

News

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Muse sells John Lewis warehouse at Logic Leeds

The new John Lewis customer delivery hub at Logic Leeds has been sold by Muse Developments to AXA's UK Long Lease Property Fund for £6.2 million.

The 50,500 sq ft state-of-the-art John Lewis distribution warehouse is situated in the heart of Muse's flagship 110-acre development in the Leeds City Region Enterprise Zone. It includes 4,000 sq ft of offices.

The full forward-funding deal, which enables Muse to build the new warehouse, represents a sub five per cent yield. Work will start on site shortly, with completion scheduled for spring next year.

John Lewis, which has signed a 20-year-lease, will create 65 jobs at its new facility. The hub will service orders from the John Lewis shop in York which opened in April 2014 and the new shop in Leeds, set to open in 2016. John Lewis Leeds will be one of the retailer's biggest department stores outside of London at 252,000 sq ft.

David Wells, development director of Muse in Leeds, explained: "This is an excellent investment deal, which demonstrates the buoyancy and strength of Yorkshire's commercial property market. AXA's UK Long Lease Property Fund is a major national fund, so it is tremendous news that they have invested in Leeds.

"The deal is also a ringing endorsement of our Logic Leeds development. We are already well-advanced on site with the construction of an 80,000 sq ft industrial building which is the largest of its kind to be speculatively developed in West Yorkshire since the recession. Together these two buildings will put Logic Leeds on the map."

Logic Leeds has been supported by a landmark £2.5m grant agreement with Leeds City Council, funded through the government's Building Foundations for Growth programme.

The Leeds offices of property consultants Knight Frank acted for Muse and Carter Towler and Wimbush RE for AXA.

Graham Foxtton, investment partner of Knight Frank, commented: "This is one of the most significant investment deals in Yorkshire this year, with the yield a record for a prime, mid-size industrial property. It is a testimony to the quality of the tenant and the strength of the covenant, as well as the location and reputation of Logic Leeds itself."