



John Lewis

Redd 42, Hedera Road, Ravensbank Business Park, REDDITCH

➤ John Lewis Plc Distribution Centre



INVESTMENT SUMMARY

- Redditch is strategically located close to the M42 which is at the heart of the Midlands motorway network.
- Freehold.
- A prime 22,076 sq m (237,633 sq ft) distribution unit incorporating up to 1,447 sq m (15,572 sq ft) of office accommodation.
- A 10 year lease to John Lewis Plc expiring 31 July 2017.
- A total rent of £1,437,900 per annum comprising a base rent of £5.63 per sq ft and an additional fit out rent of £0.42 per sq ft.
- We are seeking offers in excess of **£16,000,000 (Sixteen Million Pounds)** subject to contract and exclusive of VAT. A purchase at this level would reflect a net initial yield of **8.5%** after allowing for purchaser's costs of 5.8% based upon a total rent (including fit out rent) of £1,437,900 per annum.

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Ravensbank Business Park

REDDITCH

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John Lewis Plc Distribution Centre

LOCATION

Redditch is located in the West Midlands, approximately 14 miles south of Birmingham City Centre, 100 miles north west of London and 28 miles west of Coventry. Its strategic distribution location serves 87% of the UK mainland within a day return journey*.

Redditch benefits from excellent communication links, located 4 miles from Junctions 2 and 3 of the M42 Motorway. The M42 provides links to the M1, M6 and M6 Toll Road to the north, M40 to the east and M5 to the west.

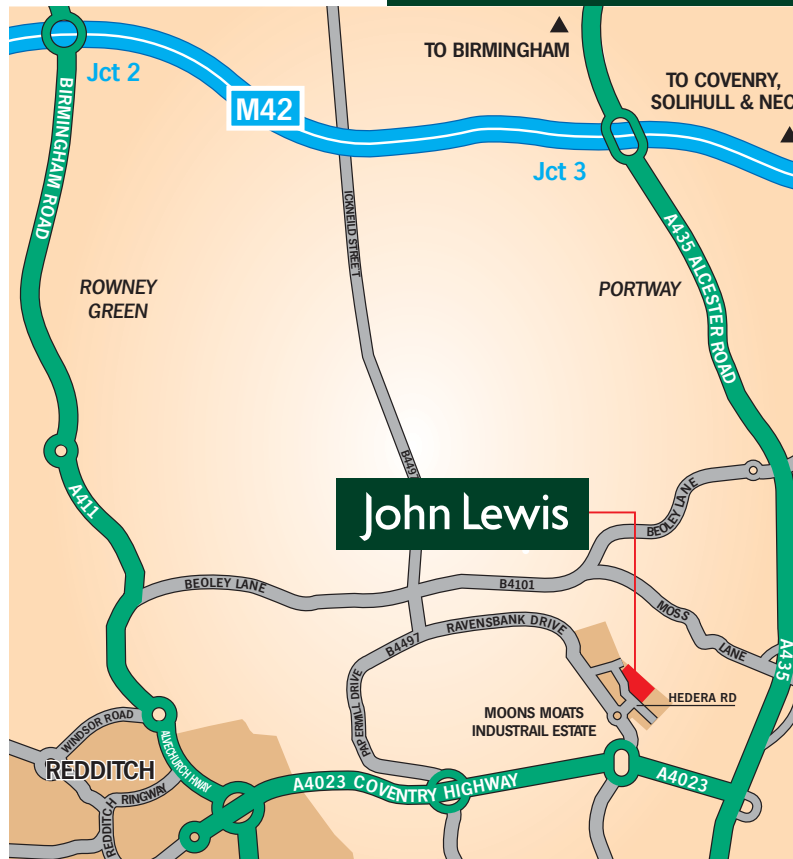
Redditch also benefits from easy access to Redditch town centre, providing excellent facilities for staff.

Travel Distances / HGV Drive Times

Motorway Junctions	Distance (miles)	HGV Drive Times
M42 Junction 3	4	8 mins
M42 Junction 3a (junction with M40)	6	12 mins
M42 Junction 4a (junction with M5)	12	21 mins
Towns	Distance (miles)	HGV Drive Times
Birmingham	14	25 mins
Coventry	28	41 mins
Leicester	52	1 hr 1 min
Manchester	111	2 hrs 2 mins
London	115	2 hrs 6 mins
Leeds	138	2 hrs 35 mins
Glasgow	314	5 hrs 14 mins
Edinburgh	315	5 hrs 38 mins
Airports	Distance (miles)	HGV Drive Times
Birmingham	17	24 mins
Coventry	31	45 mins
East Midlands	51	1 hr 3 mins
Luton	94	1 hr 51 mins
Heathrow	102	1 hr 47 mins
Manchester	104	1 hr 50 mins
Gatwick	138	2 hrs 22 mins
Ports	Distance (miles)	HGV Drive Times
Southampton	129	2 hrs 52 mins
Hull	150	2 hrs 51 mins
Felixstowe	174	4 hrs 16 mins

Source: RAC Route Planner

* based upon a 9 hour haulier's day and a maximum speed of 50 mph.



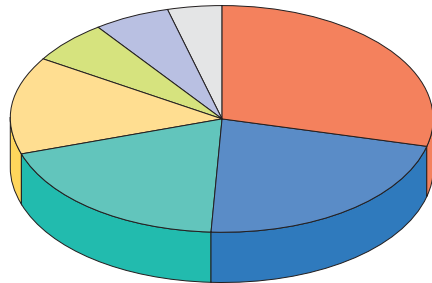
ECONOMY

Redditch is one of six boroughs that make up the county of Worcestershire and is part of the Central Technology Belt that provides development support to industry by drawing on knowledge and research expertise from the four universities and major research centres in the region. Economic activity and employment in Worcestershire remain high compared to regional and national averages.

Redditch was designated a new town in 1964 and has since benefited from significant inward investment and economic growth. The area has strong labour supply with a residential population of circa 78,807 and a higher proportion of skilled and semi-skilled manual workers than the national average.

The town's principal industrial areas comprising Ravensbank Business Park, Moons Moat, Park Farm and Washford are all large, well planned and low density developments which are separated from the residential areas of the town. Due to the excellent motorway links and easy access for workforce, Ravensbank is an established and recognised distribution centre with occupiers such as SP Group, Halfords and Pilkington, situated in the immediate vicinity.

Employment by industry in Redditch



DEMOGRAPHICS

Catchment Population	78,807
Male Percentage (%)	49.3
Female Percentage (%)	50.7
Population within 10 km	146,005
Population within 20 km	960,365

Source: Town Focus Report, Redditch



MAJOR EMPLOYERS

Major employers in the Redditch area include the following:

Occupier	Activity	Employees
McClellan International Ltd	Facilities Management	1,200
Johnson Controls UK	Automotive Group	750
Mettis Aerospace Ltd	Engineers	550
Halfords	Car & Leisure Accessories	500
Waterfords Entertainments	Entertainment Agencies	500
Intier Automotive Interiors	Automotive Interiors	470
SP Group	Screen Printers	400
UK NSI Co Ltd	Electronic Engineers	377
Elvi	Clothes Shop – Ladies	359

Source: Town Focus Report, Redditch

SITUATION

The property is situated on Hedera Road within Ravensbank Business Park in the Moons Moat area of Redditch, approximately 4 miles from the M42 Motorway.

Ravensbank is an established industrial and distribution centre with existing occupiers that include Intier Automotive, Johnson Controls, Heller UK and SP Group.

Easy access is available to Junction 3 of the M42 Motorway via the A4023 and the A435 dual.

DESCRIPTION

The warehouse was constructed in 2006.

We set out below the base specification which meets all appropriate institutional criteria.

Base Specification

Offices

- Ground and first floor offices.
- Central heating.
- Suspended ceiling.
- LG3 recessed lighting.
- Fully carpeted raised floors.
- Second floor office (shell and core).
- Double height glazed reception.
- Eight person passenger lift.

Warehouse

- 12m clear working height.
- 18 dock doors (including two oversized dock doors).
- Four level access loading doors, with potential for one additional.
- 50 kN/sq m floor, Very Heavy, AR2.
- FM2 special floor.
- LPC B certified Cladding.
- Services provided for a hub office.
- 15% roof light provision.

External Areas

- 223 car park spaces.
- 38 lorry park spaces.
- Fully landscaped.
- 50m yard depth.
- Gatehouse with entrance barrier.
- Secure fenced yard.
- Access road with dedicated lay-by provision.

Landlord's Enhanced Specification

The Landlord provided a capital contribution of £1,250,000 for the various fit out works, for which there is an additional rent. The landlord's fitout works include:

Heating to the warehouse

- Gas radiated heating.
- Frost protection to the warehouse comprising air handling units with matched gas burners and associated controls, distribution duct work and jet nozzle air terminal outlets (designed to raise the temperature in winter to 7°C).

Lighting to the warehouse

- Fluorescent lighting to a minimum of 250 lux at floor level. The system also incorporates automatic daylight saving controls.

Sprinklers to the warehouse

- Incorporates sprinkler protection valves and connecting pipework to the roof level of the warehouse area to standard BSEN 12845, defined as extra high hazard category 3/4.

Tenant's Fit Out Works

The Tenant has invested circa £3,250,000 of additional fit out works under a separate licence which included approval to:

- Installation of a mezzanine floor.
- Provision of additional staff welfare facilities adjacent to the ground floor office / canteen area.
- Provision of a hub office.
- Adaptation of dock level loading doors.
- External rest areas.
- Car park control barriers.

A full specification can be provided upon request.



ACCOMMODATION

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

	Sq M	Sq Ft
Warehouse	20,606	221,802
Offices / Canteen Ground Floor	493	5,308
Offices First Floor (Excluding Double height Reception)	460	4,956
Offices Second Floor*	493	5,308
Gatehouse	24	259
Total (including shell & core 2nd floor)	22,076	237,633

* Shell and core.

The property is built on 12.21 acres and provides a site coverage of 44.7%.



TENURE

Freehold.

TENANCY

Tenant

John Lewis Plc, Company No: 233462.

Term

10 years ending on 31 July 2017.

Rent

A base rent of £1,337,990 per annum plus VAT. This equates to £5.63 per sq ft.

A fit out rent of £100,000 per annum plus VAT. This equates to £0.42 per sq ft.

The total annual rent is £1,437,990 per annum which equates to £6.05 per sq ft.

Repair

Full repairing and insuring.

Use

For storage and distribution within class B2 or B8 of the 1987 Use Classes Order.

Rent Review

Rent to be reviewed to the higher of market rent or that payable immediately before the review date, ignoring payment of the fit out rent and Landlord's Enhanced Specification.

The fit out rent is to be increased proportionately in line with the base rent with effect from the review date.

Alienation

Assignment and subletting of the whole premises is permitted with the Landlord's consent.

Subletting in part is permitted with Landlord's consent, subject to no more than two sublettings.

John Lewis Plc operate the unit by way of a third party e-procurement provider who occupy by way of licence agreement.

Estate Service Charge

An Estate Service Charge is payable by the tenant and details are available upon request.

John Lewis Plc Distribution Centre

THE TENANT

The building operates as the John Lewis Plc National Distribution Centre for the John Lewis Direct online business.

The John Lewis Partnership is one of the UK's top ten retail businesses and comprises:

- 28 department stores.
- Four John Lewis at Home stores.
- Johnlewis.com.
- 235 Waitrose supermarkets.
- 15 Waitrose convenience stores.
- Waitrose.com.

John Lewis Plc is a subsidiary of The Partnership and is a substantial covenant with a turnover in excess of £7.3 billion for year ending January 2011.

The latest financial details for John Lewis Plc are as follows:

John Lewis Plc, Company No: 233462

	29 Jan 11	30 Jan 10	31 Jan 09
Sales Turnover	£ 7,361,800,000	6,734,600,000	6,267,200,000
Profit / (Loss) Before Taxes	£ 173,100,000	154,900,000	281,000,000
Tangible Net Worth	£ 1,961,100,000	1,611,700,000	1,637,400,000

The Dun & Bradstreet rating of 5A1 shows a financial strength of £33,333,500 (based upon tangible net worth) and an overall condition which represents minimum risk.



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CAPITAL ALLOWANCES

Unclaimed plant and machinery allowances are estimated at £2,860,000 and are available by separate negotiation. Our client will not claim Capital Allowances prior to completion of the investment sale.

VAT

The property is elected for VAT which will be payable in addition to the purchase price. However the transaction may be treated as a Transfer of a Going Concern (TOGC), if the usual conditions for a TOGC are met by the purchaser.

PROPOSAL

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FURTHER INFORMATION

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September 2011

On behalf of

TERRACE HILL

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