

7 April 2020

Orchard Street completes disposal of West Yorkshire logistics asset for £13 million

Orchard Street Investment Management ('Orchard Street'), the specialist commercial property investment manager, announces that it has completed the sale of an NHS logistics unit operated by Unipart in Normanton, West Yorkshire, to Urban Logistics REIT for £12.9 million. The sale price reflects a net initial yield of 5.24%.

This 135,000 sq ft industrial property was acquired as part of a portfolio in 2009. Orchard Street recently completed a re-gear of the lease, securing a 15-year revisionary letting to Unipart Logistics, which operates the entirety of the logistics depot on behalf of the NHS. The re-gear increases the unexpired lease term to 17 years, subject to five yearly rent reviews, with the agreed rent equating to £4.70 per sq ft.

Located in Foxbridge Way, Normanton, the freehold property presents a compelling investment proposition on account of its strategic logistics location and strong covenant delivering long term and secure income streams. Spread over two acres of land, the low site density allows for potential development, while the asset offers strong national transport links thanks to its prominent location on the M62 motorway.

Helena Redding, Asset Manager at Orchard Street, commented: "The ownership of this NHS distribution centre has proven a successful long term investment for Orchard Street; having now completed our business plan for this prime asset we took the decision to opportunistically recycle proceeds generated through our active asset management for the benefit of our client. West Yorkshire remains the leading distribution location in the North of England, and we look forward to seeing the asset continue to prosper under its new ownership."

Orchard Street was advised by Knight Frank while the purchaser was advised by M1 Agency.

-Ends-

For more information:

Orchard Street:

John Humberstone
Orchard Street Investment Management
020 7494 8860
jhumberstone@orchard-street.co.uk

Dido Laurimore/Elle Sweeney/ Talia Jessener
FTI Consulting
020 3727 1000
OSIM@fticonsulting.com

Notes to Editors:

Orchard Street Investment Management

Established in 2004, Orchard Street Investment Management LLP is a leading specialist commercial property investment manager, focused on the UK market. It acts on behalf of institutional clients world-wide to advise on investing in and the active management of property assets, including industrial, retail warehouses, offices and shopping centres.