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Annual Property Report

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**2013**

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OMEGA





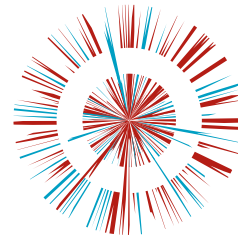
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Omega is being delivered by **Omega Warrington Ltd**, a joint venture between Miller Developments & KUC Properties Ltd (part of The Royal Bank of Scotland's West Register Property)



OMEGA

### Awards:

In March 2013, Omega Warrington Ltd, which is a joint venture between Miller Developments and KUC Properties Ltd (part of The Royal Bank of Scotland's West Register Property) was awarded the title of 'North West Property Company of the Year' by leading national commercial property publication Estates Gazette. This was based on occupier lettings progress made on Omega North. The company faced tough competition and beat high profile companies the Co-operative Group, Manchester Airports Group, and the Peel Group to the top prize.

Left to right – Stacey Meadwell, Estates Gazette; Jonathan Wallis, Miller Developments, Partner of Omega Warrington Limited; and Damian Wild, Editor, Estates Gazette

### Omega, Warrington

Omega is a major £1bn, employment led, mixed-use development opportunity on a brownfield site at junction 8 of the M62, comprising part of the former USAF/RAF Burtonwood Airbase.

The 575 acres development site is being delivered by Omega Warrington Ltd (OWL), a joint venture between Miller Developments and KUC Properties Ltd (part of The Royal Bank of Scotland's West Register Property), in partnership with the Homes and Communities Agency (HCA) and supported by Warrington Borough Council (WBC)

Planning consent has already been achieved for 1.6m sq ft of logistics space on Omega North and 1.5m sq ft of office accommodation on Omega South. On

Omega South, planning consent has just been granted for a 600,000sq ft logistics centre for a major household name and start on site is imminent.

On Omega North, work is well underway on a 200,000sq ft unit for the site's first occupier Brakes, the grocery and fresh food suppliers, and on £7m of infrastructure works. Two further occupier announcements are imminent for Omega North and these logistics occupiers are likely to generate in excess of 2,200 further long term jobs in the next couple of years plus around 1,000 construction jobs.

The recent planning approval on Omega South marks the first phase of a wider mixed-use masterplan for the remainder of the site which is currently being finalised.

Middle three key representatives: (left to right) Cllr Terry O'Neill, Leader of Warrington Borough Council; Andrew Sutherland, Joint MD of Miller Developments (Partner, Omega Warrington Ltd); and Deborah McLaughlin, North West Executive Director at the Homes and Communities Agency PLUS guests at the Omega North commencement of works celebration event.'





Miller Developments is part of The Miller Group, a major UK property business specialising in housebuilding, commercial property, construction and integrated asset management services.

Miller Developments is a major property development and trading business operating across the UK, focussing on brownfield sites and working in joint venture with public and private sector partners. Miller Developments reviews existing property assets and estates, works through the planning and development process as well as being well equipped to manage and finance projects. They were named Property Company of the Year in Scotland and the East Midlands in the 2012 Estates Gazette regional awards.

### Recent deals and key contracts:

- Miller Developments recently exercised an option to acquire 93 acres of prime development land at Dyce Drive, Aberdeen. A new business hub with a projected end value of £400m and the capacity to create up to 8,000 jobs over the next decade is set to be created on the site next to Aberdeen International Airport. Norwegian-listed oil services company, Aker, recently purchased 40 acres at the site to create a new base in Aberdeen.
- Miller Cromdale, a joint venture partnership between Miller Developments and Aberdeen based developer Cromdale Ltd, recently agreed a forward funding deal with Tritax to develop a new 40,000 sq. ft. bespoke Grade A office building at North Esplanade West, Aberdeen. The £16.1 million deal will see fast growing North Sea operating company, GDF SUEZ E&P UK Ltd, occupy the development on a 15 year lease, with employees and contractors expected to move into the new building in Q3 2014.

The Omega Opportunity, at Junction 8 of the M62

### Key Projects:

#### Edinburgh Quay

Multi-Award winning Edinburgh Quay set the benchmark for canal side regeneration and development in the UK.

Edinburgh Quay Ltd, a Miller Developments partnership with British Waterways (BW), transformed the Edinburgh terminus of the Union Canal into a thriving cosmopolitan environment.

#### Pacific Quay

On the former Glasgow Garden Festival site on the banks of the River Clyde, Miller Developments was selected with joint venture partners Grosvenor and CTP Ltd to lead the regeneration of this site to fulfill the ambitions of Scottish Enterprise.

Pacific Quay is home to some of the most prestigious HQ buildings in Glasgow including BBC Scotland and Scottish Media Group. In addition, the location also plays host to Glasgow Science Museum and IMAX Cinema.

#### E.ON

A nine-storey, £30m, high quality office development in Nottingham city centre by Miller Developments' Midlands joint venture, Miller Birch, constructed on land acquired from the local authority.

The 105,000 sq ft (9,754 sqm) development was pre-let on a 15 year lease to energy giant E.ON and was forward funded by local investor Leicestershire-based Charles Street Buildings Group.

The building is the first BREEAM "Excellent" development in the city.

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## Foreword

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This fifteenth Annual Property Review provides considerable reassurance that Warrington continues to buck the national economic trend



This fifteenth Annual Property Review provides considerable reassurance that Warrington continues to buck the national economic trend.

Unlike many locations who are merely fighting to survive we continue to confidently and robustly grow. As a town we continue to outrank and outpace our local neighbours including Liverpool and Manchester. Four recent, significant, independent reports all place Warrington in the top ten locations in the UK in terms of economic and company growth, knowledge, workforce skills and quality of life based on data gathered in 2012.

All property sectors continue to recover; indeed some have enjoyed their best years in a long time. There is a clear confidence in the market which has perhaps been buoyed by longer term plans for development projects in the town beginning to come to fruition.

Notably the Omega Opportunity is finally being realised. The three developments announced so far will create 1,200 new jobs and bring a total investment value of £135 million. The £190 million Stadium Quarter project has been given the green light and coupled with considerable progress towards commencement of the Bridge Street regeneration will further boost investor confidence, particularly in the town centre.

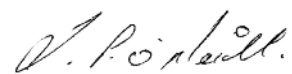
Current planned investment at Omega and The Stadium Quarter alone totals £325 million. There can be few cities and towns in the UK that can boast such levels of investment.

This new focus on delivery has been galvanised by the adoption by Warrington Borough Council of the Warrington Means Business strategy and framework which clearly sets out the development plans for the next decade and beyond to be delivered by a re-energised and revitalised Warrington & Co.

Whilst one is wary of optimism in these austere times, Warrington is undoubtedly doing rather well for itself and the future looks even brighter. For the canny investor it is certainly the place to be.

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**Terry O'Neill**  
Leader Warrington  
Borough Council



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**Peter Crompton**  
Chairman Warrington & Co.  
Director BE Group



Unlike many locations who are merely fighting to survive we continue to confidently and robustly grow.



## Executive Summary

*“England's second-ranking location for business investment”* was the highlight of a clutch of national studies that reported on the strength of Warrington's local economy in 2012. A study of all 325 local authority areas in England by Local Futures and The Municipal Journal saw Warrington rated as second only to Milton Keynes as a location for business.

The resilience of the town's economy, notwithstanding the wider national picture, was evidenced by a number of companies headquartered in Warrington being acclaimed in business performance rankings. Indeed two national business awards, sponsored by Ernst & Young and Orange, chose a Warrington business owner as their UK Entrepreneur of the Year. And each chose a different company, in Betfred and Better Bathrooms. The strength in depth of successful businesses is illustrated by North West Insider's Top 500 companies, which sees more representatives from Warrington than any other location apart from outside Manchester. Almost nine percent are headquartered here.

And this resilience was reflected in all sectors of Warrington's property market during 2012. Investment activity involved over 85,500 sqm of office, industrial and retail floorspace, and generated sales totalling £80 million. The offices sector continued its recovery with the fourth highest number of deals recorded in the history of the Annual Property Report. The industrial sector recorded the sixth best annual take-up figure, at just under 81,000 sqm, with the North West's largest strategic employment site, Omega, at last making a contribution. A number of sizeable out of town retail projects began or were completed. The largest two shopping centres, Golden Square and Birchwood Mall, saw development activity that will introduce additional anchor stores. Yet again the leisure sector saw a new hotel opening, bringing a new operator to Warrington. Research identified a 3.3 percent year on year growth in occupancy rates for the Borough's hotels, despite the impact of both the Jubilee celebrations and the London Olympics. Whilst concerns continue nationally about the level of house building with much development stalled, Warrington's residential sector saw activity on 32 separate sites. The Local Plan annual target of 456 new completions was comfortably exceeded with 626 new units built.

Once more Birchwood dominated the office sector, with over half the transactions. But the year's largest office deal involved a commitment by Swiss-owned hearing aid company, Phonak, to lease a bespoke building at Centre

Park from Marshall CDP. The rapidly dwindling supply of Grade A office space has prompted a number of property owners to invest in refurbishments, particularly in Birchwood, that will deliver this quality. It has also, for the time being, limited activity in the office investment market. Only two investment transactions during 2012 involved office properties.

The commitment by Brakes to lease over 18,000 sqm at Omega North has silenced doubts that the site would ever be developed. And like waiting for a bus, as soon as one turns up others follow behind, Omega North and South have three further potential occupiers for whom planning has been, or is being, secured. Together these four projects should see some 134,000 sqm under construction during 2013.

## Warrington's town centre bucked national trends in

Evidencing the continuing growth of online retailing, market leader, The Hut Group leased some further 13,500 sqm close to its existing warehouse at Stretton. Woolston Grange, Warrington's largest industrial estate, accounted for around 40 percent of all the industrial transactions during 2012, although most of the town's established estates saw some deals activity.

The Brakes pre-let attracted the year's highest industrial rent - £55.44 per sqm. It also features in the investment transactions having been forward sold at a yield of 6 percent.

Warrington's retail sector secured both occupier and investor commitments during the course of 2012. Out of town retailing saw sizeable developments started or



completed by IKEA, Sainsbury's and Next. The commitment by IKEA coincided with their 25th anniversary at Gemini, at the time their first venture into the UK. Next constructed a Home and Garden facility, by extending their Gemini site – the first in the North West to include this new concept. Sainsbury's new store at Chapelford was sold as an investment, achieving an initial yield of 4.9 percent. This was one of several retail-related investment sales that took place. Brockton Capital's purchase from PRUPIM of Riverside Retail Park was the biggest, with a purchase price of £29 million. Local developer Foden Estates acquired the former Total Fitness property on Winwick Road ahead of refurbishment for a pre let to The Range.

Warrington's town centre shopping centre, the Lendlease-owned Golden Square, bucked national trends in terms of new occupiers secured, footfall and sales. Leading the way in occupiers is Primark, whose 5,200 sqm requirement has meant New Look's relocation to a new store within Golden Square – and its role as a new concept store, the only one currently outside London. Barclays Bank also announced plans to pioneer a new concept bank within Golden Square. This will be associated with a new regional office facility.

Redefine, owners of Birchwood Mall, progressed extension and refurbishment works that will deliver an extra 7,000

sqm of retail space, with over 40 percent of this pre let to Home Bargains and QVC. In spite of ongoing construction throughout the year Birchwood Mall's footfall dropped only 2.5 percent, less than half the North West's average rate.

The year's highlight for the leisure sector was the opening in May, by Her Majesty The Queen, of Orford Jubilee Neighbourhood Hub. Costing £32 million, this is the only Olympic Legacy development outside London. It combines sports, health, and education and community facilities under one roof. Gulliver's World Resorts opened a new 56 bedroom hotel in November and German hotel chain Pentahotels acquired the Birchwood Ramada Encore as one of its first five UK hotels.

Building blocks were put in place that will lead to further developments and investments taking place. The Borough Council agreed terms for joint venture partnerships with Langtree (for the Southern Gateway) and Iliad (The Stadium Quarter). The HCA has agreed a masterplan for its Bruche site ahead of seeking a developer. Two planning applications were approved, and a third submitted, for logistics and distribution facilities that will see Omega North almost fully committed and the first development on Omega South. Discussions are taking place to enhance infrastructure and services within Birchwood to help secure further economic growth.

re shopping centre, the Lendlease-owned Golden Square, in terms of new occupiers secured, footfall and sales.



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## The Warrington Economy

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Whilst in 2012 the UK continued to experience recession and double dip recession concerns, no less than four national reports highlighted the strength and success of Warrington's local economy.

The Insider Top 500 listing of North West companies features Warrington businesses, more than any other location, outside Manchester.

Once again the latest Centre for Cities 'Cities Outlook 2013' painted a positive picture of Warrington, noting that there has been an improvement in relative fortunes over the course of the economic downturn. The recovery of house prices has been a contributory factor, with a fall of nine percent between 2008 and 2009 offset by a subsequent twelve percent rise. The low dependence on the public sector is helping to shelter the local economy from the worst of public sector austerity. Warrington was ranked seventh best for the highest private sector jobs growth in 2010-2011, increasing by 4.7 percent to 93,800. The ratio of private to public sector employment, at 3.8:1, reaffirms this. Only three locations, all in the south of England, bettered this.

The Centre for Cities separately identified Warrington as the country's most improved 'city' in Britain, based on economic performance since the start of the twentieth century. It looked at a range of measures including residents' skills levels, employment rates, number of new businesses, and drew comparison with the 1901 census figures. The investment in

infrastructure in the town, and in skills, underpins this improvement.

All 325 English local authority areas were assessed by research consultancy Local Futures and the Municipal Journal, in order to build 'An Inward Investment Guide to England'. Warrington was identified as second only to Milton Keynes as the best place to do business. The overall ranking was compiled from assessments that see Warrington featuring in the top ten locations for environment and infrastructure; quality of life; human resources; labour market; knowledge driven businesses; skills and qualifications; business and enterprise.

And the Santander Corporate and Commercial Banking's UK Town and City Index put Warrington 16th as a place for business out of the 74 UK locations it researched in 2012. The Index was compiled from research relating to enterprise, talent, connectivity, costs and economic well being.

Evidence of the strength of the local economy and its business and enterprise culture was delivered by a





## es 44 Warrington-headquartered ter.

number of other comparison research findings and national awards. The Insider Top 500 listing of North West companies featured 44 Warrington-headquartered businesses, more than any other location outside Manchester. Three companies, European Metals Recycling, United Utilities and GB Oils featured in the top ten. Three other companies, Secured Mail, Better Bathrooms and Fideliti were included in the Sunday Times Virgin Fast Track 100 – the fastest growing companies by sales in the UK. Indeed all three were ranked in the top 40.

Amongst the Warrington-based businesses and entrepreneurs being recognised with national awards were ICC Solutions (Queen’s Award for Business Innovation and Queen’s Award for Exports) for software based test tools that certify Chip and PIN transactions and Evolution Recruitment Solutions who were ranked second in the Sunday Times Top 100 Best Small Companies to work for. Belfry Group won the Innovator Award (for its EcoPod device) at TheBusinessDesk.Com’s North West Business Masters Awards. These latter awards saw Betfred’s founder named North West Ambassador for the outstanding contribution by a senior business leader. He was also named UK Master Entrepreneur of the Year at Ernst and Young’s Entrepreneur of the Year Awards. Further evidence of the Borough’s entrepreneurial talent surfaced at Orange’s sponsored National Business Awards, where their Entrepreneur of the Year went to another Warrington-based business owner, that of Better Bathrooms.

Yet Warrington recognises it cannot afford to be complacent about its economic resilience and success. Amongst initiatives taken during the year to continue progression were:

- Warrington Skills Commission established to ensure businesses can access the skills they need, and local people have the skills to access the available employment opportunities. This has led to a borough-wide strategy for skills development to support the local economy, aligned to future local labour market needs, the supply of skills provision and demand from employers and individuals
- Warrington & Co. and Marketing Cheshire launched the [investinwarrington.com](http://investinwarrington.com) website to promote the town’s strengths and assets to potential investors. It provides an important addition to endeavours to ensure the town maintains the status as a regional economic location, offering potential investors with a one stop shop resource
- Warrington Collegiate, and Warrington-based companies Tachodisc Ltd and Pepsico International established a new Logistics and Distribution Training Academy, providing the opportunity for industry and academia to work together and provide local people with the right skills and experience so they have a real chance of funding paid employment in what is one of the town’s key industry sectors.

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## Investment

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The property investment market continues to be far from plain sailing. Although nationally investment activity is reduced, deals were concluded demonstrating that investors still had an appetite for good quality stock with good covenants at the right yield.

Again the Warrington market saw a good number of opportunities coming to the market, and although similar to the previous year, properties were withdrawn when vendors' expectations weren't met, there was still around £80 million worth of stock traded, consistent with levels seen up to the latter part of the last decade.

The national picture was heavily influenced by quoted property companies who were at the forefront of transactions, though more so in terms of sales than acquisitions. The indications were that they sold some £450 million worth of assets more than they purchased. This was not necessarily driven by a need to off-load assets, more an acceptance that a more realistic stance on values needed to be adopted, although banks continued to influence activity either through a tight control on gearing or through the sale of property placed in the hands of LPA Receivers.

The Warrington picture reflected the national trend, but there were also some very attractive prime deals concluded during the year, and for the first time in several years, many of the sales were completed at single figure yields.

There is still a demand for quality stock. The first letting at Omega North was forward sold to Northern Ireland Local Government Offices' Superannuation Fund, managed by LaSalle Investments Management, at a yield of 6 percent. With a shortage of new high quality space the investment return showed how the market reacts when the appropriate product is created.

The retail sector also featured with two prime opportunities being snapped up during the year. The new Sainsbury's store at Chapelford Urban Village, built by Wilson Bowden as part of the new district centre, was sold to Greater Manchester Pension Fund at a yield of 4.9 percent. In Golden Square, the combination of two large shop units created a 5,200

sqm unit to house Primark, bringing together the Littlewoods space leased by the retailer's parent with the neighbouring New Look unit. This was sold to an investor New River Retail. This was the first sale of property within the town's premier retail complex.

Marshall CDP achieved a further sale at the newly developed Apollo Park, Gemini, where PRUPIM bought the Frankie and Benny's restaurant at a yield of 6 percent, improving almost a full investment point over the previous year's sale of the Harvester Restaurant.

In total 15 deals were recorded with over half, of those declaring the financial details, achieving single figure yields, which is quite a turnaround from the previous recession hit years. Not all deals were prime. Banks drove at least three of the sales, including the 2,150 sqm Dunelm Mill store at Parker Street, where an investor picked up the property as part of a small portfolio purchase at a yield in excess of 10 percent.

The industrial sector was well represented with eight of the deals. Most were for single tenant purchases, but they did include two multi-tenanted schemes. The latter proved popular with some investors as risk is spread between tenants and opportunities are ongoing to work the investment to improve returns. Orbit added to their growing Warrington portfolio with the purchase of Ravenhurst Court at Risley, whilst Cobra Asset Management bought the most recently developed warehouse scheme at Europa Boulevard from Henry Boot Developments.

The signs are encouraging for the coming year as the investment market waits with anticipation to see whether a number of the development deals currently in the pipeline will come to the market. These include the new 4,150 sqm office for Phonak at Centre Park, and some of the 116,000 sqm of new warehouse space reportedly close to signing at Omega.

Type	Location/ Property	Vendor	Purchaser	Size (sqm)	Price (£m)	Tenants	Net Initial yield (%)	Agents
Retail	Riverside Retail Park	PRUPIM	Brockton Capital LLP	14,725	29.00	Various	8.0	Cushman and Wakefield, Jones Lang LaSalle
Industrial	Omega North, Omega	Omega Warrington Limited	LIM Group	18,395	18.83	Brakes	6.0	Jones Lang LaSalle, GVA, Lambert Smith Hampton
Retail	Santa Rosa Boulevard, Chapelford	Wilson Bowden	Greater Manchester Pension Fund	3,707	13.57	Sainsburys	4.9	Savills / Tushingham Moore
Industrial	Ravenhurst Court, Risley	Ignis	Orbit	8,827	3.51	Various	9.2	DTZ / BNP Paribas
Retail	Golden Square	Warrington Retail	Primark/New River Retail	5,203	Undisclosed	Primark	Undisclosed	Tushingham Moore
Industrial	Europa Court, Gemini	Gullwing Fund	Cobra Asset Management	5,790	3.29	Various	10.0	Scott Frazer
Retail	Gemini 8, Gemini Retail Park	Marshall CDP	PRUPIM	337	3.10	Frankie & Benny's	6.0	Jones Lang LaSalle
Industrial	4 Kingsland Grange, Woolston	BLME	Rockspring	6,125	2.63	DHL / Excel	8.3	Collingwood Rigby
Industrial	Europa Boulevard, Gemini	CBRE Investors	Chestergate Properties	3,045	2.32	ASICS	9.0	CBRE
Offices	Quay Business Centre, Winwick Quay	Speycress Estates	Jolivet Investments (UK) Ltd	4,088	1.90	Various	Undisclosed	Deloitte Real Estate
Industrial	5 Kingsland Grange, Woolston	Private Vendor	Russells	2,329	0.80	James MacNaughton Paper	12.9	CBRE
Leisure	Total Fitness Winwick Road	Mc Cafferty Asset Management	Foden Estates	6,968	0.75	Vacant	Undisclosed	Jones Lang LaSalle
Industrial	Clayton Road, Risley	LPA Receivers	Private Investor	993	0.75	Volvo	7.6	Eddisons
Industrial	Osnath Works, 1A Lythgoes Lane	LPA Receivers	Private Investor	2,558	0.43	The Fireplace Showroom	8.6	Sanderson Weatherall
Offices	Unit 7, Olympic Court, Birchwood	LPA Receivers	Tailormade	575	Undisclosed	Quest	Undisclosed	Jones Lang LaSalle, Matthews & Goodman
Retail	Parker Street	LPA Receivers	Private Investor	2,150	Portfolio Sale	Dunelm Mill	>10.0	CBRE

## Offices

Two years on from the annus horribilis for Warrington's office market and the slow, but steady, recovery has continued. Overall take-up improved slightly over the previous year's total to just under 20,000 sqm, but the level was still short of the fifteen year average of 22,000 sqm.

Transaction numbers were up significantly, with 35 deals recorded for the year. This matches the fourth best year recorded in this report since it was first published. Whilst activity was up, conversely the average deal size was down, to 566 sqm. But with three transactions above 1,000 sqm, including a design and build, the larger end of the market continues to strengthen after a period of inactivity.

Swiss owned Phonak, currently occupying three separate office buildings at Centre Park, signed an Agreement for Lease with Marshall CDP for the construction of a 4,171 sqm office and assembly facility on one of the last remaining sites at Centre Park. The company, which manufactures hearing aids, is due to occupy the building in 2013. And at Birchwood, MEPC Birchwood Park signed an Agreement with Your Housing to build a new 3,000 sqm headquarters. This is not recorded in this report's figures as it was subject to obtaining final planning consent early in 2013.

Other significant deals saw First Recruitment acquire 610 Birchwood Boulevard, a 1,458 sqm building which was stripped down to a building shell by the previous owners and which will be completely refurbished to house the company late in 2013. Nuvia, already large tenants of MEPC Birchwood Park, expanded in Chadwick House.

For a number of years Birchwood has set the bar for the highest rent in the town, but this year the best rent recorded was £161.50/sqm for the new Phonak building at Centre Park. The drop from previous record levels has highlighted both the lack of new build space coming to the market and the competitive nature of the market as landlords and tenants alike continued to offer rental discounts to attract occupiers.

One of the strengths of the Warrington office market is its ability to retain businesses as they review their property needs. The majority of the transactions in 2012 saw existing businesses relocate or expand.

There were some notable newcomers including Canon and Your Housing, the latter an amalgamation of Arena and Harvest Housing Associations which will bring offices in Manchester and Merseyside to their new Warrington headquarters. Ahead of the completion of that building the company established a presence taking short term leases at Birchwood Park. Platform People had a similar arrangement with Cantt Pak when they occupied space in Rutherford House ahead of a move across to Allday House, which is currently being refurbished.

Transaction numbers were matches the fourth best ye

There were still bargains to be had for buyers, reflected in eleven freehold purchases, almost half from LPA Receivers. Whilst this can depress values, many of the purchasers are prepared to invest in the refurbishment of the buildings and the builders have moved in quickly to a number of these newly bought properties.

Activity at the smaller end of the market, below 200 sqm, is not reported in the list of transactions, but was strong during the year. The town's business centres reported good levels of occupancy. At St James' Court, bought the previous year by Langtree, there were a number of new deals in their Business Centre. Warrington & Co. let space at the International Business Centre, including attracting 1eague3, the Rugby League Players Association. Claremont Group Interiors bought Carnoustie House at The Links, Birchwood to expand its serviced office portfolio into Breeze 2, following the success of The Breeze at Kelvin Close, Birchwood.



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ar recorded in this report since it was first published.

As take-up of space in the office sector continues to pick up, and little new stock of buildings is coming forward, Warrington's supply of vacant space should begin to fall. But a consequence of businesses trading up to better premises within the town has seen a release of poorer quality accommodation back into the market. The five largest deals last year totalled just under 8,800 sqm, but those businesses released approximately 6,000 sqm of office space. The hope is that the landlords and their tenants will invest in the older stock rather than leave the properties to join an already significant stock of poor quality space.

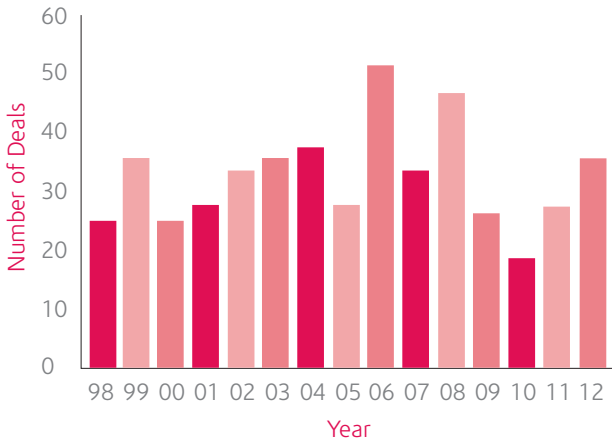
The alternative may be that building owners look to alternative uses for stock that is not letting. The current government has opened the door to conversion of offices to residential with the proposal for the relaxation of the current planning regulations, and whilst this may not seem likely in the middle of business parks, properties around the edges and offices in the town centre may become targets for house builders.



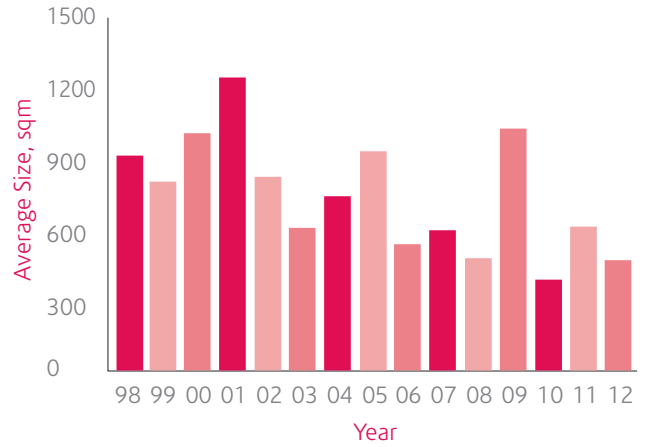
# Office Deals

Tenure	Number	Percentage
Leasehold	24	68
Freehold	11	32
<b>Total</b>	<b>35</b>	<b>100</b>

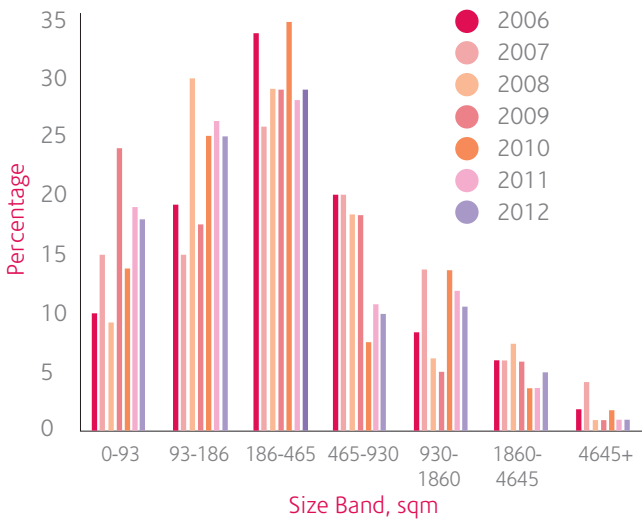
Office Deals > 200 sqm – Number of Deals



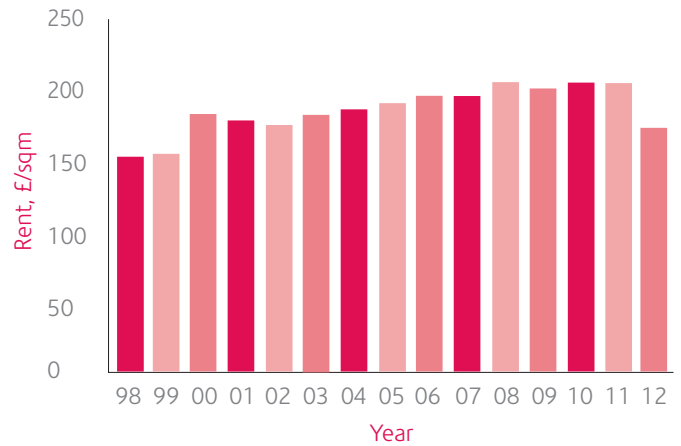
Office Deals - Average Office Deal Size (Sqm)



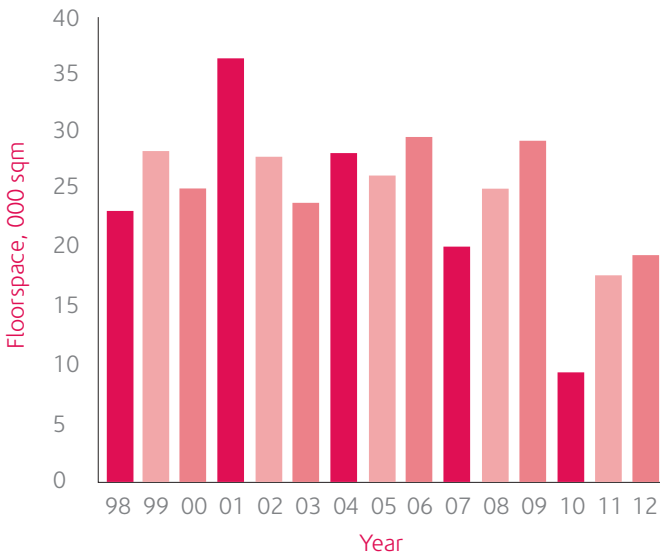
Office Enquiries



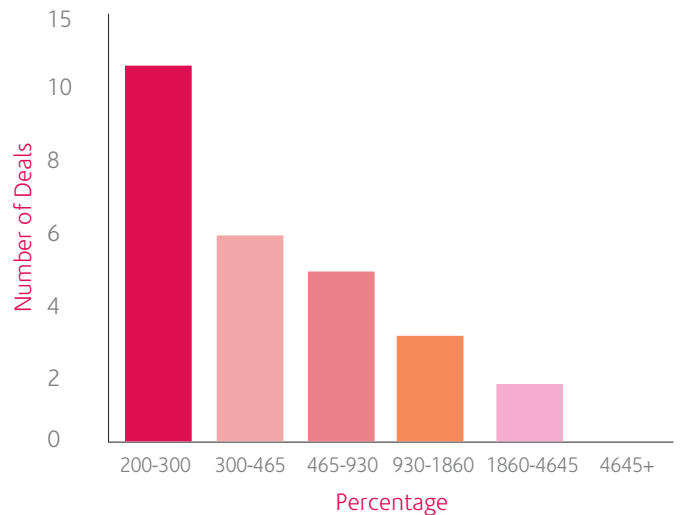
Office Prime Rents



Office Take Up



Office Deals by Size Band





Property	Landlord / Vendor	Tenant / Purchaser	Size (sqm)	Rent/Price (£/sqm)	Lease Term (Years)	Agents
Lakeside, Centre Park	Marshall CDP	Phonak	4,171	161.5	15	Eileen Bilton Partnership
610/611/612/613 Birchwood Boulevard Business Park	LPA Receivers	First Recruitment	1,458	Undisclosed	Freehold	BE Group / Riddell TPS
Chadwick House, Birchwood Park	MEPC Birchwood Park	Nuvia	1,443	145.3	7	BE Group / Jones Lang LaSalle
85/87 Spencer House, Birchwood	Redefine	Balfour Beatty Mott McDonald	974	102.3	9	BE Group / DTZ
Rutherford House, Birchwood	Cantt Pak	IESA	738	145.3	5	DTZ / Eileen Bilton Partnership
Carnoustie House, The Links, Birchwood	Valad	Claremont Group Interiors	714	860.0	Freehold	BE Group / GVA
Thomson House, Birchwood Park	MEPC Birchwood Park	Your Housing	650	145.3	2	BE Group / Jones Lang LaSalle
Unit G, Withington Avenue, Culcheth	WBC	Private Purchaser	615	495.0	Freehold	Morgan Williams
3 Olympic Court, Birchwood	LPA Receivers	Foster Care Associates	491	Undisclosed	Freehold	Jones Lang LaSalle / Matthews & Goodman
120-121/141-142, The Genesis Centre, Birchwood	Highcross	Private Tenant	467	Undisclosed	3	CBRE/Eileen Bilton Partnership
Lingley House, Birchwood Point	Fircroft	Canon	448	134.6	3	BE Group / KYT
51 Empire Court, Winmarleigh Street	Private Landlord	Gladstone Brookes	428	107.6	5	BE Group / Eileen Bilton Partnership / Vail Williams
The Brew House, Wilderspool Business Park	Bruntwood	MMI Engineering	412	Undisclosed	5	BE Group / Jones Lang LaSalle
Aquila House, Delta Crescent, Westbrook	Action for Children	Courtaulds	383	104.4	5	BE Group
Central House, Winwick Street	Private Landlord	Private Purchaser	304	915.0	Freehold	Morgan Williams
Newton House, The Quadrant, Birchwood Park	MEPC Birchwood Park	Your Housing	300	107.6	1	BE Group / Jones Lang LaSalle
Rutherford House, Birchwood	Cantt Pak	Platform People	297	145.3	1	DTZ / Eileen Bilton Partnership
6D Mandarin Court, Warrington Centre Park	LPA Receivers	KLS LAW	278	Undisclosed	Freehold	Eileen Bilton Partnership / Jones Lang LaSalle

Property	Landlord / Vendor	Tenant / Purchaser	Size (sqm)	Rent/Price (£/sqm)	Lease Term (Years)	Agents
Walnut Tree Farm Northwich Rd	Private Landlord	Avian Ecology	274	96.9	5	Morgan Williams
Bankside, Crosfield Street	Private Landlord	Private Tenant	271	107.0	5	Morgan Williams
17 Palmyra Square	Private Landlord	Forshaws	267	Undisclosed	Freehold	BE Group
65 Bewsey Street	LPA Receivers	Private Purchaser	266	Undisclosed	Freehold	Eddisons
1A Birchwood One Business Park	LPA Receivers	Fideliti Childcare Vouchers	252	Undisclosed	Freehold	Eddisons
The Maltings, 100 Wilderspool Causeway	Leaforth	Private Purchaser	251	Undisclosed	Freehold	BE Group
30 Museum Street	Airborne	Avanta	248	118.4	5	Jones Lang LaSalle
Chadwick House, Birchwood Park	MEPC Birchwood Park	CSE Controls	244	105.7	5	BE Group / Jones Lang LaSalle
8 Webster Ct, Gemini	NG Bailey	Legal 4 Landlords	231	112.6	3	Savills/Eileen Bilton Partnership
Chadwick House, Birchwood Park	MEPC Birchwood Park	Ricardo AEAT	216	139.9	5	BE Group / Jones Lang LaSalle
3 Asher Ct, Appleton	Keate	Teammates	205	53.8	3	Morgan Williams
501 Birchwood One Business Park	Seddons	Private Purchaser	203	Undisclosed	Freehold	BE Group / Jones Lang LaSalle
Tannery Court, Tanners Lane	RAM Properties	Private Tenant	202	107.6	5	RAM
Building A, The Beacons, Birchwood	Private Landlord	Air Angel	200	Undisclosed	3	No Agent
Culcheth Enterprise Centre, Withington Avenue	Private Landlord	Woman Zone	200	132.4	Undisclosed	Morgan Williams
The Brew House, Wilderspool Business Park	Bruntwood	National Skills Academy for Nuclear	200	Undisclosed	5	BE Group / Jones Lang LaSalle
Ingot House, Kelvin Close, Birchwood	BE Group	Autism Initiative	200	140.0	10	BE Group / Mason Owen

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## Leisure and Culture

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Another year and another hotel development completed. This has been a feature of almost every Annual Property Report since we first published fifteen years ago. In November Gulliver's Theme Parks opened the doors of a £3.75 million, 56 room hotel, alongside their Gulliver's World Resort attraction.

There were ownership changes for two of the town's existing hotels. As 2012 drew to a close German hotel group Pentahotels acquired the Ramada Encore at Birchwood, as part of its expansion into the UK market. The company describes Pentahotels as a design-led, neighbourhood lifestyle brand providing independent travellers with comfort and style in a contemporary environment. And the long established Paddington House Hotel was purchased from administrators by Zaman Hotels.

In addition to increasing the available bedspace stock, 2012 saw growth in Warrington's hotel market with occupancy levels rising 3.3 percent year on year according to STR Global research. This was despite the negative impact arising from both the Jubilee celebrations, and the London Olympics, when occupancy levels dropped.

The strength of the nuclear industry sector, and further company arrivals, especially in Birchwood, have been the main drivers for the midweek trade. A growing family market, as people use the hotels as a central base to explore the cities of Manchester, Liverpool and Chester has been a major factor in leisure based growth to give the hotels a seven day trade.

The recently formed Warrington Hoteliers Association held a familiarisation visit for national agencies. This was undertaken in partnership with Q Hotels, Village Urban Resorts, Holiday Inn and Macdonald Hotels, as well as with Warrington Wolves, Speedkarting Warrington and Haydock Park racecourse.

Marshall CDP's Apollo Park development on the site of the former Burtonwood M62 motorway services attracted two further leisure occupiers. Bombay 8 restaurant occupied part of the ground floor of Travelodge's hotel, and Frankie and Benny's opened a stand-alone restaurant, joining Harvester Restaurants and Starbucks on the site.

On 17th May Her Majesty the Queen officially opened the £32 million Orford Jubilee Neighbourhood Hub. This is the only Olympic Legacy facility built outside London for the 2012 Olympics. It provides community, sport, and health and education facilities within a single complex on a grand scale. One consequence of this was the closure of the nearby Fordton leisure centre, and its sale by Warrington Borough Council to the Consolidated Property Group. CPG secured consent for a mixed use scheme that will see a Holts Brewery pub and Costa Coffee outlet provided alongside an Aldi foodstore.

2012 was a huge year for sport and leisure in the UK for a number of reasons, and Warrington participated in this. Four Team GB Olympians were from Warrington, with one further resident representing Nigeria! The Olympic Torch relay passed through the town, drawing crowds of over 35,000 people out onto the streets. And in September, following the success of the Olympics' cyclists, the Tour of Britain also passed through the Borough – and included one of the Yodel-sponsored intermediate sprints.

Warrington Wolves once again appeared and won at Wembley in the Carnegie Challenge Cup Final, and in conjunction with this, Warrington & Co. and Marketing Cheshire ran a poster campaign in London as one of several initiatives to promote the town as a business location to investment decision markers.

Plans also progressed for the 2013 Rugby League World Cup and Warrington's host town status that will see group and quarter final games played at the Halliwell Jones Stadium, and one of the tournament's most colourful teams, Samoa, will be based here for their pre-tournament training camp. Samoa's presence will be the catalyst for a wide-ranging community and culture programme running alongside the rugby. In addition, although not the host town for the United States team, the latter will also be staying in Warrington for the duration of the tournament.

The Borough Council and its selected partner Muse Developments continued the preparatory groundwork in terms of legal agreements, property acquisitions and planning for the Bridge Street Quarter of Warrington town centre. The leisure offer associated with this scheme includes re-introducing cinema facilities to the town centre.

## Industrial and Distribution

There was plenty of activity seen in the industrial market in 2012 with 53 deals. Take-up was just under 81,000 sqm, in line with the historic average. This was somewhat better than the picture across the North West, which had one of the highest levels of activity of all the UK regions, but a total regional take-up of 1.16 million sqm that was the lowest level for five years.

Despite a healthy year, activity, especially in the logistics and distribution sectors, was influenced by the lack of readily available supply. With no new speculative development since 2006, occupiers were competing for a reducing supply of good quality modern warehousing, particularly in the size range above 2,000 sqm. This was evidenced by two of the seven deals in that range where Morley Developments at Warrington South sub-divided and successfully let a large old warehouse complex. Occupiers SIG and Sheridan Bedding, part of the Pacific Brands Group, were prepared to wait some considerable time for the refurbishment of the building to satisfy their requirements.

Without doubt the lack of quality stock is acting as a deterrent on the market, especially for companies requiring medium sized premises, but for large scale logistics operations the long period of inactivity at Omega finally came to an end as Omega Warrington Limited announced the completion of its first letting to Brakes. Work has started on this state of the art multi-temperature food service distribution centre on the Northern site, and is due to complete in August 2013. Further lettings are in the pipeline with around 116,000 sqm due to complete in three deals in 2013 which will see Omega North substantially committed and a move to open up the Southern site for warehouse operators.

With vacant large space at a premium some existing businesses have instead chosen to expand at their current locations. VIP Computers built a £1.6 million 3,000 sqm high bay extension to their warehouse at Hardwick Grange to take the warehouse to 10,000 sqm.

One of Europe's largest logistics companies, Norbert Dentressangle partnered La Palette Rouge in enhancing a 5,000 sqm pallet facility at Stretton which services clients such as Kelloggs, Weetabix and Kimberley Clark. At Gemini, Hiden Analytical, manufacturer of high quality scientific instruments, has expanded its operation by constructing a new building of around 1,500 sqm on a site to the rear of its existing building.

Rents held up well in the industrial sector with an average of £50.00/sqm. Of all 53 deals

Indeed in 2012 this lack of supply resulted in there being not a single deal for buildings between 4,000 and 12,000 sqm, whereas in the previous ten years this range has always had a reasonable representation. The average size of deal was 1,553 sqm, down from the previous year's level of 1,700 sqm, a further sign that there is a lack of larger space available.

Woolston Grange came back strongly last year accounting for around 40 per cent of all the transactions in the town. However, much of the activity in Woolston was below 1,000 sqm, with just four of the featured units in excess of this figure. Another indication of the lack of quality large stock at Warrington's largest industrial estate. Although South Warrington only accounted for a small proportion of the overall deals, the area again punched above its weight in terms of floorspace with 25 per cent of all space let based in the Stretton area.

Much of the activity for the year fell into the small end of the size spectrum, which saw 33 deals below 1,000 sqm. Over half of these deals were at Woolston Grange, and Peter Stevens Estates was particularly active letting six units at Rufford and Rivington Court. Lettings were also common at the other terraced schemes such as Melford Court and Tatton Court.



## Industrial sector with the majority of the deals settling above £40/sqm, with just five agreed at rental levels below £40/sqm

Smaller units below 200 sqm fared well again, with the owners of the various nursery schemes around the town including Northern Trust's Birch Court, St Modwen's Trident and Langree's Penketh Business Park all seeing new lettings.

Rents held up well in this sector with the majority of the deals settling above £50.00/sqm. Of all 53 deals just five were agreed at rental levels below £40/sqm, and whilst incentives from stepped rents and rent free periods are still common place, those active in the industrial market say that the levels of incentives are now starting to fall. The highest rent achieved, unsurprisingly, was for the pre-letting to Brakes at Omega North where Omega Warrington Limited achieved a rent of £55.44/sqm.

The freehold market has always represented a small percentage of the overall take up in terms of the number of deals and the market continues to be dominated by investors and property companies holding the vast majority of the stock for rent. The year saw nine freehold sales, or 17 percent of the stock. Average sales prices were slightly below £400/sqm. If the average rent was to be applied to this, crudely speaking, the yield would be around 11.75 percent.

The highest sale price achieved was at Tatton Court where Passcom Limited paid £572/sqm, somewhat higher than the best price at Gemini, generally seen as the more valuable of the locations around the town. The secondary market saw its share of space traded. Having bought the former Philip Myers printing office and workshop in 2011 with the intention of refurbishing the space, Sterling Properties sold the building on to Moran's Wood Components who plan to establish a new manufacturing facility, and an unusual building at Bank Quay Trading Estate was bought at auction by a private investor. The building was previously divided up into a warren of sound recording studios, and the new owner plans to refurbish the space to create a managed workspace facility, something lacking in the town.



Property	Landlord / Vendor	Tenant / Purchaser	Size (sqm)	Rent/Price (£/sqm)	Lease Term (Years)	Agents
Omega North, Omega	Omega Warrington Limited	Brakes	18,395	55.44	25	Jones Lang LaSalle / GVA
Link 6/56, Stretton	Stobart Group	The Hut Group	13,482	Undisclosed	2	CBRE / GVA
Unit 21, Kingsland Grange, Woolston	Southern Print Ltd	J&M Property Management	3,938	253.99	Freehold	Jones Lang LaSalle / Lamont
Unit 29, Kingsland Grange, Woolston	DM & F Investments Ltd	Grange Packaging	3,601	47.04	5	Jones Lang LaSalle / Lamont
Unit 2, Warrington South, Stretton	Morley Estates	SIG Trading	3,146	Undisclosed	10	Cushman & Wakefield/ Jones Lang LaSalle /CBRE
Unit 9, Clayton Road, Risley	Sterling Properties	Moran's Wood Components	2,941	173.41	Freehold	BE Group
Unit 3D, Warrington South, Stretton	Morley Estates	Sheridan Bedding	2,381	35.20	10	BE Group
Unit 2 Axis, Leacroft Road, Risley	Aberdeen Property Investors	Synertec	1,877	51.13	10	Savills
Unit E, Taylor Business Park, Risley	Taylor Estates	Glyngary Joinery	1,765	26.91	10	Taylor Estates
Units 6/7, Bank Quay Trading Estate	Private Vendor	Private Purchaser	1,632	Undisclosed	Freehold	Pugh & Co / Colliers International
38/39 Hardwick Grange, Woolston	Private Vendor	Bespoke Bodies	1,604	Undisclosed	Freehold	Eileen Bilton Partnership
Europa Boulevard, Gemini	Hidden Analytical	Hidden Analytical	1,488	Undisclosed	Freehold	No agent
Unit 1, Easter Court, Gemini	Pickton	Aerocare	1,449	Undisclosed	5	CBRE/Eileen Bilton Partnership
Unit 19, Taurus 2, Europa Boulevard, Gemini	Farrelly Dawe White	Smith's Equipment Hire	1,384	545.42	Freehold	Colliers International

Property	Landlord / Vendor	Tenant / Purchaser	Size (sqm)	Rent/Price (£/sqm)	Lease Term (Years)	Agents
Unit 211, Europa Boulevard, Gemini	DTZ Management Investors	Windsor Craft	1,379	51.50	5	DTZ/Eileen Bilton Partnership
Unit 7, Westway 21, Chesford Grange, Woolston	Antler	ITAS Global	1,328	36.06	Undisclosed	Knight Frank / Legat Owen
Unit 7, Chesford Grange, Woolston	Howlings Hodgson	Sidhills	1,208	43.06	10	CBRE/Savills
Unit 14, Cameron Court, Calver Road, Winwick Quay	Menzies Distribution	Belfry	1,137	43.70	Undisclosed	Colliers International
Unit 12, Eagle Park, Hawleys Lane	Private Vendor	Invista	1,021	426.05	Freehold	GVA
Unit 4D, Barley Castle Trading Estate, Stretton	Threadneedle	Evander & Locks	925	43.06	5	CBRE / Jones Lang LaSalle
Unit 9 Eagle Park, Hawleys Lane	Invista Active Industrial	Unipart Automotive	1,251	53.82	5	Jones Lang LaSalle
Unit 19, Europa Boulevard, Gemini	ABBS	KRSS	836	54.42	3	CBRE/Eileen Bilton Partnership
Wharf Industrial Estate, Wharf Street	Warrington Borough Council	Office King Management	757	45.10	3	Warrington Borough Council
Wharf Industrial Estate, Wharf Street	Warrington Borough Council	Solus Accident Repair	753	Undisclosed	3	Warrington Borough Council
H2/H4, Taylor Business Park, Risley	Taylor Estates	Room 31	752	Undisclosed	5	Taylor Estates
Unit 16 Cameron Court, Calver Road, Winwick Quay	Winwick Quay LLP	Document Outsourcing	741	47.36	10.5	Colliers/Riddell TPS
Unit 18, Adlington Court, Risley	AXA Equity & Law	Windtechnics	701	37.67	5	CBRE
Unit 7, Easter Court, Gemini	ING	Hillrom	697	59.20	10	CBRE/ Eileen Bilton Partnership

Property	Landlord / Vendor	Tenant / Purchaser	Size (sqm)	Rent/Price (£/sqm)	Lease Term (Years)	Agents
Unit 18/19, Rufford Court, Woolston	Peter Stevens Estates	Brown Brothers Distribution	689	43.49	10	Colliers International
Unit 17, Cameron Court, Winwick Quay	Winwick Quay LLP	JKSP Services	645	53.82	5	Riddell TPS / Colliers International
Unit 15, Cameron Court, Winwick Quay	Winwick Quay LLP	Document Outsourcing	644	47.36	10.5	Riddell TPS / Colliers International
Unit 12, Gemini Park, Gemini	Bilsdale	Vanrooyen	576	Undisclosed	Undisclosed	Jones Lang LaSalle / Eileen Bilton Partnership
Unit 17, Tatton Court, Woolston	Smith Nicholas	Goodlife Foods	485	41.23	5	Eileen Bilton Partnership
Unit 24/25, Tatton Court, Woolston	Smith Nicholas	Passcom	454	572.37	Freehold	Eileen Bilton Partnership
Unit 15, Grosvenor Grange, Woolston	Larksworth Group	UPS	451	43.06	5	Colliers International
Unit D2, Trident Business Park, Risley	St Modwen	Allied Filter Systems	444	43.05	5	Knight Frank / Eileen Bilton Partnership
Unit 11, Gemini Park, Gemini	Bilsdale	Mirmac	419	53.28	10	Jones Lang LaSalle / Eileen Bilton Partnership
Unit 18, Cameron Court, Winwick Quay	Winwick Quay LLP	Dantom Production Services	349	52.31	5	Riddell TPS / Colliers International
Unit 9, Rufford Court, Woolston	Peter Stevens Estates	Metal-Kraft Design	345	51.13	3	Colliers International / Eileen Bilton Partnership
Unit 16, Rufford Court, Woolston	Peter Stevens Estates	Adam Khan	345	40.36	5	Colliers International / Eileen Bilton Partnership
Unit 17, Rufford Court, Woolston	Peter Stevens Estates	Indulge Retail	345	53.82	3	Colliers International / Eileen Bilton Partnership
Wharf Industrial Estate, Wharf Street	Warrington Borough Council	DJP Motors	316	39.40	3	Warrington Borough Council



Property	Landlord / Vendor	Tenant / Purchaser	Size (sqm)	Rent/Price (£/sqm)	Lease Term (Years)	Agents
4/5/6 Whitefield Court, Taylor Business Park, Risley	Taylor Estates	Roofing Consultants	302	Undisclosed	5	Taylor Estates
Unit 20, Rivington Court, Woolston	Peter Stevens Estates	Capper Jackson	288	53.82	5	Colliers International / Eileen Bilton Partnership
Unit 14, Rivington Court, Woolston	Peter Stevens Estates	David Morris	288	53.82	5	Colliers International
Unit 4, Ravenhurst Court, Risley	Ignis Asset Management	Canopy Solutions	279	48.44	5	CBRE/ Eileen Bilton Partnership
Unit 14, Melford Court, Woolston	Knight Frank Investors	Nicholas Edwards	275	48.44	3	Knight Frank /Eileen Bilton Partnership
Unit 15, Melford Court, Woolston	Knight Frank Investors	Ginsters	275	54.55	1	Knight Frank /Eileen Bilton Partnership
Unit 8, Melford Court, Woolston	Knight Frank Investors	Autocaddy	275	43.05	3	Knight Frank /Eileen Bilton Partnership /DTZ
Unit 9A, Bankhall Park, Wharf Street	Crescent Trustees	Britt Tip	268	410.45	Freehold	BE Group
Unit 17, Birch Court, Woolston	Northern Trust	Elemech Systems	260	53.82	3	BE Group / Eileen Bilton Partnership
Unit 19, Birch Court, Woolston	Northern Trust	Cheshire Seals	260	53.82	3	BE Group / Eileen Bilton Partnership
Unit 28, Tatton Court, Woolston	Smith Nicholas	Abeti Medical	232	53.82	3	Eileen Bilton Partnership
Gatewarth Industrial Estate, Barnard Street	Warrington Borough Council	PNC Financial	221	50.59	3	Warrington Borough Council

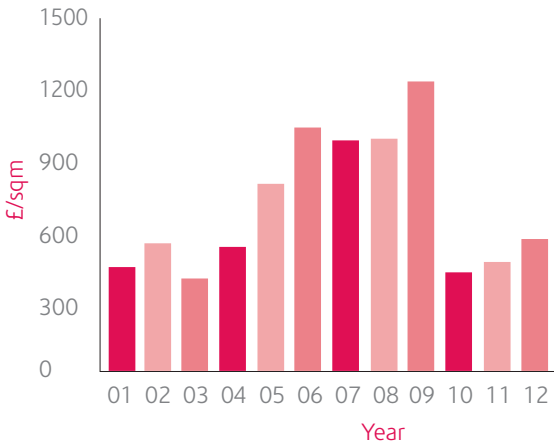
# Warrington & Co.

The partnership for driving growth

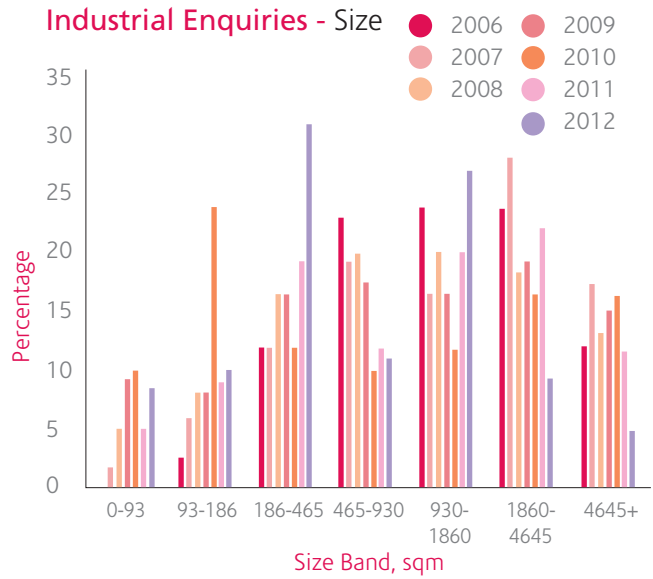
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Tenure	Number	Percentage
Leasehold	24	68
Freehold	11	32
<b>Total</b>	<b>35</b>	<b>100</b>

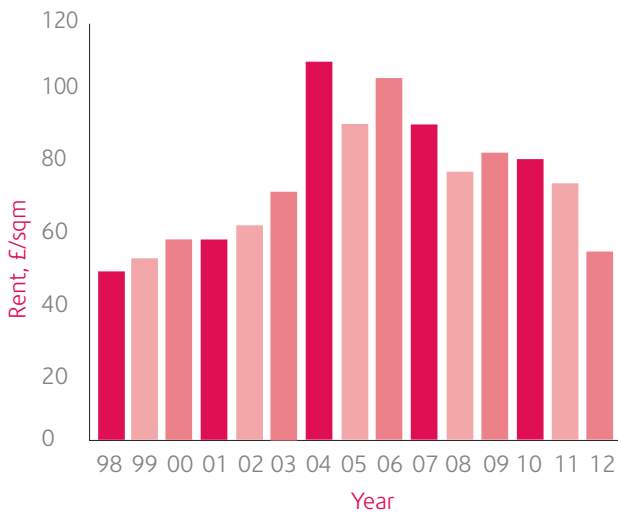
Highest Industrial Freehold Values



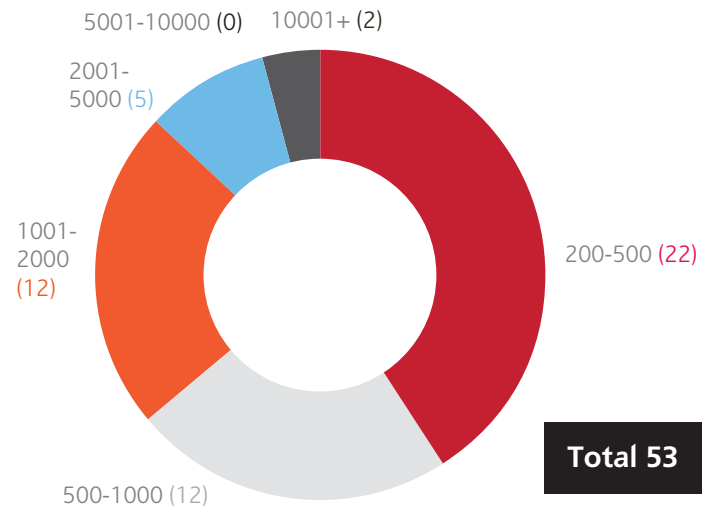
Industrial Enquiries - Size



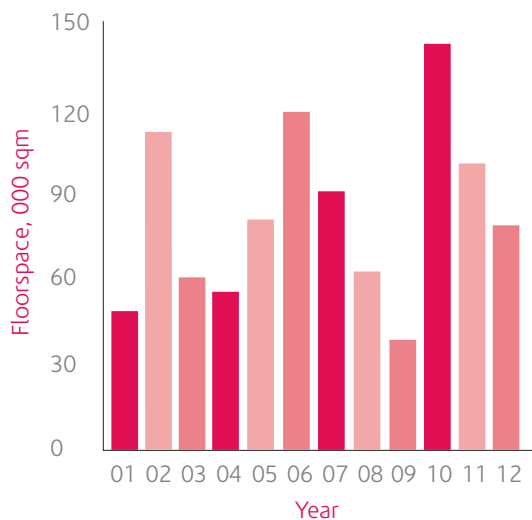
Industrial Prime Rents



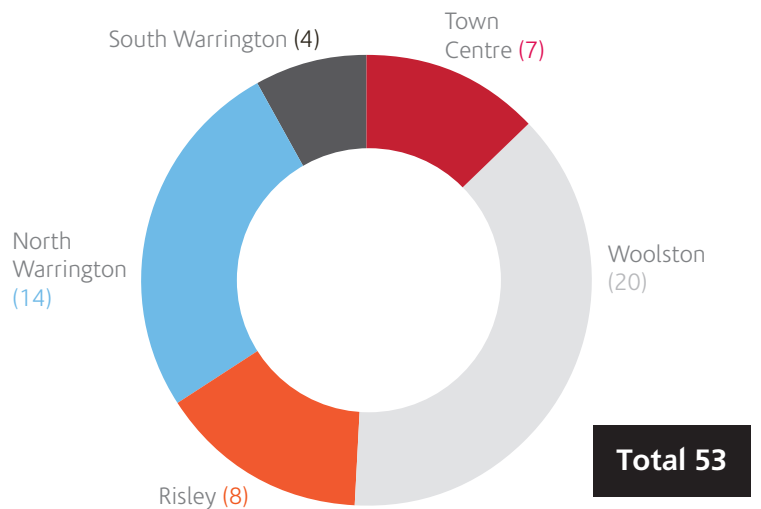
Industrial Deals by Size Band



Industrial Take Up



Industrial Deals by Location Within Warrington



## Retail

Most points of the compass have seen some degree of new retail activity announced or undertaken during the last twelve months. At the heart of all this is Warrington town centre.

Whilst concerns continue about Warrington's wider town centre area, Golden Square Shopping Centre demonstrated its resilience. The evidence suggests Golden Square is bucking the trend in terms of footfall, deals done and sales figures. Despite a drop in footfall, this was only one half of one percent and was only one tenth of the 5.1 percent average experience of the North West. The Shopping Centre continues to attract around 240,000 people each week.

During the year Golden Square secured nine new occupiers, with another two tenants moving to new outlets within the development. This level of activity out performed all the other North West town centre shopping centre schemes with the exception of Manchester and Liverpool.

The largest commitment involved Primark who will commence trading from a 5,200 sqm store in late 2013. AIM listed property investor New River Retail acquired New Look's store from Standard Life for £3.47 million, as well as the adjoining former Littlewoods store. These are being combined to create the Primark store, which has been leased for 25 years at an initial rent of £475,000 pa.

Linked to this is New Look's move within Golden Square to the former Zara unit. New Look are leasing 1,020 sqm and are creating a new format store – one of only two being piloted in the UK. The other is in central London.

Also at Golden Square, Barclays Bank have signed up to take three vacant units, to create a new concept bank alongside a regional office facility of some 1,394

sqm. This will also see renovation of the Market Gate entrance linking to the wider town centre.

Securing Primark should help to reduce leakage spend from the town. Surveys of shoppers catching trains to Liverpool or Manchester from Warrington have revealed that for a staggering 78 percent the prime purpose was to visit a Primark store!

Sales figures at Golden Square have grown by 1.2 percent over 2011 figures, with contributing factors being TK Maxx's opening in late 2011, and the introduction by Debenhams of a 'click and collect' facility.

Despite this, in concert with most town centres, several outlets were vacated as national multiples went into administration or receivership. La Senza, Pumpkin Patch and Jessop closed in 2012 and HMV announced they will be closing down in 2013.

In east Warrington, Redefine continued to invest in Birchwood Shopping Mall which is anchored by one of Asda's best trading stores in the North West. The year saw Phase 3 of the rebuild and refurbishment programme progress. This adds a further 6,970 sqm, bringing the total retail floorspace to 35,300 sqm. Home Bargains have taken 1,858 sqm in Phase 3; Peacocks re-occupied their store and QVC expanded into a new 930 sqm unit – one of only two retail outlets this TV shopping channel has in the UK.

Birchwood Shopping Mall also reported a better than regional average performance, with footfall (despite the extensive construction works) declining by less



## Sales figures at Golden Square have grown by 1.2 percent over 2011 figures

than half the North West rate. In a tough trading market the Mall has maintained very high occupancy levels, with food and fashion retailing particular strengths.

To the west and north of Warrington a number of retail investments were announced, began or completed construction. To the fore was IKEA, who having celebrated 25 years since they opened their first UK store, at Gemini, announced plans for its expansion. Planning has now been granted for a further 8,000 sqm together with decked parking for 1,000 more cars.

Sainsbury's commenced trading at a 3,716 sqm store in Chapelford Village and Next constructed a 4,180 sqm Next Home and Garden Facility as an extension to its Gemini Retail Park store. This is to be their first North West store location to provide this new concept. Unfortunately fire destroyed their original store and that of neighbours Boots before the new concept was fully introduced. However reconstruction is well underway and partially complete. Also at Gemini supercar retailer Vanrooyen leased a 567 sqm unit for a new showroom.

Along the A49 north of the town centre planning was consented for two retail-led projects. Derwent Holdings' Alban Retail Park secured consent for five new retail units, a new restaurant and change of use of a motorists centre to retailing, as well as new access arrangements. Opposite, consent has been granted to Consolidated Property Group for the redevelopment of the former Fordton leisure centre for a new Aldi foodstore; Joseph Holt family pub; Costa Coffee Drive Thru and a Greggs. Two further retail units, each of 92 sqm remain available. Also on the A49 change of use was granted for the former Total Fitness gym, with works commencing to create The Range's first outlet in Warrington.



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## Residential

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The residential market appeared to be back on track in 2012 as targets for new housing completions were comfortably exceeded. Although activity across the private sector, particularly in the second hand market, showed there was still a degree of volatility.

By the end of the year an estimated 626 new homes were completed. This compares favourably with Warrington's housing target up to 2026 to build 456 dwellings per year. The first quarter saw over 200 units completed and by September the annual target was met.

The increase in activity was helped along by the Government's measures to boost housing numbers. In 2012 the Housing Minister set out a number of initiatives including a £570 million fund to Get Britain Building; £30 million for the self-build industry and a Mortgage Indemnity Scheme to assist up to 100,000 first time buyers by underpinning mortgages. It was estimated that the measures might boost housing numbers nationally by up to 300,000 units.

Warrington benefitted for the third year running with an award of £2.6 million under the New Homes Bonus. The money, which will be match funded by the Borough Council, comes as a result of bringing long term empty properties back into use, funding new build together with work to bring forward affordable homes. Consequently Warrington now has the lowest percentage of empty homes across the North West at 0.87 percent of the stock.

The type of housing coming forward is predominantly family accommodation with 87 percent of new homes

being traditional housing rather than apartments, which are no longer favoured by developers and more importantly by the banks. Almost 80 percent of homes were built with three or more bedrooms.

New development around the Borough is clearly visible with few sites mothballed, and developers are keen to get on with the business of building. This is a real contrast to the national picture where it is reported that there are currently around 69,000 stalled units on building sites across the country. Warrington had 32 different active sites with just four considered as stalled.

Chapelford Urban Village continues to be the most active of the sites in the town. In 2012 it accounted for around 54 percent of all completions, and at the end of the year had 68 dwellings under construction. A number of affordable sites were coming to a close including the former Eagle Ottawa site being built out by Helena Housing Association; Statham Avenue by Arena Housing Association; Manor Lock and land at Farrell Street/Howley Lane.

The following two tables outline those active sites currently under construction with capacity to deliver 30 plus units, and sites either under construction or with planning permission to deliver over 150 units in the future.



**Major Housing Schemes 2012** (30 units plus). Currently under construction.

Scheme	Developer	Units Completed in 2012
Britannia Works, Bewsey Road	Persimmon Homes	335
Farrell Street South	Persimmon Homes	123
Edgewater Park, Thelwall	Morris Homes	217
Land at Greenalls Avenue	Jones Homes	6
Walton Locks	David Wilson Homes	106
G&J Greenalls, Loushers Lane	Bellway	50
Chapelford (Latest Phases)	David Wilson Homes	403
Eagle Ottawa, Thelwall Lane	Helena Housing Association	55

Source: Warrington Borough Council

**Future Supply of Housing** Sites with planning for more than 150 units in the future, as at December 2012

Scheme	Developer	Units to be Completed
Wireworks, Winwick Street	Iliad	613
Land off Farrell Street South	Persimmon Homes	221
Land at John Street/Winwick Street	RAM Properties	284
George Howard Scrapyard, Folly Lane	Mulbury Homes	152
Edgewater Park, Thelwall	Morris Homes	188
Former Police Training Centre, Bruche	HCA	220

Source: Warrington Borough Council

The ongoing volatility in the market can be seen through the overall volume of house sales, and the average house price. The former are down substantially from the highs of 2007.

Average house prices in 2012 were around £174,750 having recovered from falls in the early part of the credit crunch. As such they are now back at a similar level to those of 2007. Volume sales across the Borough are also significantly down with year on year sales, since the recession hit, averaging at just around 200 units per quarter. Whilst new house completions include both homes for private sale and rented and affordable homes, these numbers will need to pick up if supply is to be matched by demand for homes both new and old.



## Regeneration Framework Annual Update

Warrington & Co. made progress on a number of fronts in terms of the Borough's Physical Regeneration Framework which included the launch of "Warrington Means Business", which sets out Warrington Borough Council's and Warrington & Co.'s programme to drive economic growth in the Borough and release the true potential of the place and its people over the next 15 years.

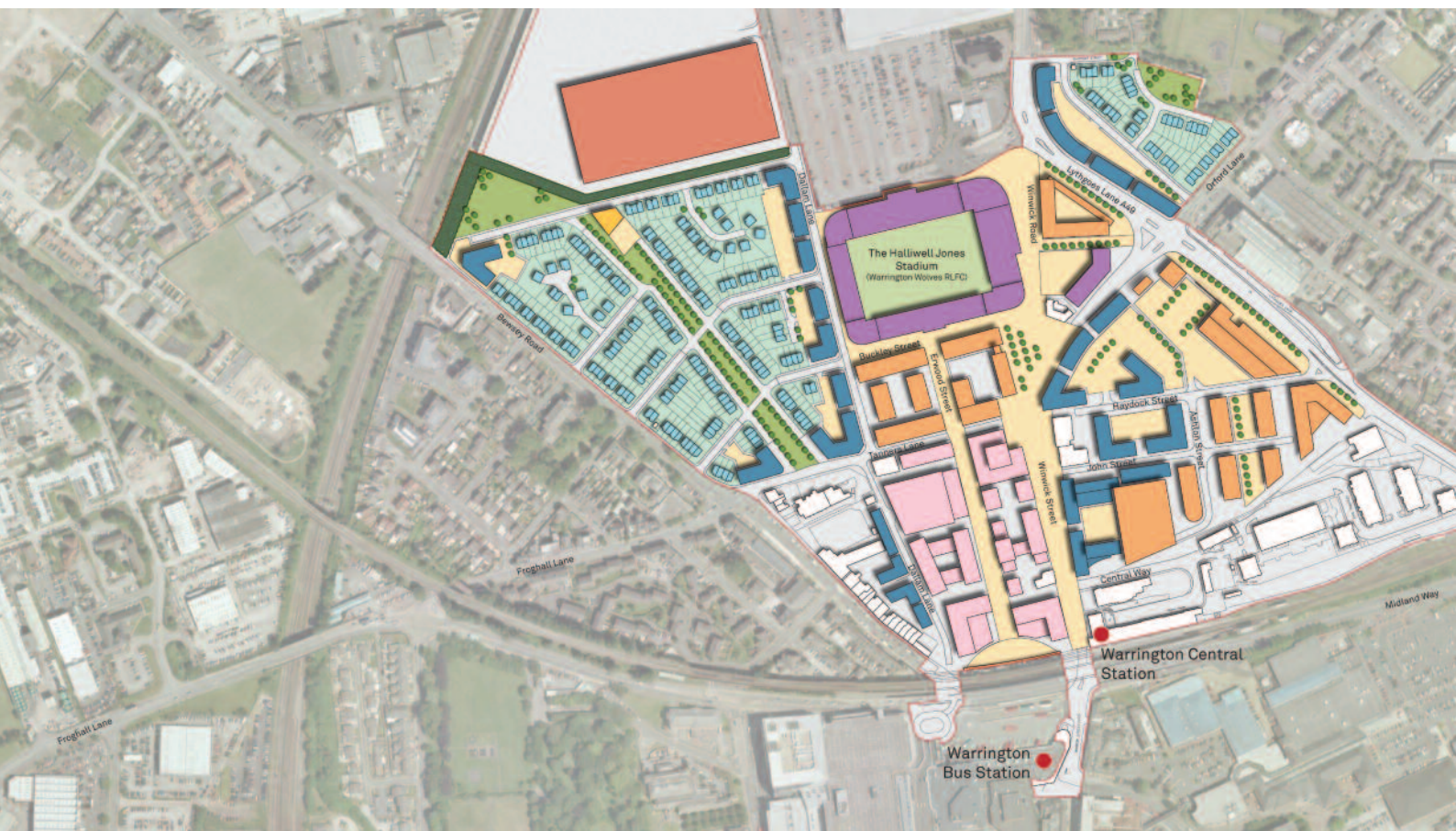
Warrington & Co. itself strengthened its development team to ensure the existing and emerging projects were effectively serviced. Steve Park has taken on the role of Managing Director. Warrington & Co.'s Board was also strengthened with both John Downes of Langtree and Matt Crompton of Muse Developments joining during 2012.

Reference is made elsewhere in the report to the **Bridge Street Quarter** and **Omega** projects. This update summarises the progress on other projects.

### The Stadium Quarter

The Stadium Quarter is a regeneration strategy covering an area of 36.43 ha on the northern fringe of the town centre encompassing Warrington Central Station, the Halliwell Jones Stadium as well as the Central Trading Estate, owned by Langtree and landholdings owned by RAM Properties.

Warrington & Co. and Iliad are working together to redevelop a 2.4 ha brownfield site opposite Central Station and are in discussions with potential occupiers for initial phases of the scheme. Part of the initial phase of the scheme includes a University Technical College which is headed by the University of Chester and supported by United Utilities and Sellafield. Other parts of the scheme include an Incubator/Innovation Centre; Grade A office space; hotel; car park and supporting leisure space.







As Warrington's redevelopment and growth continues, the potential of future project areas will emerge.

## Town Centre Strategy

Warrington town centre has been the focus of attention for Warrington & Co. and the Borough Council. Like many town centres, there is a fundamental cultural change taking place in the way in which people live, work and shop, which has resulted in an increase in shop vacancies and a general decline of the multiple retail sector. With rising living costs, increased fuel prices affecting both energy prices and the cost of car ownership, town centres have the opportunity to become attractive places to live and work. As well as the Bridge Street Scheme and the Stadium Quarter, which are aimed at diversifying and re-populating the town centre economy, new schemes are being progressed looking at **Garvin Place**, the area next to the Town Hall, and the former **Cabinet Works** area behind Bridge Street and Sankey Street. These will be mixed use schemes with a residential bias.

## Birchwood Park

Birchwood Park is the home of a number of Warrington's high growth occupiers including the nuclear sector. Outputs from job growth, private sector investment are a key component in the Borough's economy. It's regarded as a Strategic Site within the Borough's portfolio of key sites. Discussions are taking place to help improve infrastructure and services within Birchwood to help secure future economic growth.



## Southern Gateway

This Regeneration Strategy centres on the former Warrington Wolves Wilderspool Stadium, Network Warrington's Bus Depot, Langtree's St James' Business Centre and waterside sites. The Borough Council and Langtree have agreed heads of terms for a joint venture covering their respective land holdings and are developing a comprehensive development strategy for the whole area.

## Pipeline Activity

As Warrington's redevelopment and growth continues, the potential of future project areas will emerge. These are currently being mapped out to enable the longer term objectives of Warrington Means Business to be achieved.

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## Regeneration Framework Annual Update

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### Business Engagement and Support

In order to understand the Borough's economy, Warrington & Co. has led a co-ordinated Business Engagement programme aimed at the top performing companies located in the Borough and as well as understanding the growth areas, it has worked in partnership with the Council to help co-ordinate support. Both Phonak and Hiden Analytical are companies who have recently expanded in the Borough with assistance from the Business Engagement team.

Warrington & Co. played a key role in helping the Borough Council establish a Skills Commission and providing up to date intelligence for them to use in understanding future needs of employers in terms of skills and education.

In its position as 'Area Place Team', Warrington & Co has helped support funding applications. It is in contact with UKTI, BIS, DCLG and is aware of funding opportunities and eligibility criteria. At Omega, it has played a key role in supporting a Growing Places fund application to help contribute towards infrastructure costs.

Warrington & Co. and the Borough Council are also in the process of developing a programme of Business Support to help SME and fledgling

companies develop and grow by helping to understand the economy, signposting to funding and assistance opportunities and raising awareness of potential assistance that could be available.

### Marketing and Media

Working with Warrington Borough Council and Marketing Cheshire, Warrington & Co. has begun to address the strategic focus of marketing and promotion, both of the Borough as a place to invest in as well as raising awareness of business activities. This includes connecting with the Cheshire and Warrington LEP Place Marketing Strategy and defining Warrington's brand proposition. To help with the interpretation of the Warrington & Co. brand a strapline has been added to the logo – 'The Partnership for Driving Growth'.

Support was provided to the London Property Investment Event in partnership with GVA, which was held in November 2012 with follow ups planned for later this year. It has been agreed that 'Celebrate Cheshire 2013' will take place in Warrington in October to coincide with the Rugby League World Cup where Warrington is the official host town for Samoa and is also hosting the USA team.



## Looking Forward

2013 will be an important year for Warrington, its businesses, its residents and its property market. Much of this is due to progress made in moving forward strategic sites, investments and approvals that were announced in 2012.



During the coming year significant progress will be made on town centre schemes including Bridge Street and the Stadium Quarter. The HCA's marketing programmes for Kingswood 8 and Bruche are likely to result in the appointment of developers. As a result of this, there is likely to be a healthy amount of developer activity in the Borough over the next twelve months.

The development funding constraints, which became the norm after the downturn, have continued, halting speculative development for another year. With limited speculative development taking place for a fifth year, this has resulted in less Grade A quality space available, particularly for smaller property sizes – in both the office and industrial sectors. In contrast, there is a large surplus stock of older style space both in the office and industrial sectors, much of which dates back to the '80s and '90s where self-contained sites were sold by the former New Town Development Corporation.

This deficit of new stock has become particularly noticeable for larger industrial and warehousing space. Last year saw the North West region registering the highest level of logistics demand in the UK. This was up over 40 percent on the previous twelve months. As a consequence of this strong demand the North West's availability of quality distribution units has diminished considerably over the last couple of years. In the absence of supply, large-scale distribution and logistics operators are therefore turning to bespoke developments.

This trend is also true for Warrington. There have been a number of property requirements for this type of space which have not been satisfied due to the limited supply. What remains available has been older style space which has lower eaves height, less flexible floor plates and restricted yard space. But 2013 will visibly demonstrate the renaissance of Warrington's locational attributes for the logistics and distribution sector through the delivery of new product. Without doubt the development landscape in Warrington will change dramatically in the next twelve months.



And Omega's emerging development programme provides no better evidence of this. In addition to the 2012 attraction of Brakes, 2013 is expected to see at least three further construction starts that will deliver a further 116,000 sqm (1.25 million sqft) of bespoke warehouse and logistics space. These will not only result in almost all of Omega North built out, but will also herald the first development on Omega South. In addition to boosting the floorspace take up figures some 1,500 new jobs will be brought to Warrington. 2013 will be the year that Omega finally delivers.

For the office sector the absence of new Grade A space being built has led to a number of investors committing to the refurbishment of older stock. As a result we can expect to see some 13,935 sq m (150,000 sq ft) of Grade A space coming to the



The stand out growth  
be the strength of the

market, primarily in Birchwood, during 2013. There is a similar amount of second hand space also available in Centre Park. With Phonak taking one of the few remaining office sites, office occupiers wanting a location close to the town centre will have no option but to look at some of the older stock.

The stand out growth area for Warrington's economy continues to be the strength of the nuclear industry sector. It represents a massive engine for growth, associated with requirements arising from the de-commissioning and new build programmes announced by the UK Government. As such, as has been the case in recent years, some existing businesses in the sector already located here are likely to announce expansions, with others drawn to join the established cluster.

For Warrington's two largest shopping centre developments, Golden Square and Birchwood Mall, 2013 will see new 'anchor' stores opening that are likely to impact on footfall. The attraction of Primark, in particular, to Golden Square will help to reduce expenditure leakage from the town. Survey findings at Warrington Central Station have shown that a visit to Primark provided the primary reason for 78 percent for shoppers making train journeys to Liverpool or Manchester.



The town centre economy is facing one of the biggest cultural changes since the evolution of the motor car. Over the past 30 years, it has become increasingly dependent upon multiple retailing. The last 12 months saw several high profile retailers disappear into the history books and there is evidence that further retail companies will struggle in 2013. This is partly due to the growth of online technologies and also changes in the way people shop and use town centres. Increasingly, people are seeking a leisure experience and are attracted to centres which have a diverse offer with access to leisure facilities, restaurants and cafes.

Warrington's prime shopping area has consolidated into Golden Square resulting in little movement in the amount of vacant retail space on Bridge Street and Sankey Street. The only notable letting has been part of the ground floor of the former TJ Hughes Store on Sankey Street where the 99p store has taken 1,720 sqm. Warrington's regeneration strategy focus is to address this situation by creating the sense of 'place' and develop a diverse economy by encouraging a mix of uses which in time will increase footfall. With car ownership and energy prices continuing to rise, town centres have potential to be attractive places to live and work, once again.

In the leisure sector, the opinion moving into 2013 is one of optimism by Warrington's hoteliers, with continued growth in the corporate sector. The progress of strategic development schemes like Omega has resulted in a growth of inward investment. The profile of the town has also been raised through the impact of being a host venue for the 2013 Rugby League World Cup. As a result of successfully bidding for host town status, Warrington is the official host town to the Samoa national team. In addition, Warrington will also be hosting a second team, the United States of America. Both countries are keen to use these opportunities to secure long term business engagement relationships with Warrington.

Continued local economic prosperity depends on Warrington's businesses accessing the skills they need and the Borough's residents having the skills to access the available employment opportunities. Yet despite the good quality skills provision and above average levels of educational attainment it is recognised some firms have problems in recruiting people with the right skills locally. There are also issues around local training provision for technicians. These, plus the ageing demographic, have been identified as potential threats to Warrington's future economic competitiveness, and the ability of local people to participate in the town's future economic growth.

area for Warrington's economy continues to nuclear industry sector.





## Warrington & Co. will continue to oversee the driving forward of the Borough's key regeneration initiatives.

The Warrington Skills Commission was established during 2012, and has already produced a series of recommendations aimed at addressing these threats. Significant progress on implementing the recommendations is targeted by summer 2013. Warrington & Co. has had a significant input into this process by assisting the discussions between the educational sector and the business community.

Warrington & Co. will continue to oversee the driving forward of the Borough's key regeneration initiatives. Besides Omega and the Bridge Street Quarter, this should see planning progress on the Southern Gateway, a joint venture between the Borough Council and Langtree that brings their landholdings together. Similar progress is expected for the Stadium Quarter joint venture between the Borough Council and Iliad, which includes proposals for a business innovation centre, University Training College, hotel and leisure facilities close to Central Station and the northern fringe of the town centre.

In 2013, Warrington & Co. will be developing plans around the former Cabinet Works and the area behind Sankey Street and Bridge Street connecting with Palmyra Square. Warrington & Co. will also be working with partners in Birchwood to ensure the area's continued growth.



## Acknowledgements

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CBRE

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GVA

Jones Lang LaSalle

Knight Frank

KYT

Lambert Smith Hampton

Langtree

Lendlease

Legat Owen

Mason Owen

Matthews and Goodman

MEPC Birchwood Park

Morgan Williams

Muse Developments

Omega Warrington Limited

Pugh & Company

RAM Properties

Redefine

Riddell TPS

Sanderson Weatherall

Savills

Taylor Estates

Warrington Borough Council

Whittaker Horton

WHR Property Consultants

BE Group is a property agency, regeneration and planning consultancy and has over 30 years experience of working in the Warrington commercial property market.

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