



Development



Partnership Prospectus

Working together in commercial property

Investment



Management



network 
space  

One of the North's
leading and most
active participants
in the industrial
property sector.



About us



↗ Broadway 21, Oldham

network
space




↗ Gateway 49, Warrington

Network Space has been buying, building and managing commercial property since 1982. A long-term philosophy coupled with a specialisation in small-to-medium sized industrial property means that we have grown to become one of the North's leading and most active participants in the sector. The breadth and depth of our experience means that we also have the capability to engage in non-industrial projects. The group is structured in to three distinct yet complementary operations: **Development**, **Investment** and **Management**.

Whilst each operation is autonomously managed with its own executive structure and individual business plan, they work closely together through co-ordinated strategies to provide investors and partners with a bespoke or a complete property solution capable of delivering long-term value.

Our principal investment portfolio comprises nearly 3 million sq ft of modern industrial property in over 60 locations, two-thirds of which we have developed ourselves and from which we consistently generate strong returns as a result of active in-house management. We re-invest our earnings into new investment acquisitions and development projects, having a further 2.5 million sq ft of new industrial property secured in the development pipeline. We continually invest in our management and information systems to ensure our high-return outputs are visible, scalable and sustainable. Our portfolios continue to grow through the successful execution of co-ordinated development, investment and management strategies and through a variety of funding structures.

Our long-term philosophy is reflected in our portfolio – all the properties we retain are truly modern, are built to a high-specification and are carefully maintained.



Green Lane Networkcentre, Featherstone

Partnerships



Crown Point East, Denton

In addition to applying our operational expertise to our proprietary portfolios, the group is structured in such a way that we can offer partners a bespoke combination of our services. We work with prospective partners to help define their objectives, identify funding options and then develop a strategy and structure for delivery. We can employ a combination of our respective operational expertise to form a tailor-made partnership that will deliver the agreed strategy.

Partnerships can take a variety of forms depending on the objectives, funding and existing resources of the partner. A partnership objective can range from sourcing, acquiring and managing assets on behalf of a capital investor, delivering a bespoke turn-key office building for an owner-occupier to forming a JV with the public sector to develop, retain and manage a portfolio of multi-let industrial workspace. We have experience of all of these and almost everything in between. A sample of previous and existing partnerships can be found in the case studies section of this prospectus.

Our simple yet effective structure, coupled with our own financial resources to co-invest where appropriate, means that we can offer a partnership solution to almost any organisation wishing to engage in the commercial property sector.

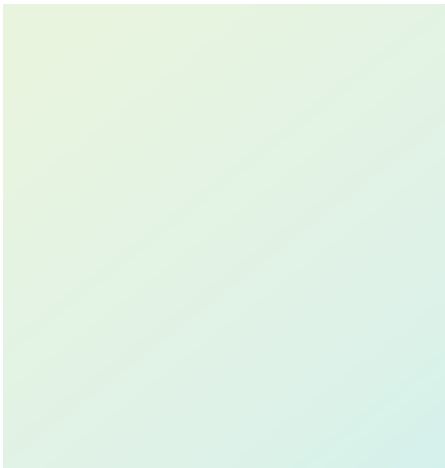
Our Partnership Model

A simple structure providing many opportunities

We offer a bespoke combination of our core operational services alongside flexible funding options. Below are some examples of partnerships and the form they might take.



Partnerships Case Studies

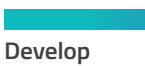


Pension scheme investor



We sourced and acquired two industrial investment opportunities on behalf of a private pension fund investor. We undertook all purchase negotiations and oversaw all legal and commercial due diligence. Post completion, we now manage the properties on behalf of the investor, dealing with all property and tenancy matters arising. A quarterly net rental payment is remitted to the investor.

90 Duke Street, Liverpool



We provided a turn-key development solution to deliver a new UK flagship HQ office for a multi-national shipping organisation. Our services included the sourcing and procurement of land, obtaining planning consent, working up a design to suit the client, obtaining public sector funding support and letting and managing the construction contract.

Crown Point East, Denton



Conversion of a former factory site and adjacent derelict land in to mixed-use residential and leisure scheme. Having worked in partnership with the Local Authority to deliver a much needed relief road adjacent to the site, we secured residential planning consent on the majority of the site and are now delivering a flagship Wellness Centre for Tameside Council on the main road frontage.



St Helens RLFC & Tesco Extra



We reclaimed a former glass works close to St Helens town centre and subsequently delivered both a new stadium for St Helens RLFC and a 145,000 sq ft Tesco Extra store, which was pre-sold to Aviva Investors. We retain a further phase of land for future development opportunities and provide ongoing management to the overall park.

Network Space, Joint Venture



The origin of our name, we set up a Joint Venture with English Partnerships (latterly HCA) to deliver 24 light industrial and office multi-let schemes totalling 750,000 sq ft. Focused on delivering much needed employment space in the former English coalfields, each property was developed speculatively and upon their respective completion, we let and managed them on behalf of the JV. This was a very successful partnership where all objectives were met, as the JV matured we acquired the HCAs interest to retain the property in our own proprietary investment portfolio.

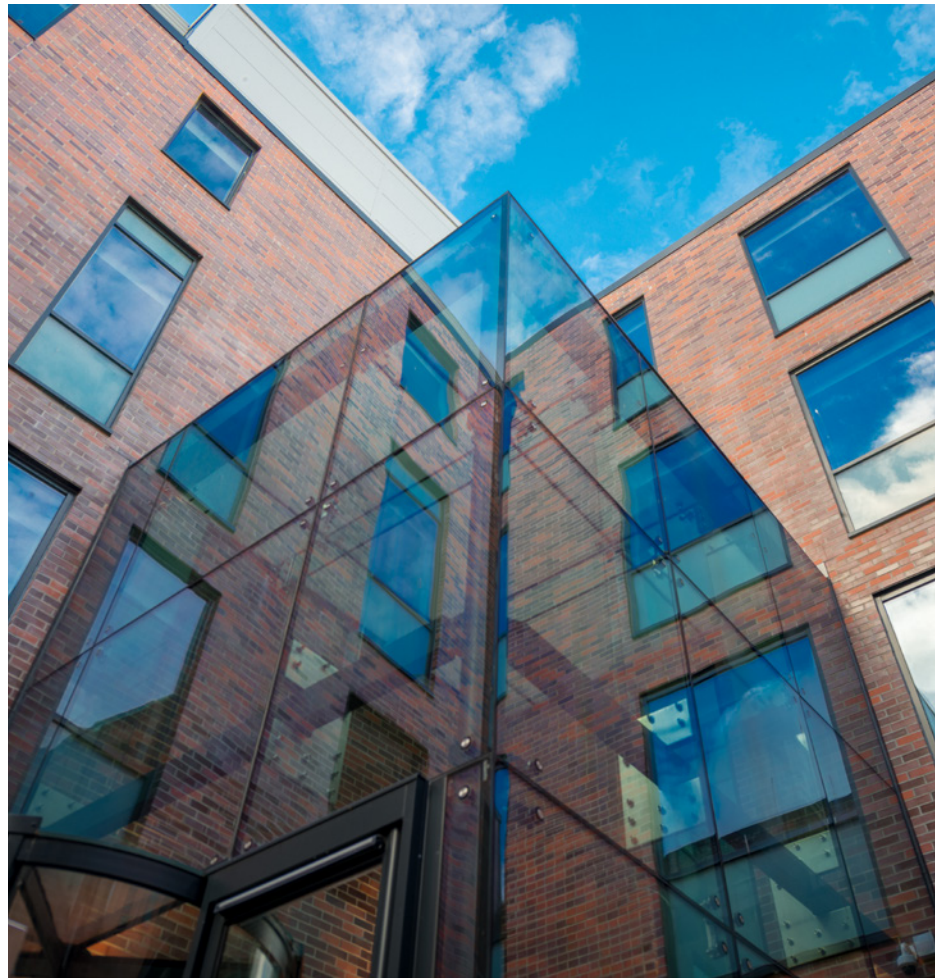
Mere Grange, St Helens



Mere Grange is a mixed-use development in St Helens, delivering much-needed new housing, offices and industrial workspace. Developed in partnership with the HCA, the first phase office scheme of 60,000 sq ft was completed in 2008 and retained by Network Space. The first industrial phase totalling 90,000 sq ft is due for completion in early 2018 with the second 60,000 sq ft industrial phase and the adjacent residential development following shortly after. The industrial phases will be retained by Network Space once completed.

The Complete Approach

The combination and co-ordination of our operational activities allow us to maximise both capital and income returns from our investments over the long-term. Our experience and knowledge of the marketplace gives us the confidence to develop workspace speculatively and acquire value-add opportunities. Our executive structure and financial platform enables us to assess, decide and move on suitable new opportunities as they arise. Our comprehensive management asset ensures our portfolios perform to their fullest potential.



▲ Duke Street, Liverpool

The business strategies of our operational activities are structured to co-ordinate with one another as well as support our core corporate objectives. Financing and cashflows are centrally managed and are carefully forecast to ensure capital resources are both optimised in their utilisation and readily available to secure new opportunities.

A comprehensive and efficient reporting structure encompassing all operational activities ensures that we have detailed and frequent visibility of our business performance. Coupled with our speed of decision making and sector experience, we benefit from early-mover advantage in changing markets and economies.



Richard Ainscough
Group Managing Director

Our Operational Expertise



Stephen Barnes, Managing Director (Development)

Development



▲ Tunstall Arrow, Stoke-on-Trent

We have developed over 2.8 million sq ft of commercial workspace and have a further 2.5 million sq ft with a GDV of over £200 million in the pipeline. We have delivered a wide variety of bespoke projects for third parties, public sector partnerships and our proprietary investment portfolio.

Our development experience includes:

- Speculatively developed industrial space totalling over 2.8 million sq ft
- Office accommodation totalling over 450,000 sq ft
- Super League Rugby Stadium
- Tesco Extra
- New HQ for multi-national shipping organisation
- A speculative Grade A office scheme totalling 98,000 sq ft in the centre of Manchester

Whilst we have experience in delivering a diverse range of projects, we specialise in the development of small to medium size industrial schemes. It is widely recognised that such schemes often cost more to build than the market value they command once complete. Needless to say, there is not a one-size-fits-all solution to a negative development appraisal, even though there may be substantial market demand for the project once complete.

We have established and maintain strong working relationships with a large number of relevant public sector bodies, working closely with them to overcome market restrictions and using our credibility and experience to deliver efficient, high quality schemes.

Because we retain many of our developments as investments, we insist on delivering high-quality, sustainable property. We leverage our capacity and experience to ensure that economies of scale are utilised and best value for money is achieved.

Our development business is headed by Stephen Barnes, who joined Network Space in 2002 as a Senior Development Manager and has subsequently played a key role in growing the group's development and partnership activities across all regions. Prior to Network Space, Stephen worked with English Partnerships and the North West Development Agency, working on a wide range of regeneration and development projects.

Investment



↗ Horsfield Way, Bredbury Industrial Estate, Stockport



↗ Foxbridge Way, Normanton



Martin Mellor
Investment Director

We actively and strategically manage our own property investment fund as well as those of selected third party investors. Whilst around two-thirds of the current investment portfolio has been self-developed, the group has transacted in excess of £95 million on the investment market in the last 5 years alone, in doing so delivering exceptional capital returns to investors.

Our portfolios are continually analysed to ensure that income returns are at their expected levels both now and in the long-term. The property we retain is truly modern, all having been constructed since the mid-1990's. Capital expenditure is minimised by virtue of age and our high standards of maintenance. We are very prudent when appraising possible acquisitions and apply strict criteria to ensure asset additions are sustainable and complementary to our existing stock.

As with our development activities, we specialise in small to medium sized industrial property. Our experience and expertise in this sector means that we have been able to identify and execute a number of asset-management strategies as well as secure quality long-term investments at excellent value.

A key component of our long-term philosophy is our diligent approach to buying and selling property. Prior to completing an acquisition, all investments are subjected to comprehensive environmental and structural assessment. We are prudent in our assessment and forecast of returns, ensuring that any possible additional costs are accounted for. As a result, actual returns almost always exceed forecast.

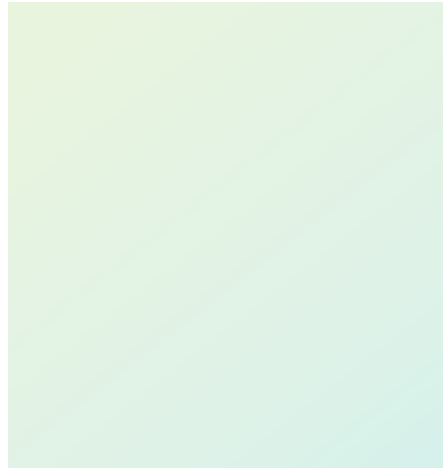
Martin Mellor leads our investment operation, having joined Network Space over 20 years ago. As Investment Director he oversees the refinement, expansion and value enhancement of the Network Space portfolios. Prior to Network Space he was in private practice with Dunlop Heywood in Manchester, dealing in all aspects of industrial property throughout the North West and Midlands.

Management

All of our property lettings and estate-management are managed in-house by our dedicated team. Our proprietary portfolio gives us the critical mass around which to build an efficient and attentive management infrastructure. We continually innovate and invest in our management systems to ensure best value is being returned. Our state-of-the-art CRM system allows us to record and review tenancy and management information in real-time whilst on the move as well as streamline lettings with online document preparation and authorisation.

In addition to our real-time tenancy information, we report on every property in detail every month. Occupancy, WAULT, gross and net rents, profit and income returns are all reviewed against budget with discrepancies analysed accordingly.

In addition we prepare letting, renewal and void forecasts to inform property specific marketing strategies.



Nicky Jones
Property Director



Guinness Circle, Trafford Park



Allerton Bywater Networkcentre, Castleford

Each new tenant is comprehensively credit assessed and regular debtor meetings ensure that both current debt and aged debts are monitored and managed accordingly. A weekly report details all lease transactions and head of terms agreements.

Our comprehensive reports are reviewed and analysed in detail by Directors every month.

A detailed budget is prepared for each property every year, these are designed to promote challenging but realistic rental growth and void reduction targets.

Property Management operations are led by Nicky Jones, she joined Network Space in 1999 as a Property Manager and has expanded her role within the business into her current position as Property Director. In addition to overseeing all letting and estate management activities, she plays a key role in the development and evolution of management strategies and systems to ensure portfolio returns are both visible and consistently strong.

Development

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Management



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