

Logistics Capital Partners (LCP) Makes Real Estate ESG History and Sets New Records by Announcing the Completion Of The First Carbon Neutral Logistics Development in Continental Europe, and the Subsequent Sale.

LCP are also the first logistics developer to commercially market and sell a carbon neutral accredited warehouse, and by doing so set a further double record in Italy, as the largest ever single warehouse transaction, and highest ever price in the country.

Logistics Capital Partners (“LCP”), a leading pan-European Logistics Development and Asset Management platform, announces the development completion, and then sale, of the first Carbon Neutral Accredited logistics development in mainland Europe.

The new building, which completed in August, totals 1,750,000 sq ft / 163,000 sq m and is pre let to Amazon. Construction Carbon has independently verified the carbon neutral status. The design and construction were assessed in accordance with the RICS Professional Statement ‘Whole Life Carbon Assessment for Built Environment’ (2017). This process calculates the embodied carbon emissions for the full lifecycle of the building. The upfront embodied carbon emissions for the materials and construction of the building were then determined and offset. High quality offsets were acquired via the Gold Standard, these provide additionality in line with the Oxford Offsetting principles.

As well as being carbon neutral at the point of practical completion, the project also has a BREEM Excellent rating.

CBRE was subsequently mandated on the sale, and the transaction has been concluded with Midas International Asset Management (“Midas Asset”), a leading Korean investor in recent European logistics transactions who will continue to develop its relationship with LCP, and Hana Financial Investors, one of the largest financial institutions from Korea who has a strong record for investing high quality assets in Europe and US. LCP are also retained as the ongoing asset manager for the duration of their ownership.

The final gross asset price was just under €200,000,000, reflecting a Net Initial Yield below 4% which reflects also the current trend of super prime asset deals in the market.

James Markby, co-founder and managing partner at LCP, comments: “This shows what is possible if you have a great team and determination to lead the market. We are conscious of the important role property developers will have to play as we all move towards a Net Zero Carbon society. It is no longer good enough to just have a stated corporate objective, we are now the first to have completed a Carbon Neutral accredited logistics building in mainland Europe, also at serious scale, and we are also the first to have commercially traded one, setting a new pricing record in the process. This is a confirmation of our team’s abilities and vision.

We are proud to add our name to the small, but growing list of developers who have identified carbon emissions from construction as a problem that needs to be addressed. We are even more proud that we are among the first to have taken meaningful action, and have sought independent third party verification of our performance.”

Kristof Verstraeten, co-founder and managing Partner at LCP, also commented:

“Importantly this now sets the bar for the industry in continental Europe, and our bigger competitors, who we hope will follow. LCP is doing our best to play a meaningful part in the ESG agenda, and in doing so have made our own little bit of real estate history. We are the first to tangibly demonstrate the positive commercial effects of this type of development in the market. A building like ours, through its scale and ESG credentials, allows investors and funds to improve their average portfolio rating in a meaningful way with just a single transaction. This justifies the premium pricing. Going forward, lifecycle carbon assessments will play a key role in the initial design of our warehouses, paving the way towards Net Zero Carbon logistics projects.”

Jack Cox, Managing Director EMEA Industrial & Logistics, CBRE Added:

“We are delighted to be associated with the first transaction of its kind in the sector, and to have run a sales process with LCP that also monetised the carbon neutral accreditation and associated investments that they have undertaken in this project.

LCP have shown that owners and developers who push ahead and strive to optimize the full life cycle carbon footprint of their buildings are going to see additional benefits in terms of their commercial values, and this project is a now a historic benchmark for that. “

For the transaction, CBRE and Chiomenti advised LCP, and Kryalos and DLA Piper advised Midas Asset, with BNP Paribas Bank providing acquisition financing.

Construction Carbon provides carbon performance verification, they are regulated by RICS and a member of the UK Green Building Council.

About Logistics Capital Partners

LCP is a top ranked pan European logistics development and asset management platform, founded by James Markby, Kristof Verstraeten, and Andrea Benvenuti.

The group is established across Europe, with offices and projects in 7 countries (Italy, The Netherlands, Belgium, France, UK, Luxembourg, and Spain), and with relationships and projects on behalf of corporate occupier clients including the likes of Amazon, Kering, XPO, Lidl and Primark etc.

Currently, LCP has planned construction starts of over 20 million sq ft / 1.85 million sq m and additionally manages over 11.2 million sq ft / 1 million sq m of income producing logistics assets for a range of global institutional capital partners.