

LIVERPOOL CITY REGION SUPERPORT

MARKET ANALYSIS
LAND AND PROPERTY

RPORT

Introduction

The £1 billion investment in Liverpool **SUPERPORT** currently under way presents a generational opportunity to place the port and surrounding logistics infrastructure at the heart of business in the UK – creating a global freight hub for northern UK and Ireland.

The growth of ports on the south and east coast have distorted patterns of trade, taking freight from the natural hinterland of the Port – a huge area of the UK from Birmingham northwards – comprising over 30 million people and much of the UK’s manufacturing heartland.

In order to redress that situation Liverpool City Region aims to become a byword for innovative, cost-efficient, sustainable port and logistics operation.

This requires a passionate, coherent commonality of vision, strategy and cooperation amongst a wide body of commercial and public sector stakeholders both within and beyond the City Region.

Liverpool **SUPERPORT** embodies this ambition - encompassing local authorities, Peel Ports, Liverpool John Lennon Airport, Stobart Group, Unipart Logistics, Mersey Maritime, Merseytravel and a wealth of retail, manufacturing, maritime, logistics and professional services operations.

Liverpool City Region Local Enterprise Partnership, which leads and co-ordinates **SUPERPORT** with

and for these stakeholders, commissioned NAI to produce a report that provided an evaluation of demand and supply for land for logistics in the City Region over the next 20 years.

This report examines the factors that will drive demand, from investment in **SUPERPORT** assets and capabilities, through to major changes in the global and national context over the next 20 years that will impact upon the City Region.

The report then goes on to examine the current and planned supply of sites in the City Region that could meet this demand. These sites are evaluated taking into account size, quality and suitability and matched against the demand profile.

This summary report encapsulates the key findings of this comprehensive evaluation and sets out the considerable opportunity that **SUPERPORT** presents both for local stakeholders and for national and global investors, developers and operators in retail and manufacturing logistics.

FIGURE 1: LIVERPOOL IN RELATION TO MAJOR TRADE ROUTES



SUPERPORT Assets and Capabilities

SUPERPORT is the name given to the cluster of assets, capabilities and investment across the Liverpool City Region to develop a multimodal freight hub to rival such international locations as New York, Dubai and Singapore.

The vision of SUPERPORT is to bring together and integrate the strengths of the ports, airports and freight community to create a SUPERPORT for freight and passenger operations within the Liverpool City Region that will become a key driver of its economy. It will create the most effective and cost efficient environment for freight cargo logistics and passenger transit in the UK.

The area of SUPERPORT includes the City Region's six local authorities - Halton, Knowsley, Liverpool, Sefton, St Helens, Wirral - plus the immediate natural hinterland of West Lancashire, Warrington and Cheshire.

For the completion of this study we have defined SUPERPORT as one hours' drive time from the Port of Liverpool. The City Region's central position allows ready access to large centres of population – 35 million people live within 150 miles. Excellent connections to the national motorway and rail network enable logistics operators to service both Scotland and the south of England with same day delivery.

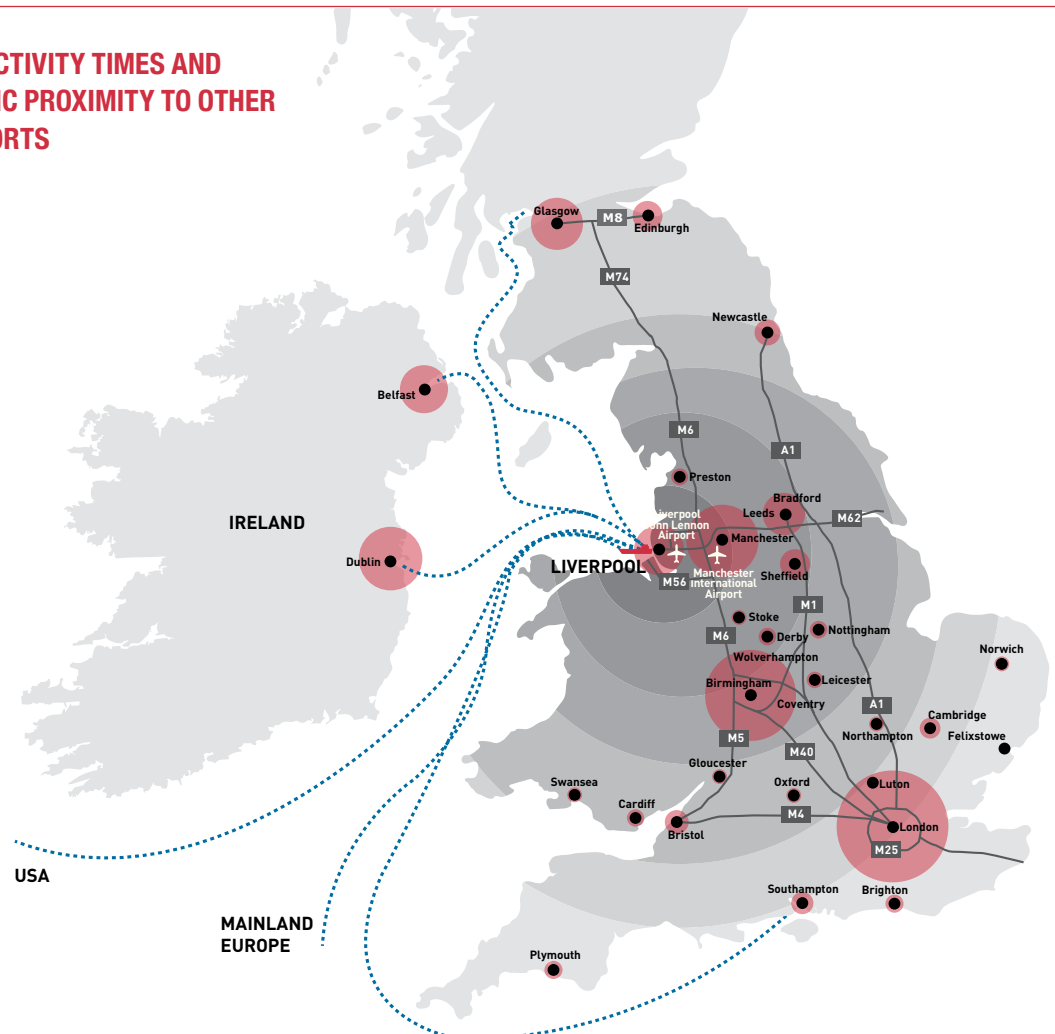
Approximately £1 billion of investment in Liverpool City Region's port and logistics assets is underway. This investment will deliver a transformation of the sector and significantly enhance the whole region's attractiveness for retail and manufacturing logistics operations.

FIGURE 2: CONNECTIVITY TIMES AND CENTRAL LOGISTIC PROXIMITY TO OTHER UK CITIES AND PORTS

HGV DRIVE TIMES

- 5 hours
- 4 hours
- 3 hours
- 2 hours
- 1 hour

- Population Density
- Container services to Dublin, Belfast and Greenock



Assets

■ The Port of Liverpool

The Port of Liverpool, part of the Peel Ports Group, is the most important UK deep sea container port for container services between Great Britain and North America. It is ranked 7th in the UK in terms of total tonnage, with 30 million tonnes per annum, and 4th largest for container traffic and is the main link to Ireland, with the RORO (Roll-on/ roll-off) terminal handling over 30% of all freight to-and-from Great Britain.

Peel Ports have begun construction of Liverpool2; a £300 million project which will deliver a new deep water container terminal at the Port of Liverpool, removing the vessel restrictions imposed by the current in-lock container terminal. Liverpool2 will be configured to handle two 13,500 TEU ships simultaneously and has the potential, with further enhancements, to accept the largest vessels. The development will provide a new 16.5 metre deep berthing pocket adjacent to the quay wall, installation of ship to shore cranes and modern cantilever rail- mounted gantry cranes (CRMGs) together with associated supporting infrastructure.

■ The Seaforth Rail Freight Terminal

This serves the Royal Seaforth Container Terminal in Port of Liverpool. Peel Ports are committed to developing rail as part of a multimodal logistics offer and they are planning for significant growth in rail freight in and out of the Port.

■ Manchester Ship Canal

The Port of Liverpool and the Manchester Ship Canal are owned by one company and operated as a single integrated service. Transporting goods efficiently and cost effectively along this 'green' corridor to the major distribution hubs around the North West, is increasingly appealing. It offers a cheaper, carbon friendly, congestion-free alternative to the motorway network.

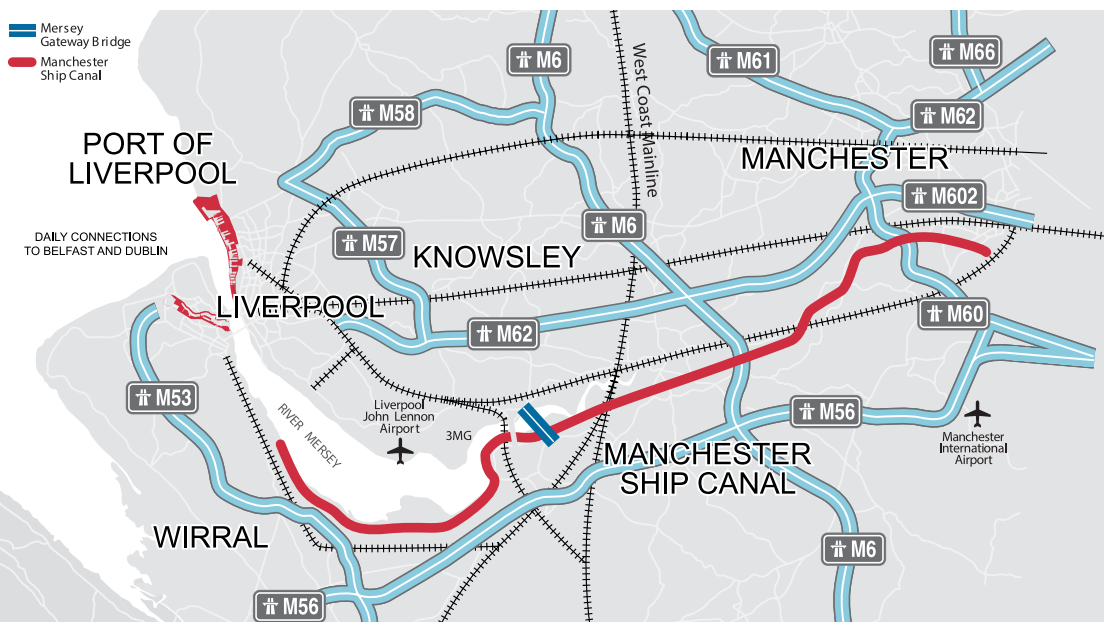
■ Mersey Gateway

The Mersey Gateway Project is at the heart of the proposals to deliver a dynamic and resilient £600m transport and infrastructure system across the Liverpool City Region. The new six-lane road bridge over the River Mersey between the towns of Runcorn and Widnes will provide a new fast and reliable strategic transport route that will link the Liverpool City Region and the North West with the rest of the country. The project has national and international status recognised by KPMG as one of the Top 100 infrastructure projects around the globe.

■ Road Infrastructure

Liverpool City Region has an excellent and resilient road infrastructure with 6 motorways providing logistics operations with multiple routes for the movement of goods. See Figure 3.

FIGURE 3: SUPERPORT INFRASTRUCTURE MAP





Visualisation of Liverpool2 due to open in 2015

■ **The Mersey Multimodal Gateway (3MG)**

3MG offers space for 3.5 million sq ft distribution centres to create a bespoke multimodal logistics solution, fully utilising the excellent links into the UK transport network. The site, operated by Stobart Group, currently provides 530,000 sq ft of existing distribution and rail connected high bay warehousing with direct access from the West Coast Main Line with daily rail links to deep sea ports. It is a fully operational intermodal terminal facility already handling over 120,000 TEUs per year.

■ **Potter Logistics Rail Freight Terminal**

Potter Logistics Rail Freight Terminal occupies a prime 21.7 hectare site on the edge of Knowsley Industrial Park providing 15,500 square metres of warehousing and extensive build to suit options. The high specification development includes secure, under cover rail offloading and full mechanical handling and storage facilities for cross docking, transshipment and intermodal operations. The site offers full multimodal facilities to the West Coast Main Line and is just 6 miles from the Port.

■ **Garston Freightliner Terminal**

Freightliner operates a rail freight terminal in Garston with good road and rail access. Regular container trains operate to Garston from various southern seaports. In addition container train services link Garston with various major intermodal distribution hubs.

■ **ABP Garston**

The Port of Garston is seven miles from Liverpool City Centre. This is a general cargo port specialising in dry bulk goods as well as scrap metal, steel products and cement.

■ **Twelve Quays**

The Stena Line Liverpool Port is located at Twelve Quays Terminal, Birkenhead, offering easy access to Liverpool and beyond. It offers daily RORO services to Belfast.

■ **Liverpool John Lennon Airport (LJLA)**

LJLA handled over 4 million passengers in 2013 with flights to approximately 60 destinations in the UK and across Europe. The Airport has significant freight handling potential with 24 hour operations and excellent motorway access.

■ **Skills**

The availability of a large, skilled and highly competitive workforce is one of the City Region's key assets. Significant investment in employer led training and specialist academies are ensuring future employment growth in the sector can be amply met locally.

■ **Manufacturing**

The City Region is home to a thriving automotive cluster. Currently Jaguar Land Rover, General Motors, Getrag Ford, the Ford Motor Company and Briggs Automotive are the main companies with an extensive and growing locally based global supply chain. Nearby is Bentley Motors in Crewe, Leyland Trucks in Lancashire, Airbus and Toyota's engine plant in Deeside.

Other leading manufacturers in the region include, Unilever, Bristol Myers Squibb, NSG Pilkington, Ineos Chlor and Novartis.

■ **Retail**

National and international retailers are well represented in the City Region. Shop Direct Group, Home Bargains, Matalan, QVC and B&M are all based here, and there are significant operations for Tesco, Co-operative Retail and Sainsbury's amongst others.

■ **Professional Maritime Services**

Liverpool is the UK's leading maritime centre with headquarters of major maritime organisations such as Maersk, ACL, Bibby Group, Cammell Laird, ICL, CMA/CGM and others. It has a wealth of supporting maritime professional, legal and financial services and an active sector cluster organisation in Mersey Maritime.

Market Trends

Competition in the future will not be between ports, but between supply chains. This section of the report examines the local, national and international factors that will influence demand over the next 20 years and how Liverpool SUPERPORT is equipped to become a major component in global supply chains.

■ Port Centric Logistics

The role of a port in a supply chain can vary from that of simple trans-shipment hub to an important logistics node, and in turn is heavily dependent upon the supply chain strategies of the port users. Investment in the port and in local infrastructure presents Liverpool with the opportunity to become one of the main ports of entry to the UK and to capture a significant proportion of the demand that this generates. The opportunity also exists to become a leading port of export for container cargoes and for the automotive sector. Currently 90% of deep sea cargo enters the UK via the South yet over 50% of the UK container market is based from Birmingham northwards.

Figure 4 shows how the Port of Liverpool has a road catchment area effectively defined by the rules governing HGV driver hours. These are complex, but a driver can drive for a maximum of 4.5 hours without taking a break thus defining the maximum day trip achievable. This (shown in red) runs from the central belt of Scotland almost to Southampton taking in the northern South East and much of the East of England. This gives the Port of Liverpool access to some 16.8 million households within a 4.5 hour isochrone.

Although Liverpool Docks serves as a national port of entry for North American container traffic, the North West is by far the most significant inland origin and destination region for container traffic as a whole, and reflects the importance of Liverpool Docks as a feeder port for the region linking to the major European ports in the northern range and thence to Asia.

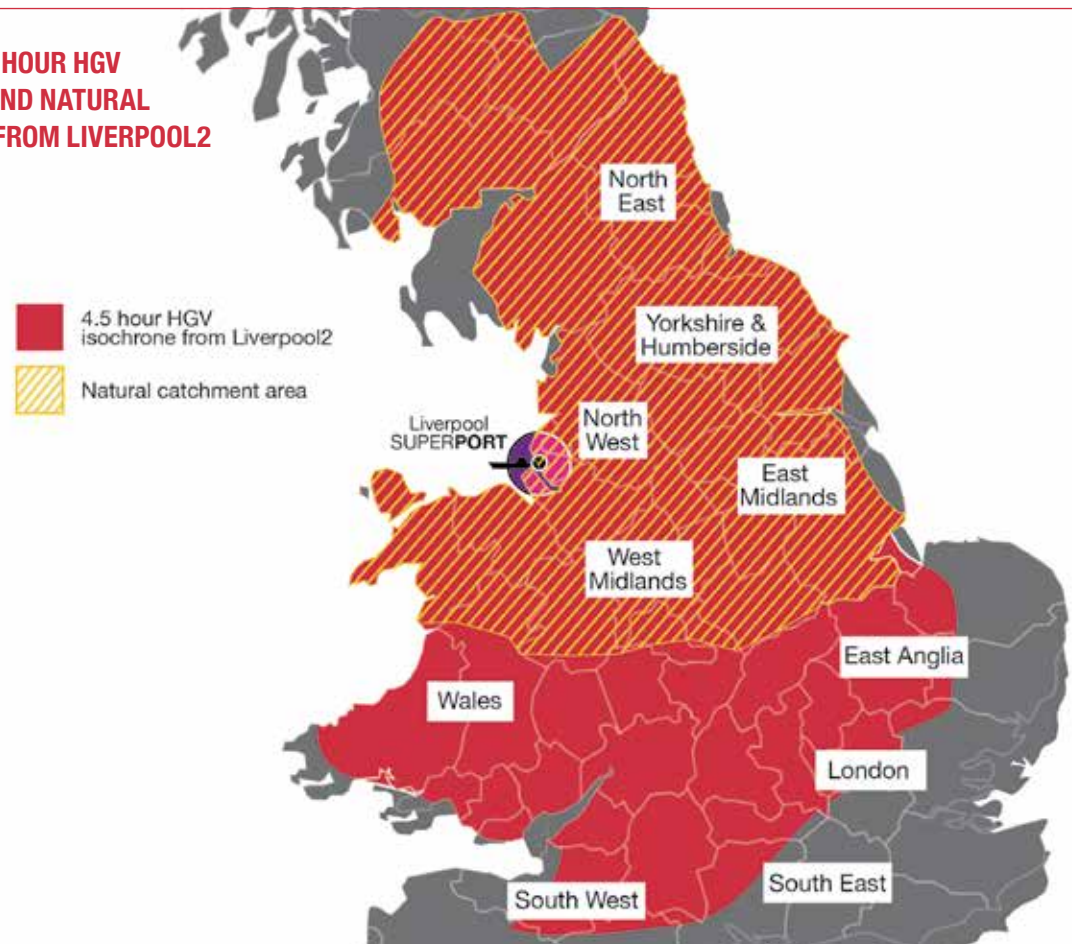
Competition for container business from Southampton and Felixstowe particularly is substantial and this competition has become fiercer with the arrival of London Gateway. Liverpool2 will serve to roll back the regional penetration of these ports.

While the 4.5 hour isochrones is important for the distribution of imports, as far as exports are concerned there is a natural break point between each of these competitors and Liverpool where it becomes more time efficient to go to one or the other. Currently, depending on the port, this sits around Rugby / South Birmingham. Overlaid on Figure 4 is this natural catchment area (shown overlaid in orange) within which importers and exporters should favour Liverpool as the port of entry/ departure – ie within 4.5 hours but taking into account the main competition.



Mersey Gateway

FIGURE 4: 4.5 HOUR HGV ISOCHRONE AND NATURAL CATCHMENT FROM LIVERPOOL2



■ Retail

The evolution of the retail sector from a bricks-and-mortar-based business to an integrated, seamless, multi-channel offering means that major retailers have to fundamentally redesign their supply chains putting them at the heart of their operations.

Into this mix the need to reduce energy intensive transportation begins to have spatial implications. By de-stuffing a container at the port of import and storing the contents in a port-located distribution centre, a retailer can reduce carbon emissions by between 7% and 60% depending on the location of the port and the destination outlets.

There is a significant opportunity for Liverpool to capture this kind of port-centric demand from retailers through the rise in ecommerce as the City Region accesses the largest population centre outside London enabling retailers to bring in cargo close to the end market.

■ Manufacturing

UK manufacturing is going through a period of profound and irreversible change. The impact of national and global economic, technological and political trends is transforming the way things are made, along with where and how they are built. The next twenty years is

likely to bring forward a series of structural changes for UK manufacturing industry:

- The return of local manufacturing
- Increased customisation
- The introduction of disruptive technologies
- Sustainability as the normal state

This offers opportunity for the City Region through trends in smart specialisation and late configuration which will make port locations most attractive for manufacturers to enable alignment of international supply chains.

■ Shipping

In a market in which over capacity has been rife, the response of shippers has been to band together in vessel-sharing alliances. The latest consolidation is between the world's three largest ocean carriers who plan to launch the P3 network in the second quarter of 2014. Consolidation of shipping lines may narrow the number of potential primary services that would call at the port but increase the potential for feeder traffic.

Commercial pressures are forcing shippers to innovate reducing costs and environmental impacts through slow steaming which in turn increases the demand for warehousing space.

Panama Canal

■ Panama Canal

The Panama Canal is doubling its capacity by installing new, bigger locks. After this expansion, the Panama Canal will be able to handle vessels of up to 13,000 TEU – similar to the new configuration of Liverpool2. Currently, it can only handle vessels up to about 5,000 TEU.

The main impact of the bigger canal will be at ports on the east coast of North America. Already a large proportion of the goods passing through the canal are from Asia, destined for the eastern seaboard of the USA. The enlarged canal will allow much larger ships to serve the east coast directly.

The implications for SUPERPORT are difficult to judge. The main trade route for Liverpool currently is to and from the east coast of North America with 45% of all UK container traffic from US and Canada going through Liverpool. Indirectly, an increase in the health of the ports served is a positive. The widened canal will give focus to increased trade with Latin America with potential for increased trade from fast growing economies such as Brazil and Mexico. The political stability of Panama and its growth as a global logistics hub is very much in Liverpool's favour.

■ World Economy

Beyond 2013 world real GDP is projected to increase an average of 3.2% per annum. The Asia/Pacific and Latin America/Caribbean regions will continue to have the world's highest economic growth rates. These regions are expected to see their economic activity grow at annual rates of 4.5% and 3.9% a year, respectively, over the forecast period (2013-2033).

World trade in goods is forecast to grow by 8% per annum to 2030, outpacing GDP growth as barriers to trade are dismantled. As investment in manufacturing

capacity and infrastructure increases, trade in infrastructure-related goods will increase to 54% of total goods exports in 2030.

The UK economy is finally gathering momentum. Over the medium-term, industrial machinery and transport equipment will dominate exports of goods.

■ Site Quality and Logistics Clusters

The creation of logistics clusters provides a catalyst to spur further growth in the logistics industry. Such clusters attract logistics players to amass at one place and spur the development of a critical mass of industry players that can provide high value-added and comprehensive logistics services to businesses. It is imperative that strategic logistics sites developed in the region are commercially attractive to the logistics market. Sites must be seen to meet the traditional selection criteria as well as represent modern best of breed standards.

An Aberdeen survey of global supply chain professionals on area development published in 2008 (SupplyChainBrain.com) resulted in the following list of business and operating criteria:

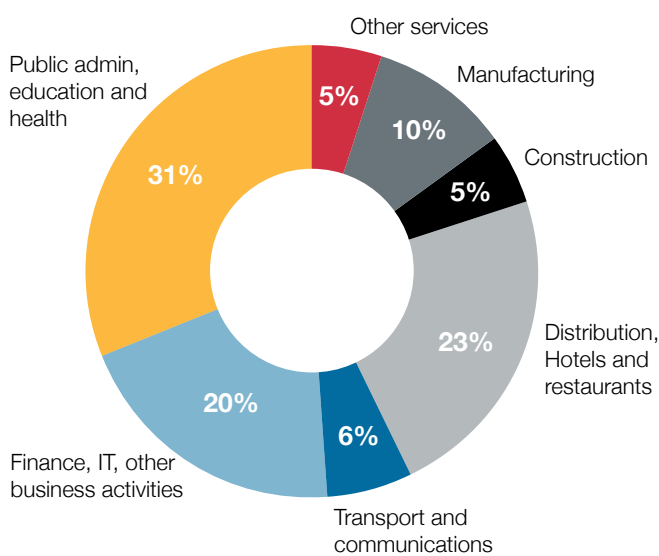
- Access (customers, suppliers, connectivity)
- Work force (availability, capability, scalability, sustainability, livability)
- Utility infrastructure (power, fuel, water/sewer, telecom)
- Transportation infrastructure (roads, air, rail, port)
- Regulatory/permitting environment
- Business/support services and amenities

Liverpool City Region SUPERPORT is particularly well equipped to fulfil all of these criteria to a high and competitive standard.

SUPERPORT Demand

Classically, demand for land is a function of location, accessibility and quality. In this report analysis of demand for land over the next 20 years is split into three parts: demand derived from economic activity; additional demand generated by changes to the Port of Liverpool and; secondary demand generated by the first two categories. Each of these are examined in turn.

FIGURE 5: EMPLOYMENT IN THE STUDY AREA BY BROAD SECTOR.



1. DEMAND FROM ECONOMIC ACTIVITY (240 Hectares)

Figure 5 shows the economy of the study area in employment terms broken down by broad sector. As would be expected, services dominate, but manufacturing, distribution and transport all constitute a significant proportion of employment.

Based on historical evidence the average demand for land from these sectors in the City Region is 10 hectares per annum requiring 200 hectares over the next 20 years. This is economic demand in the context of this report. Clearly, economic demand cannot be disentangled from the impact of port activity historically, but the impact of changes such as Liverpool2 can be quantified.

Economic demand for land in the remainder of the study area, derived from Valuation Office Agency floorspace data is assessed at 2 hectares per annum requiring 40 hectares over the next 20 years.



Twelve Quays RORO

TABLE 1: OVERALL DEMAND FOR ADDITIONAL LAND

	ESTIMATED DEMAND FOR ADDITIONAL LAND (HA)				TOTAL
	0-5 YEARS	6-10 YEARS	11-15 YEARS	16-20 YEARS	
Economic demand	60	60	60	60	240
Port-centric warehousing					
Scenario 1 - road	13	14	11	16	54
Scenario 2 - rail	11	10	5	13	39
RORO	8	8	8	8	32
Cars	3	3	3	3	12
Non-unitised cargos	4	11	2	9	26
Complementary sectors		76		28	104
Secondary demand					
Scenario 1 - road	85	85	83	87	340
Scenario 2 - rail	83	83	79	85	330
Totals					
Scenario 1 - road	173	257	167	211	808
Scenario 2 - rail	169	251	157	206	783

■ Containers

This is shown as port-centric demand calculated from the estimated future throughput of containers at the Port of Liverpool. Container forecasts in the Mersey Ports Master Plan (MPMP) are predicated upon changing the behaviour of importers and exporters in the natural hinterland of the Port of Liverpool. By making the Port of Liverpool the most cost effective option customers will tend to switch from using ports in the South

This report takes the forecast growth in containers from the MPMP and redraws it in the context of 2013. This was one of a number of scenarios modelled. TEU data for 2012 has been used as the baseline and the same rates of growth assumed in the Master Plan have been used to roll the growth in numbers forward. Performance against this forecast will be reviewed periodically and future forecasts adjusted accordingly. The current capacity of Royal Seaforth is some 750,000 TEU, Liverpool2 will double that to 1.5 million TEU per annum with a riverside berth. The MPMP also implies a further redoubling of capacity in 2017/2018 to cope with growth to 3 million TEU by 2030.

This study has examined the implied take of land from tonnage data to calculate the area of space likely to be generated by a given level of trade expressed in TEU based on a number of assumptions including tonnes per TEU, tonnes per square metre, stacking height, plot density and stock turn.

These assumptions imply that the space requirement generated is of conventional configuration. If the space is high-bay, clearly the stacking height would need to be adjusted upwards resulting in a smaller area footprint but a higher cube. Similarly if the space is automated, for example with very narrow aisles, the aisle width constant would need to be reduced resulting in less area.

This report considers 2 scenarios for the movement of goods which impact on the demand for land

- A road based scenario assuming 2 million TEU generating a 20 year requirement for 54 hectares of land (Modal split - 70% by road, 15% short sea, 10% canal and 5% rail)
- A rail based scenario assuming 2 million TEU generating a 20 year requirement for 39 hectares of land (Modal split - 50% by road, 25% rail, 15% short sea, 10% canal)

■ RORO

Liverpool is the main port for trade between Great Britain and Ireland and handles more than 30% of all freight on this route. RORO at Liverpool is heavily reliant upon unaccompanied trailers which account for around two-thirds of the trade. The land requirement generated by this traffic is very port centric, being needed in or adjacent to the port itself.

The MPMP shows 513,000 units being handled by the port in 2008 growing to 757,000 in 2020 and



Mersey Multimodal Gateway (3MG)

to just over 1 million by 2030 generating a demand for an additional 32 hectares. Comparing these forecasts with 2012 data shows that the port is already ahead of its RORO forecast.

■ Trade Cars

The UK automotive sector exported 1.275 million cars in 2012. The largest market for these exports was the EU with over 650,000 units shipped. The USA, Liverpool's principal automotive market, saw 118,575 units shipped. Liverpool shipped 33,500 units an assumed share of 28%. The 2012 outturn implies a growth rate of around 73% per annum between now and 2020 and the forecast requirement for an additional 12 hectares over the next 20 years.

■ Non-unitised cargos

The MPMP identifies demand for land from non-unitised cargos which are included here for completeness. These incorporate demand identified at Garston, Bromborough and Port Weston, and represent requirements for specialised land uses which need to be riverside located. Forecast requirement for these uses is estimated at 26 hectares over the next 20 years.

■ Complementary Sectors

Additional demand for land was identified in the MPMP for use in complementary sectors - again requiring riverside access. These include low carbon, offshore and processing activities and generate a forecast total of 104 hectares over the next 20 years.

3. SECONDARY DEMAND (330 - 340 Hectares)

Secondary demand uses employment multipliers and densities to project additional land required to service directly attributable economic activity.

The model developed calculates the likely employment resulting from demand for industrial space and the implications of that for land, taking into account secondary employment implied by multipliers. The variables used include reasonable assumptions on logistics employment density in square metres per capita, a logistics employment multiplier, manufacturing employment density in square metres per capita and a manufacturing employment multiplier.

According to the assumptions on the volumes using road and rail respectively, this generates a requirement of 330 – 340 hectares of land over the next 20 years.

OVERALL DEMAND (783 - 912 Hectares)

Overall this equates to a requirement for some 783-808 hectares of land over the next 20 years. If wholly port based uses are excluded (174 hectares), this makes the net requirement 634 hectares for logistics and manufacturing, of which 418 hectares will be required for logistics and 216 hectares for manufacturing.

This assumes an 80:20 split between logistics and manufacturing requirement for land from economic demand. Given the strength of manufacturing in the region and the resurgence in onshore manufacturing this may underplay the manufacturing demand. A 60:40 logistics to manufacturing split could add a further 104 hectares to this demand.

SUPERPORT Supply

The key requirement for logistics facilities in the SUPERPORT region is a ready supply of available land and premises of sufficient size, quality and proximity to the Port and other key infrastructure assets.

AVAILABLE LAND AND PREMISES

The quality of existing land supply of sites in excess of 1.25 hectares has been analysed applying the following criteria:

- Sites of 5+ha capable of accommodating more than one unit of 50,000m²
- Ready access to the Port and other key hubs/ transport infrastructure, with a drive time no more than 60 minutes from the Port (and within 20 minutes of the motorway network)
- A population centre in close proximity (but not within 200m or beyond 1km)
- Certain availability, location suitability and unconstrained by issues such as site shape, access, ground conditions, utility constraints, conflict with neighbouring land uses, etc

The study has assessed all of these sites qualitatively, scoring them against the criteria listed above, with a score of 1 representing the highest quality sites which are readily available and unconstrained and a score of 3 representing sites which are constrained through availability, access, ground conditions or other factors. The results are set out in Table 2 below.

The following sites have been disregarded.

- Sites and premises of less than 5,000 sqm floorspace or 1.25ha
- Sites which are identified specifically for direct port, airport or transport operations
- Sites which are inappropriate for B2 and/or B8

All of the local authorities in the study area have either recently published or are in the course of preparing updated Local Plans. Baseline data on employment land supply is, therefore, reasonably recent and provides a full baseline for a quantitative and qualitative assessment of land supply for SUPERPORT purposes.

However, the employment land supply data included in these documents is identified to meet all employment land needs in each respective authority area, a significant proportion of which may not be appropriate or relevant to logistics use/activity.

Analysis of the data was therefore necessary to establish what the state of supply is specifically to meet logistics sector needs. For these purposes, we restricted our analysis of employment land to the six local authorities situated within the Liverpool City Region and three adjoining authorities within a 1 hour drive time from the Port of Liverpool. These local authorities are:

- Cheshire West & Chester
- Halton
- Knowsley
- Liverpool City
- Sefton
- St Helens
- Warrington
- West Lancashire
- Wirral

There is a great deal of industrial land in the City Region below 5ha in size. The study identifies 80 sites of 1.25 - 5 ha covering some 200ha in total. Whilst offering potential solus locations for specific user requirements, these are unsuitable for large logistics operations and clusters.

TABLE 2: QUALITY RANKING OF SITES 5+ HECTARES

QUALITY FROM RANKING:	SITES									
	< 10 HA		10 - 20 HA		20 - 40 HA		40+ HA		TOTAL	
	NO.	AREA	NO.	AREA	NO.	AREA	NO.	AREA	NO.	AREA
1	4	29.69	5	69.25	1	24.28	2	109.54	12	232.76
2	16	110.76	8	120.51	4	114.8	0	0	28	346.07
3	20	133.59	7	88.31	2	50.81	0	0	29	272.71
Total:	40	274.04	20	278.07	7	189.89	2	109.54	69	851.54

KEY SITES INCLUDE

3MG (Halton)
90ha rail connected site including Stobart Park and HBC Field

Atlantic Park (Sefton)
16.75ha mixed use business park

Stonebridge Business Park / Stonebridge Cross (Liverpool)
20ha distribution site

Knowsley Industrial Park (Knowsley)
21.7ha inc Potter Logistics Rail Terminal

Omega South (Warrington)
48ha Site adjoining M62

Parkside (St Helens)
100ha Strategic Rail Freight Interchange

Port Bridgewater (Cheshire West)
18.6ha Inland rail connected logistics site

West Float (Wirral)
24.3ha including International Trade Centre site and supply park

XL Business Park (West Lancs)
11.2ha extension site in Skelmersdale

FIGURE 6: SITES OF 5+ HECTARES

(within 60 minutes drive time of the port)

● SUPERPORT Site



MEETING DEMAND

The projected demand for logistics facilities in the City Region and its immediate environs identifies the need for a minimum land supply of 634 hectares over the next 20 years for logistics (418 ha) and manufacturing use (216ha). If 25% headroom in supply is factored in, to allow for client choice etc. to enable the market to function properly this would inflate the totals required to 793 hectares for logistics (522ha) and manufacturing use (271ha) overall.

The study identified a total of 69 sites of 5+ha within 60 minute drive time of the Port and within 20 minutes of the motorway network totalling 851.54ha of which 233ha in 12 sites is of high quality and available to meet current demand.

It is anticipated that demand in the longer term will be met through a combination of investment in the existing 618 hectares of sites with a quality ranking of 2 or 3 to make them suitable for the market, and identification and development of sites not currently being promoted for logistics use.

The research has also identified a number of potential sites which are likely in the future to be promoted as being capable of accommodating the specific need for logistics facilities in the Liverpool City Region. These sites have not been included in the analysis of land supply above because their planning status is uncertain (they are not presently allocated or benefit from planning permission). This includes the former Parkside Colliery covering over 100ha adjoining the M6 was designated by the former Regional Development Agency as a suitable location for a Strategic Rail Freight Interchange and one of the key projects in delivering SUPERPORT.

SHORT TERM SUPPLY

Of the 69 sites of 5+hectares identified in the study, 12 of these are considered to be high quality immediately available sites covering 233 hectares of land. The largest site is 3MG and the next Omega South. With demand over the initial 5 year period estimated at 158 hectares (200ha with 25% headroom) supply of high quality sites is good, providing occupiers a range of suitable options.

LONG TERM SUPPLY

Longer term, demand for logistics and manufacturing facilities (excluding specific port based requirements) is estimated at 634 hectares (net) over the 20 year period. Whilst total supply of sites is 851 hectares, 618 hectares are currently constrained through availability or physical factors with a quality ranking of 2 or 3.

In order to be competitive in the logistics market, the City Region needs a good available supply of large high quality sites suitable for logistics clusters, or demand will go elsewhere regardless of its operational advantages. On current estimates a further 400 hectares of high quality sites (500ha to provide 25% headroom) over the next 20 years would enable the City Region to maximise the opportunity created by SUPERPORT.

Summary

SUPERPORT presents an outstanding opportunity for developers, investors and occupiers to take advantage of the enhanced competitiveness of the region for logistics and manufacturing operations. This opportunity is driven by emerging market trends and over £1 billion investment in logistics infrastructure across the City Region and is summarised below:

- 1 ■ SUPERPORT is a substantial and effective logistics cluster with a wealth of assets and capabilities focused around the Port of Liverpool, northern UK's largest port.
- 2 ■ The City Region's central position allows ready access to large centres of population – 35 million people live within 150 miles. Excellent connections to the national motorway and rail network enable logistics operators to service both Scotland and the south of England with same day delivery.
- 3 ■ Over £1 billion is currently being invested across the Liverpool City Region in infrastructure including Liverpool2, a £300 million new deep water port at the mouth of the River Mersey, direct access onto the West Coast Mainline railway system via the Mersey Multimodal Gateway (3MG) intermodal terminal, and the Mersey Gateway, a six-lane road bridge over the River Mersey providing a new fast and reliable strategic transport route linking the Liverpool City Region and the North West with the rest of the UK.
- 4 ■ This investment, allied to the opening up new highly lucrative markets for Atlantic facing ports from the widening of the Panama Canal, aims to create the most effective and cost efficient environment for freight cargo logistics and passenger transit in the UK and to make SUPERPORT a multimodal freight hub capable of rivalling such international locations as New York, Dubai and Singapore.
- 5 ■ The increased logistics capacity from this planned investment in Liverpool City Region's port and logistics assets has the opportunity to deliver a transformation of the sector and significantly enhance the whole region's attractiveness for retail and manufacturing logistics operations, and with it the potential to create 30,000+ jobs in the next 20 years
- 6 ■ A good supply of high quality and readily accessible sites exists sufficient to meet occupiers' demands arising from this investment over the next 5 years. Over the 20 year period a further 400-500 hectares of high quality sites are forecast to be required to meet the anticipated significant increase in demand. There is a collective commitment, through local planning processes, to identify and develop sufficient high quality sites to meet this demand.



This research report was produced by a project team co-ordinated by NAI Global & NAI Haywards working with Liverpool City Region Local Enterprise Partnership.

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