

Warrington
&Co.

| Warrington

Annual Property Report

2012

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Matt Crompton
Managing Director, Muse Developments

Company Profile

Muse Developments is one of the country's leading names in property development and urban regeneration. The company has a broad portfolio of projects - embracing commercial, retail, leisure, residential and industrial uses - with a total area in excess of 25 million square feet and an end value of over £4 billion. Our aim is to deliver complex mixed-use schemes - with an emphasis on quality and sustainability - and create vibrant new places within our towns and cities.

Established around a quarter of a century ago, Muse is a national developer with regional operations in Manchester, Leeds, London and Glasgow. Part of Morgan Sindall Group plc, the FTSE 250 UK construction and regeneration group, the company has a strong development pipeline which now stands at £1.6 billion, with a further £0.6 billion of schemes at preferred bidder stage.

Muse offers a fully integrated commercial and residential development capability to secure competitive differentiation and maximise development potential. The company's resources and expertise cover the complete development cycle from site evaluation, planning and masterplanning to land assembly, project management, letting and funding. Working in partnership with land owners, local authorities, community groups, government agencies and private investors across the UK, Muse's commercial vision generates a competitive edge in all areas of activity. The company's resources, leadership and vision have combined to help release latent potential in many now landmark sites, often in urban fringe areas where profitable development has not been immediately obvious.

Muse is the development partner within English Cities Fund (a strategic partnership with the Homes & Communities Agency and Legal & General) and a partner in Isis Waterside Regeneration, a development vehicle created in partnership with British Waterways and Aviva to unlock the potential of the nation's waterways and waterfront locations.

2011 was an excellent year for Muse, with another solid and profitable all round performance across the UK. In the North West, Muse expanded its growing portfolio of schemes which include: Cheadle Royal Business Park; St Paul's Square Liverpool; Blackpool Talbot Gateway; Smithfield Markets Manchester and Salford Central, and secured major large scale mixed-use schemes in Chester and Stockport.

In Warrington - where we continue to develop the outstanding Lingley Mere Business Park - Muse was delighted to be selected as development partner for the £130 million 'Bridge Street Quarter' scheme, underlining our commitment to working in partnership with visionary authorities to unlock the potential of strategically located landmark sites.

Warrington boasts a wealth of fantastic in and out of town locations coupled with excellent transport links. It is also fortunate to be driven by a proactive local authority with a desire to boost the economic prosperity and vibrancy of the borough through the delivery of high-quality and sustainable mixed-use development. Combined with a strong partnership approach this will continue to make Warrington an attractive place in which to invest.



Key schemes

Lingley Mere

Lingley Mere is an expanding and thriving business community that currently provides 35,300 sqm of office accommodation set within 40.5 ha of landscaped grounds, offering a unique and attractive location for businesses.

The park benefits from outline planning consent for a further 37,160 sqm of office space and 13,940 sqm of distribution space.

As part of a comprehensive masterplan, Lingley Mere will be developed further by enhancing the excellent range of amenities that already exist there. Future plans include a 132 bedroom hotel that will have conference space, meeting room facilities and a fitness centre.

Planning permission was recently secured for an amenity building. The new facility, covering 697sqm, will be situated in the centre of the development between the park's two lakes. The stunning building will incorporate full-length curved glazing to maximise the south-facing view of the surroundings and will also feature an elevated canopy where people can sit outside.

The amenity building will offer hot and cold food, a Costa coffee and convenience shop.

The development, which lies close to the M62 and M6, has also obtained planning permission to build a fifth unit of 1,720 sqm to complete the Clearwater phase, which already boasts four units that have been let and sold.

Bridge Street Quarter, Warrington

Muse has been appointed as development partner to help Warrington Borough Council realise its ambitious plans for the regeneration of Bridge Street and Time Square.

One of the largest regeneration projects in the region, our £130 million 'Bridge Street Quarter' scheme is the first phase of the Council's 25-year strategic masterplan for the town centre and waterfront area. It will deliver a new indoor market, along with a range of leisure-based uses aimed at creating a family oriented environment.

It will also create much needed commercial space - with a diverse range of complementary uses and building sizes - including a new hotel, cinema, food store and a leading edge office designed and built specifically for the Council's occupation.

The integration of the surrounding area is critical and a comprehensive programme of public realm works will be central to our masterplan. We will create an iconic new market square and deliver pedestrian and public transport improvements along with easy to follow and natural links with adjacent streets, including Bridge Street, Buttermarket Street, Mersey Street, the waterfront and other parts of Warrington town centre. This will result in an increased diversity of uses that will act as a destination for people of all ages and interest throughout the day and into the evening.

We are committed to designing, procuring and delivering stunning, distinctive and sustainable buildings. Construction is expected to begin in 2013. The whole scheme aims to be completed by 2019.

Foreword

The Annual Property Review is now in its fourteenth year. Over these years the property market has experienced peaks and troughs yet Warrington remains resilient to the worst effects of the economic downturns. We are pleased therefore to report another year of improving economic performance.



The latest Centre for Cities Outlook confirms the town's status in the top ten locations for earnings and people in employment, with a real growth in employment reported since 2010. Much of our recent economic growth has been founded on a strong office and industrial presence in the motorway junction-related business parks. 2011 saw this activity picking up again.

The year was a difficult one for retailers across the UK and Warrington was no exception. The town saw a number of familiar high street retailers disappear, but on a very positive note, some big new names opened stores, including two large outdoor pursuits retailers, Go Outdoors and Decathlon reflecting the town's close association with sport and recreation.

The next phase of developing the town centre took a big step forward when the Borough Council selected Muse Developments as its development partner for the Bridge Street Quarter. Construction should start within two years when the first phase includes the relocation of the award winning indoor market to a new home.

This is just one of the initiatives that Warrington Borough Council and Warrington & Co are driving forward.

There are a number of others as we look to ensure the town centre and its environs make the step change necessary to match our out of town development success.

These are exciting times for Warrington. Significant investment into the town is tangible. Warrington has recently secured the prestigious status as a host destination for the 2013 Rugby League World Cup, and will welcome Samoa with open arms. The Olympic Torch relay will visit Warrington as part of national celebrations in May, following on from the official opening of Orford Park, the largest Olympic Legacy Project outside London. All will bring huge economic benefits to the town.

Terry O'Neill
Leader Warrington
Borough Council

A handwritten signature in black ink, appearing to read 'T. O'Neill'.

Peter Crompton
Chairman Warrington & Co.
Director BE Group

A handwritten signature in black ink, appearing to read 'P. Crompton'.

Throughout the current downturn Warrington has consistently featured at the top of some of the national league tables of economic indicators.



Executive Summary

2011 saw visible signs that development activity is returning to Warrington, bringing a further improvement of confidence in the commercial property sector.

The development projects associated with this activity are diverse. Along the A49 corridor, bulldozers moved onto the Fiat site to commence demolition ahead of a proposal to develop retail and industrial space; Decathlon started and completed their new store, and the UK's largest Olympic legacy development outside London, Orford Park Project, took shape.

At Birchwood, MEPC Birchwood Park gave the go ahead to build new offices at 305 Bridgewater Place following the prelet of 3,000 sqm within the building. And to accommodate families wanting an overnight stay at the Gulliver's World Resort, work continued on a new 50 bed hotel.

The industrial and distribution sector returned another impressive level of deals and floorspace take-up with 63 transactions and yet again over 107,000 sqm of floor space. Warrington may not have developments of brand new warehousing, but its location keeps drawing in businesses who instead are happy to buy into the good quality second hand space. And confidence from the indigenous market manifested itself as existing occupiers such as Stobart and Vestas took new space.

Office take-up doubled from the previous year to just under 17,500 sqm, a big swing in the right direction but still falling a long way short of the ten year average.

The take-up figure was helped by two deals of over 2,500 sqm, with Fircroft and Serco acquiring space in Birchwood. Following the previous year's inactivity Birchwood bounced back, accounting for three quarters of all office deals. And again MEPC Birchwood Park marked the year with the highest headline rent, just under £200 per sqm.

It was another steady year in the investment sector with nine transactions totalling around £40 million in value. Once more the biggest deal involved a Marshall CDP development, Apollo Park, the new leisure park at the entrance to Gemini Retail Park.

Following completion of the Travelodge, Starbucks and Harvester restaurant, Marshall sold the site, achieving a yield of 6.55 percent. The story of the year was what did not sell as investors exercised caution with around £30 million worth of stock failing to find a buyer where price, tenant or property did not appeal.

The news coming from
increased activity b

Consolidation, relocation and store closure was a feature of the retail market, as retailers responded to the difficult trading conditions. Some big names went, including TJ Hughes and Peacocks, whilst Sport Direct and TK Maxx announced plans to relocate. But away from the town centre new names did invest, including outdoor specialist Go Outdoors and Decathlon.





from all property sectors was encouraging with
borne out by the number of deals completing

Also out of the town centre, Redefine pressed on with its plans for expansion of the Birchwood Shopping Centre, although Wilkinson reversed their previously announced decision to locate there. And Derwent Holdings unveiled their proposals to refurbish and expand Alban Retail Park as part of the retail and industrial redevelopment scheme for the former Fiat site.

The public sector is increasingly becoming a driver of the town's future strategic development, especially the town centre and edge of centre areas. Warrington and Co, the town's urban regeneration partnership is overseeing much of this with a whole range of projects including the Stadium Quarter, the Town Centre, Southern Gateway and the Waterfront.

Key amongst these at present is the Bridge Street Quarter. In 2011, following a national competition, Warrington Borough Council selected Muse Developments as its development partner.

Together they will oversee a £130 million development which will deliver a new market hall, new cinema, restaurants, hotel and offices. Construction should commence in 2013.

Also in 2013, the eyes of the rugby world will be focussed on Warrington as it hosts games and the Samoa national team in the Rugby League World Cup. To accommodate the crowds the year saw the completion of the increase in capacity of the Halliwell Jones Stadium to 15,000.

Forty years ago the then New Town Development Corporation aimed to grow the town's population to 200,000. That target has been reached, and Warrington is planning for further growth with an ambitious target of building around 450 homes each year up to 2026. After a lull in the housing market, developers, including Persimmon, David Wilson and Bellway Homes, are on course with 550 completions anticipated in the 12 months to April 2012.

The Warrington Economy

During 2011 double dip recession threatened the country as confidence in the Europe-wide economic situation shrank. But the economic pointers for Warrington's economy again suggested the town is continuing to hold its own.

The diversity of Warrington's business sectors and the quality companies into the town is a lynchpin of the town's economic success.

The Centre for Cities – Cities Outlook 2012 prominently featured Warrington in some of its key rankings. The report ranks the country's major towns and cities using a range of economic factors. Warrington moved up to seventh in terms of the employment rate.

At 76.4 percent, this was a 3.2 percent growth from 2010, and placed Warrington as only one of eleven centres seeing its employment rate rise by more than two percentage points. The borough also has the seventh highest proportion of private sector employment, one of the major factors that have helped insulate Warrington from the public sector spending cuts. Furthermore, it is the centre with the eighth highest earnings in the country.

One of the best examples is Secured Mail, ranked at No.2 in the Sunday Times Fast Track 100 listing, with growth of 232.7 percent last year. The company is one of several local companies that have grown during 2011 through acquisition. Others include GB Oils the UK's leading distributor of fuels and lubricants, based in Birchwood, and venture capital company Energize.

Despite issues over access to finance this is a trend that may continue. According to the Businessdesk.com's State of the Region survey, around one fifth of private companies in the North West indicate that they are considering growth through acquisition.

And in terms of access to finance, 80 percent of those businesses surveyed are confident that bank lending will remain the same or improve.

Other businesses standing out in the crowd are European Metal Recycling and United Utilities, ranked respectively at No.3 and No.4 in the Insider list of the North West's Top 500 companies - assessed on a combination of turnover and profitability. EMR continue to be within the Sunday Times Top Track 100 UK companies, featuring in the top 20.

Birchwood continues to play a key role in the development of AMEC's nuclear business with the company's consultancy business operating new contracts, for both the Nuclear Decommissioning Authority and Sellafield Limited, from the location.



The attraction of high town's economic strength

And what do the employees of Warrington think of business here? For Evolution Recruitment Solutions, based in the Genesis Centre in Birchwood, they have only good things to say as their employees' votes placed the company at No.2 in the Sunday Times ranking of the 100 UK best small companies to work for. The company invested in team building and staff training and lunches out; trips abroad and spa treats were some of the bonuses given to staff as a reward for their hard work.

One note of caution was highlighted in the Retail Risk Index produced by BNP Paribas, which assessed the financial health of the UK's top 100 town centres to provide a guide to those centres that may be vulnerable to the weakening retail economy. The good news is Warrington features in the top 100. The bad news is the Index places Warrington high in the risk ranking. It also suggests Warrington has a higher than average supply of floorspace when compared to towns of a similar population size.

But this in part can be accounted for by the expansion of Golden Square which has successfully drawn new retailers into the town to widen the level and choice for shoppers.

The challenge facing Warrington is to ensure the more secondary areas do not become run-down and other town centre facilities are introduced, something that the Bridge Street proposals are addressing.

Warrington is driving hard to ensure it is at the forefront of investment and growth within the wider region. The draft business plan for the Atlantic Gateway, which covers the Liverpool and Manchester City Regions, Cheshire and Warrington sets out a vision to maximise investment in this area and support delivery of major projects by the Local Economic Partnerships.

Two emerging priorities focus very much on Warrington, namely, Warrington Waters which encompasses the town centre, the Waterfront along the Mersey, and Port Warrington; and Warrington North taking in the business areas of Omega, Winwick Quay and Birchwood. The two projects together have the potential, according to the business plan, to create a further 38,000 jobs for the town before 2030.

Some of this employment growth may relate to the nuclear sector. In recognition of its centre of excellence role, 2011 saw the formation in Warrington of the Nuclear Forum. Although centred on Birchwood, and led by Birchwood-based AMEC, the Forum's membership includes nuclear sector-related businesses from across the North West.

Investment

Although the number of investment sales in 2011 matched the previous year, perhaps the story of the year was what did not sell. The year saw plenty of good quality investment stock placed on the market, valued at around £70 million, but of that around £30 million worth remained unsold. This comprised four industrial and four office buildings in lot sizes ranging from £1 million to £10 million.

The reasons for these failing to sell vary, with prospective purchasers citing vendors' unrealistic price expectations; leases that only offer short term security, where there is the prospect of high holding costs from business rates and security in the event space becomes vacant; and a lack of high quality tenant covenants.

In addition, funding continues to be difficult with some major banks exiting the investment sector completely.

Nevertheless around £40 million worth of stock did sell in 2011 in nine transactions. These comprised six office, two industrial and one leisure deal. This compares with the previous year where there were also nine transactions, although the total stock value was less than half. It was again familiar names that led the way in the 2011 deals.

Marshall CDP again accounted for the largest investment transaction in 2011 with the sale of Apollo Park to Cordia Savills. This brand new development off Junction 8 of the M62, tenanted by Travelodge, Starbucks, and Mitchell and Butlers trading as Harvester Restaurants, achieved a price of £7 million and a net initial yield of 6.55 percent, the best of the year. The sale demonstrated that with good quality leases, tenants and buildings, investments will sell. Only two other properties achieved yields of sub 10 percent.

Again, Marshall CDP were involved, selling Phoenix House, a modern office at Centre Park, and Langtree bought Warrington Central Trading Estate close to the town centre, for £3 million, reflecting a yield of 8.56 percent.

It was a busy year for Langtree, as they also purchased St James Business Centre at Wilderspool Causeway. It is a sign of the times that distressed sales make up a significant element of the year's transactions.

St James Business Centre was one of three sales by LPA Receivers. Another, Washington and Allday House, Birchwood, comprising just under 10,000 sqm of offices, was purchased by Cantt Pak Ltd, owners of nearby Rutherford House, for £4.3 million.

This sale is perhaps one of the strongest illustrations of the downturn in fortunes of some commercial property investors, as the investment was previously sold in 2007 for £16 million. Four years on, one of the leases has expired, a major pre-let failed to materialise, and the result is its value has fallen by 75 percent.

But it was not only the traditional investors in the Warrington market taking advantage of the market conditions. Office occupier Fircroft, a specialist recruitment consultancy, who have been tenants in the Birchwood area for around 20 years, chose to purchase a building and refurbish it for their own occupation at Birchwood Boulevard. Once in occupation they brokered a sale and leaseback with South Manchester property giants Orbit.

One of the most attractive buildings to sell was The Academy on Bridge Street in Warrington Town Centre.

Now home to the Newsquest Media Group, the building dates back to 1756 when it was a teaching academy for dissenters from the Church of England, and hit the headlines in 1981 when the building was physically moved for the Bridgefoot road widening scheme. However the sale at a yield of 12.7 percent suggests the investment was not as attractive as the building!

Investment Deals

Property	Vendor	Purchaser	Size (sqm)	Price (£m)	Tenants	Income (£/pa)	Initial yield (%)	Agents
Apollo Park, Gemini Business Park	Marshalls CDP	Cordia Savills		7,000,000	Travelodge, Starbucks, Mitchells and Butler	485,200	6.6	Dixon Wimbush / Jones Lang LaSalle
Phoenix House, Centre Park	Marshalls CDP	London and Cambridge Properties	2,719	4,320,000	AB Sciex UK / Rotary Group	439,020	9.6	Knight Frank / KYT
Washington & Allday House, Birchwood	LPA Receivers	Cantt Pak	9,825	4,300,000	Washington Group & Vacant	671,250	14.7	Eddisons
Warrington Central Trading Estate	Aviva Property Investors	Langtree Property Group	11,334	3,000,000	Various	273,600	8.6	Montague Evans
The Academy, Bridge Street	Aberdeen Property Investors	Brackenhouse Property	1,222	1,150,000	Newsquest Media Group Ltd	155,000	12.7	Tudor Toone / Edwards and Co
14 Webster Ct, Gemini Business Park	Gladman	Private Individual	488	695,000	Alpha Biolabs	73,500	10.0	CBRE
31 Kingsland Grange, Woolston	LPA Receivers	Warburton Properties	1,666	635,000	Bureau Veritas	87,000	13.0	Eddisons / AS Green
St.James Business Centre Wilderspool Causeway	LPA Receivers	Langtree Property Group	7,377	Undisclosed	Various	520,000	Undisclosed	WHR / Deloitte
Lingley House, Birchwood	Fircroft	Orbit	3,530	Undisclosed	Fircroft	Undisclosed	Undisclosed	KYT / Knight Frank



Offices

After reporting that 2010 was the worst year for office transactions ever reported in the Annual Property Review, things had to get better. Overall take-up in 2011 nearly doubled to just under 17,500 sqm. However this figure is still the second lowest total recorded in the Review, demonstrating the continuing fragile state of the office property market.

There were 27 deals of premises over 200 sqm, with an average size of 645 sqm. However, for the first time in six years there were two transactions in excess of 2,500 sqm, once almost a regular bi-annual event.

Fircroft bought Lingley House, a 3,530 sqm building at Birchwood Point, from Applied Bio Systems; whilst at Birchwood Park, MEPC Birchwood Park signed up Serco to take just under 3,000 sqm at 305 Bridgewater Place. This award winning scheme again attracted a record headline rent of just under £200 per sqm, the fourth year in a row MEPC has achieved this.

After the previous year's almost inactivity, Birchwood bounced back and outstripped all other areas of the town in both the number of deals and overall floorspace taken.

The four largest transactions were all in Birchwood accounting for almost 50 percent of the floorspace taken, whilst around 75 percent of all deals were Birchwood based. It was a year when companies there showed a loyalty for the area, as over 10,000 sqm was accounted for by businesses either relocating or expanding within Birchwood.

The owner occupier market strengthened again as businesses looked to make the most of the fall in values to buy their own properties. There were seven freehold or long leasehold sales. Three of these were at Olympic Park where the LPA Receiver for the previous owners sold the offices at around two thirds of the original asking price, having previously attempted to maintain the higher price without success.

Part of the Olympic Park scheme has been retained by Marshall CDP, who are perhaps waiting for the fire sale to complete, in order to maintain their property values.

It was not just the newer properties across the town that let or sold. At Bank Quay House, after a strong year in 2010, Python Properties reached near capacity with the letting of a 278 sqm suite, pushing the rents in the building upwards on the back of the demand for the building.

There were 27 deals of
645 sqm





f premises over 200 sqm, with an average size of

Three of the buildings built in the early cycle of Birchwood development sold or let. Garrett House, built in the 1970's as an office and development laboratory was purchased by fit-out specialists Morris and Spottiswood. They propose a substantial make-over of the building, both internally and externally.

Cedarwood, another hybrid building converted to offices by Langtree was let to the Duvet Company, and at Birchwood Boulevard, one of the first buildings to be constructed there was let to property maintenance services provider Integral UK for its North West regional offices.

Having previously identified a property in Manchester which fell through, Integral UK unusually targeted the building from an internet search as ideal for their purposes, agreeing terms within days of the initial inspection, apparently without reviewing any other property opportunity.

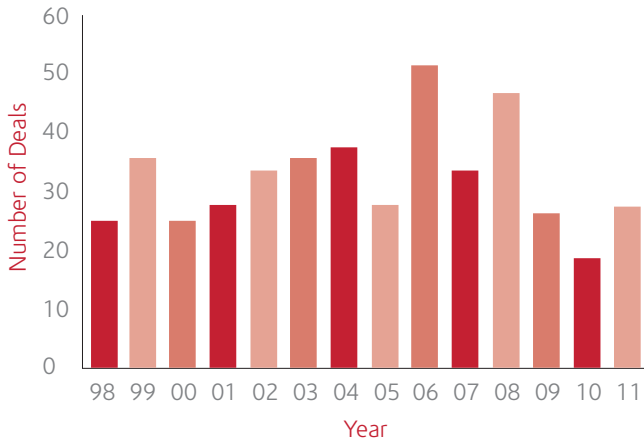
However, beyond the success stories arising from the secondary and older stock, there remains a large over-supply of poor quality office space, with some properties almost moth-balled by owners and tenant companies that have long-deserted the properties.

Whilst the payment of full business rates, rent and service charge has persuaded some tenants and owners to offer very competitive deals, the fact remains that on current take-up, much of the poorer stock will be around for some years to come.

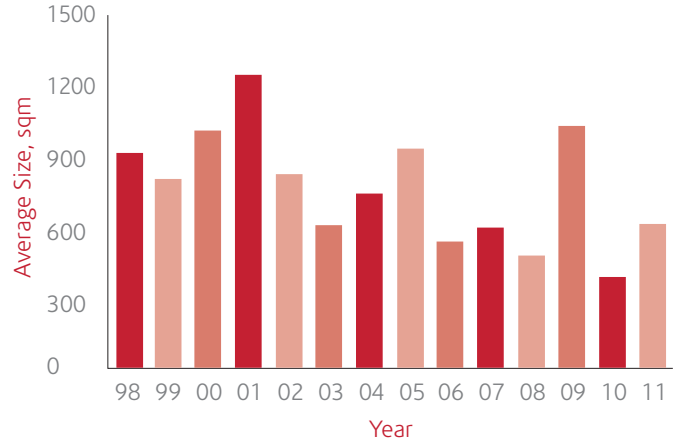


Office Deals

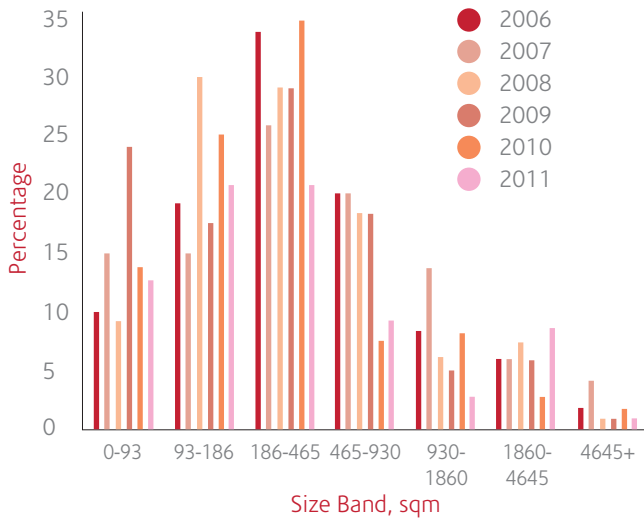
Office Deals > 200 sqm – Number of Deals



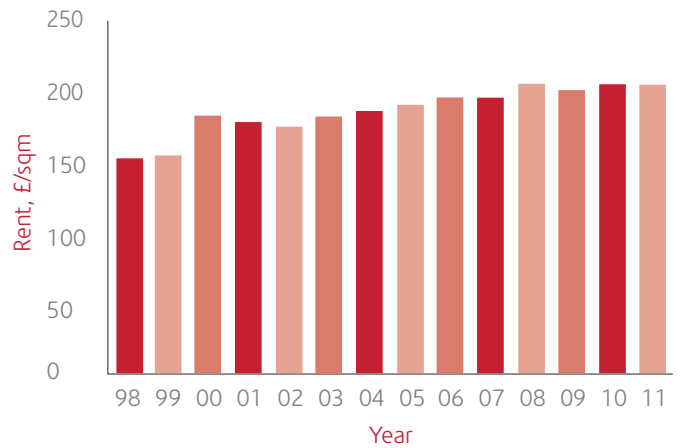
Office Deals - Average Office Deal Size (Sqm)



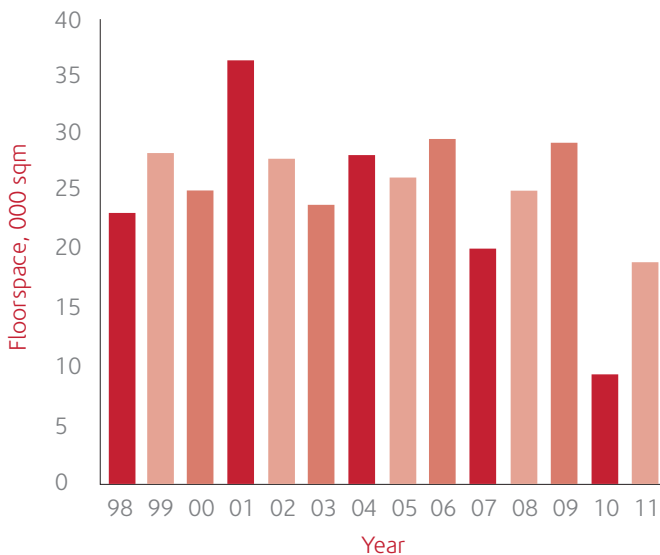
Office Enquiries



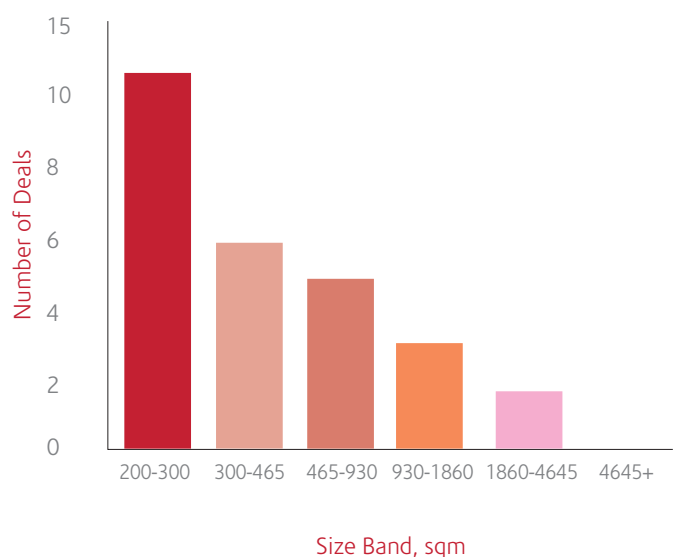
Office Prime Rents



Office Take Up



Office Deals by size band



Property	Landlord / Vendor	Tenant / Purchaser	Size (sqm)	Rent/Price (£/sqm)	Lease Term (Years)	Agents
Lingley House, Birchwood Point	Applied Bio Systems	Fircroft	3530	Undisclosed	Freehold	BE Group / Jones Lang LaSalle / KYT
305 Bridgewater Place, Birchwood Park	MEPC Birchwood Park	Serco	2962	199.1	15	BE Group / Jones Lang LaSalle
Cedarwood 1, Birchwood Science Park	Langtree	Duvet Co	1208	53.8	10	Eileen Bilton Partnership / Jones Lang LaSalle
Garrett House, Birchwood	Private Vendor	Morris & Spottiswood	1068	Undisclosed	Freehold	BE Group
Lakeview, Centre Park	Countryside	Pearson Vue	941	161.5	5	Jones Lang LaSalle / Eileen Bilton Partnership
720 Birchwood Boulevard	Credential Holdings	Integral UK	773	91.5	10	BE Group / Jones Lang LaSalle / Johnson Waud
220 Cygnet Court, Centre Park	Co-op	UL International	550	156.0	5	BE Group / DTZ / Cushman & Wakefield
Tannery Court, Dallam Lane	Ram Properties	YMCA	525	114.3	10	Morgan Williams
1 Olympic Court, Birchwood	LPA Receivers	Taylor Made FS	486	1022.6	Freehold	Jones Lang LaSalle / Matthews & Goodman
10 Olympic Court, Birchwood	LPA Receivers	Gemu Valves	484	1120.0	Freehold	Jones Lang LaSalle / Matthews & Goodman
The Centre, Birchwood Park	MEPC Birchwood Park	United Phosphorus	425	145.3	5	BE Group / Jones Lang LaSalle
12b Olympic Court, Birchwood	LPA Receivers	Clacksons	400	Undisclosed	Freehold	Jones Lang LaSalle / Matthews & Goodman
12a Olympic Court, Birchwood	LPA Receivers	McCarthy Recruitment	380	Undisclosed	5	Jones Lang LaSalle / Matthews & Goodman
14 Elizabeth Drive, Padgate	Private Vendor	Cats Protection	357	48.2	Freehold	Eileen Bilton Partnership

Property	Landlord / Vendor	Tenant / Purchaser	Size (sqm)	Rent/Price (£/sqm)	Lease Term (Years)	Agents
101 Dalton Avenue, Birchwood Park	MEPC Birchwood Park	Alexander Mann	329	169.5	9	BE Group / Jones Lang LaSalle
Chadwick House, Birchwood Park	MEPC Birchwood Park	Nuclear Technologies	320	145.3	6	BE Group / Jones Lang LaSalle
Genesis Centre, Birchwood	Highcross	Evolution Recruitment Services	279	134.6	5	CBRE / Eileen Bilton Partnership
770 Mandarin Court, Centre Park	LPA Receivers	Gap Personnel	278	1184.0	Freehold	Jones Lang LaSalle / Eileen Bilton Partnership
Bank Quay House, Sankey Street	Python Properties	Scientiam	278	113.0	3	BE Group / Eileen Bilton Partnership
12 Webster Court, Gemini Business Park	Gratte Bros	Activision	271	134.5	5	BE Group / DTZ / Montague Evans
St James Court, Wilderspool Causeway	Targetfollow	Wesco	255	107.6	5	BE Group / Eileen Bilton Partnership
Bank House, Moulders Lane	Private Landlord	EMS Internet	251	83.7	5	Eileen Bilton Partnership
Priory House, Mersey Street	Mutley Properties	Remploy	234	107.6	5	BE Group / DTZ
9 Webster Court, Gemini Business Park	NG Bailey	Konica Minolta	230	113.4	5	Eileen Bilton Partnership / Savills
Yew Tree House, Taylor Business Park	Taylor Estates	Banana Moon Day Nursery	200	127.5	5	Eileen Bilton Partnership
11a Olympic Court, Birchwood	LPA Receivers	EMS Sygma	200	134.6	5	Jones Lang LaSalle / Matthews & Goodman
13 Greenwood Court, Taylor Business Park	Taylor Estates	IGI	200	90	6	Taylor Estates

Leisure and Culture

A feature of 2011 was the comprehensive, pro-active campaign by business and the community backing the bid to secure Warrington as a venue for the 2013 Rugby League World Cup. The news announced towards the end of the year was good. Warrington will host group matches and a quarter final, and will be the base for one of the national squads, now known to be Samoa.

The economic benefits to the borough from this are estimated at £2.3 million. Already fans at the Halliwell Jones Stadium are benefitting as work got underway to increase capacity by 2,000 to 15,000 for the 2012 season.

And sport received a further boost as the Orford Park Project moved towards completion. Due to be opened in May 2012, the £30 million project will provide community, sport, health and education facilities with sports hall, gym, pool, squash courts and crèche together with outside pitches, skateboard and BMX parks, cycle and walking paths. As previously reported, this is the largest Olympic legacy scheme outside London.

When Orford Park opens, Fordton Leisure Centre will close, and in anticipation of this, the site went on the market towards the end of the year. From the interest shown, its future use is likely to change from a pure leisure use to possibly retail or residential, subject to planning approval, and at least one major pub chain is expressing an interest in the site.

Across Winwick Road, Winwick Quay LLP are transforming Chetham Court from an outdated industrial building to a multi-use commercial leisure centre. On the back of existing occupiers LA Bowl, The Jungle Play area and Pure Gym, the owners have drawn up proposals to convert a further 2,000 sqm of the building to restaurant bars and a café.

Just off Junction 8 of the M62, Marshall CDP completed the leisure element of the Gemini 8 development now renamed as Apollo Park, with Travelodge, Starbucks and Harvester Restaurants all opening. Close by at Gulliver's World Resort work progressed on a 50 bed hotel due to open in 2012.

A number of new pubs and restaurants opened around the borough; these included Alaturka in Stockton Heath and Cotton Mill Bar in Barbauld Street in the town centre.

Around Palmyra Square, Warrington's Cultural Quarter already has the Parr Hall and the Pyramid and a handful of new restaurants such as Marshalls, Eden and the Grill on the Square.

The selection of Muse Developments for the redevelopment of Bridge Street Quarter is a further step forward. This proposal includes a large leisure offer with a new cinema, the first in the town centre since the closure of the Odeon on Buttermarket Street in the late 1980's, together with an hotel and a number of adjacent family restaurants.



Industrial and Distribution

It was another strong year for the industrial and warehousing sector for Warrington, building on the recovery seen in 2010. This echoed the picture across the UK where take up was only marginally weaker than the previous year. This slight drop nationally was in part attributed to the fewer opportunities to acquire grade A space, as the supply of good quality space shrinks.

Locally this is not necessarily the case, as for some years Warrington has not had a supply of new grade A space. The last development of any size (greater than 500 sqm) was Cavendish Place, Birchwood Park, constructed in 2006. Instead, Warrington has relied on the recycling and refurbishment of its second hand stock.

Take-up for the year was just over 107,000 sqm which represents just under one fifth of the total for the whole of the North West. With 63 separate deals, the trend again is an upward direction and only 11 deals short of the 2007 record year of 74 deals.

Nationally, there has been a marked change in the profile of industrial occupiers with manufacturing transactions up 13 percent on the previous year, accounting for 33 percent of all deals, but Warrington remains largely a distribution and service base.

The ten largest transactions to occupiers were in the storage and distribution sector, and this is reflected right through the size range.

Two transactions exceeded 10,000 sqm compared to four in the previous year. This is a reflection of the lack of supply, with those properties representing the only two available units of that size. Both were purchases, involving Unitrunk, and iconic brand Eddie Stobart, a long term occupant in the town.

A large number of deals saw other businesses already established in Warrington either relocate or expand. The Hut Group, which moved to its Stretton base last year, acquired a further 3,700 sqm at Chesford Grange for its 'My Protein' trading arm.

Top Grade Sportswear, RJ Edwards Transport and Kawasaki Robotics were other local businesses acquiring new warehouse space.



The most popular
which accounted





location for businesses last year was Woolston, for a third of all deals

Whilst Vestas, a leader in renewable energy with an office based at Bridgewater Place, MEPC Birchwood Park, took an industrial unit on the Park at Cavendish Place.

The majority of deals were for companies taking 1,000 sqm or less and this size range accounted for 65 percent of transactions.

To attract occupiers to small units landlords have had to adjust their rents. This had positive results in the year with Gateway 49 securing four new tenants. The recently developed nursery schemes at Trident Business Park, Birchwood, owned by St Modwen, and Northern Trust's Birch Court at Woolston, saw an increase in deals, between them accounting for eight deals below 500 sqm.

In the mid range of 1,000-10,000 sqm there were 20 deals, compared with just ten last year, perhaps a sign that established businesses are at last starting to move to accommodate business requirements.

The most popular location for businesses last year was Woolston, which accounted for one third of all deals, followed by Winwick Quay and Gemini with 15.

South Warrington with just seven deals accounted for 38 percent of the floorspace taken, reflecting that larger space occupiers are increasingly looking for good access to the M56.

Traditionally very few transactions in the industrial sector are sales to owner occupiers, as much of the stock is owned and controlled by a mix of large and small property companies who do not want to split up their portfolios through industrial sales. Reflecting this, the vast majority of deals were leasehold, just under 90 percent, with sales accounting for just six of the 63 deals.

Sites that were historically developed on a design and build basis do sell, and several of the sales were this type of property.

One exception is Tatton Court which was one of the original New Town terrace of units at Woolston and was split up several years ago and sold off. These units sold last year, by Minton, who chose to split up and sell a double unit.

On average rents have held up well, achieving £55-70.00 per sqm on the newer properties. The headline rent for the year was £73.00 per sqm, achieved at Greys Court, Woolston. Freehold prices varied widely.

The best price achieved was £485 per sqm paid by Petit Forrester for 37 Hardwick Grange, Woolston, whilst investor Bracken Properties paid just £127 per sqm for the former Philip Myers printing works at Risley. Bracken aim to refurbish the space before putting it back on the market.

Property	Landlord / Vendor	Tenant / Purchaser	Size (sqm)	Rent/Price (£/sqm)	Lease Term (Years)	Agents
Barley Castle Lane, Appleton	Douglas Bay	Unitrunk	15,329	225.00	Freehold	Legat Owen / Derek Wade Waters
Stretton Green Distribution Park, Appleton	Scottish Widows	Stobart	13,482	407.95	Freehold	GVA
1 Warrington South, Appleton	Morley Estates	Hermes	9,764	42.56	3	CBRE / Jones Lang LaSalle
4 Kingsland Grange, Woolston	Transeuropean Iv	DHL	6,125	37.49	10	CBRE / Colliers CRE / Capita Symonds
3A Warrington South, Appleton	Morley Estates	RJ Edwards	5,038	26.91	Undisclosed	CBRE / Jones Lang LaSalle
2 Calver Quay, Winwick Quay	IM Properties	Topgrade Sportswear	4,134	51.13	5	Jones Lang LaSalle
1/2 Westway 21, Woolston	Antler	My Protein	3,716	50.10	0.5	Colliers CRE / P3
18 Kingsland Grange, Woolston	Huntleigh Properties	Safevent	3,647	287.1	Freehold	DTZ
9 Clayton Road, Risley	LPA Receivers	Bracken House Properties	2,941	127.53	Freehold	Eddisons
Unit D, Appleton Industrial Park, Appleton	High Row Storage	Service Source	2,524	23.78	1	DTZ
6 Chesford Grange, Woolston	Henderson Global Investors	Bunzl	2,493	Undisclosed	Undisclosed	Knight Frank
37 Hardwick Grange, Woolston	LPA Receivers	Petit Forrester	2,476	484.66	Freehold	Eddisons
1 Calver Quay, Winwick Quay	IM Properties	AVC Wireless	2,415	52.21	10	Jones Lang LaSalle
16 Calver Road, Winwick Quay	Private Landlord	Secured Mail Group	2,325	53.82	10	Eileen Bilton Partnership

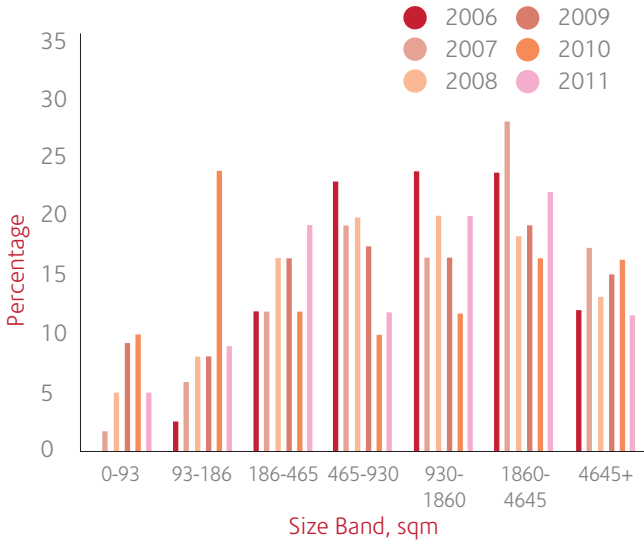
Property	Landlord / Vendor	Tenant / Purchaser	Size (sqm)	Rent/Price (£/sqm)	Lease Term (Years)	Agents
16 Gawsworth Court, Risley	Highcross	Vanarak	1,884	46.08	10	Lambert Smith Hampton
Unit B, Appleton Industrial Park, Appleton	High Row Storage	Francis Flower (Northern)	1,875	33.60	1	DTZ
5 Eagle Park, Hawleys Lane	Canmoor	Primeline Logistics	1,734	53.28	5	Jones Lang LaSalle
3 Europa Boulevard, Westbrook	Aviva Investors	Allen and Appleyard Furniture	1,501	56.63	10	Jones Lang LaSalle
202 Cavendish Place, Birchwood	MEPC Birchwood Park	Vestas	1,491	61.89	10	BE Group / Jones Lang LaSalle
2 Hardwick Grange, Woolston	Enza Motors	Isuzu	1,301	63.05	10	Rapleys
9 Eagle Park, Hawleys Lane	Invista Active Industrial	Unipart Automotive	1,251	53.82	5	Jones Lang LaSalle
21 Cameron Court, Winwick Quay	Winwick Quay LLP	Breezemount UK	1,147	48.40	1	Colliers CRE / Riddell TPS
Unit D Arley Road, Appleton	Private Landlord	Private Tenant	983	37.67	Undisclosed	Morgan Williams
4 Easter Court, Westbrook	Picton	Kawasaki Robotics	946	58.16	Undisclosed	Eileen Bilton Partnership/CBRE
1030 Centre Park	Slenderbrook	Arevon	885	56.50	5	Dixon Webb
18 Gemini Business Park, Westbrook	Gilton Properties	Ultimate Kitchens	860	52.35	5	Eileen Bilton Partnership
3 Melford Court, Woolston	SI Pension Fund	Arjo Med BD	793	38.75	1	Eileen Bilton Partnership / Colliers CRE
28 Melford Court, Woolston	Lancashire CC Superannuation Fund	United EMS	785	42.01	3	Knight Frank

Property	Landlord / Vendor	Tenant / Purchaser	Size (sqm)	Rent/Price (£/sqm)	Lease Term (Years)	Agents
9 Cameron Court, Winwick Quay	Winwick Quay LLP	Klenzan	715	45.75	10	Riddell TPS
6 Rivington Court, Woolston	Peter Stevens Estates	Padgate Appliances	710	48.53	5	Colliers CRE / Eileen Bilton Partnership
6 Cranford Court, Woolston	Chancerygate	McDonald and Taylor	684	379.96	Freehold	Colliers CRE
Unit 52, Gateway 49, Winwick Road	Langtree	Axminster Tool Centre	676	Undisclosed	Undisclosed	No agent
15 Cameron Court, Winwick Quay	Winwick Quay LLP	UK 1st Choice	644	46.58	3	Colliers CRE / Riddell TPS
10 Colville Court, Winwick Quay	Winwick Quay LLP	DHL Bathrooms	576	48.44	10	Colliers CRE / Riddell TPS
8 Colville Court, Winwick Quay	Winwick Quay LLP	E Parcels	505	54.42	3	Riddell TPS
7 Tatton Court, Woolston	Minton	Surf & Turf	502	481.80	Freehold	Eileen Bilton Partnership / Colliers CRE
32 Melford Court, Woolston	Lancashire CC Superannuation Fund	SA12	487	46.18	5	Eileen Bilton Partnership / Knight Frank
1 Centre 21, Woolston	MA Developments	CSS	474	50.17	6	Morgan Williams
6 Tatton Court, Woolston	Minton	SP Water Pumps	474	437.76	Freehold	Eileen Bilton Partnership / Colliers CRE
Unit 50, Gateway 49, Winwick Road	Langtree	Axminster Tool Centre	467	Undisclosed	Undisclosed	No agent
Unit 9, Gateway 49, Winwick Road	Langtree	Golden Gates	385	Undisclosed	Undisclosed	No agent
Unit E5 Trident Business Park, Risley	St Modwen	Active Industrial Engineering	369	42.97	3	Eileen Bilton Partnership / Knight Frank

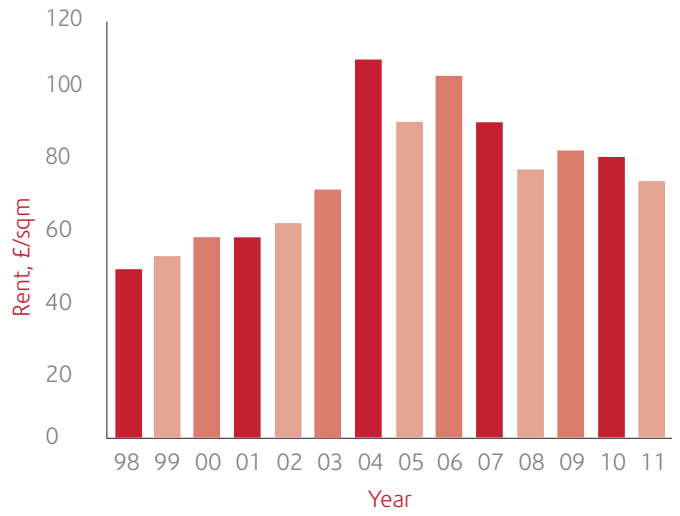
Property	Landlord / Vendor	Tenant / Purchaser	Size (sqm)	Rent/Price (£/sqm)	Lease Term (Years)	Agents
8B Palatine Industrial Estate	Private Landlord	Private Tenant	364	33.01	3	Morgan Williams
222 Gemini Business Park, Westbrook	DTZ Investment Management	The Finishing Point	360	71.00	10	CBRE / Eileen Bilton Partnership
Unit C2 Trident Business Park, Risley	St Modwen	P & G Cards	352	45.43	3	Eileen Bilton Partnership / Knight Frank
Unit E1 Trident Business Park, Risley	St Modwen	Insite Electrical Contractors	348	43.06	3	Eileen Bilton Partnership / Knight Frank
Unit 8a Trident Business Park, Risley	St Modwen	Pantellis	346	33.28	3	Eileen Bilton Partnership / Knight Frank
43 Melford Court, Woolston	Lancashire CC Superannuation Fund	Willan UK	336	48.43	5	Eileen Bilton Partnership / Knight Frank
Unit D2 Taylor Business Park, Risley	Taylor Estates	Room 31	331	43.61	6	Taylor Estates
5 Colville Court, Winwick Quay	Winwick Quay LLP	NW Energy Save	328	53.82	3	Riddell TPS
Athertons Quay, Liverpool Road	Private Landlord	Private Tenant	325	44.59	3	Morgan Williams
19 Cameron Court, Winwick Quay	Winwick Quay LLP	R & J Supplies	321	51.41	3	Riddell TPS
11 Cameron Court, Winwick Quay	Winwick Quay LLP	Klenzan	321	45.75	10	Riddell TPS
14/15 Greys Court, Woolston	Alpine Properties	Wee Buy It	292	73.20	3	Roger Hannah & Co
Unit 34, Gateway 49, Winwick Road	Langtree	Light Management Solutions	290	Undisclosed	Undisclosed	No agent
20 Rivington Court, Woolston	Peter Stevens Estates	Dale Express Worldwide	288	56.51	3	Colliers CRE / Eileen Bilton Partnership

Property	Landlord / Vendor	Tenant / Purchaser	Size (sqm)	Rent/Price (£/sqm)	Lease Term (Years)	Agents
19 Birch Court, Woolston	Northern Trust	Eco Roofing	260	62.39	3	BE Group / Eileen Bilton Partnership
115 Hoyle Street, Bewsey	Morbaine	Manchester Handling Company	230	55.45	3	Eileen Bilton Partnership
D3 Taylor Business Park, Risley	Taylor Estates	Orica	223	62.11	6	Taylor Estates
8 Birch Court, Woolston	Northern Trust	GA Mechanical Services	207	55.51	10	BE Group / Eileen Bilton Partnership
2 Birch Court, Woolston	Northern Trust	Multipart	207	53.82	10	BE Group / Eileen Bilton Partnership
B2 Trident Business Park, Risley	St Modwen	Private Tenant	203	37.67	3	Eileen Bilton Partnership / Knight Frank
6a Catherine Street	Private Landord	Leadedge	200	52.50	3	Eileen Bilton Partnership

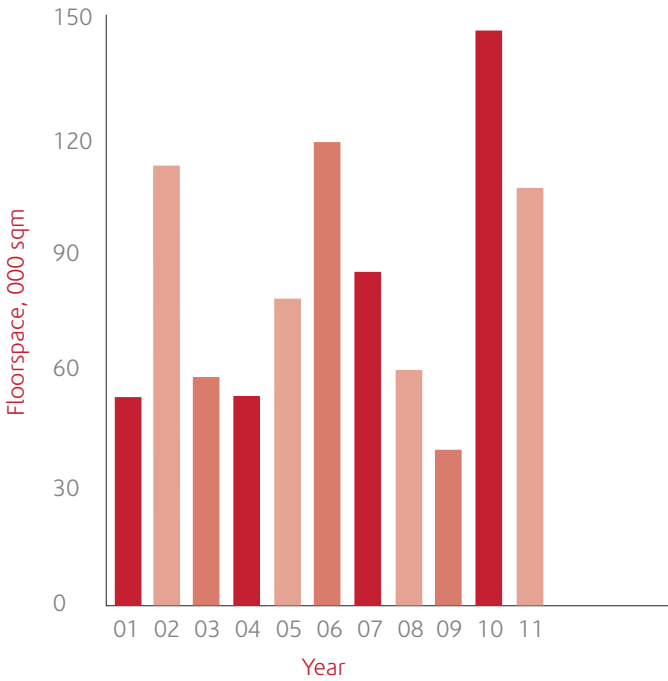
Industrial Enquiries - Size



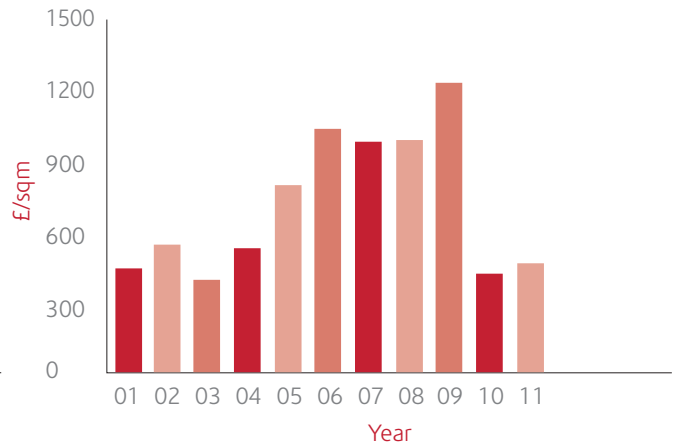
Industrial Prime Rents



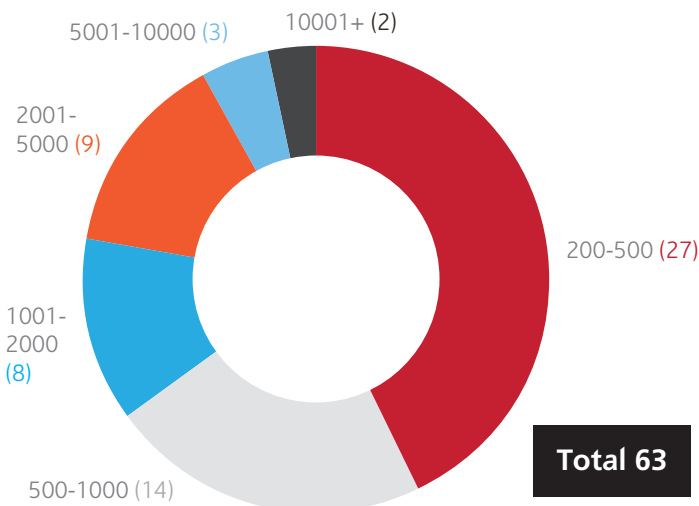
Industrial Take Up



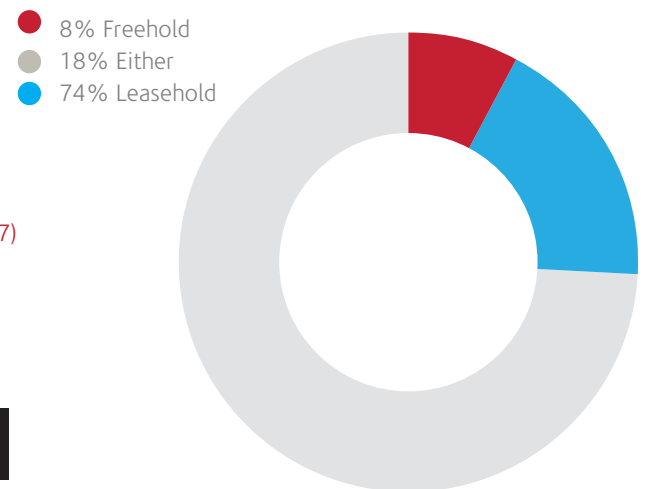
Highest Industrial Freehold Values



Number of Industrial deals by size 2011 (sqm)



Industrial Enquiries Tenure



Retail

The performance of Warrington's retail market mirrored many of the trends seen across the wider UK retail sector in 2011. In a year that saw occupation costs continue to rise at a greater rate than consumer spending, high streets across the country saw familiar names including TJ Hughes, Jane Norman and Peacocks, either close or prepare for closure as they were placed into administration. Other businesses adapted to the difficult trading conditions. The possible demise of Peacocks is particularly sad for Warrington as the company was founded in the town in 1884, originally trading as Peacock's Penny Bazaar, before moving to Cardiff in 1940.

Relocations and reconfiguration to ensure retailers were in space most suited to their business needs was another UK-wide trend seen during the year. In Warrington, Sports Direct consolidated in Old Market Place in a 876 sqm unit making their Golden Square space available for TK Maxx to move to early in 2012.

Boots opened a store of 358 sqm dedicated to their optician business, also in Golden Square, one of five new occupiers there. In 2011, Golden Square Shopping Centre welcomed 12.5 million visitors.

Nationally around 5,300 shops closed, and 5,000 opened. Whilst shop openings historically have outstripped closures, the statistics show some confidence and new store openings with new names coming into Warrington was a feature for the year.

Perhaps the most interesting was the opening of two major outdoor pursuit and sports stores, creating around 5,000 sqm of retail floorspace. Go Outdoors purchased the freehold of the former MFI store on Wilson Patten Street and began trading in the 2,600 sqm property. French operator Decathlon opened their new 2,400 sqm store on Winwick Road located at the entrance to the Orford Park development.



Elsewhere Discount UK opened a 1,170 sqm store at Riverside Retail Park and Pets Corner, along with Vets 4 Pets, took 830 sqm at Thelwall Lane, Latchford.



In total around 12,700 sqm of retail floorspace was let or sold for new trading outlets.



Another national trend was polarisation within town centres, with the prime locations strengthening at the expense of secondary locations. The polarisation in Warrington has seen a migration of shops away from Bridge Street to Golden Square.

To address this Warrington Borough Council announced the selection of Muse Developments as the development partner for the Bridge Street Quarter. Muse come to the town with a strong national track record of town centre regeneration.

Muse and Warrington Borough Council's ambitious plans will see around £130 million invested to regenerate this part of the town centre. The plans include a new indoor market, shops, restaurants, cinema, gym, hotel and council offices.

Construction should begin on the first phase of development in 2013 with the relocation of the market and shopping and leisure elements.

The final phase which takes development towards Mersey Street may bring a new foodstore into the heart of the town centre and there is good demand from the large foodstore operators wanting to expand from existing bases already located here.

Plans for retail redevelopment in different parts of the town also gathered pace. At Birchwood Shopping Centre, having bucked the trend with a sizeable increase in footfall, Redefine secured consent for the redevelopment of the eastern end of the mall.

Work commenced in October to create around 1,000 sqm of additional retail floor space as well as reconfiguration of existing space, with completion in 2013.

Consent was also sought by Derwent Holdings for the redevelopment of the former Fiat complex on the A49 adjacent to the existing Alban Retail Park, also owned by Derwent.

The proposed scheme is a mixed employment and retail development that would create five new shops, a restaurant and 17 new industrial units. The existing Alban Retail Park will be refurbished as part of the work.



Residential

Forty years ago this year the then Warrington New Town Development Corporation published its Outline Plan for the development and expansion of the town. Central to that expansion was a targeted increase in population from around 130,000 to over 200,000 by 1991. Those targets have largely been met and Warrington continues to see growth across the town, albeit at a slower rate than originally envisaged.

Today the population stands at around 200,000, but growth has dropped from an annual average of 0.85 percent up to 1991, to the current figure of 0.39 percent per annum.

This is anticipated to pick up in the current decade with further increase in the population of around 5.6 percent by 2020. A changing household size and an increasingly ageing population, which is a legacy of the new town influx during the 70s and 80s, means that housing demand is likely to outstrip population growth during that period, and beyond, with an estimated further increase in households of almost one fifth up to 2026.

As a consequence of this, Warrington's housing target up to 2026 is to build 456 dwellings per year. Originally 380, the figure was increased when Warrington was identified as a Housing Growth Point. In the current economic climate this might be seen as a challenge but Warrington appears to be on target.

In 2010 completions dropped to a low of 388 units, but last year rose to 416 by December. As figures are assessed on a April-March year, it is anticipated the year's total will be around 550.

Currently 374 dwellings are recorded as under construction, up on the April 2011 figure, which is positive for hitting future targets. The mix of house type being constructed continues to appeal to the broad Warrington population.

The most prevalent is three bedroom properties, accounting for around 50 percent of completions, primarily in semi-detached and mews properties, whereas just over a fifth were two bedroom apartments. Larger family houses are also catered for, with around 16 percent attributed to detached housing.

Housebuilders and housing associations will have also delivered around 150 affordable homes. Looking forward, of the five new sites identified in the last quarter of 2011, with a collective capacity of 223 dwellings, 83 percent are potentially affordable homes.

An interesting view of how Warrington ranks as a housing location is an analysis of average house prices. The Centre for Cities Outlook 2012 which ranks major towns and cities using different economic indicators, places Warrington as one of the bottom ten cities in terms of house price rises over the last 10 years, with an average annual growth of 7.1 percent. However, this is not an indicator of poor housing performance.

All the other bottom 10 cities are located across the southern half of the country and include the likes of Oxford, Reading and Southampton. Whereas nine out of ten of the cities with the highest price rises are in the north of the UK, but are all locations with average values substantially below that of Warrington.

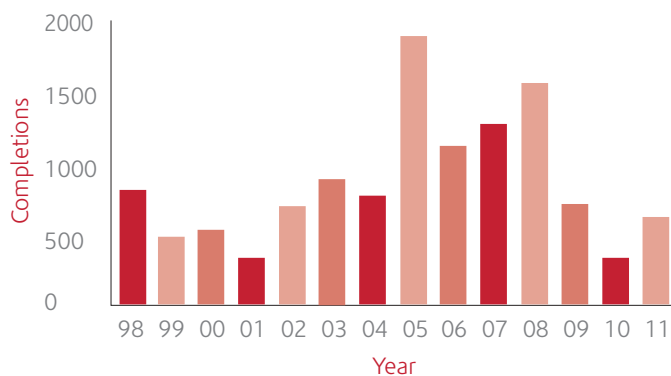
Warrington has been consistently performing well and in the last decade its northern neighbours have been playing catch-up from a low base. Today the mean house price in Warrington is £183,000, still higher than all its ranked neighbours in the North West with Manchester as the next highest with a mean house price of £162,460.

The figures confirm Warrington remains a desirable place to live, and the major regional and national housebuilders continue to develop as well as occupy their regional headquarters within the borough. David Wilson Homes are on with the latest phases at Chapelford Village, Great Sankey, where a further 500 homes will be built over the next 3-4 years.

They also continue with their waterside development at Walton Locks in South Warrington. Further along the Manchester Ship Canal at Thelwall, Morris Homes continue to develop Edgewater Park. Construction also commenced at the Heath, Loushers Lane, where the former G&J Greenalls Distillery site is being developed by Bellway Homes.

The Edgewater Park and Chapelford developments were two of the three sites that began in 2010 following funding, totalling around £7.6 million, under the HCA's kickstart programme. This aims to unlock development projects in the North West, through a mix of gap funding and support for the HomeBuy Direct programme. The third site is Miller Homes' Beaumont Grange scheme off Battersby Lane, part of the larger edge of town centre Carrington Park development.

Annual Housing Completions



Major Housing Schemes 2011 (30 units plus)

Scheme	Developer	Units Completed in 2012
Edgewater Park, New World Site	Morris Homes	55
Britannia Wireworks	Persimmon Homes	45
Riverside Point, Farrell Street	Persimmon Homes	30

Future Supply of Housing Sites with planning for more than 150 units in the future as of January 2011

Scheme	Developer	Future Supply of Units
Wireworks, Winwick Street	Illiad	613
Riverside Point, Farrell Street	Persimmon Homes	291
Land off John Street / Winwick Street	RAM Properties	284
Edgewater Park, New World Site	Morris Homes	226

Developer Activity

2012 will see the first new speculative office development in the town for three years when MEPC Birchwood Park commences construction of 305 Bridgewater Place. Underpinned by a pre-let of 3,000 sqm to Serco, the remaining 1,500 sqm will be ready for occupation by Christmas 2012, completing the final piece in the jigsaw of the award winning office development at Birchwood Park.

However, beyond this there is still little appetite from developers, and more importantly, the banks, to develop speculatively. The office market is struggling with an over-supply of vacant space, calculated to be around 5 years forward supply based on the 2011 take-up figures.

Much of this is secondary stock, some of which has been on the market for five years plus and whilst, at last, the over-supply in new stock is reducing, it may be sometime yet before a totally speculative office scheme commences.

In the absence of further speculative development MEPC Birchwood Park continue with their ongoing programme of improvements to the Park. 2011 saw £1.4 million invested in meeting, conference and restaurant facilities as well as refurbishment of Chadwick House and Thomson House. Elsewhere in Birchwood, Cantt Pak Ltd have purchased over 10,000 sqm of office space at Washington and Allday House, with a view to refurbishment. Washington House is occupied until 2014, but work could commence on Allday House in 2012.

On the edge of the town centre, within the Stadium Quarter, RAM Properties are refurbishing 1,347 sqm of office space to be known Ribban Court. This will be available May 2012.

Prospects for the industrial sector are not so gloomy. Large industrial space is viewed on a more regional basis with logistics operators drawn to prime motorway related locations. Over the past year around 450,000 sqm of such space was let or sold across the North West, with only three modern large speculative schemes providing modern space in excess of 10,000 sqm remaining available to the market. Warrington has none.

Whilst speculative warehouse development is not on the cards at present, the current demand weighed against this lack of good quality supply should see some new build on prime sites ready for development as occupiers turn to design and build to satisfy their needs.

The retail leisure sector activity or interest du





ors also experienced green shoots of developer ring the year



In Warrington, Omega North and Birchwood Park are the only locations that could meet these needs at present and it is rumoured that discussions are ongoing that could see a major occupier sign up at Omega in the near future.

On the A49, in north Warrington, smaller scale industrial development is proposed at Derwent Holdings' scheme on the site of the former Fiat complex. In conjunction with the refurbishment and expansion of the adjoining Alban Retail Park, Derwent will provide 17 industrial units.

In recent years the A49 corridor has proved popular with industrial and distribution companies seeking space outside the traditional business parks, as evidenced by the success of developments at Eagle Park and Gateway 49.

The South African owners of Birchwood Shopping Centre, Redefine, commenced construction of the reconfiguration and expansion of the eastern end of the mall. A further 1,000 sqm of retail space is being created.

And as further evidence of the importance of the A49 corridor to the north of the town centre, Winwick Quay LLP submitted proposals that would see a further 2,000 sqm of leisure space created through refurbishment of part of Chetham Court.

Strategic Development

It was encouraging to see development activity pick up during 2011, on some of the strategic sites, after a period of inactivity.

Significant progress was made regarding the Bridge Street Quarter, Warrington Town Centre, with Muse Developments selected as development partner to Warrington Borough Council for the redevelopment of Time Square and market area. Proposals include a new market hall, cinema, shops, restaurants, hotel and offices, with on-site construction scheduled to commence 2013.

In North West Warrington, at Apollo Park, the mixed use development on the site of the former Burtonwood Motorway Service Area, construction work had already commenced on a new access junction and Travelodge.

In 2011 Marshall CDP began and completed the construction of further buildings for Starbucks and a Harvester restaurant. All three facilities opened before Christmas and with the completion of the Starplan warehouse and showroom on the opposite side of Charon Way, this key approach to Gemini has been transformed.

MEPC Birchwood Park had a busy year, completing further remodelling work and investment in support facilities for the Park's occupiers. The investment included new meeting and conference areas.

At Derwent Holding's Winwick Road site, the bulldozers moved in to commence demolition of the former Fiat complex. This is in preparation for a proposed retail and employment scheme. Planning was submitted in late 2011 and a decision is due in early 2012.

Omega, Warrington's largest employment allocation remains undeveloped. The original plans to provide a mix of B1 space to the south of the motorway and B2/B8 space to the north, have largely been sidelined.

Discussions between the land owner HCA, developers Miller and Warrington Borough Council continue in order to find a development mix that will meet current and future demand. All uses seem to have been thrown into the mix including residential with one of the major house builders pressing for land to the south. An element of office space with warehousing is still the core proposal.





It was also announced that 305 Bridgewater Place would be constructed during 2012 following the decision by Serco to take a lease of two thirds of the building



Infrastructure costs that have to be met from the development value are a major barrier to any development. However, a single large scale warehouse operation, rumoured to be earmarked for part of the northern site, may be what is needed to finally kick-start development.

Omega, together with the Winwick Quay area and Birchwood now forms part of one of the Atlantic Gateway's emerging priority areas for investment, known collectively as Warrington North. This is one of two such priority areas identified for the borough. The other is Warrington Waters. Both are locations earmarked for major investment.

It remains to be seen how this investment will manifest particularly at Warrington North as two of the three locations included are already successful investment locations with substantial private sector led investment. Warrington Waters incorporates parts of the town centre, the Waterfront along the River Mersey, and Port Warrington.

The latter perhaps has the greater development potential in the short term. Peel Holdings will have a lead role in this initiative as owners of Port Warrington which they see as an integral part of their ambitious plans along the length of the Manchester Ship Canal.

This is set out in the company's Mersey Ports Masterplan. Port Warrington will see 14 ha of new development alongside the existing warehouse complex and will incorporate port facilities on the Ship Canal, together with a new rail freight connection.

Interestingly, in the 2007 Annual Property Report, of the 15 strategic sites listed, only two were either a public or public/private joint venture.

Now one third of these sites are public or public/private led. So, whilst in the boom of the late noughties property development was led by the private sector, over the next few years it seems it will be the public sector that will lead the way on development.

Strategic Development Schemes

Scheme	Location	Developer	Planning Situation / Development Phasing	Contact
Omega	North West Warrington	Miller / Royal Bank of Scotland & Homes and Communities Agency joint venture	Whilst the original planning consent remains in place for 139,000 sqm of offices and 149,000 sqm of warehousing discussions continue between the HCA, Miller and Warrington Borough Council to revise plans to accord with current and future market conditions. Any revised proposals will still retain B2/B8 uses north of the M62, with negotiations understood to be at an advanced stage for the first occupier.	Jones Lang LaSalle / GVA
Lingley Mere	North West Warrington	Lingley Mere Business Park Development Company	A joint venture between Muse Developments and United Utilities. A building of 1,700 sqm could be delivered as part of the first phase, Clearwater, whilst phase two, Lucerne Court will deliver a further 5,500 sqm of offices. Consent also granted for a 132 bed hotel and 14,000 sqm industrial. Detailed planning consent granted for 697 sqm amenity building. Start on site proposed Autumn 2012.	Edwards & Co / GVA
Gemini 16	Gemini	Homes and Communities Agency	Currently being considered for alternative uses to B1.	Homes & Communities Agency
Calver Park, Cromwell Avenue	Winwick Quay	Barlows	2.3 ha site with outline planning for B1, B2, B8 and car dealership. Site now remediated, spine road and off-site highway works completed.	Knight Frank / GVA
Birchwood Park	Birchwood	MEPC Birchwood Park	305 Bridgewater Place onsite with completion due Dec 2012. Outline planning in place for 109 Dalton Avenue, a 8,500 sqm HQ office building. The park can accommodate further office and industrial development.	BE Group / Jones Lang LaSalle
Bridge Street Quarter	Town Centre	Muse Developments / Warrington Borough Council	Muse Developments selected as development partner to Warrington Borough Council for the redevelopment of Time Square and market area of the town centre. Proposals include new market hall, cinema, shops, restaurants, hotel and offices. Construction due to start 2013.	Warrington & Co

Scheme	Location	Developer	Planning Situation / Development Phasing	Contact
The Wire Works, Winwick Street	Town Centre	The Iliad Group / Warrington Borough Council	Outline planning permission granted in 2007 for a mixed-use scheme on the edge of the town centre incorporating restaurants, cinema, hotel, residential and offices. Iliad and Warrington Borough Council working together on joint development strategy for the site.	Warrington & Co
Arpley Meadows	Town Centre	Unilever and Others	The Warrington Waterfront Masterplan which encompasses Arpley Meadows has now been completed. The first stage of its delivery involves rail infrastructure alterations on this 80 ha site south of Bank Quay rail station.	Corporate Property Solutions
Flamingo Court, Centre Park	Town Centre	Marshall CDP	The last remaining office site at Centre Park. Terms have been agreed with an existing Warrington based business for a 4,000 sqm office and assembly facility. Construction due to commence in 2012.	Eileen Bilton Partnership / Knight Frank
Centre Park	Town Centre	Maro Developments	14 ha site that will be incorporated into the Arpley Meadows masterplan.	Maro Developments
Apollo Park	North West Warrington	Marshall CDP	Leisure element completed and fully occupied. Remainder of site proposed for B1 and B8 developments but construction yet to begin.	Knight Frank / Davies Harrison
Forrest Way, Sankey Bridges	West Warrington	United Utilities	7.3 ha site. Outline planning consent granted for employment uses.	Jones Lang LaSalle
Port Warrington, Acton Grange	West Warrington	Peel Developments	Part of the Mersey Ports Master Plan. Consent was granted in March 2010 for the development of the former TDG warehouse site on Manchester Ship Canal as an inland port. It will comprise a further 14 ha of new development land alongside the warehouse, with port and rail freight facilities.	Peel Developments
Alban Retail Park / Fiat, Winwick Road	North Warrington	Derwent Holdings	Proposed expansion of the existing retail park and the redevelopment of the former Fiat complex as an employment park to provide 5 shop units and 17 industrial units. Planning application submitted late 2011.	Taylor & Co
Bruche Urban Village, Woolston	East Warrington	Homes and Communities Agency	Planning consent agreed subject to a Section 106 Agreement for a maximum of 220 family homes and associated public open space. HCA has to dispose of the site in a single sale in accordance with the terms of the site's transfer from the Home Office. A developer competition will be undertaken in Spring 2012 with a view to selection of a developer partner in Summer 2012.	Homes and Communities Agency

Regeneration Framework Annual Update

In 2008 Warrington Borough Council launched its £2.8 billion Physical Regeneration Framework aimed at delivering significant benefits to the borough, its businesses and residents.

Responsibility for overseeing the Framework now lies with Warrington & Co and 2011 saw the first full year of its' development team being in place. Activity included involvement in the tender and selection process for the Bridge Street Quarter development partner, and subsequent progressing of the scheme proposals with Muse.

Details of the Bridge Street Quarter project are provided elsewhere in this report. This update summarises the progress on other projects.

The Stadium Quarter

The area extends northwards from Central Station to the Halliwell Jones Stadium. It includes the former Wireworks site now owned by Illiad; land owned by RAM Properties, and Langtree's Central Trading Estate.

Working with landowners, Warrington & Co is looking at how development of the area can be progressed, with the introduction of new users that will help add diversity and increased vitality to the town centre.

Reflecting the Wireworks' Regional Strategic Employment Site status, the Borough Council and the University of Chester are jointly exploring the feasibility of an incubator facility that will focus on the engineering and energy sectors, two of Warrington's growth sectors.

2011 saw completion of the re-vamp of Central Station, achieved with funding from the National Stations Improvement Programme, First Transpennine Express and Warrington Borough Council.

Town Centre Strategy

Warrington town centre is more than just the sum of Golden Square and the Bridge Street Quarter. Preparatory work began during the year to address issues and other opportunities relating to the town centre. This involved mapping vacant properties, identifying ownerships, potential retail requirements and possible interventions to bring empty buildings back into use. Amongst initiatives being explored is the creation of a 'Fab Lab' which, as well as creating a facility for training, innovation and creativity, will link in as a potential incubator for new retail businesses. Bids were also prepared for Portas Pilot status and grant support from the High Street Innovation Fund.

Southern Gateway

This initiative comprises Wilderspool Stadium, Network Warrington's Bus Depot, and St James Business Centre. These three contiguous land ownerships are recognised as having future potential to restructure the site as the Southern Gateway to the town centre.

Victoria Park

The final report on development options and funding sources, produced by BDP with support from L & R Consulting and BE Group, was presented to the Borough Council Members. A Project Steering Group is now to be set up to plan and oversee the regeneration strategy for what is Warrington's largest town park.

Sankey Valley Resort and Park

Construction continued of the Gulliver's World family hotel and conference facility. Warrington Borough Council and Marketing Cheshire have agreed to commence a review of the current Valley Park Masterplan. This will revisit proposed uses for the area, re-appraise funding opportunities and connectivity with the surrounding established residential areas.

Warrington Waterfront

The Waterfront comprises the area south of the town centre, alongside the River Mersey, which connects Centre Park to the town centre and Bank Quay Station, and towards the Howley area. The strategy being progressed involves improving transport routes within the area, as well as improving access to the town centre.

There is scope to extend the commercial business district, bringing in larger office occupiers to the town centre - a key component in improving the town centre economy. Towards Howley, the emphasis may be to create new waterside residential opportunities, and linkages to the leisure facilities such as Victoria Park.

Business Engagement

During the year, a targeted business engagement programme got underway, initially aimed at the top 50 companies in the Borough. Already from the programme, expansion plans have been identified for seven of the companies within the next two years. Indeed the first of these projects is due to be committed in Spring 2012.

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Riddell TPS

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WHR Property Consultants

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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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