

WHITE WIRE

Development and Investment news from the most effective Commercial Property Consultants along the London to Birmingham M40 motorway



SUBSTANTIAL £24M INVESTMENT IN NEW DISTRIBUTION & MANUFACTURING DEVELOPMENT IN BICESTER, OXFORDSHIRE

Aver Property Partnership, a joint venture company between Ergo Real Estate and NFU Mutual, is spending over £24 million on the development of a new distribution and manufacturing park at Bicester, Oxfordshire; known as Axis Junction 9 www.axisj9.co.uk - Phase 1 of 3 Phases of Albion Lands www.albionland.co.uk major 550,000 sq ft scheme.

The new buildings provide quality, modern specification logistics and production space across 5 buildings, 3 of which sit within their own self-contained sites. The buildings range in size from 23,000 sq ft to 64,000 sq ft, totalling 200,000 sq ft. Green credentials for the buildings include photovoltaic panels installed to the roof area of each unit to supplement energy use and satisfy the zero carbon credentials. The development is situated just off Junction 9 of the M40 Motorway, close to Bicester Village, Bicester Park & Ride and Oxford.

Leigh Burnett of Ergo Real Estate said: "Bicester's excellent location on the London to Birmingham M40, situated close to Oxford, is driving substantial expansion in the region. Our investment in this development will provide quality buildings for companies needing high spec distribution and manufacturing space, with significant combined rent and business rates savings compared to similar south east buildings".

Chris White, Managing Director of White Commercial Surveyors says "This is an excellent development along the M40 London to Birmingham Corridor, which has a severe shortage of modern production and warehousing accommodation of this size. We have a good deal of interest from companies regionally and nationally and hope to be announcing our first tenant shortly".

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A MANIC M40 MARKET

White Commercial Surveyors, observing COVID-19 protocols, has not closed its offices during the pandemic due to its active engagement in a number of major property transactions along the M40 Corridor. The following include a sample of the transactions which have taken place during this period, including Retail, Office, Industrial and Warehousing accommodation.

PROPERTY	PROPERTY TYPE	SQ FT	TRANSACTION	TENANT
Link 9, Bicester	New Industrial	168,000	Let	Arrival Ltd
Banbury 200	Warehouse	200,000	Let	Under Offer
Banbury	Industrial	55,000	Sale	European Manufacturer
Banbury	Industrial	40,000	Sale	UK Manufacturer
Banbury	Warehouse	30,000	Let	Food Distributor
Bicester	Warehouse	30,000	Let	Food Distributor
Bicester	Warehouse	26,500	Let	Food Manufacturer
Banbury	Offices	15,000	Sale	Under Offer
Banbury	Offices	17,000	Sale	Under Offer
Brackley	3 Office Buildings	46,500	Let	Let to 3 Office Occupiers
Bicester	Offices	5,000	Let	Under Offer
Bridge Street, Banbury	Retail	5,000	Let	Food Retailer
Causeway, Bicester	Retail	1,300	Let	Gemini Hairdressers
High Street, Banbury	Retail	7,000	Sale	Under Offer
High Street, Banbury	Retail	4,500	Let	Under Offer
Bridge Street, Banbury	Retail/Gym	5,000	Let	The Exercise Lounge

Despite the current circumstance surrounding COVID-19, White Commercial Surveyors confirm that they have successfully leased and sold over 60,000 sq ft of offices during the lockdown period and have another 55,000 sq ft currently in solicitor's hands. This is a remarkable increase in office take-up when comparing to the Year 2019.

Notably, a new development of small rural offices just off J10 of the M40 Motorway at Upper Aynho Grounds has seen the letting, solely by White Commercial's team, of the complete development totalling 5 offices; all during its construction phase, which commenced in January 2020.

100 ACRE COMMERCIAL DEVELOPMENT SITE ADOPTED IN THE SOUTH-NORTHANTS LOCAL PLAN

White Commercial Surveyors, following their lead in the allocation of land for development along the A43 dual carriageway between the M40-A1 in Northamptonshire, close to Silverstone, has recently seen their clients 100 acre site fronting the A43 allocated for the development of industrial, distribution, offices and ancillary facilities.

White Commercial have been working with the owners on the 100-acre site through the planning process with their master planning consultant and advisors Stephen George and Partners. The Site is likely to be developed in the next 5-10 years and will create a sizeable specialist employment park within the district.

White Commercial have extensive and unrivalled experience along the northern sector of the Birmingham to London M40, having dealt with the majority of major commercial development sites for various land owners and developments over the past 30 years.



PLANS TO OVERHAUL THE ENGLISH PLANNING SYSTEM

The Government plans to overhaul the English planning system in a bid to increase the flexibility of commercial property and importantly support the regeneration of towns and cities.

The new Town & Country Planning (Use Classes) amendment (England Regulations 2020) will streamline the existing 16 use classes into 11 by introducing three new broad classes.



As of 1st September 2020 planning permission will not be required for change of uses within the new broader use classes, making it easier for businesses and landlords to adapt to the 'changing face' of Britain's high streets. Further information is available on White Commercial's website via our 'guide to the use classes' document. Please visit www.whitecommercial.co.uk/news.

ACTIVE RESIDENTIAL CONVERSION MARKET

White Commercial continue to be a major player in the Northern part of the M40, in the sale, acquisition, development and refurbishment of obsolete commercial office premises to residential use.

White Commercial, over the past four years, have sold over 400,000 sq ft of office accommodation just in Banbury Town Centre alone, which has been or was purchased to be converted to residential accommodation.

Transactions in Q2 2020 include 46 South Bar in Banbury, purchased by Farima Developments following their successful conversion schemes at 51 The Green, Calthorpe Street and George Street in Banbury.

Waterperry Court in Banbury, pictured, comprising 5 headquarter office buildings and developed in 1989 opposite Banbury train station, is also now under offer on this basis. The site received a healthy number of bids from interested developers, with a developer having now been selected to purchase the site.



COVID-19 - CHALLENGES FOR THE COMMERCIAL PROPERTY SECTOR

COVID-19, being a worldwide humanitarian challenge, will have lasting effects on how people live, work and play. Within a matter of weeks people could no longer meet, work, eat, shop and socialise as they used to and this continues with rolling restrictions upon all manner of activities. Businesses have seen substantial changes moving to cautious travel, office closures and work from home mandates. Consumers are tightening their purse strings, spending only on essentials, primarily food, medicine and home supplies, as well as getting these delivered much more often and where possible.

Behavioural changes that might outlive the initial crisis may include within commercial office space the trend towards lower density of staff and reduction of open plan layouts, limiting contact and potentially effecting the square footage per person ratio that office occupiers require. This might see both increases and decreases in office space requirements.



Consumers forced to shop online because of closed retailing facilities are likely to permanently change their buying habits for certain products. This is expected to exacerbate consumers shifting their spending away from the 'high street' and physical stores, significantly affecting the demand for retail premises - the case prior to the pandemic - and will significantly shift demand for warehousing and distribution facilities in favour for internet sales and distribution. It is probable that a substantial market share will further shift to online businesses, with many companies having to develop and improve their online presence and facilities.

The depth and breadth of the economic impact on the retail sector is uncertain but there is likely to be behavioural changes that will lead to significant changes in demand and supply both in consumers and businesses in a post-coronavirus environment.

In the medium to long term, the changed attitudes forced upon the commercial property industry will have likely altered the way consumers interact with real estate; whether this is office, retail or industrial accommodation.

ARRIVAL ELECTRIFIES LINK 9 BICESTER

White Commercial Surveyors, acting jointly for UK REIT RDI www.rdireit.com, have leased RDI's new 168,000 sq ft industrial and distribution unit at Link 9, Bicester, to Arrival Automotive Ltd www.arrival.com. The UK electric vehicle manufacturer now occupy close to 300,000 sq ft at Link 9. This completes the sale of developer Albion Land's <https://albionland.co.uk> development, totalling over 530,000 sq ft, spread across 11 units on a 40-acre site. Purchasers include Teknos Paint <https://www.teknos.com>, British Bakels www.britishbakels.co.uk with Investors Stagecoach Pension Fund and UK REIT RDI both having now leased the 7 buildings they purchased, totalling circa 400,000 sq ft.

Arrival, with an implied valuation of over £3 billion following the sale of a 3% stake in the business to South Korean car giants Hyundai and Kia, also have substantial supply contracts, for example US delivery company United Parcel Service (UPS) where they will deliver 10,000 purpose-built electric vans.

Link 9 is strategically located for Junctions 9 and 10 of the M40, providing rapid access to the national motorway network and commercial hubs of London, Oxford and Birmingham.



Adrian Horsburgh, Property Director at RDI, says:

"Arrival Automotive is an exciting and growing company which has an important role to play in helping cities meet net-zero emissions targets with the provision of their game changing electric buses and delivery vans. We are thrilled that they have decided that Link 9 is the right home to help them achieve their growth ambitions, whilst at the same time it clearly supports our decision to press ahead with the forward funding of this asset 18 months ago."

Chris White, MD at White Commercial says:

"This is yet another successful development by Albion Land, with RDI capturing Arrival Automotive, a world leading-edge provider of electronic automotive vehicles. Bicester and the M40 corridor are world renowned for their automotive capabilities, being the home to a significant number of automotive businesses including a number of F1 teams."



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OTHER SERVICES

White Commercial Surveyors extensive Commercial Property Services include:

Property Management:

Proactive management of retail, industrial and office buildings/developments and estates for owners of commercial property.

Rent Reviews and Lease Renewals:

Negotiation of new and existing rental and lease terms, as well as advice on lease covenants.

Formal Property Valuations:

Formal commercial property valuations for inheritance tax and accounts/financial statement purposes.

Property Search and Find:

Acquiring office/industrial buildings for occupiers, advising inter-alia on the best economic and legal terms and working environment.

Commercial Property Development:

Comprehensive advice on the planning and development of large scale sites for commercial and mixed-use schemes.

Investment Sales:

The purchase or disposal of income producing commercial property, including office/retail and industrial buildings, estates and portfolios.

Contact Chris White for further info
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You can also keep up to date with latest property news and find out what our team are up to over on our Twitter page
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If you would like to talk to us about a new development scheme or any of the projects in this newsletter, please contact Chris White, Managing Director, BSc, MRICS, MCI (Arb): chris@whitecommercial.co.uk or visit our website: www.whitecommercial.co.uk