

NEW FORCE IN SHEDS

Publication Property Week
Date 16 January 2015

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■ Delancey and Barwood team up to form major industrial joint venture with £1.4bn development pipeline

BY GUY MONTAGUE-JONES

Industry heavyweights Barwood and Delancey have joined forces to launch a new industrial and logistics developer, with ambitions to rival the likes of SEGRO and Prologis in the sheds market.

Jamie Ritblat's Delancey has bought a 60% share in Barwood's development arm Barwood Development Limited (BDL) to form the new property development company, called DB Symmetry.

The joint venture will focus on building out BDL's land bank, which has an expected development value of more than £1.4bn, and may develop some sites speculatively. Barwood and Delancey expect to receive planning permission for more than 20 million sq ft of logistics space over the next four years.

The partners told *Property Week* that DB Symmetry would also have the balance sheet

strength to build up its own investment portfolio in order to capitalise on the booming industrial market.

Since the financial crisis, BDL has focused on growing its logistics land bank, which comprises 1,330 acres. The land is located mainly around the so-called logistics 'golden triangle' in the Midlands, which provides easy access to key motorways such as the M1 and M40.

Richard Bowen, who co-founded BDL in 1996 and will stay on as managing director of DB Symmetry, said its land bank had reached a size where it needed a financial partner to capitalise on the opportunities it presented. "We appointed JLL Corporate Finance [as an adviser] after lots of parties came knocking on our door at the beginning of last year," he said. "We didn't want to sell the business but we were looking for a partner to help take the business to the next stage."

Under the terms of the deal, Delancey has agreed to provide funding to allow the new

venture to accelerate the development of the land bank and give it greater financial freedom to buy additional land. BDL develops sheds and then trades them, but with the backing of Delancey, DB Symmetry will potentially hold onto the property it builds and create its own investment portfolio to rival the likes of sheds giants SEGRO and Prologis.

Bowen and Ritblat said the growth of online shopping meant that it was a good time to be investing in large-scale sheds. "We had been looking for over two years for a way to productively access the market," said Ritblat. "The prospects for rental growth in the sector are better than they have been for years."

BDL board members Richard Bowen, Christian Matthews, Henry Chapman and Andrew Dickman will remain in place, but chairman Alan Rudge will step down to focus on other Barwood businesses and finance director Joanna Greenslade will become managing director of Barwood Capital.

Bonny year for Glasgow offices

Glasgow city centre enjoyed one of its most successful years for office leasing since before the recession, despite Scotland's turbulent 2014.

Figures compiled by Cushman & Wakefield this week showed take-up in the city's offices was 657,258 sq ft last year – almost level with 2013's total of 688,340 sq ft. Fears that occupiers would avoid the country because of uncertainty surrounding the independence referendum do not appear to have been borne out.

Prior to 2013, take-up had been languishing at a yearly average of 375,000 sq ft since 2007, when it was 811,000 sq ft.

