

Publication: CoStar

Date: 13th March 2014

Tritax buys Tesco Derbyshire hub



Tritax has bought Tesco's Distribution Centre at Barlborough Links, Chesterfield, Derbyshire for £28.64m reflecting a net initial yield of 6.6%. Completion is expected to take place on 17 March 2014. The purchase will initially be funded out of equity proceeds, with senior debt finance expected to be introduced in the near term.

The regional distribution centre was developed in 2005 and immediately leased to Tesco for a term of 15 years.

The facility comprises approximately 500,000 sq ft with 15 metre eaves height, cross dock loading and extensive fit out. It is strategically located at Junction 30 of the M1 motorway for central UK distribution of general merchandise to Tesco national distribution hubs.

The distribution centre is being acquired with an unexpired lease term of approximately 6.2 years, which is subject to a 5 yearly open market rent review in May 2015.

Colin Godfrey, Partner of Tritax, said: "This is one of Tesco's key distribution facilities for general merchandise in the UK. A dearth of large available units is driving strong growth prospects and this highly specified building with immediate access to the M1 is well placed to benefit."

Jones Realty advised the vendor.

