

SUPERPORT Quarterly

Liverpool2 to start January 2013

(See inside)



Welcome to the first edition of SUPERPORT Quarterly.

We have been asked on many occasions if we could produce a regular briefing and update on the progress of SUPERPORT and what is happening more generally in the port and logistics sector. So here it is!

In this first issue, we have included an update on the major SUPERPORT projects and analysis of the current trends in the big shed property sector.

Our key infrastructure and investment projects remain on course for entering their substantial construction phases over the next 12 months. Approximately £1 billion of SUPERPORT investment will commence in 2013, marking it one of the most significant years in the City Region's recent history and marking the transformation of our port and logistics offer. We will be promoting this and our population centric logistics solution extensively during the next year.

Over the past two years we have experienced historic highs in take up of big sheds against a backdrop of dwindling supply.

In this period almost all of our largest and highest quality distribution buildings have been either sold or let. These investments have led to the creation of over 2,000 jobs across the City Region, which is clearly excellent news. But this has created a shortage in supply as no large new units are currently being developed speculatively to replace those let. Whilst there are a number of excellent sites, suitable for design and build opportunities, we will be working with developers over the coming months to try to bring forward schemes for the market.

There has been a good deal of speculation as to the reasons for the high demand in the region which is outstripping take up in the rest of the UK. It is our belief that the drive to reduce cost and carbon from supply chains is a key element to this and that our population centric location coupled with excellent and improving logistics infrastructure are proving highly attractive to both retailers and manufacturers.

In forthcoming issues we will keep you apprised of progress in all of these areas and welcome your contributions to share with readers.

Region outperforms
the rest of the UK

£1 billion

of SUPERPORT investment
to commence in 2013

2,000+

new jobs created
since 2010

Peter Nears
Chair, Liverpool
City Region
SUPERPORT
Committee



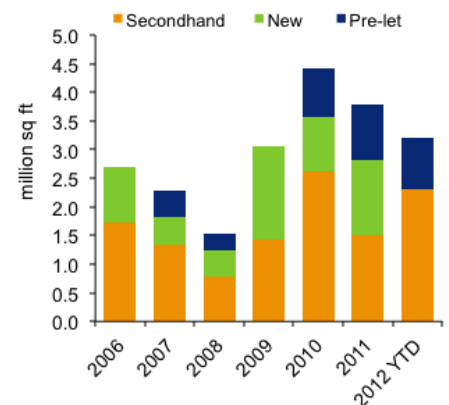
Why SUPERPORT?

1. The greatest challenge facing the logistics industry today is how to reduce cost and carbon from the movement of goods whilst improving client services.
2. Moving goods by ship, rail and air directly to central, densely populated areas provides the best way of meeting these challenges.
3. SUPERPORT provides port, canal, airport, motorway and strategic rail freight interchange facilities in the largest, most densely populated, centrally located region of the UK.
4. £1billion investment in new logistics infrastructure, facilities and capacity across the City Region over the next three years will further enhance these facilities and their capacity.
5. These investments include
 - **Mersey Gateway**: a new six lane toll bridge over the River Mersey in Halton
 - **3MG**: a multi modal, strategic rail freight interchange development of up to 3.5m sq ft
 - **Liverpool2**: a new deep water (post panamax) container facility at the Port of Liverpool.
6. A large, appropriately skilled and available workforce, a range of high quality development sites, and a highly competitive cost environment further add to the SUPERPORT proposition.

Record levels of Big Shed take-up

The logistics industry in the SUPERPORT catchment area of North West of England is booming, outstripping take up in the rest of the UK

FIG. 1: TAKE UP OF BIG SHEDS IN NW ENGLAND



Source: CBRE September 2012
(Units over 100,000 sq ft)

Liverpool2 to start January 2013





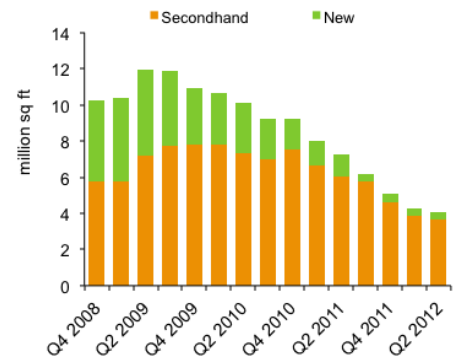
The take up of big sheds (warehouse properties over 100,000 sq ft) in the last two years is running at 200% of trend - at 4 million sq ft per annum compared to 2 million sq ft per annum for 2006-2009.

At the same time, the supply of available property has dwindled, down from 12 million sq ft in 2009 to less than 4 million sq ft in 2012. New space in the region is in even shorter supply – down from 4 million sq ft in 2009 to less than 500,000 sq ft in 2012. Not surprisingly, in this market, 79% of take

up of new big sheds in 2012 was design and build for clients. In Liverpool City Region and surroundings over the last two years, eight big sheds have been taken up, involving over 2.5 million sq ft to major retail, manufacturing and 3PL operations including Matalan, B&M Retail, Jaguar Land Rover and DHL.

Liverpool City Region LEP is in active discussion with developers and agents to help bring more property to the market to meet these high levels of demand.

FIG 2: SUPPLY OF BIG SHEDS IN NW ENGLAND



Source: CBRE September 2012
(Units over 100,000 sq ft)

Work is expected to start on the exciting Liverpool2 project as early as January 2013. The project to build the new deep-water container terminal is due for completion in 2015. Lend Lease were appointed as principal contractor in September 2012 and Peel Ports hope to finalise outstanding licence agreements by the end of the year.

The £300m project is being part-funded by the European Investment Bank which has contributed £150m to help realise the vision of a globally competitive Port capable of handling over 90% of the world's container fleet. The investment is one of the most significant in the Port's history and will

result in considerable economic growth and directly create over 5,000 new jobs.

The completion of the project is set to coincide with the opening of the widened Panama Canal in 2015 and it will be able to host the largest vessels operating through the canal.

This will have a significant impact on the local economy in terms of jobs, supply chain and the uptake of sites for warehousing and distribution centres.

The Port received global recognition for its progressive and innovative

approach beyond the port gates, as well as for its ambitious development

plans in October 2012. Peel Ports was awarded the accolade of Port Authority of the Year at the global Containerisation International Awards. It beat entries from other global ports including Los Angeles, Antwerp and Charleston.





Skills for Growth



As a member of the SUPERPORT Committee in Liverpool City Region and Chief Executive of Mersey Maritime Group, Jim Teasdale is excited by the prospects provided by the employment and skills opportunities being generated by SUPERPORT.

Jim has drafted the Skills for Growth Agreement which, subject to further consultation, will be published by the LCR Employment & Skills Board (ESB) by the end of the year. It will be a statement of private sector recruitment and training needs and a call to action for public partners to respond to the growth potential of SUPERPORT in Liverpool City Region.

SUPERPORT is expected to require over 20,000 more suitably skilled people over the next 10 to 15 years to ensure we can service the massively increasing movements of freight and people by air, rail, road and river, canal and sea. If we are to unleash the full potential of SUPERPORT, the work to develop these skilled people needs to start now.

The private sector are invited to communicate their plans for recruitment and future skills needs, and public partners including colleges and training providers, local authorities, Jobcentre Plus and Work Programme providers can then ensure their employment and skills offer keeps pace with our emerging SUPERPORT projects.

Contact: Jim Teasdale on
Jim.Teasdale@mersey-maritime.co.uk
or 0151 647 4747.

Jobs and investment boost

Liverpool City Region LEP's £10m City Region Business Expansion Programme bid was amongst a number of successful Regional Growth Fund (RGF) bids recently announced by Government.

The Programme will provide direct financial support to businesses that have the potential to grow and create new jobs.

The money will be able to provide direct assistance to businesses on the basis of £1 of support for every £5 of investment by the business.

The Programme builds on LCR LEP's focus on Key Growth Sectors of the economy and will be especially applicable to smaller and medium sized businesses who are looking to grow, create jobs, and export.

Robert Hough, LCR LEP Chair, commented:

"It is essential that we unlock private investment and to do this we need

to have something to offer that will support both local projects and attract inward investment."

Asif Hamid, Chair of the LCR LEP Business Growth and Enterprise Board, explained:

"The LEP recognised that because the RGF has a minimum bid threshold of £1million, many small and medium sized businesses were unable to bid. In response, we put together a bid that could support such businesses who are seeking between £100,000 and £750,000 to invest in capital plant and equipment that would allow them to grow."

Mike Palin, LCR LEP Executive Director for Strategic Economic Development, said:

"We'll be working within the City Region with businesses to identify those in need of this support so that as soon as it is available, we can hit the ground running. We'll soon put in place a process by which businesses can apply."

Events programme

Our programme is focused on maximising exposure to relevant markets where there will be opportunity to highlight sites and services to supply chain decision makers and influencers.

If you are interested in attending any of the events listed please get in touch with Claire Hepburn.

(Claire.Hepburn@liverpoollep.org
or 07817 848074 / 0151 237 3956)

November, 2012

Two page advert in Retail Week Property

29 November, 2012

The Times Business Insight feature

5 December, 2012

North West property developer /agent event, Manchester

5 December, 2012

Round table event for logistics leaders, Liverpool

12-13 March, 2013

Extended Supply Chain conference, London

23-25 April, 2013

Multimodal, Birmingham

May, 2013

Retail Week
Supply Chain Summit,
London



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