

# LEVI STRAUSS (UK) LTD SWAN VALLEY

NORTHAMPTON NN4 9BA



**PRIME LOGISTICS** INVESTMENT OPPORTUNITY

**CBRE**

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## INVESTMENT SUMMARY

- Prime logistics investment opportunity on Swan Valley Distribution Park
- Strategic location directly adjacent to Junction 15A of the M1 Motorway, ensuring excellent access to the national motorway network
- Swan Valley is recognised as one of the UK's premier distribution locations. Major occupiers in close proximity include BMW, Carlsberg, Pets at Home, The White Company, Royal Mail, Morrisons and Sainsbury's
- Modern, high quality distribution warehouse extending to 172,928 sq ft (16,065.5 sq m), including a 43,481 sq ft (4,039.5 sq m) high bay element
- The property sits on a 11.31 acre (4.58 ha) site, providing a low site cover of approximately 32%
- Average eaves height of 11m; the high bay and main warehouse elements offer a minimum 17m and 8m to the underside of the haunch respectively
- The property has been fitted out with an automated garment handling system
- Let to the strong covenant of Levi Strauss (UK) Limited (Experian Rating 100/100) on a new 4 year Full Repairing and Insuring (FRI) lease from completion of this transaction. The lease will be subject to a Tenant Break Option at expiry of year 2
- The initial rent passing will be £1,037,500 per annum, equating to £6.00 per sq ft (£64.58 per sq m)
- Freehold
- Significant opportunity to drive capital returns through asset management, against a background of a strong occupier market

We are instructed to seek offers in excess of **£15,500,000** subject to contract and exclusive of VAT. A purchase at this level would reflect a **Net Initial Yield of 6.28%** and a low **Capital Value of £89.63 per sq ft**, assuming purchaser's costs of 6.60%.

# LOCATION

Northampton is a core and strategic Midlands distribution location, benefitting from excellent transport communications

Northampton is one of the UK's most established logistics centres, strategically located at the centre of England and almost equidistant between Birmingham and London, situated 54 miles (86.9 km) north west and 67 miles (107.8 km) south east respectively.

## ROAD

Swan Valley benefits from excellent access to the national motorway network, situated directly adjacent to Junction 15A of the M1 Motorway. The M1/M6 intersection lies 18.5 miles (29.8 km) to the north with the M25 Motorway 45 miles (72.4 km) south. The A43 runs south west providing direct, dual carriageway access to Junction 10 of the M40, approximately 24.5 miles (39.4 km) distant.

ROAD LINKS	DISTANCE
J15A, M1 Motorway	0.8 miles
DIRFT	14.5 miles
J1, M6 Motorway	18.5 miles
J10, M40 Motorway	24.5 miles
Leicester	37 miles
J7, M42 Motorway	43 miles
J21, M25 Motorway	45 miles
Birmingham	54 miles
J4B, M4 Motorway	64 miles
Central London	67 miles

## RAIL

Northampton is well connected in terms of rail, sitting in close proximity to both rail freight and passenger services. The nearest rail freight services are available from Daventry International Rail Freight Terminal (DIRFT), located approximately 14.5 miles (23.3 km) to the north west. Northampton Railway Station, situated 5 miles (8 km) north east of the property, provides a regular service to London Euston with a fastest journey time of 55 minutes.

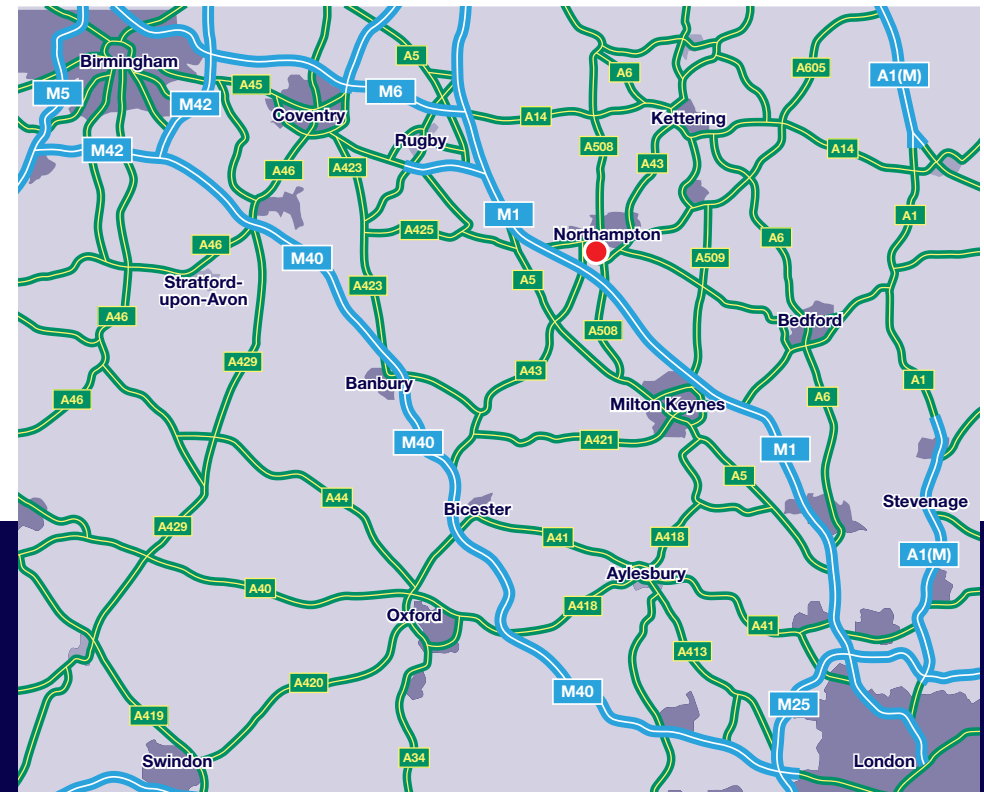
## AIR

East Midlands Airport, the UK's largest freight airport outside of London, is located approximately 50.5 miles (81.3 km) to the north, accessible via Junction 23A of the M1 Motorway, with London Luton and Birmingham International also within a 50 mile radius.

AIRPORT	DISTANCE
London Luton	37.5 miles
Birmingham Intl.	45.5 miles
East Midlands Intl.	50.5 miles
London Heathrow	68 miles

## PORT

The international ports of Felixstowe and Harwich are within a 2.5 hour drive time via the A45 and A14.





## SITUATION

Swan Valley is one of the UK's premier distribution locations, situated directly adjacent to Junction 15A

Situated 4 miles (6.4 km) south west of Northampton and immediately north of Junction 15A of the M1 Motorway, Swan Valley is widely regarded to be one of the UK's premier distribution parks. Swan Valley extends to approximately 210 acres, benefitting from consent for 2.1 million sq ft of B1/B2/B8, a hotel and ancillary accommodation.

Swan Valley is a core distribution location given its central location, proximity to the M1 Motorway and access to an ample labour supply. Major occupiers in the area include: BMW, Carlsberg, Pets at Home, The White Company, Royal Mail, Morrisons and Sainsbury's.

The property is centrally located within Swan Valley and is accessed to the west of the site via Tilth Barn Way. Access to the motorway is via Swan Valley Way and in turn the A43.

## DESCRIPTION

Developed in 1998, the property is a modern self-contained, high specification distribution warehouse extending to 172,928 sq ft (16,065.5 sq m), and acts as Levi Strauss & Co's UK headquarters. The warehouse includes a 43,481 sq ft (4,039.5 sq m) high bay element, which has been fitted out with an automated garment handling system.

The specification is as follows:

- Steel portal frame construction with galvanised steel sheet clad roof and insulated vertical clad elevations
- Average eaves height of 11m; the high bay and main warehouse elements offer a minimum 17m and 8m to the underside of the haunch respectively
- 14 dock and 4 level access loading doors, providing an attractive ratio of 1:9,607 sq ft
- The unit is fully fitted with lighting, heating, ventilation and sprinkler system throughout
- High quality 35,144 sq ft (3,265.0 sq m) headquarter style two storey ancillary office accommodation
- Fully secured loading yard with a maximum depth of 48m
- 16 HGV parking spaces
- 175 car parking spaces
- 360° circulation



# ACCOMMODATION

The property has been measured on a Gross Internal Area basis in accordance with the RICS Code of Measuring Practice (6th edition). The breakdown is as follows:

DESCRIPTION	SQ M	SQ FT
Main Warehouse	8,761.0	94,303
High Bay Warehouse	4,039.5	43,481
Offices	3,265.0	35,144
<b>TOTAL</b>	<b>16,065.5</b>	<b>172,928</b>

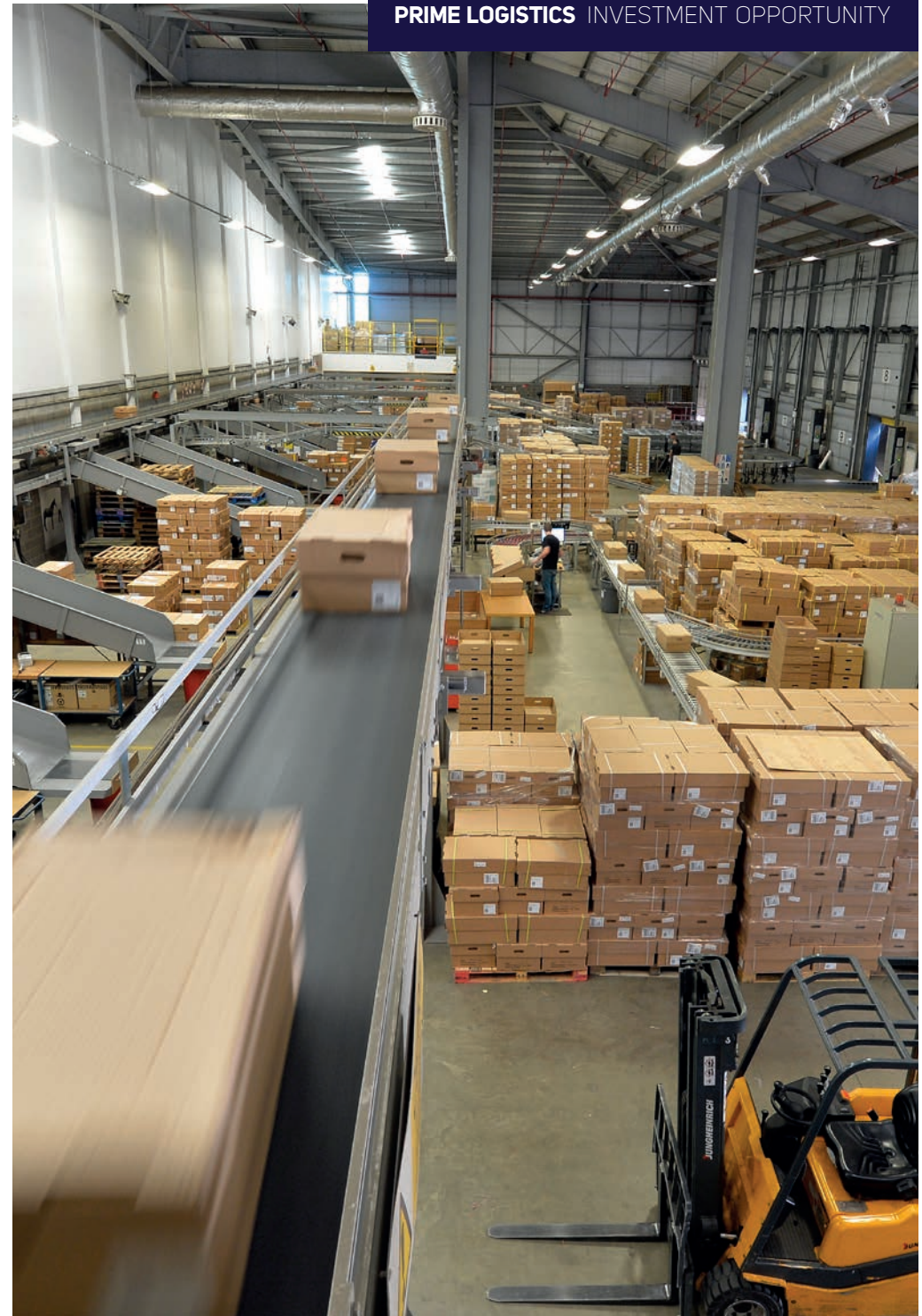
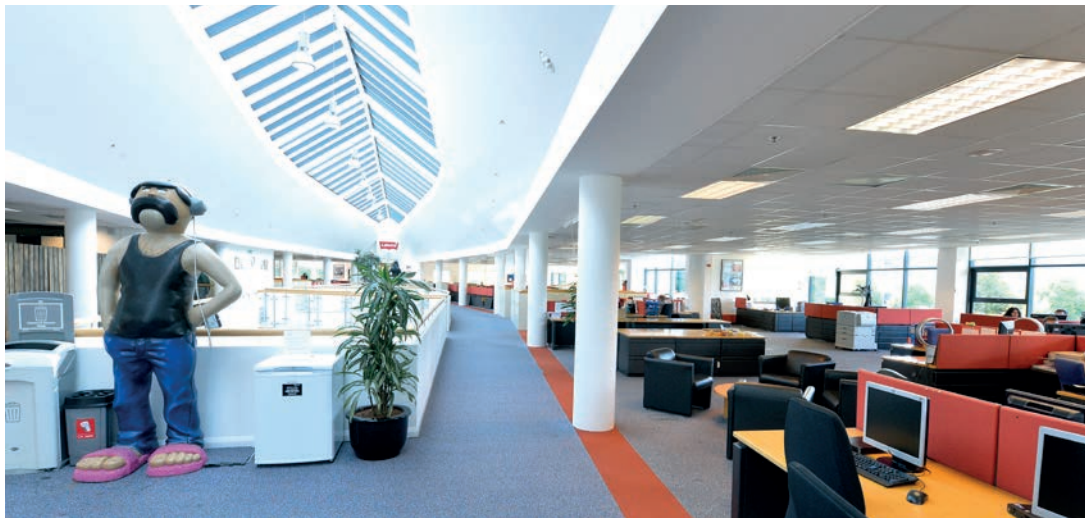
A copy of the measured survey is available on request and is assignable to the purchaser.

## SITE AREA

The site extends to an area of approximately 11.31 acres (4.58 ha) providing a **very low site cover of 32%**.

## TENURE

The property is held Freehold.

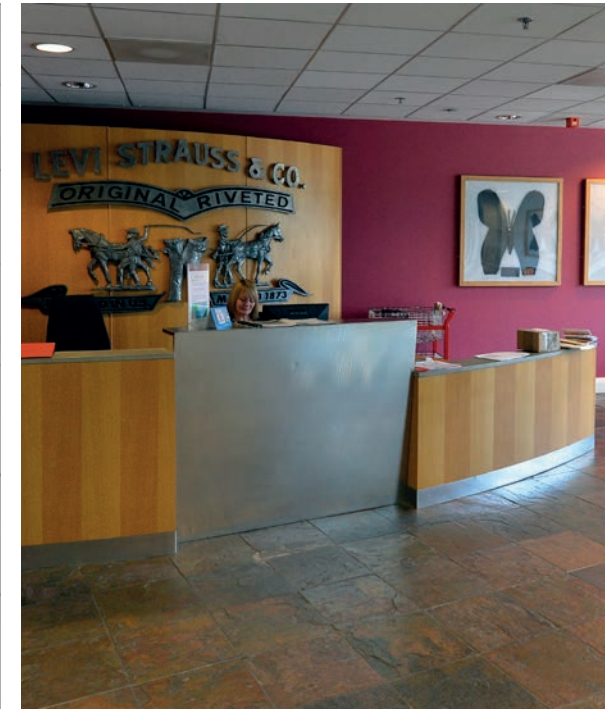


## TENANCY

The Property will be let to Levi Strauss (UK) Ltd for a term of 4 years, commencing from completion of the sale, and will be subject to a Tenant Break Option at expiry of year 2.

The Lease will be granted on Full Repairing and Insuring (FRI) terms, at an initial passing rent of £1,037,500 per annum, equating to £6.00 per sq ft (£64.58 per sq m). The Lease will be subject to a Schedule of Condition.

The Lease will be contracted outside of the Landlord and Tenant Act 1954.



## TENANT COVENANT

Levi Strauss (UK) Ltd is the UK subsidiary of Levi Strauss & Co, a privately held clothing company known worldwide for its "Levi's" brand of denim jeans. Levi Strauss & Co was founded in 1853 and now employs approximately 16,000 people worldwide, trading from over 2,800 company operated stores. The business is a \$4.8 billion revenue company, generating a net income of \$106 million and an adjusted EBIT of \$504 million in 2014.

Levi Strauss (UK) Ltd (Company No. 00892419) has an **Experian Rating of 100 out of 100, representing a 'Very Low Risk' of business failure.** We summarise the latest financials below:

DATE	SALES TURNOVER	PRE TAX PROFIT	TOTAL NET ASSETS	NET WORTH
30 Nov 2014	£43,179,000	£4,544,000	£25,434,000	£25,434,000
30 Nov 2013	£37,733,000	£4,557,000	£22,434,000	£22,434,000
30 Nov 2012	£36,377,000	£1,699,000	£18,420,000	£18,420,000



# INDUSTRIAL INVESTMENT MARKET

There is currently very strong investor sentiment towards distribution warehouses offering strong fundamentals in core locations. This is driven by the current supply/demand imbalance in the occupational sector, which is offering excellent potential for strong asset performance.

ADDRESS	AREA / SQ FT	UXT	TENANCY	RENT PASSING	DATE OF COMPLETION	PURCHASE PRICE
Brudenell Drive, Milton Keynes	111,445	2.0	Let to Amscan International Ltd on a lease expiring 30 June 2017.	£627,000 £5.63 per sq ft	Aug-15	£10,200,000 5.81% £92 psf
Lexicon House, Middleton Industrial Estate, Guildford	30,775	4.0	Let to Access Plus Marketing Services on a 10 year lease expiring 19 March 2024. The lease provides for a Tenant break option at expiry of year 5.	£300,000	Aug-15	£4,970,000 5.71% NIY £161 psf
Bunzl, New Frontier House, Bardon Business Park, Bardon	76,300	4.8	Let to Bunzl Retail & Healthcare Supplies for a term of 10 years from November 2014. The lease provides for a Tenant break option at expiry of year 5.	£381,520 £5.00 per sq ft	Jul-15	£6,270,000 5.75% NIY £85 psf
P&O Ferrymasters, Magna Park, Lutterworth	122,231	6.0	Let to P&O Ferrymasters Ltd and sub-let to Asda Stores Plc on co-terminus lease terms. Lease is subject to 5 yearly open market rent reviews (next December 2015).	£610,000 £4.99 per sq ft	Jan-15	£11,200,000 5.15% NIY £92 psf
Toyota, Magna Park, Lutterworth	194,678	6.0	Let entirely to Toyota Logistics Services GC Ltd (D&B 2A1) by way of assignment from Toyota (GB) Plc (D&B 3A1) for the residue of a term of 30 years. The next rent review is December 2015.	£995,530 £5.11 per sq ft	Nov-14	£17,450,000 5.39% NIY £90 psf



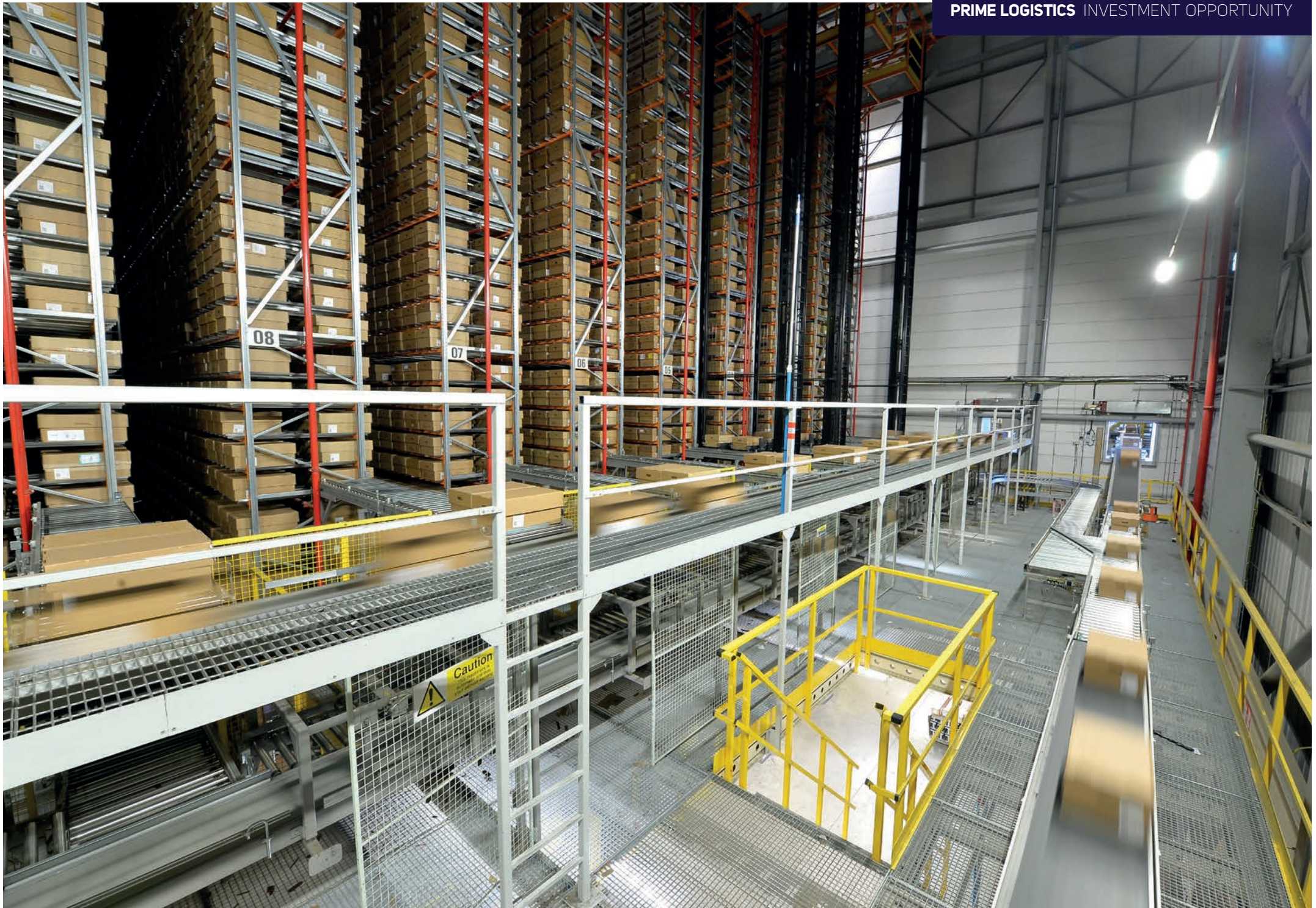
## FURTHER INFORMATION

### EPC

The Energy Performance Certificate is available on request and provides a rating of D(98)

### PROPOSAL

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# CONTACT

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