>
<td>Sep-14</td>
<td>80,277</td>
<td>6.8 yrs</td>
<td>Portola Packaging Ltd</td>
<td>£355,000</td>
<td>£5.07</td>
<td>£4,650,000</td>
<td>7.25%</td>
<td>£58</td>
</tr>
</tbody>
</table>
Modern Distribution Warehouse Investment Opportunity

**EPC**

The Energy Performance Certificate is available on request and provides a rating of C 64.

**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 (TOCG).

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**Proposal**

We are instructed to seek offers in excess of £6,100,000 (Six Million One Hundred Thousand Pounds) reflecting a Net Initial Yield of 7.25% (assuming purchaser’s costs of 5.80%) and a low capital value of £67 per sq ft (£722 per sq m), subject to contract and exclusive of VAT.

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