

STRATEGICALLY LOCATED MULTI LET OFFICE INVESTMENT OPPORTUNITY



INTERCHANGE TWENTY ONE

MERIDIAN BUSINESS PARK, LEICESTER, LE19 1WD





INVESTMENT SUMMARY

- Extremely well located office park just off Junction 21 of the M1
- Excellent road connectivity and access links
- Freehold
- Comprises nine self-contained, vertically divisible office units totalling 35,045 sq ft
- Multi let to six tenants
- AWULT 4.34 years to lease expiry and 4.04 years to break
- Total current rent of £414,032 per annum (£11.81 psf)
- Most recent letting in June 2017 achieved £13.00 psf
- 92% of the income secured to tenants with a creditsafe rating of 75/100 including ITS, JLG and The NHS
- 137 car parking spaces, providing an excellent ratio of (1:256 sq ft)
- Landlord recently spent approx. £500,000 refurbishing five units
- All the vacant units were let within two months of the space being refurbished
- Excellent occupier market, with extremely low office supply in the area
- No sub 5,000 sq ft office space available in Grove Park or Meridian Business Park
- Investment under pinned by vacant possession values, being £130 psf - £150 psf
- Offers in excess of £5,000,000 subject to contract and exclusive of VAT
- Net Initial Yield of 7.77% and a Reversionary Yield of 8.55% (based on ERV at £13.00 psf)
- Low Capital Value of £142 psf

LOCATION

Leicester is strategically located 30 miles south of Nottingham, 100 miles north west of London and 44 miles north east of Birmingham. The city is the second largest in the East Midlands and is a major commercial and retail destination. Leicester is home to the University of Leicester and De Montfort University with over 40,000 students resident in the city.

The park provides direct access onto the city's ring road, with the city centre 6 miles to the north. Leicester railway station lies at the heart of the city centre, with four trains an hour to London, with a fastest journey time of 1 hour 6 minutes.

Leicester benefits from excellent road links, with the A50, A46 and A563 providing access to the city centre, all via J21, J21A & J22 of M1 motorway.

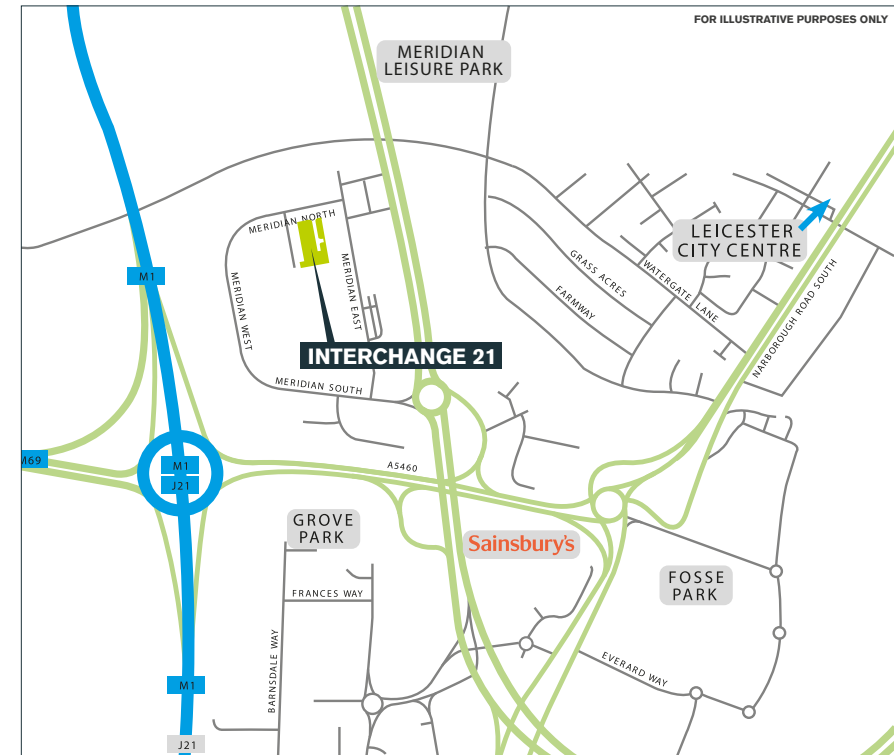
East Midlands airport lies 20 miles to the north west of the city.

SITUATION

Interchange 21 is located on the well-established Meridian Business Park in Leicester, which is located adjacent to J21 of the M1. The Park has been developed over the last 30 years, and is home to a number of high profile businesses in the office and industrial sectors.

Occupiers include Royal Mail, Samworth Brothers, Bellway Homes, Persimmon Homes, NHS, Sytner BMW, DPD, Makro, Boden, Premier Inn and McDonalds.

Fosse Park is considered to be the best out of town retail park in the UK, is in close proximity to Meridian Business Park offering a full range of shopping amenities, whilst Sainsbury's is even closer at Grove Farm Triangle. Meridian Leisure Park is less than 5 minutes drive from the business park, where numerous restaurants can be found.

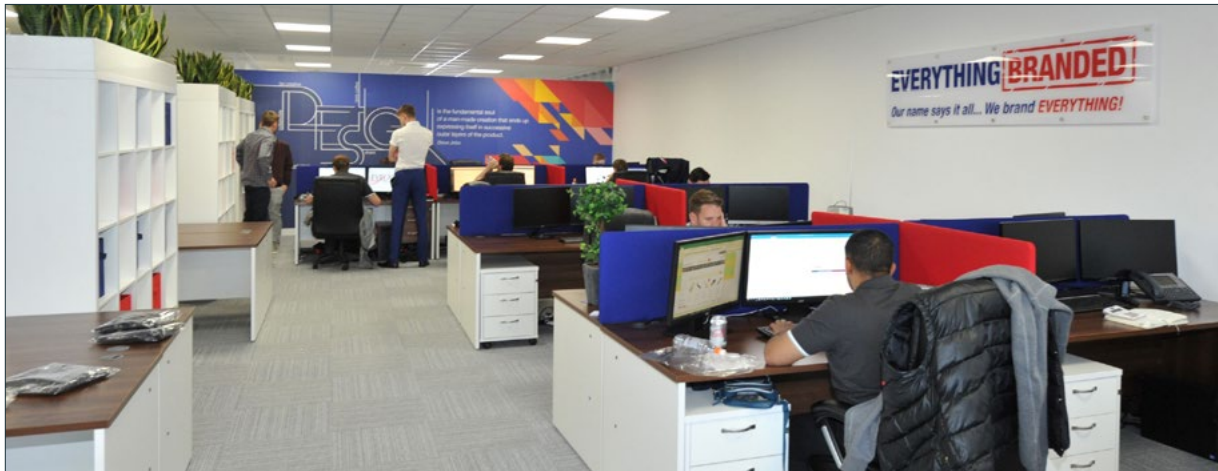


DESCRIPTION

Interchange 21 comprises a purpose built office park, of nine semi detached self contained ground floor offices. The offices are of steel frame construction and have panelled elevations with glazed frontages, under a pitched roof. Five of the nine units have been comprehensively refurbished in the last six months. The offices are arranged in two terraces that over look a landscaped car park.

The units in total measure 35,045 sq ft, ranging from 2,758 sq ft - 5,710 sq ft. There are a total of 137 car parking spaces providing an excellent parking ratio of 1:256 sq ft. Of these 137 spaces, 18 remain undemised.

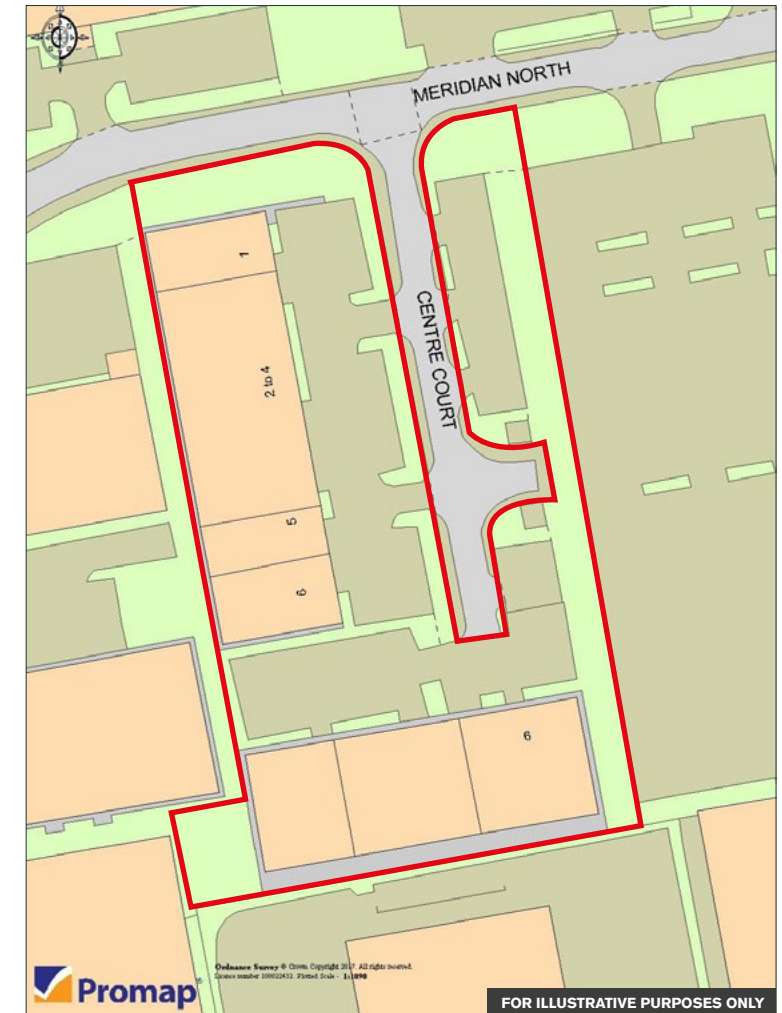
The property has a site area of approximately 2.583 acres.



SPECIFICATION

Five of the nine units have been fully refurbished. The specification includes:

- New suspended ceilings
- Raised floors
- LED sky tile lighting
- New VAV air-conditioning throughout



TENURE

Freehold.

TENANCY INFORMATION

The property is multi let to six tenants on FRI leases in accordance with the tenancy schedule below. The AWULT is 4.34 years to lease expiry and 4.04 years to break.

Unit	Tenant	Area Sq ft	Lease Start	Lease Expiry	Break Date	Current Rent p.a.	Rent psf	ERV p.a. (£13.00 psf)	LTA 1954 Act	Comments
1	Beamex Ltd	2,763	13-Apr-2017	12-Apr-2022	n/a	£33,200	£12.02	£35,919	Outside	Y1 £28,000, Y2 £30,000, Y3-Y5 £33,200. Vendor will top up rent to £33,200. 10 Car Parking Spaces. 3 month rent deposit.
2	ITS Testing Services (UK) Ltd t/a Intertek	2,786	25-Jun-2015	24-Jun-2020	n/a	£31,770	£11.40	£36,218	Inside	8 Car Parking Spaces. Tenant has not exercised their option to break on 25/12/2017.
3	ITS Testing Services (UK) Ltd t/a Intertek	4,249	25-Jun-2015	24-Jun-2020	n/a	£47,925	£11.28	£55,237	Inside	13 Car parking Spaces. Tenant has not exercised their option to break on 25/12/2017.
4	ITS Testing Services (UK) Ltd t/a Intertek	4,296	25-Jun-2015	24-Jun-2020	n/a	£48,510	£11.29	£55,848	Inside	12 Car Parking Spaces. Tenant has not exercised their option to break on 25/12/2017.
5	Charles Alexander Distribution Ltd	2,776	08-Jun-2017	02-Feb-2023	n/a	£36,088	£13.00	£36,088	Outside	4 months rent free and 1 month rent deposit. Vendor will top-up rent free. 9 Car Parking Spaces. Schedule of condition.
6	Three Sixty Fashions Ltd	2,758	11-May-2017	10-May-2022	n/a	£34,475	£12.50	£35,854	Inside	Guaranteed by two BVI co's, 6 months rent deposit. 10 car parking spaces.
7	JLG Industries Ltd	4,212	12-Jun-2017	11-Jun-2022	n/a	£50,544	£12.00	£54,756	Inside	4 months rent free. Vendor will top-up rent free. 13 car parking spaces plus an additional 6 spaces in the overflow car park.
8	Charles Alexander Distribution Ltd	5,710	03-Feb-2017	02-Feb-2023	n/a	£68,520	£12.00	£74,230	Outside	Schedule of condition. 18 car parking spaces. 3 months rent deposit.
9	East Midlands Ambulance Service NHS Trust	5,495	25-Mar-2016	24-Mar-2021	25-Mar-2019	£63,000	£11.46	£71,435	Inside	20 car parking spaces.
	Total	35,045				£414,032	£11.81	£455,585		

The service charge budget for 2017 totals £24,957.30, reflecting a low rate of £0.71 psf. There are no service charge caps.



COVENANT INFORMATION

BEAMEX LIMITED (03928990) - Creditsafe Rating 95/100

Beamex are a leading provider of calibration services. Established in 1975, they develop calibrators, calibration software and calibration test benches.

They have offices in the UK, Finland, the USA, France, China, India and the UAE.

Year to Date	Turnover	Pre-Tax Profit	Shareholders Funds
31/12/2016	£2,608,551	£301,299	£613,335
31/12/2015	£2,520,875	£299,656	£594,679
31/12/2014	£2,893,276	£454,105	£687,636

ITS TESTING SERVICES (UK) LIMITED (01408264) - Creditsafe Rating 76/100

ITS are a provider of quality assurance, Testing, Inspection and certification services to a wide variety of companies in the R&D, Components, manufacturing, transportation, distribution, retail, and consumer management industries.

They operate from over 1,000 locations, with 42,000 employees in over 100 countries.

Year to Date	Turnover	Pre-Tax Profit	Shareholders Funds
31/12/2015	£115,194,000	£5,929,000	£14,018,000
31/12/2014	£111,020,000	-£6,121,000	£9,693,000
31/12/2013	£109,582,000	£3,965,000	£14,961,000

CHARLES ALEXANDER DISTRIBUTION LIMITED (07216411) - Creditsafe Rating 89/100

Charles Alexander Distribution is an award-winning, leading distributor of promotional merchandise.

The business has grown rapidly through a recession by employing the very best digital marketing strategy. Listing worldwide brands amongst some of its customers.

Year to Date	Turnover	Pre-Tax Profit	Shareholders Funds
30/04/2016	£2,572,816	£289,505	£206,262
30/04/2015	£1,993,044	£199,761	£123,410
30/04/2014	£1,041,350	£111,316	£12,101

JLG INDUSTRIES (UNITED KINGDOM) LIMITED (03620292) - Creditsafe Rating 76/100

JLG are one of the worlds leading designers and manufacturers of lift and access equipment worldwide.

They have a presence across Europe, Latin America, The Middle East, The Pacific Rim and Australasia.

Year to Date	Turnover	Pre-Tax Profit	Shareholders Funds
30/09/2015	£78,964,800	£2,319,578	£7,908,527
30/09/2014	£66,358,711	£1,464,350	£5,752,962
30/09/2013	£50,380,642	£1,039,631	£4,066,858

EAST MIDLANDS AMBULANCE SERVICE NHS TRUST

The East Midlands Ambulance Service Trust provides emergency 999 care and telephone assessment services for a population of £4.8m people. Headquartered in Nottingham, the Leicester operation provides both emergency services and training facilities.



INVESTMENT MARKET

Leicester has seen an increase in investment activity levels over the last 12 months with a number of out of town office deals as follows:

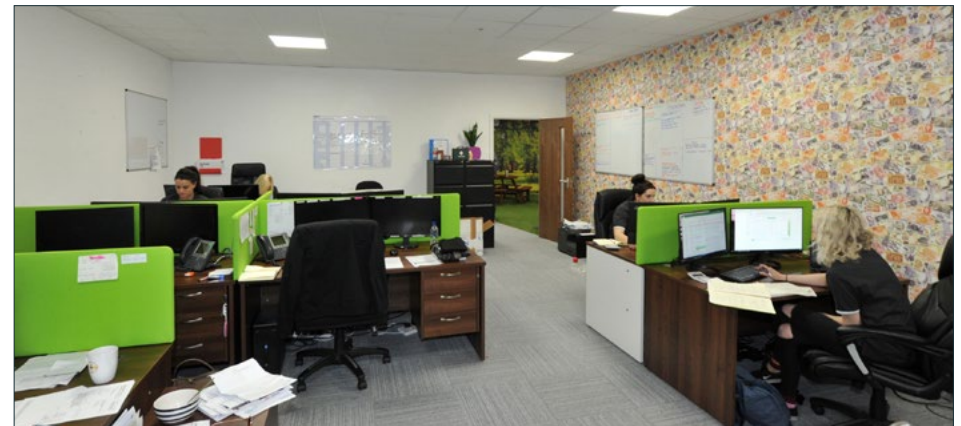
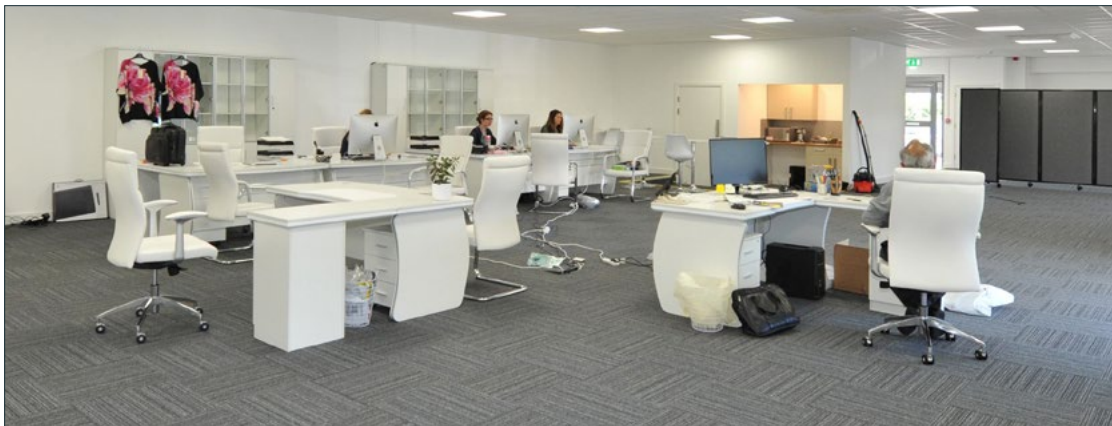
Address	Area (Sq ft)	AWULT	Purchaser	Price	Initial Yield	Capital Value (psf)	Date
1 Frances Way, Grove Park	21,393	11 yrs	Overseas	£5,000,000	5.90%	£233	March 2017
Ryderheath House, Meridian Business Park	10,800	4 yrs	Private	£1,400,000	4.48%	£129	March 2017
4 Barton Close, Grove Park	10,772	10 yrs	Hammond Grange	£2,060,000	6.11%	£191	July 2016
1 Barton Close, Grove Park	6,657	6 yrs	Hammond Grange	£1,467,000	6.50%	£220	July 2016
6 The Way, Grove Park	3,717	2 yrs	Hammond Grange	£660,000	7.31%	£177	June 2016
King Edwards Court, Sutton Coldfield	19,187	9.5 yrs	Private	£3,627,000	6.50%	£189	June 2016

OCCUPATIONAL MARKET OVERVIEW

Leicester is experiencing strong occupational demand for good quality office buildings both city centre and out of town. The two out of town office parks, Grove Park and Meridian Business Park are home to the most significant out of town occupiers in Leicester. Grove Park has established itself over the last two decades as one of the best out of town office parks in the East Midlands and has traditionally catered for larger occupiers, with HSBC, Selfridges, British Gas and the NHS all occupying buildings over 15,000 sq ft or more. Rents on Grove Park are higher than Meridian Business Park, with headline rents reaching in excess of £16.50 psf.

Meridian Business Park is a mixed-use office and industrial park and caters for occupiers looking for high quality cost effective space out of town, on a motorway location. Take up for offices in Leicester has grown steadily over the last 3 years, with figures standing at 485,000 for 2016. Rents have grown steadily over the last 3 years with out of town headline rents at £18.50 psf. We outline below a number of the most recent lettings as follows:

Address	Area (Sq ft)	Tenant	Lease Term	Rent (£psf)	Date
3 Smith Way, Grove Park	6,000	Under Offer	10 years	16.25	May 17
2 Barnsdale Court, Grove Park	2,106	My Home Move	5 years	15.95	Oct 16



EPC

Full EPCs are available upon request.

VAT

We are advised that the property has been elected for VAT. It is anticipated that the sale is to be treated as a transfer of Going Concern (TOGC).

DATA ROOM

A Data Room has been set up to include all relevant sales documentation. Access is available upon request.

ASSET MANAGEMENT OPPORTUNITIES

The park offers a number of asset management opportunities:

- Re-gear leases with NHS and Intertek
- Move the rental tone up to the proven ERV of £13.00 per sq ft
- Refurbish older units as they become available and move headline rent on
- The investment is underpinned by vacant possession values at £130 psf - £150 psf

PROPOSAL

We are instructed to invite offers in excess of **£5,000,000 (FIVE MILLION POUNDS)**, which reflects a **Net Initial Yield of 7.77%** based on purchaser's costs of 6.59%. A purchase at this level would reflect a reversionary yield of 8.55% and a low capital value of £142 per sq ft.

Misrepresentation Act: Finn & Company for themselves and for the vendors of these properties whose agent they are give notice that: 1. These particulars do not constitute, nor constitute any part of the offer for sale or contract for sale. 2. All statements contained in these particulars as to these properties are made without responsibility on the part of Finn & Co or the vendors or lessors. 3. None of the statements contained in these particulars as to these properties are to be relied on as statements or representations of fact. 4. Any intending purchasers must satisfy themselves by inspection or otherwise as to the correctness of each of the statements contained in these particulars. 5. Any plans or photographs or drawings shown in these particulars are to enable prospective purchasers or tenants to locate the properties. The plans are photographically reproduces and therefore not to scale except where expressly stated. The plans or photographs or drawings are not intended to depict the interest to be disposed of. Where location plans are based on Ordnance Survey maps this is with the consent of HM Stationery Office, Crown Copyright Reserved. 6. No warranty or undertaking is given in respect of the repair or condition of the properties or any items expressed to be included in the sale. 7. Any properties or drawings of the relevant properties or part thereof or the neighbouring areas may not depict the properties or the neighbouring areas at the date a prospective purchaser or tenant inspects the brochure. Prospective purchasers or tenants are strongly advised to inspect the properties and neighbouring areas. 8. Finn & Company have not measured the properties and have relied upon clients information. Therefore Finn & Co give no warranty as to their correctness or otherwise and the purchasers must rely on their own measurements. 9. All terms quoted are exclusive of value added tax unless otherwise stated. 10. The vendors do not give and neither Finn & Co nor any person in their employment has any warranty whatsoever in relation to these properties. 11. These details are believed to be correct at the time of compilation but may be subject to subsequent amendment. 12. These details were prepared as of JUNE 2017.

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