

**7&8 CLARENDON DRIVE**  
**MILTON KEYNES, MK8 8ED**

TWO FREEHOLD REVERSIONARY LOW RISE MULTI LET OFFICES  
WITH FUTURE DEVELOPMENT POTENTIAL



## INVESTMENT SUMMARY

- Situated 2 miles from Milton Keynes town centre
- Two single storey detached office buildings constructed in the 1980s
- Totals 40,512 sq ft
- Freehold
- Total site area of 4.55 acres
- Low site cover of 29%
- 185 parking spaces, providing an excellent ratio of 1:219 sq ft
- 100% occupied and multi let to 5 tenants producing a total rent of £477,879 pa equating to a low average rent of £11.80 psf
- New ERV established following completion of recent letting at £13.25 psf
- 4.25 years AWULT to break and 7.17 years to expiry
- In 2016 (unit 7) and 2018 (unit 8) there was a complete replacement of the air-conditioning systems
- Medium term development potential, subject to planning
- Offers in excess of **£5,200,000 (FIVE MILLION, TWO HUNDRED THOUSAND POUNDS)**, subject to contract and exclusive of VAT
- A purchase at this level reflects a **net initial yield of 8.62% and a reversionary yield of 9.68%** based on ERV, allowing for purchaser's costs of 6.60%
- The price reflects a **low capital value of £128 psf**





## KEY

1. Unit 7 & 8 Clarendon Drive
2. Sysmex
3. Thyssenkrupp Aerospace
4. Apex Linvar
5. Pyrotek
6. Brioche Pasquier
7. Caxton Industrial Estate
8. VW Group National Learning Centre
9. Clarendon Industrial Park



## LOCATION

Milton Keynes is one of the largest towns in the South East of England. In recent years it has become one of the leading commercial, retail, leisure and distribution centres.

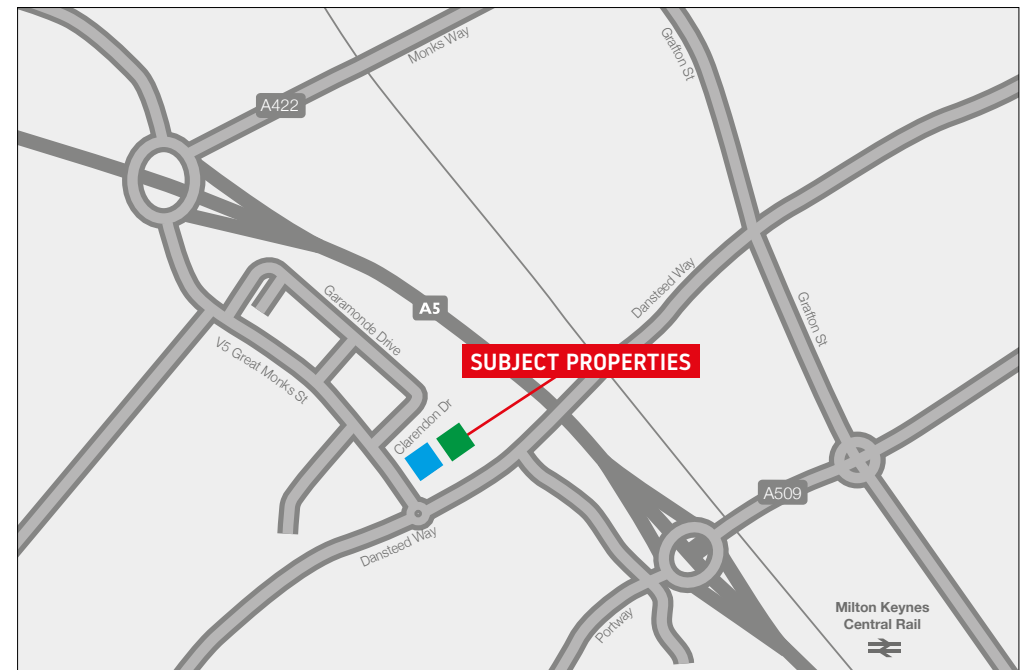
The town has a resident population of over 200,000 which is projected to exceed 300,000 in the next fifteen years, making it one of the fastest growing towns in the UK.

Over £1 billion of private investment has been committed to Milton Keynes in the last decade, transforming the town's skyline with new architecture and developing infrastructure which has provided a base for continuing economic growth.

The strength of the location has attracted a range of occupiers to the town such as Network Rail, Mercedes Benz, Coca-Cola, Suzuki, Home Retail Group and Amazon.

## SITUATION

The property occupies the southern most point of the Wymbush Estate to the west of the town centre. The property is situated on the southern side of Clarendon Drive which links to the A5 via V5 Great Monks Street.



## COMMUNICATIONS



Milton Keynes is strategically located to benefit from excellent road connections. It is situated adjacent to Junction 14 of the M1 Motorway and the A5 trunk road.

LOCATION	DISTANCE	JOURNEY TIME
M1 Motorway (J14)	2 miles	6 mins
M25 Motorway (J64)	34 miles	37 mins
Central London	54 miles	1 hr 30 mins
Birmingham	71 miles	1 hr 15 mins
Cambridge	46 miles	1 hr 7 mins
Oxford	41 miles	1 hr 5 mins



Milton Keynes Central Station, offers a wide range of direct destinations.

LOCATION	JOURNEY TIME
Northampton	15 mins
Coventry	29 mins
London Euston	30 mins
Birmingham New Street	55 mins
Manchester Picadilly	1 hr 38 mins



All London Airports are located within an hour and a half drive of Clarendon Drive with London Luton only a 40 minutes drive.

LOCATION	DISTANCE	JOURNEY TIME
London Luton	27 miles	40 mins
London Heathrow	50 miles	1 hr 10 mins
London Gatwick	90 miles	1 hr 30 mins





## DESCRIPTION

The site comprises of two single storey detached office buildings constructed in the 1980s. The buildings are of steel frame construction with predominantly glazed elevations and a flat roof.

The properties provide a total of 40,512 sq ft. There are 185 car parking spaces providing an overall ratio of 1:219 sq ft.

Both units are of similar configuration being predominantly open plan around a central core.

In 2016 (unit 7) and 2018 (unit 8) the air-conditioning systems were replaced.

## TENURE

Freehold.









# ACCOMMODATION & TENANCY

The property is fully let to 5 tenants in accordance with the tenancy schedule below, producing a total rent of £477,879 pa, with a WAULT of 7.17 years to expiry and 4.25 years to break options.

TENANT	UNIT	NET LETTABLE AREA (SQ FT)	PARKING SPACES	LEASE START DATE	LEASE EXPIRY DATE	INSIDE/ OUTSIDE ACT	NEXT RENT REVIEW DATE	BREAK DATE (LL/T)	RENT P.A	RENT PSF	ERV P.A	ERV PSF	CREDIT SAFE RATING	COMMENTS
Mirus IT Solutions Ltd	Unit 7A	12,659	55	05-Feb-16	04-Feb-26	Inside	05-Feb-21	05-Feb-21 (T)	£139,249	£11.00	£167,731	£13.25	95	Stepped rent as follows: Feb 2019 - Feb 2020: £136,084 p.a. Feb 2020 - Feb 2021: £139,249 p.a. Vendor to top up. Break option subject to 6 months notice.
National Locums Ltd	Unit 7B	10,606	64	24-Jun-19	23-Jun-29	Inside	24-Jun-24	24-Jun-24 (T)	£140,530	£13.25	£140,530	£13.25	70	6 months rent free and 12 months half rent. Vendor to top up. Break option subject to 6 months notice.
Lucid Support Services Ltd	Unit 8A	4,887	22	01-Jun-17	31-May-22	Outside			£60,000	£12.28	£64,753	£13.25	52	Service charge capped at £4.00 psf. Stepped rent as follows: June 2019 - June 2020: £40,000 p.a. June 2020 - June 2021: £50,000 p.a. June 2021 - May 2022: £60,000 p.a. Vendor to top up.
Verify Europe Ltd	Unit 8B	4,260	14	26-Nov-17	25-Nov-22	Outside			£49,000	£11.50	£56,445	£13.25	84	Service charge cap: £4.00 psf.
RFE Europa Ltd	Unit 8C	8,100	30	28-Mar-13	27-Mar-28	Outside	28-Mar-23		£89,100	£11.00	£107,325	£13.25	56	
<b>TOTAL</b>		<b>40,512</b>	<b>185</b>						<b>£477,879</b>	<b>£11.80</b>	<b>£536,784</b>	<b>£13.25</b>		

Creditsafe rating (out of 100) \* 71 - 100 Very Low Risk | 51 - 70 Low Risk | 30 - 50 Moderate Risk | 21 - 29 High Risk | 1 - 20 Very High Risk





# COVENANT INFORMATION

## Mirus IT Solutions Ltd (04569266)

M I R U S

Mirus IT Solutions Ltd was founded in 2002 and provides award winning strategic IT, Telephony and Managed Print services and support to companies of all sizes from a wide range of industries including financial services, marketing, recruitment and education. They have over 100 employees and also have strong relationships with many industry leading companies including Gamma, Vodafone, EE, Olivetti and Develop and are a Microsoft Gold Competency Partner. Mirus's HQ is based in Milton Keynes.

Year to Date	Turnover	Pre-Tax Profit	Shareholders Funds
31/10/2018	£8,980,338	£456,883	£1,238,732
31/10/2017	£7,576,817	£310,968	£1,178,491
31/10/2016	£7,352,202	£346,201	£1,106,670

## National Locums Ltd (06808451)

NATIONAL  
LOCUMS

National Locums was established by brothers David and Glenn Cook and is one of the World's leading, and fastest growing, specialist recruitment companies, supplying locum doctors and nurses to NHS and independent hospitals throughout the UK. National Locums currently employ up to 200 people.

Year to Date	Turnover	Pre-Tax Profit	Shareholders Funds
28/02/2018	£17,771,921	£234,034	£478,382
28/02/2017	£19,228,166	£290,112	£559,187
29/02/2016	-	-	£633,446

## Lucid Support Services Limited (04419473)

Lucid  
Support Services Ltd

Lucid was founded in 2002 and is an established, reliable and trusted IT Employment Services and IT Project Delivery provider throughout the UK and parts of Europe. They currently employ up to 50 employees and supply specialist qualified and certified IT Professionals for interim, project, temporary, back-fill and executive level roles. Lucid's HQ is based in Milton Keynes.

Year to Date	Turnover	Pre-Tax Profit	Shareholders Funds
31/03/2019	-	-	£558,612
31/03/2018	-	-	£351,780
31/03/2017	-	-	£217,354

## Verify Europe Ltd (SC187289)

VERIFY  
Europe

Verify Europe are part of the Verify Group of companies, who have for almost 40 years been supporting the global aerospace, defence and high technology industries. Operating in over 40 countries, Verify delivers supplier performance management solutions through three main service categories, those being; supplier performance management, engineering services and technical resources.

Year to Date	Turnover	Pre-Tax Profit	Shareholders Funds
31/10/2017	-	-	£2,924,656
31/10/2016	-	-	£2,485,944
31/10/2015	-	-	£1,993,673

## RFE Europa Ltd (07162852)

RFE  
INTERNATIONAL

RFE Europa Ltd are part of RFE International who are a global sports and fitness company specialising in the design, manufacture, marketing and sales of fitness equipment to both the commercial and home markets. RFE cover more than fifty countries worldwide and currently operate their HQ from the Milton Keynes office.

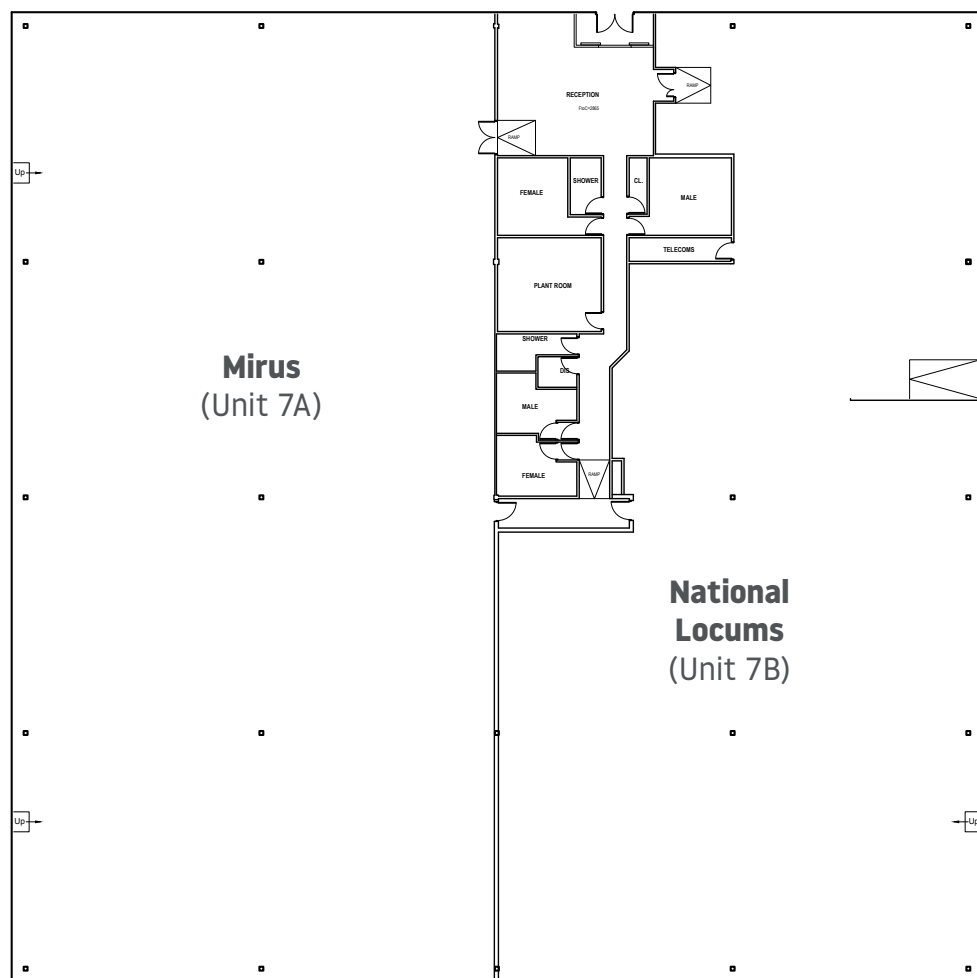
Year to Date	Turnover	Pre-Tax Profit	Shareholders Funds
30/06/2018	£19,894,121	£2,305,814	£4,592,017
30/06/2017	£22,384,723	£38,035	£2,286,203
30/06/2016	£21,287,881	£196,448	£2,238,276



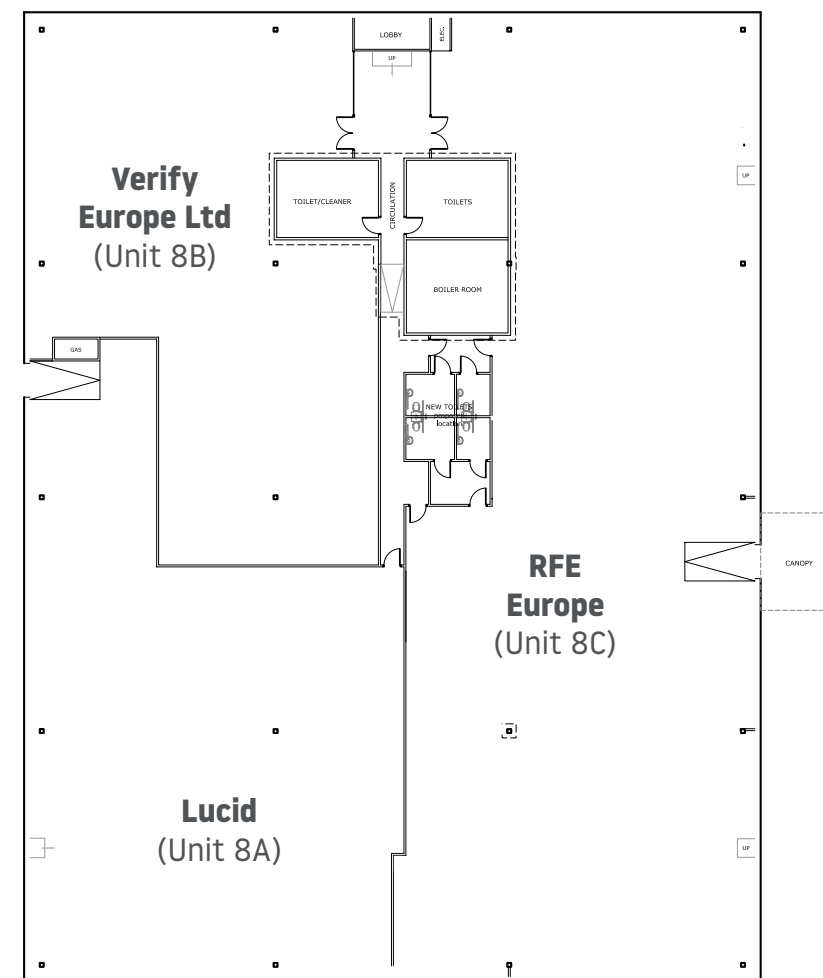


# FLOORPLANS

## Unit 7



## Unit 8









# MILTON KEYNES – A CITY OF GROWTH

Since receiving new town designation in 1967, Milton Keynes has consistently been ranked at the top of the economic benchmarking surveys. At the core of its success has been its prime location, sitting between London, Birmingham, Oxford and Cambridge. Its close proximity to these major cities and its excellent connectivity has attracted many leading companies to base themselves in the city, drawn by its progressive layout and wide pool of skilled labour.

## KEY FACTS

- The city has experienced greater economic growth than any other UK town or City over the past 10 years with an 18% increase in jobs during this period.
- Milton Keynes has an unrivalled number of UK headquarters for a city of its size, with 75% of business based in the city having their HQ's there.
- Population growth of 20.2% over the past 12 years, well ahead of the average of 8.9% for England.
- In 2017, the town was the second fastest growing in the UK by GDV growth (1st in 2015).
- £1bn of investment has been committed over the past decade.
- Milton Keynes has the fourth highest number of business start ups in the UK.
- Recently ranked as the second best place to work in the UK.
- Milton Keynes is a young and dynamic city with 48% of the population under 35 years old compared to 37% nationally.

The city's future growth is being driven by RegenerationMK, a government body which is providing a £500m programme of investment in housing, public space and access to skills and employment. This has included the first phase of a new £130m rail link into London Marylebone which completed in October 2015 with phase two scheduled for completion in March 2019.

## World class occupiers located in Milton Keynes include:



## ATTRACTING KEY GROWTH SECTORS:

A new index aimed at identifying the UK's most active tech innovation cities was launched in Q3 2017 by The Open Data Institute and Digital Catapult.

The UK Tech Innovation Index unsurprisingly identified London, Edinburgh and Manchester as the three most tech innovative cities, whilst Cambridge (6th), Milton Keynes (8th) and Oxford (9th) were all placed in the top 10 positions.

The index is intended to inform private and public decision makers when making investment and growth decisions.

## Financial & Business Services

- Milton Keynes is fast-becoming 'the' address for ambitious companies in the financial and business services sector.
- Wide access to a skilled workforce is helped by local college and university schemes, many of whom partner with local businesses.
- Key educational centres include The Open University (headquartered in Milton Keynes), Cranfield University's world famous School of Management as well as other leading Universities in London, Oxford, Cambridge, Warwick and Birmingham.
- High quality but low cost – companies are increasingly attracted to Milton Keynes due to the low total occupational costs compared to London, Oxford, Cambridge and Birmingham.

## IT, Software, Electronics & Communications

- Milton Keynes is a technological hotspot, attracting a strong digital cluster of people and companies from around the world.
- Leading infrastructure investment - the town was the first in the UK to offer superfast broadband, it was an early pioneer of 4G and is currently trialling driverless cars.
- MK:Smart is a £16m partner project between businesses and education aimed at boosting economic growth.

## Advanced Manufacturing

- The City is a powerhouse of British manufacturing from motorsport to soft drinks.
- The collaborative environment allows innovative local firms to partner alongside global giants on next generation technologies.
- World leading names include Red Bull Racing, Honda F1, Prodrive, AG Barr and Coca-Cola.

## SANTANDER UK TECH HUB

Santander will be opening a new state-of-the-art facility in 2022, known as their UK Tech Hub, to be located opposite Milton Keynes Central train station.

The Tech Hub will accommodate more than 5,000 staff and will be Santander's new world class digital hub workplace.



CGI



# MILTON KEYNES OFFICE MARKET

## OVERVIEW

Milton Keynes is one of the most active markets in the South East, with increasing rents, strong demand and a welcome return of development. With the town set to benefit from key transport infrastructure improvements, the fundamentals for continuing rental growth and inward investment are in place over the short and medium term, both in town and out of town.

## TAKE-UP

Take-up was strong in 2018, with 12 month with a take-up figure of 12% above the 10 year average. The TMT sector continues to contribute to a growing occupier base, accounting for a number of the key deals in the last 12 months. Milton Keynes also continues to see inflows of occupiers relocating from London who are attracted by significantly lower occupational costs, strong connectivity and access to a highly skilled workforce.

## SUPPLY

There is currently only 2.3 years supply in Milton Keynes, indicative of a 5 year consecutive reduction in availability, in part due to the continued depletion of stock through PDR schemes.

# RENTAL GROWTH

This lack of Grade A stock and healthy levels of occupier demand has put upward pressure on headline rents, now standing at £27.50 per sq ft, marking a 22% increase on the previous level. This favourable demand-supply dynamic paired with forecasts for substantial economic growth and infrastructure improvements bodes well for future rental growth in Milton Keynes.

Notable and recent lettings include:

DATE	PROPERTY	TENANT	SIZE (SQ FT)	LEASE LENGTH	RENT (PSF)
Q2 2019	Ashton House, Silbury Boulevard	Viva Wallet	7,008	5	£19.50
Q1 2019	The Pinnacle, Midsummer Boulevard	Technip	19,500	5	£21.50
Q4 2018	100 Avebury Boulevard	Shoomiths	19,800	15	£27.50
Q4 2018	Ashton House, Silbury Boulevard	CityFibre	10,279	5	£18.00
Q3 2018	100 Avebury Boulevard	Spaces	47,000	12	£25.00
Q3 2018	7 St Annes, Caldecotte Lake	Computacentre	10,115	5	£19.50
Q2 2018	Bank House, Midsummer Boulevard	Xero	7,000	5	£22.50

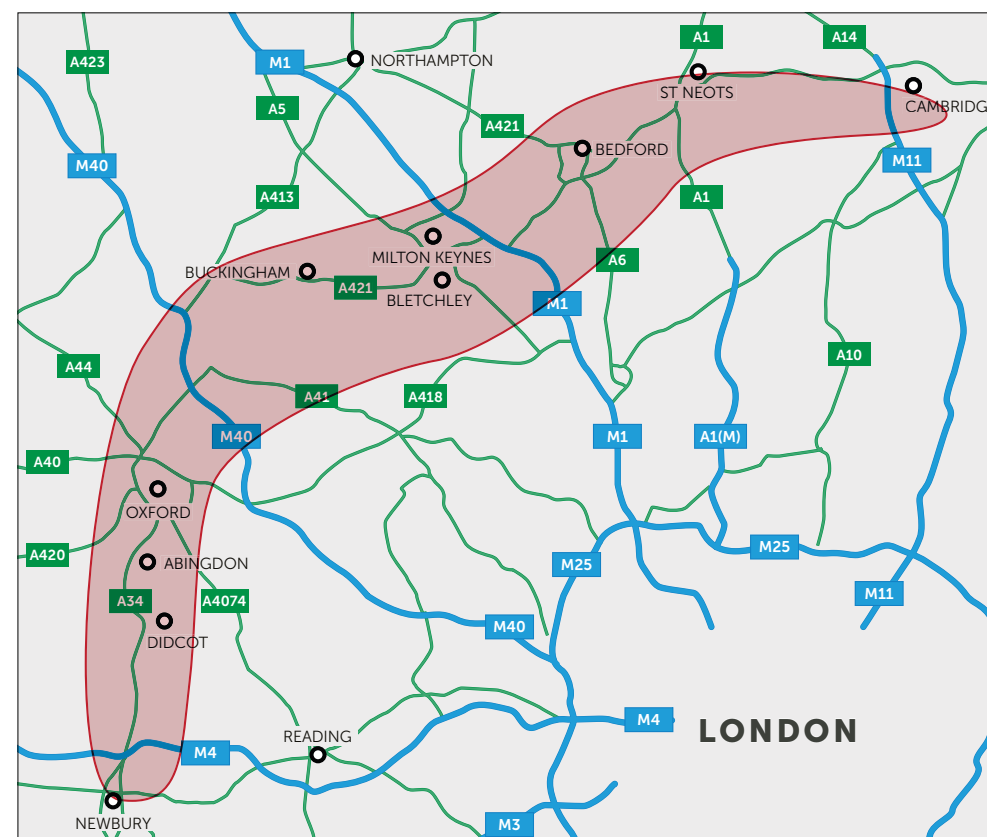
We believe that the property is highly reversionary following the recent letting to National Locums Limited (Unit 7B) at £13.25 psf. This has consequently established the rental tone for the remainder of 7 and 8 Clarendon Drive.

# THE GROWTH CORRIDOR

The UK government has forecast the 'growth corridor' encompassing Oxford, Milton Keynes and Cambridge as the top 3 locations in the UK for economic expansion. Targeted infrastructure improvements will facilitate the delivery of 1,000,000 homes and 950,000 new jobs in this corridor by 2050, estimated to increase economic output by £163bn.

This will include a new Oxford to Cambridge Expressway road link via Milton Keynes, construction of which is due to commence 2021/2022. Further plans for the East West rail link have also been announced, which will re-establish a rail link between Oxford and Cambridge, also via Milton Keynes.

At the heart of the corridor, Milton Keynes is uniquely placed to benefit from future growth, with the Council's MK Futures 2050 commission aiming to double the size of the city by 2050 through the delivery of six big projects.





## SOUTH EAST MULTI-LET OFFICE INVESTMENT TRANSACTIONS

Investment volumes in the south east office market remain resilient as a result of the robust fundamentals, improving occupational backdrop and prospects for rental growth. The sector remains a target for both domestic institutions and property companies while overseas buyers have also recognised the relative attractiveness of regional investment.

DATE	ADDRESS	SQ FT	WALUT TO EXPIRY (TO BREAK)	SALE PRICE (£)	PRICE (£ PSF)	NET INITIAL YIELD (%)	PURCHASER
Jun-19	Bell House, Milton Keynes	10,965	5.2 years	£2,925,000	£266	7.27%	South Somerset District Council
Apr-19	Esken Court, Milton Keynes	24,958	6.9 years	£5,675,000	£227	6.62%	Adur District Council
Mar-19	Theta Building, Frimley	51,575	10.2 years (4.4 years)	£13,500,000	£262	7.74%	Surrey Heath Council
Mar-19	Noble House, Milton Keynes	20,299	3.5 years (2.5 years)	£3,625,000	£179	7.15%	Salaft Properties Ltd
Mar-19	Building A, Watchmoor Park, Camberley	22,124	6.6 years (2.4 years)	£4,570,000	£207	8.50%	London & County Estates
Sep-18	Medway Bridge House, Maidstone	38,814	8.96 years (4.9 years)	£7,400,000	£191	7.64%	Eskmuir Properties Ltd
Aug-18	Melita House, Chertsey	13,980	4.2 years (2.6 years)	£4,720,000	£338	7.05%	Squarestone
Jul-18	Silbury Court, Silbury Boulevard	78,545	6.30 years (3.57 years)	£12,580,000 (Net Price)	£160	7.68%	Shaviram



## SERVICE CHARGE

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The service charge budget for the year ending 31/12/2019 was £112,780, equating to £2.78 psf.

## EPC

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Unit 7 has an EPC rating of C (61).

Unit 8 has an EPC rating of E (110). We are expecting the EPC rating to improve following the air-conditioning upgrade in 2018. A new EPC has been commissioned.

## VAT

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It is envisaged that the property will be treated as a Transfer of a Going Concern for VAT purposes.

## CAPITAL ALLOWANCES

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Capital allowances may be available. Further information available upon request.

## PROPOSAL

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Offers in excess of **£5,200,000 (FIVE MILLION, TWO HUNDRED THOUSAND POUNDS)**, subject to contract and exclusive of VAT.

A purchase at this level reflects a **net initial yield of 8.62%** and a **reversionary yield of 9.68%** based on ERV, allowing for purchaser's costs of 6.60%.

The price also represents a **low capital of £128 psf.**

## FURTHER INFORMATION

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For further information, please do not hesitate to contact one of the Finn & Company team.

Inspections are strictly by appointment only.



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