

Morrisons could look to bring investors to Grimsby's Europarc with seafood site sale and leaseback

Morrisons' new owners could look to sell and leaseback the manufacturing facilities it owns in Grimsby as it looks to fund the huge deal and finance future plans.

Private equity firm [Clayton Dubilier & Rice agreed a £7 billion deal](#) for the Bradford-headquartered supermarket giant in October last year, after a lengthy auction process.

The deal for the then FTSE-listed firm was [approved by the UK Competition and Markets Authority earlier this month](#), with CD&R advised by former Tesco chief executive Sir Terry Leahy.

Read more: [Wykeland plots further Europarc expansion in Grimsby with inward investor deal agreed](#)

A sell off of plants has been strongly speculated upon, with the vertically integrated model of large-scale food production and retail a unique selling point for Morrisons, and while the company is declining to comment, operations do look set to stay in-house.

Sources suggest it could see long term agreements put in place to leaseback sold sites – with a high percentage currently freehold.

Such deals would create a significant cash injection for the big four operator, and may prove attractive to property investors with a strong tenant in place to secure a long-term income.

Morrisons took over the former Kwoks Foods site in Europarc

almost a decade ago, adding the larger former Kerry Foods plant on the same business park a couple of years later.



An aerial view of Morrisons' Lakeside seafood production facility on Grimsby's Europarc.

It had been mothballed in 2012, having been built as a ready meals plant for Headland Foods in 2002.

While cost challenges abound, the retail-focused seafood sector in Grimsby saw strong growth throughout the pandemic, which is translating into plant expansion.

[Hilton Seafood is completing a major site addition](#) on South Humberside Industrial Estate, while [New England Seafood International has acquired the neighbouring Haith's facility on Europarc](#), as part of a future-proofing plan, with the occupier leasing back as it works towards a newbuild eco-centre in Louth.

CD&R's approach for Morrisons triggered a three-month bidding

war with Fortress, but the company was de-listed ahead of an agreement to sell off a number of petrol stations, satisfying the competition watchdog.

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