EXPRESSION OF INTEREST FOR
THE PROPOSED BUSINESS PARK AT
SCHOOL LANE, MAGHULL
CONTENTS

1. Introduction

2. Company Information

3. Track record

4. Proposed Strategy

5. Potential uses

6. Funding

7. Professional team

8. Conclusion
1 Introduction

Henry Boot Developments Ltd (HBDL) have prepared this expression of interest in the site known as ‘the land east of Maghull’ in response to an invitation by our sister company Hallam Land Management whom own land within the proposed draft allocation.

HBDL have an enviable track record of successfully delivering major mixed use sites, and an experienced team has already been assembled to progress this development.

A selection of corporate information has been included in this report together with a comprehensive track record of similar schemes undertaken by HBDL.

This expression of interest has been compiled in conjunction with the specialist advice from our team of consultants whom we have worked besides on the delivery of similar large scale strategic employment sites throughout the North West and beyond. We have considered the existing draft policy as set out within the draft Local Plan, and in-line with our experience of industrial occupiers and market knowledge, we have considered the potential mix of uses for the site and how the delivery of the site should be coordinated in order to achieve the ultimate goals of the Council and the needs of the future users and occupiers.

We have considered the sites constraints and opportunities and have produced an initial masterplan for discussion should our approach be of interest, which is appended at the rear of this document at Appendix 1.

2 Company Information

HBDL is a wholly owned principal subsidiary of Henry Boot PLC, a publicly quoted company listed on the London Stock Exchange. The Henry Boot Group has been established for over 120 years, initially operating solely as a building construction concern but since the end of World War II, the Group has diversified into related fields including commercial property development. Whilst being a publicly quoted company, the majority ownership remains with the founding Boot family despite the company having achieved sustained growth over the years. The result is an extremely stable and financially secure company.

HBDL is the prime element of the Henry Boot Group concerned wholly with commercial property development and has been in operation for over 35 years. The Company has sought and maintains a diverse range of commercial property development and at any one time is actively undertaking development projects ranging from city centre and edge of centre retail schemes, through to large strategic employment and distribution sites, leisure opportunities and business park developments.

The company has over the years, developed a strong track record as a joint venture partner with the expertise to deliver complex regeneration schemes in partnership with both local authorities and large scale private landowners.

HBDL operates out of the Henry Boot Group head office at Banner Cross Hall, Sheffield and also has regional offices in Manchester, Glasgow, Bristol and London. The Manchester office would administer this particular project.

3 Track record

HBDL possess a strong track record of delivering high quality mixed use schemes on a standalone bases, and Joint Venture bases, working in partnership with both local authorities and large scale private sector organisations.
Many of our completed developments are retained within the Group portfolio, and this experience of being both a developer and landlord means that we are able to maximise the long term benefits of the projects we work on. This results in top quality sustainable mixed use schemes which make a significant and positive contribution to the wider environment and economy for years to come.

The following provides a brief selection of current or recently completed mixed use schemes undertaken by HBDL which are of similar strategic locations and mix of uses;

**Markham Vale, Chesterfield**

Markham Vale is a 200 acre employment led scheme delivered in Joint Venture with Derbyshire County Council. The site has unprecedented access to the M1 via a dedicated junction (29a) at Chesterfield, and is strategically located between Sheffield and Nottingham in the East Midlands.

Outline planning has been granted across the whole site which opened in 2008 for distribution, manufacturing and general industrial uses (B2/B8) alongside office use (B1) with an element of ancillary uses creating a sustainable and modern business park development.

The site offers fully serviced development plots enabling buildings from 3,000sqft (279 sqm) up to 1 million sq ft (92,900 sqm) to be delivered in the quickest timescales possible.

The site also falls within the Sheffield LEP along with the Nottingham and Derby LEP (N2D2 LEP) and has been granted ‘Enterprise Zone’ status offering occupiers the potential to claim 100% capital allowance relief.

A significant recent development at Markham Vale was a bespoke distribution warehouse designed specifically for Leeds based automotive car part distributor ‘Andrew Page’. The 100,000 sqft warehouse incorporates 3,300 sqft of office accommodation and was completed on time in
September 2012. The buildings shell was delivered in 20 weeks from starting on-site and as part of the works the majority of the fit-out (racking and sprinkler systems) were also designed and constructed. Andrew Page committed to the building via a 15 year lease. As part of the base building, various renewable initiatives were included enabling the building to achieve an ‘A rated’ EPC and ‘Very Good’ BREEAM rating.

In addition to the Andrew Page letting, McDonalds have recently become the first occupier to commence trading from premises provided within Markham Vale West, with further commercial premises being developed to provide the ancillary facilities for the wider 200 acre business park. McDonalds was delivered within a programme of 18 weeks and completed in January 2013.

Eurogarages have also recently commenced trading with an ESSO petrol filling station and convenience store together with a drive thru Starbucks Coffee Shop. Planning Permission has also been granted for additional retail, hotel, public health and restaurant premises, facilities which will greatly enhance the offer available to the growing businesses at Markham Vale.

The estimated completed value of Markham Vale is in excess of £200m.

**Priory Park, Hull**

Priory Park is a 147 acre business and industrial park strategically located to the west of the city of Hull, which HBDL have successfully developed out initially by way of a Joint Venture with British Rail (latterly Network Rail).

The development is adjacent to the main arterial route into the city and east coast ports and as such has become Hull’s prime business location.
A range of occupier's are located at Priory Park from Sainsbury's, Toyota Car Dealership to the De Vere Hotel, as well as a variety of local office and industrial business's. The development also has the benefit of a park and ride scheme into the city making the park very accessible for staff.

Over the course of the Joint Venture Agreement, HBDL have consistently re-worked the planning through a progressive re-assessment of demand, to provide a better quality mix of uses on the site. The whole process was funded utilising HBDL's internal resources and upon the planning consent being granted, provided the necessary speculative infrastructure to bring the site forward ready for development.

Throughout the life of the development, HBDL have secured various European grants to aid infrastructure and develop certain target sectors on the scheme and are greatly experienced in this field.

The estimated value of the completed scheme is in excess of £300m.

Thorne Park, Doncaster

Thorne Park is a 23 acre joint venture scheme with The Royal Bank of Scotland located immediately adjacent junction 6 of the M18, Doncaster. Henry Boot Developments Limited has secured planning permission for a substantial mixed use development including a 45,000 sq ft supermarket together with supporting mixed-uses.
New high specification industrial warehouse and office accommodation is available in units from 2,500sqft – 150,000 sq.ft immediately and in bespoke form.

Contracts have been exchanged with Tesco and detailed negotiations are progressing with a range of other occupiers to take adjoining space.

Henry Boot Developments has been granted £6 million of investment towards this project from the European Regional Development Fund as part of the European Union’s support for local economic development, specifically in the Food & Drink and Financial & Business Services sectors through the Yorkshire and Humber ERDF programme 2007-2013.

Mier Park, Stoke On Trent

Mier Park is an 18 acre business park immediately adjacent the A50 in Stoke on Trent which HBDL have had a long standing interest in. Both units on the park were successfully pre-let to Recticel for a 193,000 sqft manufacturing facility and to the Coop for a 190,000 sqft distribution facility.
4. Proposed Strategy

HBDL believe that a single employment developer should be appointed for the site to work with the residential developers and housebuilders on the remainder of the site with the Local Authority in order to draw up a comprehensive strategy and timetable for delivery.

Whilst we understand that a draft policy is currently being considered which deals with triggers for delivery, infrastructure, and masterplanning, it is essential that the delivery of both the employment and residential areas are carefully coordinated to ensure a strategy is in place which avoids the residential and employment areas conflicting with end users and their differing occupational requirements. HBDL have encountered scenarios like this elsewhere and the result jeopardises the delivery of both.

It is our opinion that the employment area can be progressed separately to the residential areas if masterplanned in the appropriate ways, with the interfaces between residential and employment being carefully considered and phased. In addition there is a high pressure gas pipeline which crosses the whole of the site which is subject to an 8 metre easement either side of its centreline, which has implications for the end users if this pipe is not able to be relocated.

In terms of actual delivery, HBDL would require a long term option, or agreement with the composite owners for a term of years to be agreed.

We would then liaise with the Council to produce a detailed Master plan for the sites and once agreed, a planning application would be submitted.

HBDL would then undertake a comprehensive marketing campaign with all costs of the planning and marketing would to be borne by HBDL, as would any site investigations that may be necessary. The scheme would be marketed with a view to securing pre-lets of the proposed units, however HBDL would consider speculative development in this location.

When an initial phase has been secured, costed and approved by HBDL, the construction works will be competitively tendered to a minimum of 4 contractors to ensure best value is achieved, and all construction works would be funded utilising Henry Boot’s internal resources.

With regard to returns, HBDL require a minimum Developers return of X% on all costs incurred in the event of a pre let deal and in the event of a speculative element a return of X% will be required to recognise the additional element of risk involved.

The above provides a very brief overview of the delivery process and we would be happy to provide more detail if and when required.

5. The Opportunities & Constraints

With the research undertaken to date by the BE Group, we have commissioned Andy Aherne from Aherne Property Consultants Ltd whom has extensive experience in the field of advising and delivering business, commercial and industrial developments, to undertake a market review to help inform our initial masterplan, and build on the research from the BE Group.

The following is commentary taken from Aherne Property Consultants marketing advice note which is appended at Appendix 2 and has helped to shape the spatial masterplanning exercise:

*The take up of existing space has been followed by a period of pre let activity in the region for large land hungry developments; which has taken large tracts of the deliverable employment land in the*
region. This is evidenced by the activity which has been widely publicised at Omega, Warrington, Logistics North, Bolton and Epic, Wigan.

As the market has improved and confidence, combined with the availability of funding, has returned attention is now being focused on the supply side. The reaction to accommodating demand in the short terms has been the commencement of speculative development. While there have been a few starter units schemes built out as a result of grant funding the market is now turning to the Mid Box (c 100,000 sq ft) and Big Box (c 200,000 sq ft plus) sectors.

In terms of location the site benefits from direct access to the national motorway network, a prerequisite for a Big Box site, and being on Jn 1 of the M58 is ideally placed to satisfy demand as a result of the Liverpool 2 Superport development.

In addition the proximity of an established broad logistics and industrial base, together with the large labour pool enhance the prospects of this site both from an occupier and investment perspective.

B1/B3/B8 Uses

Whilst the market will ultimately dictate the size, scale and use of the proposed schemes on the remainder of the employment area, our initial research indicates:

The site should be able to deliver single side loaded buildings of up to 200,000 sq ft together with the buildings of up to 500,000 sq ft with cross docking (yards on opposite elevations). A master plan can be shaped to minimise the impact of the high pressure gas pipeline easement and will allow smaller plots which could provide an important amenity for the site and/or provide for units up to c 40,000 sq ft for the local market.

There will be a strong emphasis on creating an initial phase that is deliverable in the short term to help kick start the development. This could be in the way of a number of roadside uses in smaller formats at the north eastern end of the site such as a petrol filling station, a hotel, and drive thru units. Such uses would lead to an increase in footfall and activity in the area which in turn would be expected to lead to increased interest and investment from the private sector. In addition, this would help address the land uses in the most economical manner in this sector of the site where the gas main crosses, allowing the majority of the land to be left open as communal car parking, roads and landscaping, and built development to the shape of smaller forms and a more transient occupational users.

Major Pre-let

In the current climate we would anticipate that major pre lets to large scale B8 occupiers should be secured and we may also consider a speculative scheme in this location.

Retail/Leisure/Roadside Uses

As with any major employment site accommodating multiple occupiers, it is important that an element of retail and leisure uses are accommodated close by and we would therefore expect to see a vibrant mix of retail/leisure and other roadside uses which complement the day time activity on site.

Hotel Operator

A number of operators remain active in this sector and an appropriate grade of hotel could therefore form a part of the development.
This above list of uses is by no means definitive but gives an idea of the type of scheme and the mix of uses we envisage on the site.

**Community Engagement/Consultation**

When bringing forward major schemes like Maghull it is vital to involve the local community and stakeholders in the decision making process, and to undertake this engagement at an early stage and then regular intervals as the scheme progresses.

The project team have extensive experience in undertaking community and stakeholder consultation at all stages of the planning process. Experience of community consultation includes presentations at public and private meetings, key stakeholder forums, ‘planning for real’ events, workshop sessions, seminars, exhibitions and web-based publications.

We are acutely aware of the need to provide the local community (including 'hard to reach' groups) and interested parties with a platform to articulate their ideas, views and concerns in order that they can assist in shaping the type of development which is brought forward. In doing so, the development will better meet the needs of the community, respond appropriately to the local environment and character, and complement existing land uses.

The project team advocates a multi-disciplinary approach to community consultation where a wider skills base can be drawn upon in order to successfully consider, assess and manage issues and sensitivities from the outset. We would always seek to agree the detail of a programme of community consultation with the planning authority at an early stage when taking Westside and Southside forward.

6. **Funding**

Henry Boot Developments Limited is a well-funded and financially stable company with low levels of gearing. The Company has a robust balance sheet that enables all of its commercial property development projects to be funded using immediately available internal finance facilities. This internal funding capacity is drawn from existing capital retained within the Group and enables Henry Boot to be particularly successful in demonstrating long standing financial strength.

Finance is charged on such funding at normal market rates but with no arrangement fees, exit fees or bank valuation fees. Through the internal funding route, Henry Boot Development's Limited has not been exposed to the external funding issues faced by many of its competitors and is well placed to commit to opportunities in the market place.

The internal funding approach has been applied to all its developments undertaken to date and enabled the Company to take a flexible and pragmatic approach to individual developments to ensure optimum delivery and quality.

Despite this preference to fund internally, all of HBDLs partnership agreements are designed to enable 3rd party funding to be utilised if required. The Company has a three year committed bank facility totalling £50m currently in place in the event that additional funding is required for a specific project.

The existing funding arrangement has also enabled the Company to retain many of its investment properties and at present has an investment portfolio worth in excess of £100 million.
7. **Professional Team**

Henry Boot have assembled the following experienced professional team to deliver this project;

**Architect** – Fletcher Rae Architects  
**Agent** – Aherne Property Consultants Ltd  
**Planning** – GVA Grimley  
**Cost Consultant** – Rex Proctor & Partners  
**Structural Engineer** – Integra Consulting  
**Highways** – AECOM

Further details of the team including CV’s can be provided if required.

8. **Conclusion**

HBDL has the expertise, financial resources and vision to successfully progress and deliver a major redevelopment of this strategic site.

HBDL operate from an extremely sound financial base and this together with a strong track record of successfully delivering similar joint venture partnerships; suggest we are well placed to deliver Maghull in partnership with the consortium.

This expression of interest is based on the limited information available at the present time and HBDL would welcome the opportunity to expand on these initial ideas and undertake a more comprehensive Master planning exercise should the opportunity exist to put forward a financial proposal.

We hope that this proposal has been of interest and look forward to receiving details of the next stage of the process in due course.
Appendix 1 – Initial Masterplan
Client: Henry Boot Developments Ltd
Site: Land East of Maghull

Industrial & Logistics Market - Liverpool City Region

Market Context

The National position is one of strong demand for logistics and manufacturing space and diminishing supply. This has followed in that supply has tightened across the key locations in the North West. The most significant reduction in availability over the last two years has been seen in Liverpool/Merseyside area, where the availability rate is down 27%. This is largely due to the success of the Jaguar Land Rover factory and the demand for space from their supply chain together with the growth in the discount retail sector where there is a large presence in this area.

Until recently there had been no new meaningful development of space since the recessionary era began in c. 2008; which is in contrast to take up which has remained relatively robust throughout this period.

The take up of existing space has been followed by a period of pre-let activity in the region for large land hungry developments; which has taken large tracts of the deliverable employment land in the region. This is evidenced by the activity which has been widely publicised at Omega, Warrington, Logistics North, Bolton and Epic, Wigan.

As the market has improved and confidence, combined with the availability of funding, has returned attention is now being focused on the supply side. The reaction to accommodating demand in the short terms has been the commencement of speculative development. While there have been a few starter units schemes built out as a result of grant funding the market is now turning to the Mid Box (c 100,000 sq ft) and Big Box (c 200,000 sq ft plus) sectors.

Notably the first meaningful speculative development was the 110,000 sq ft unit called Venus 110 at Knowsley Industrial Estate which is expected to complete in summer 2015. There are now 12 other speculative schemes committed throughout the northwest.

There are far reaching structural changes rapidly taking place which are having a profound impact on the industrial and logistics market.

E-commerce and the rapidly changing supply chain is responding to the way we all consume goods is having a dramatic impact on the demand on the logistic market and the increasing requirement for land, which is only set to continue.

This structural change is already manifesting itself in that there is significant pressure on available employment land due to numerous large “land hungry” Mid box & Big box developments referred to above, and which have taken place at across Merseyside at Speke, Knowsley Warrington and on the Wirral. This has taken out c 245 acres (c 100 hectares) in the last two/three years alone. This has impacted the supply of deliverable land.
The impact of these structural changes are expected to be compounded by the completion, in early 2016, of the deep water port at Seaforth which will also be a major influence on the demand for logistics space.

The timing of the opening of this facility coincides with the widening of the Panama Canal which will have far reaching impact on the movement of international trade and not only that from Asia but also emerging economies of Brazil, India and Russia. This will create new trade routes across the Atlantic which will have a significant impact on Liverpool Port which will benefit by being strategically located on the Irish Sea and Atlantic Seaboard.

While the development of the deep water port is a significant investment itself; when combined with other substantial infrastructure projects such as the 2nd Mersey Crossing, improvements of the Manchester Ship Canal, expansion of 3MG Multimodal Gateway/Knowsley (rail terminals) will all drive greater demand for employment land in the area.

Maghull Master Plan

The proposed employment land at Maghull is of a scale and location which is ideally aligned to the market forces taking place in the industrial and logistics market.

The scale of the site is such that it will be able to accommodate the Mid Box and Big Box Units that the growth sectors require. While the site is compromised by the high pressure gas main a master plan can be shaped to minimise the impact of this easement and will allow smaller plots which could provide an important amenity for the site and/or provide for units up to c 40,000 sq ft for the local market.

The site should be able to deliver single side loaded buildings of up to 200,000 sq ft together with the buildings of up to 500,000 sq ft with cross docking (yards on opposite elevations).

These reflect the successful developments that have taken place at existing port and multi modal logistic developments. For example DP World and Prologis have developed a speculative 316,000 sq ft cross docked facility at London Gateway. Tesco & Asda have developed out 500,000 sq ft and 300,000 sq ft developments at Teesport. And at Daventry International Freight Terminal Phase 2 (DIRFT II) numerous buildings of this scale and configuration are planned for.

In terms of location the site benefits from direct access to the national motorway network, a perquisite for a Big Box site, and being on Jn 1 of the M58 is ideally placed to satisfy demand as a result of the Liverpool 2 Superport development.

In addition the proximity of an established broad logistics and industrial base, together with the large labour pool enhance the prospects of this site both from an occupier and investment perspective.

15th September 2015