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Valor continues UK regional last mile expansion with c. £50 million off-market Birmingham acquisition

Valor Real Estate Partners (“Valor”), Europe’s fastest growing last mile real estate specialist, has completed the acquisition of a prime last mile logistics facility in Birmingham, for c. £50 million, from NFU Mutual. It continues Valor’s stated strategy of expanding its footprint in select regional cities as it looks to double its UK portfolio and is its second acquisition in what is the UK’s most dominant regional metropolitan centre.

The 250,000 sq ft single tenant unit is occupied by KitchenCraft, one of the UK’s largest kitchenware companies, on a long-term lease, and serves as its UK headquarters. It is located on Hub, Birmingham’s premier industrial / distribution park, which is home to a mix of national and international businesses including TNT, Argos and Make UK

Occupiers on The Hub benefit from its excellent connectivity via the nearby A34, A38 Aston Expressway and M6 motorway, whilst Birmingham City Centre is just three miles to the North. Witton train station is immediately opposite the park and provides a direct link to Birmingham New Street in 10 minutes.

The Birmingham logistics market is characterised by a shortage of available warehouse space, which is driving record rental and capital growth, with Savills forecasting 10% annual rental growth in 2022. Investment in the wider Midlands region almost doubled from its previous high in 2020 of £1.6 billion to £3.1 billion in 2021.

Jeremy Achkar, Vice President, Investments, commented: “Birmingham and its 3.6 million inhabitants is one of our key regional UK conviction calls, reflecting the acute shortage of available space within suitable proximity to the city centre alongside its growing population and focus of the government’s Levelling Up agenda. This transaction is the latest demonstration of our forensic approach to sourcing and originating and offers an attractive mix of strong day one income, with the opportunity to significantly improve the rental tone over the medium term. It represents our second purchase in a City we aim to increase our footprint in significantly over the coming years.”

Valor was advised by Belmore Real Estate and DLA Piper.

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About Valor REP

Valor Real Estate Partners LLP (“Valor”) is a pan-European industrial platform, headquartered in London, focused on urban/infill industrial and logistics properties in the UK, France, Germany, Benelux, Spain and Italy.

Founded in 2016, Valor is a full-service development management and investment business with offices in London and Paris. Today the Company manages an 85+ asset portfolio totalling more than seven million sq ft and over €2.5bn of AUM on behalf of a number of global investors.

For further information please email enquiries@valorrep.com or visit <http://www.valorrep.com/>