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# Uttlesford District Council

Chief Executive: Peter Holt

## Investment Board

**Date:** Tuesday, 20th December, 2022

**Time:** 6.00 pm

**Venue:** Council Chamber - Council Offices, London Road, Saffron Walden,  
CB11 4ER

**Chairman:** Councillor N Reeve

**Members:** Councillors G Bagnall, C Criscione, N Hargreaves, A Khan,  
P Lavelle, G LeCount, J Lodge, R Pavitt, G Sell and J De Vries

### Independent

**Member:** R White

# **AGENDA**

## **PART 1**

### **Open to Public and Press**

**1 Apologies for Absence and Declarations of Interest**

To receive any apologies for absence and declarations of interest.

**2 Minutes of the Previous Meeting** 3 - 5

To consider the minutes of the previous meeting.

**3 UDC Property Portfolio Q1 & Q2 2022/23 Report** 6 - 278

To receive the report regarding the UDC Property Portfolio - Quarter 1 and Quarter 2 2022/23.

**4 Commercial Strategy 2023 - 2028** 279 - 298

To consider the first draft of the Commercial Strategy 2023 – 2028.

**For information about this meeting please contact Democratic Services**

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# Agenda Item 2

**INVESTMENT BOARD held at ZOOM on WEDNESDAY, 29 JUNE 2022 at 6.00 pm**

Present: Councillor N Hargreaves (Chair)  
Councillors G Bagnall, C Criscione, G LeCount, G Sell and J De Vries

Officers in attendance: A Webb (Director - Finance and Corporate Services) and C Gibson (Democratic Services Officer).

Councillor Hargreaves took the Chair in the absence of Councillor Reeve.

## **IB1 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST**

Apologies for absence were received from Councillors Khan, Lodge, Pavitt and Reeve.

There were no declarations of interest.

## **IB2 MINUTES OF THE PREVIOUS MEETING**

The minutes of the meeting held on 2 February 2022 were approved.

## **IB3 UDC PROPERTY PORTFOLIO Q3 & Q4 REPORT 2021/22**

The Director of Finance and Corporate Services presented the Property Portfolio Q3 and Q4 report of 2021/22. The report covered two quarters as there had been a delay in getting revised valuation figures for the building plots at Chesterford Research Park.

He outlined the reported positions in March 2022 re:

- Chesterford Research Park – 100% of rent due had been received, void rate was 0.14% and the current valuation £208m, showing a potential profit of £43.5m to the Council.
- Skyway House – Weston Homes currently had 180 staff in the building, which was below capacity.
- Livingston – the tenant was looking to spend £8m - £10m on a Teaching Hospital. The car park had also been improved.
- Waitrose Distribution Centre – negotiations were on-going for a rent increase from April 2022.
- Stane Retail Park – both Aldi and B&Q had been very happy with the arrangements in place.
- Amazon Distribution Centre – the lease had been completed on 18 March 2022.
- Tewkesbury – completion was now expected in September 2022.

The Director outlined the asset valuations as at March 2022 showing at £294.6m; it was noted there had been very significant increases in valuations between September and December 2021. The Chair highlighted the importance of having a balanced portfolio.

In respect of future asset acquisitions, the Director – Finance and Corporate Services said that Councils could continue to invest in commercial assets where it was done so as to increase the value of an existing asset. He said that on that basis, the Council would continue to take forward Stane Retail Park Phase 2. He expected to receive a proposal from the developer in September/ October 2022.

The Director – Finance and Corporate Services summarised the external funding arrangements as at 31 May 2022 as detailed on page 26 of the report. He said the current borrowing rate amongst local authorities was around 1% but that the Government had concerns in respect of short-term borrowing. He said that he was therefore considering the possibility of taking out a 10 year loan with the PWLB.

He also highlighted the change in Reputation risk 21-IB-05 in that Stane Retail Park was the East of England winner in the Commercial Property category of the Royal Institute of Chartered Surveyors (RICS) UK and that the scheme was going forward to the national finals in the Autumn. He said there would be an ideal chance to publicise the successes around Stane Retail Park at the time of the RICS awards.

Members congratulated the Director – Finance and Corporate Services for showing considerable foresight in taking up the opportunities at Stane Retail Park.

The Director summarised the Portfolio as detailed on page 31 of the report. He said that the Portfolio yield of 4.81% would increase to 4.82%.

Members noted the report.

#### **IB4 CHESTERFORD RESEARCH PARK - FUTURE DEVELOPMENT UPDATE**

The Director of Finance and Corporate Services summarised his report which set out progress on a number of projects that would initially be funded from the remaining available funding of £14,474,000.

He outlined the latest situation re:

- Building 800 – BREEAM had provided an Excellent rating.
- Solar Green Energy Hub – indicative timetable slippage had occurred due to delays over the S106 Agreement.
- Building 1100/1200 – this will be brought to Planning Committee and Members stressed the need for presentations in advance.

The Chair again stressed the importance of maintaining a balanced Portfolio of around £300m.

Members recognised the significant size of the site at 260 acres and the great potential in moving forward; also given that census figures showed a significant increase in numbers. It was noted that the Council might look to sell one of its assets in order to secure sufficient funds to move forward on other projects.

Members supported the current projects being undertaken, and agreed, subject to individual business cases, as appropriate, to support the ongoing park development programme.

IB5

## **INDEPENDENT MEMBERS**

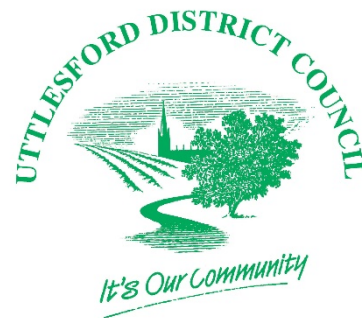
The Director of Finance and Corporate Services presented the report that set out the current position with regards to the independent members vacancies on Aspire (CRP) Ltd and the Investment Board.

The report recommended that Members appointed three councillors to form the interview panel for the vacancies on Aspire (CRP) Ltd and the Investment Board.

Members discussed this issue and recognised that the Independent Members would also be involved in the recruitment process. Councillor Sell then nominated Councillors Reeve, LeCount and Pavitt as the three councillors. This was seconded by Councillor Criscione and the nominations were agreed.

Members thanked the Director – Finance and Corporate Services and the Assistant Director – ICT and Facilities for all their hard work.

*Meeting closed at 7.30 pm*



## **Uttlesford Property Portfolio Q1 & Q2 Report 1 April 2022 – 30 September 2022**

Prepared by: The Asset Management Team – December 2022

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*Please note - This is a combined two quarter report as there were delays in the revaluation of the vacant building plots at Chesterford Research Park*

## Portfolio Assets – Quarterly Update Chesterford Research Park

The Council has loaned Aspire (CRP) Ltd a total of £60,656,500 for the acquisition and further development of the Park. As far as the Council Portfolio is concerned the 'asset' is the loan which the company makes repayments on each year. However, in this section additional information is provided with regards the value of the investment.

### Property Statistics

The key property data for Chesterford Research Park as at 30 September 2022 is as follows:-

### Vacant units

Void	Comment
Garden Cottage- Suite 1 and 2	Comprises 315 sq.ft. Current ERV of £10,670pa.
Garden Cottage- Suite 4 Grd	Comprises 129 sq ft. Current ERV of £4,520pa.
The Mansion- Suite 7B	Comprises 955 sq ft. Current ERV of £47,400pa.

Park void rate of 0.68% (as a percentage of ERV).

### Valuation

	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22
<b>Mansion House</b>	3,880,000	4,040,000	4,220,000	2,890,000	4,150,000
<b>Science Village</b>	21,050,000	23,800,000	25,300,000	27,100,000	27,100,000
<b>Nucleus</b>	-3,460,690	-3,422,713	-3,384,502	-5,427,101	-5,335,543
<b>Garden Cottage</b>	189,500	189,600	150,500	150,400	-47,345
<b>Older perm buildings</b>	2,830,000	3,050,000	3,050,000	3,950,000	4,430,000
<b>Older temp buildings</b>	9,810	6,150	2,430	895,200	892,900
<b>Building 60</b>	28,750,000	32,750,000	34,800,000	36,100,000	36,150,000
<b>Building 200</b>	18,850,000	20,400,000	23,300,000	26,100,000	26,200,000
<b>Building 300</b>	26,350,000	33,000,000	35,450,000	36,550,000	36,550,000
<b>Building 400</b>	5,670,000	6,280,000	6,640,000	7,760,000	7,760,000
<b>Building 600/700</b>	44,200,000	45,250,000	50,150,000	53,300,000	53,400,000
<b>Building 900</b>	11,550,000	13,900,000	13,950,000	13,300,000	13,300,000
<b>Building 50</b>	8,690,000	8,900,000	8,980,000	9,690,000	9,660,000
<b>Miscellaneous</b>	1,640,000	1,640,000	1,640,000	1,640,000	1,630,000
<b>Estate s/c shortfall</b>	-3,787,036	-3,731,101	-3,674,823	-6,162,761	-6,068,248
<b>Development Land</b>	5,200,000	10,200,000	13,150,000	13,150,000	13,500,000
<b>Estate Capex</b>	-1,455,000	-1,455,000	-5,400,071	-6,660,278	-6,118,161
<b>Value</b>	<b>£170,250,000</b>	<b>£194,796,936</b>	<b>£208,323,534</b>	<b>£214,325,460</b>	<b>£217,153,603</b>

The Nucleus negative sum is based on an assumption that the building will operate at a loss for the next eight years, and uses the current actual position as the basis for the calculation.

As can be seen from the valuation figures the park is currently valued at £217,153,603 which gives a value per investor of £108,576,802 a potential profit of £47,980,801

#### Top 10 Tenants by Rent

Tenant	Rental Exposure pa	% of Total Contracted Rent
1. Charles River Discovery Research Services UK Limited	£2,000,000.00	20.55
2. Lonza Biologics plc	£909,150.00	9.34
3. Astrazeneca Limited	£818,838.00	8.41
4. Domainex Limited	£720,000.00	7.40
5. Microbiotica Limited	£668,430.00	6.87
6. Superdielectrics Limited	£465,850.00	4.79
7. Oncologica UK Limited	£437,608.00	4.50
8. Biocrucible Limited	£414,672.00	4.26
9. AbCellera Biologics UK Limited	£414,672.00	4.26
10. Illumina Cambridge Limited	£386,750.00	3.97
	<b>£7,116,092.76</b>	<b>74.34</b>

#### Rent Paid

100% of rent due was received on time for both the June and September quarter dates. 100% of the service charge has also been received on time.



Skyway House Parsonage Road Takeley

**QUARTERLY REPORT – June 2022**

	COMMENTS		
<b>PROPERTY (ADDRESS)</b>	Skyway House Parsonage Road Takeley Bishop's Stortford Herts CM22 6PU  (HQ office building)	Tenant:  Lease Term:  Passing Rent:  Next Rent Review Date:  Basis of Rent Review:	Weston Homes Plc  FRI 25 years from 30.6.20 (23 years unexpired)  £1,128,000 p.a exc  30.6.2025  Fixed Review to £1,276,228 p.a exc on 30.6.2025 (13.14% uplift every 5 years)
<b>DATE OF LAST PROPERTY INSPECTION</b>	24 <sup>th</sup> May 2022 Next inspection due November 2022.		
<b>RENT COLLECTION</b>	The tenant pays quarterly in advance on the usual quarter days. The June 2022 quarter's rent was paid on time.		
<b>INSURANCE</b>	UDC responsible, subject to recovery from WH. AJ Gallagher instructed and obtained competitive quotes for insurance renewal. Insurance placed with RSA. Premium paid by Weston Homes.		
<b>SERVICE CHARGE</b>	N/A		
<b>MANAGEMENT ISSUES</b>	<p>Cushman Wakefield confirmed that PC was achieved on 14<sup>th</sup> September 2020. The Final BREEAM Post Construction Assessment Report and Certificate was issued in November 2020.</p> <p>Cushman Wakefield undertook the end defects inspection on 13<sup>th</sup> September 2021. Weston Homes have provided the certification required and have advised that the snagging works in respect of the Section 278 agreement have been completed, however, the final certificate cannot be issued until the Council have signed off the works as complete.</p> <p>ML have copies of the tenant's Risk Assessments and compliance certification and Health and Safety File and obtain copies of updated compliance certification from the tenant.</p> <p>The building is now fully occupied, the rear of the 2<sup>nd</sup> floor has been fitted out as high specification director's offices.</p>		
<b>ASSET MANAGEMENT OPPORTUNITIES &amp; GREEN INITIATIVES</b>	<p>Weston Homes have an interest in approx. 220 acres of farmland to the rear of the property, including a 7 acre field at the rear of the building.</p> <p>The majority of the land is leased back to a local farmer. This is being promoted for development. The planning appeal decision is awaited.</p> <p>The Property has an EPC rating of A16 and BREEAM rating of very good.</p> <p>There is a grey water recycling system and all the lights are LED with most on sensors. There are 16 electrical vehicle charging points. The tenant is proposing to install further charging points in the basement car park.</p>		





Skyway House Parsonage Road Takeley

**QUARTERLY REPORT – SEPTEMBER 2022**

	COMMENTS		
<b>PROPERTY (ADDRESS)</b>	Skyway House Parsonage Road Takeley Bishop's Stortford Herts CM22 6PU  (HQ office building)	Tenant:  Lease Term:  Floor Area:  Passing Rent:  Next Rent Review Date:  Basis of Rent Review:	Weston Homes Plc  FRI 25 years from 30.6.20 (22 years 9 months unexpired)  47,951 sq ft  £1,128,000 p.a exc  30.6.2025  Fixed Review to £1,276,228 p.a exc on 30.6.2025 (13.14% uplift every 5 years)
<b>DATE OF LAST PROPERTY INSPECTION</b>	24 <sup>th</sup> May 2022 Next inspection due November 2022.		
<b>RENT COLLECTION</b>	The tenant pays quarterly in advance on the usual quarter days. The September 2022 quarter's rent was paid on time.		
<b>INSURANCE</b>	UDC responsible, subject to recovery from WH. Cushman & Wakefield (CW) instructed to undertake an updated desktop Reinstatement Cost Assessment (RCA). The insurer RSA increased the Buildings Declared Value w.e.f. 08.08.2022. The tenant has been invoiced for the additional premium due. Insurance Renewal w.e.f. 01.10.2022 AJ Gallagher obtained competitive quotes from RSA & AXA. RSA offered a reduction in the rate of 0.5% so policy renewed with RSA. ML have invoiced Weston Homes for premium for the year to 30.09.2023.		
<b>SERVICE CHARGE</b>	N/A		
<b>MANAGEMENT ISSUES</b>	CW confirmed that PC was achieved on 14 <sup>th</sup> September 2020. The Final BREEAM Post Construction Assessment Report and Certificate was issued in November 2020. CW undertook the end defects inspection on 13 <sup>th</sup> September 2021. Weston Homes have provided the certification required and have advised that the snagging works in respect of the Section 278 agreement have been completed, however, the final certificate cannot be issued until the Council have signed off the works as complete. ML have copies of the tenant's Risk Assessments and compliance certification and Health and Safety File and obtain copies of updated compliance certification from the tenant. The building is now fully occupied, the rear of the 2 <sup>nd</sup> floor has been fitted out as high specification director's offices.		
<b>ASSET MANAGEMENT OPPORTUNITIES &amp; GREEN INITIATIVES</b>	Weston Homes have an interest in approx. 220 acres of farmland to the rear of the property, including a 7 acre field at the rear of the building. The majority of the land is leased back to a local farmer. The planning appeal for the development of the land for residential and employment use was turned down in August 2022. The Property has an EPC rating of A16 and BREEAM rating of very good. There is a grey water recycling system and all the lights are LED with most on sensors. There are 16 electrical vehicle charging points. The tenant is proposing to install further charging points in the basement car park.		



1 Deer Park Road Fairways Business Park Livingston

**QUARTERLY REPORT – JUNE 2022**

	COMMENTS		
<b>PROPERTY (ADDRESS)</b>	<p>1 Deer Park Road Fairways Business Park Livingston EH54 8AF</p> <p>(Private Veterinary Hospital)</p>	<p><b>Tenant:</b></p> <p><b>Lease Term:</b></p> <p><b>Agreed Rent:</b></p> <p><b>Rent Commencement Date:</b></p> <p><b>Next Rent Review Date:</b></p> <p><b>Basis of Review:</b></p>	<p>Veterinary Specialists (Scotland) Ltd</p> <p>FRI lease 20 years from 10.9.2019 (17 years 2 months unexpired)</p> <p>£372,546 p.a exc</p> <p>10.9.2023</p> <p>10.9.2024</p> <p>Fixed Review to £411,320 p.a exc</p>
<b>DATE OF LAST PROPERTY INSPECTION</b>	<p>9<sup>th</sup> February 2022. Next inspection 17th August 2022.</p>		
<b>RENT COLLECTION</b>	<p>The tenant has a four-year rent-free period, so the rent commencement date is 10.9.2023. The Lease provides for quarterly payments, however, a side letter has been signed to allow the tenant to pay monthly on 1<sup>st</sup> of each month.</p>		
<b>INSURANCE</b>	<p>UDC responsible, subject to recovery from tenant. AJ Gallagher instructed and obtained competitive quotes for renewal of insurance as at 30.09.2021. Insurance placed with RSA, Premium recharged to the tenant. UDC have appointed Cushman Wakefield to undertake an insurance reinstatement revaluation prior to the September renewal.</p>		
<b>SERVICE CHARGE</b>	<p>N/A</p>		
<b>MANAGEMENT ISSUES</b>	<p>The building was constructed as an office building in 2002 and was converted in 2019 to a Veterinary Hospital fully fitted and refurbished with up-to-date facilities. The Tenant only occupies the ground and a small part of the 1<sup>st</sup> floor. The majority of the second and whole of the third floors are vacant. VSS's architects have provided a copy of the completed Building Warrant. The tenant has provided ML with copies of their Risk Assessments and compliance certification. Linnaeus Group (part of the Mars group of companies) acquired Veterinary Specialist (Scotland) Ltd from Pets at Home earlier this year. UDC refused consent for an assignment of the lease to Linnaeus Veterinary Ltd as the Pets At Home Guarantee would fall away on assignment.</p>		
<b>ASSET MANAGEMENT OPPORTUNITIES &amp; GREEN INITIATIVES</b>	<p>Linnaeus have advised that they have plans to grow the business and are looking into converting the rest of the 1<sup>st</sup> floor to provide additional offices and an administration area and converting the 2<sup>nd</sup> floor to provide more theatres and clinical areas to enable them to expand the business. The tenant has tidied up the car park and installed new entrance and exit barriers and have appointed a contractor to undertake some repairs to the tarmac and kerbs.</p>		



1 Deer Park Road Fairways Business Park Livingston

**QUARTERLY REPORT – SEPTEMBER 2022**

	COMMENTS		
<b>PROPERTY (ADDRESS)</b>	1 Deer Park Road Fairways Business Park Livingston EH54 8AF  (Private Veterinary Hospital)	Tenant:  Lease Term:  Floor Area:  Agreed Rent:  Rent Commencement Date:  Next Rent Review Date:  Basis of Review:	Veterinary Specialists (Scotland) Ltd  FRI lease 20 years from 10.9.2019 (17 years unexpired)  30,855 sq ft  £372,546 p.a exc  10.9.2023  10.9.2024  Fixed Review to £411,320 p.a exc
<b>DATE OF LAST PROPERTY INSPECTION</b>	21 <sup>st</sup> September 2022 Next inspection March 2023.		
<b>RENT COLLECTION</b>	The tenant has a four-year rent-free period, the rent commencement date is 10.9.2023. The Lease provides for quarterly payments, however, a side letter has been signed to allow the tenant to pay monthly on 1 <sup>st</sup> of each month.		
<b>INSURANCE</b>	UDC responsible, subject to recovery from tenant. Cushman & Wakefield (CW) instructed to undertake a revised Insurance Reinstatement Cost Assessment (RCA). The insurer RSA increased the Buildings Declared Value w.e.f. 08.08.2022. The tenant has been invoiced for the additional premium due. AJ Gallagher obtained competitive quotes from RSA & AXA for the renewal of insurance w.e.f. 01.10.2022. Insurance placed with RSA as they offered a 0.5% reduction in the premium rate. ML have invoiced the tenant for the premium for the year to 30.09.2023.		
<b>SERVICE CHARGE</b>	N/A		
<b>MANAGEMENT ISSUES</b>	The building was constructed as an office building in 2002 and was converted in 2019 to a Veterinary Hospital fully fitted and refurbished with up-to-date facilities. The Tenant only occupies the ground and a small part of the 1 <sup>st</sup> floor. The majority of the second and whole of the third floors are vacant. VSS's architects have provided a copy of the completed Building Warrant. The tenant has provided ML with copies of their Risk Assessments and compliance certification. ML to request updated copies. Linnaeus Group (part of the Mars group of companies) acquired Veterinary Specialist (Scotland) Ltd from Pets at Home earlier this year. UDC refused consent for an assignment of the lease to Linnaeus Veterinary Ltd as the Pets At Home Guarantee would fall away on assignment.		
<b>ASSET MANAGEMENT OPPORTUNITIES &amp; GREEN INITIATIVES</b>	Linnaeus have advised that they have plans to grow the business and are looking into converting the rest of the 1 <sup>st</sup> floor and 2 <sup>nd</sup> floors to provide additional theatres, clinical areas and offices to enable them to expand the business. The tenant has tidied up the car park and installed new entrance and exit barriers and have appointed a contractor to undertake some repairs to the tarmac and kerbs, these works are still outstanding. They have plans to improve the outside environment by undertaking more planting and improving the car park maintenance. The tenant has advised that they would like to install 2 electric charging points in the car park. ML awaiting further details.		



**QUARTERLY REPORT – JUNE 2022**

	COMMENTS		
<b>PROPERTY (ADDRESS)</b>	Waitrose Distribution Centre Matrix Park Western Avenue Chorley Lancashire PR7 7NB	Tenant:  Lease Term:  Passing Rent:  Next Rent Review Date:  Basis of Rent Review:	Waitrose Ltd  FRI Lease 30 years from 30.4.2012 (unexpired term of 19 years 10 month)  £2,271,254 p.a  30.4.2022  Higher of open market rent or RPI (cap & collar of 5% & 2% p.a compounded)
<b>DATE OF LAST PROPERTY INSPECTION</b>	25 <sup>th</sup> May 2022. Next Inspection due November 2022.		
<b>RENT COLLECTION</b>	The tenant reverted to quarterly rent payments from the June 2021 quarter as agreed with ML. June 2022 quarter's rent received on time.		
<b>INSURANCE</b>	UDC responsible, subject to recovery from Waitrose. UDC instructed AJ Gallagher to obtain competitive quotes for renewal. Insurance placed with RSA. ML have collected the premium for the year to 30 <sup>th</sup> September 2022.		
<b>SERVICE CHARGE</b>	Matrix Park Management Company administer the service charge for the estate, the service charge year is 1 <sup>st</sup> June to 31 <sup>st</sup> May. UDC pay 44.27% of the total budget, Matrix invoice UDC quarterly and ML recharge to Waitrose. ML have invoiced Waitrose for the service charge since 1.12.20. Waitrose are up to date with payments. The dispute over historic service charges has been resolved and the monies due to Matrix paid by Waitrose. Matrix have issued an increased budget from 1 <sup>st</sup> June 2022 for the current year.		
<b>RENT REVIEW</b>	Rent review due as at 30 <sup>th</sup> April 2022. UDC have appointed Cushman & Wakefield to negotiate the review. The basis of the review is the higher of open market rental value or RPI compounded since the lease start date ie the last 10 years (this clause is an anomaly), subject to an annual cap of 5% and collar of 2%. C & W have submitted their report with their recommendations and are in negotiation with the tenant.		
<b>MANAGEMENT ISSUES</b>	Waitrose have sublet part of the 2 <sup>nd</sup> floor offices to Amey. The Sub-lease was renewed for a term of 18 months from 6.12.2021. Waitrose have signed a 5 year Distribution Service Agreement with XPO Logistics, GXO (part of XPO Logistics) are now occupying the property , GXO advised that the building will be operating at full capacity from the end of June. Waitrose are permitted in accordance with the lease to grant a Distribution Underlease to a Distribution Services Provider without the Landlord's consent. Risk Assessments and Compliance certification – GXO have provided ML with copies of all their up-to-date certification.		
<b>ASSET MANAGEMENT OPPORTUNITIES &amp; GREEN INITIATIVES</b>	There is approx. 2 acres of surplus development land on eastern side of site included in the lease to Waitrose. We understand that the land was intended to be used for an incineration/recycling plant to provide heating to some areas of the building, this was abandoned some time ago. ML received an approach from a developer interested in the land, an offer has not been forthcoming. Waitrose are likely to require a premium for release of the land from their demise.		

**QUARTERLY REPORT – SEPTEMBER 2022**

	COMMENTS		
<b>PROPERTY (ADDRESS)</b>	Waitrose Distribution Centre Matrix Park Western Avenue Chorley Lancashire PR7 7NB	Tenant:  Lease Term:  Floor Area:  Passing Rent:  Next Rent Review Date:  Basis of Rent Review:	Waitrose Ltd  FRI Lease 30 years from 30.4.2012 (unexpired term of 19 years 7 months)  421,809 sq ft  £2,840,000 p.a  30.4.2022  Higher of open market rent or RPI (cap & collar of 5% & 2% p.a compounded)
<b>DATE OF LAST PROPERTY INSPECTION</b>	25 <sup>th</sup> May 2022. Next Inspection due November 2022.		
<b>RENT COLLECTION</b>	The tenant reverted to quarterly rent payments from the June 2021 quarter as agreed with ML. September 2022 quarter's rent received on time.		
<b>INSURANCE</b>	UDC responsible, subject to recovery from Waitrose. Cushman & Wakefield (CW) undertook an updated desktop Reinstatement Cost Assessment (RCA). The insurer RSA increased the Buildings Declared Value w.e.f. 08.08.2022. Waitrose have paid the additional premium. AJ Gallagher obtained quotes from RSA and AXA for the insurance renewal. Policy renewed with RSA w.e.f. 01.10.2022 as they offered a 0.5% reduction in the rate. ML have charged out the premium for the year to 30.09.2023.		
<b>SERVICE CHARGE</b>	Matrix Park Management Company administer the service charge for the estate, the service charge year is 1 <sup>st</sup> June to 31 <sup>st</sup> May. UDC pay 44.27% of the total budget, Matrix invoice UDC quarterly and ML recharge to Waitrose. Matrix have issued an increased budget from 1 <sup>st</sup> June 2022 for the current year. ML awaiting reconciliation of 2021/2022 service charge. Matrix have refunded Waitrose the costs of snow clearance for the unadopted roads on the estate charged in the service charge year 2020/2021, following a query by Waitrose's cost consultant and have adjusted the 2021/2022 and 2022/2023 budgets to take account of these credits.		
<b>RENT REVIEW</b>	Rent review as at 30 <sup>th</sup> April 2022. Agreed at £2,840,000 p.a. which is a 25% increase from the passing rent. Rent Review memorandum signed and uplift in rent paid by Waitrose.		
<b>MANAGEMENT ISSUES</b>	Waitrose have sublet part of the 2 <sup>nd</sup> floor offices to Amey. The Sub-lease was renewed for a term of 18 months from 6.12.2021. Waitrose have signed a 5 year Distribution Service Agreement with XPO Logistics, GXO (part of XPO Logistics) are now occupying the property, GXO advised that the building will be operating at full capacity from the end of June. Waitrose are permitted in accordance with the lease to grant a Distribution Underlease to a Distribution Services Provider without the Landlord's consent. Risk Assessments and Compliance certification – GXO have provided ML with copies of all their up-to-date certification.		
<b>ASSET MANAGEMENT OPPORTUNITIES &amp; GREEN INITIATIVES</b>	There is approx. 2 acres of surplus development land on eastern side of site included in the lease to Waitrose. We understand that the land was intended to be used for an incineration/recycling plant to provide heating to some areas of the building, this was abandoned some time ago. ML received an approach from a developer interested in the land, an offer has not been forthcoming. Waitrose are likely to require a premium for release of the land from their demise.		



**QUARTERLY REPORT – JUNE 2022**

		<b>COMMENTS</b>		
<b>PROPERTY (ADDRESS)</b>	<b>Stane Retail Park (Phase 1) Western Bypass Colchester Essex CO3 8AU</b>	<b>Tenants:</b>  <b>Lease Term:</b>  <b>Rent Commencement Date:</b>  <b>Commencing Rent:</b>  <b>Next Rent Review Date:</b>  <b>Basis of Rent Review:</b>	<b>B&amp;Q Ltd</b>  15 years from 1 <sup>st</sup> November 2021 (Tenant right to renew) (14 years 4 months unexpired)  20 <sup>th</sup> April 2023  £1,342,275 p.a.exc. (£16.50 p.s.ft. on 81,350sqft)  01/11/26 & 01/11/31  5 yearly RPI (0-2% p.a. compounded)	<b>Aldi Stores Ltd</b>  25 years from 1 <sup>st</sup> November 2021 (Tenant break on 01/11/2041) (24 years 7 months unexpired)  23 <sup>rd</sup> May 2022  £360,395 p.a.exc. (£19.50 p.s.ft on 18,482 sqft)  01/11/2026, 01/11/31, 01/11/36 & 01/11/41  5 yearly, RPI (1% and 3% p.a. compounded)
<b>LAST PROPERTY INSPECTION DATE</b>	22 <sup>nd</sup> March 2022 Next Inspection planned September 2022 (post Marks & Spencer opening)			
<b>RENT COLLECTION</b>	B&Q have continuing rent free (ends 20 <sup>th</sup> April 2023). Aldi commenced payments in May 2022 and are up to date.			
<b>INSURANCE</b>	Insurance with RSA, premium recoverable from tenants. No arrears.			
<b>SERVICE CHARGE</b>	Yes, commenced as at 1 <sup>st</sup> November 2021, when Phase 1 PC'd. 100% recoverable, from the 2 current tenants, plus balance from Churchmanor (the developer) and other occupying tenants, pending completion of Phase 2, and letting of the remaining units. No arrears.			
<b>MANAGEMENT ISSUES</b>	<p>Part of the site remains the responsibility of Churchmanor. Practical Completion of balance took place in April 2022. Lettings of Phase 2, which are retained by Churchmanor, is ongoing.</p> <p>A number of outstanding works are still to be completed, and the Health and Safety report highlighted others. Items to be addressed are:</p> <ul style="list-style-type: none"> <li>• B&amp;Q need more external storage space. May seek to demise part of external shared yard, provided UDC buy and control the balance.</li> <li>• Service road access advice signage still to be installed.</li> <li>• Pedestrian link/steps from Sainsburys down into Park Car Park being constructed.</li> <li>• Signs (main Totem) recently erected.</li> <li>• Additional litter bins installed. Litter around A3 units still a problem.</li> <li>• All upkeep and maintenance contracts (drains, winter maintenance, litter picking and landscaping) all now in place, following informal tenders.</li> <li>• Difficulties securing "drop in" overnight security checks company. May recommend CCTV camera installation, if UDC acquire the balance of the park.</li> </ul>			



**QUARTERLY REPORT – SEPTEMBER 2022**

		<b>COMMENTS</b>		
<b>PROPERTY (ADDRESS)</b>	Stane Retail Park (Phase 1) Western Bypass Colchester Essex CO3 8AU	<b>Tenants:</b>	B&Q Ltd	Aldi Stores Ltd
		<b>Lease Term:</b>	15 years from 1 <sup>st</sup> November 2021 (Tenant right to renew) (14 years 4 months unexpired)	25 years from 1 <sup>st</sup> November 2021 (Tenant break on 01/11/2041) (24 years 7 months unexpired)
		<b>Rent Commencement Date:</b>	20 <sup>th</sup> April 2023	23 <sup>rd</sup> May 2022
		<b>Commencing Rent:</b>	£1,342,275 p.a.exc. (£16.50 p.s.ft. on 81,350sqft)	£360,395 p.a.exc. (£19.50 p.s.ft on 18,482 sqft)
		<b>Next Rent Review Date:</b>	01/11/26 & 01/11/31	01/11/2026, 01/11/31, 01/11/36 & 01/11/41
		<b>Basis of Rent Review:</b>	5 yearly RPI (0-2% p.a. compounded)	5 yearly, RPI (1% and 3% p.a. compounded)
<b>LAST PROPERTY INSPECTION DATE</b>	7 <sup>th</sup> September 2022. Next formal half year inspection to take place in January 2023.			
<b>RENT COLLECTION</b>	B&Q have a rent free period until 20 <sup>th</sup> April 2023. Aldi commenced payments in May 2022 and are up to date. September quarter's rent was paid on time.			
<b>INSURANCE</b>	UDC insure the units within their ownership. Insurance Policy renewed with RSA w.e.f. 01.10.2022, as RSA offered a 0.5% reduction in the rate.			
<b>SERVICE CHARGE</b>	ML manage the service charge, which commenced as at 1 <sup>st</sup> November 2021 when Phase 1 PC'd. 100% recoverable from the tenants and Churchmanor (the developer). No arrears. Current service charge budget c£135,000 + VAT p.a.			
<b>TENANT LINE UP (the whole)</b>	B&Q, Aldi, M&S, Greggs, Cook, Superdrug and Mountain Warehouse are now open. Only Unit A6 and Unit C remain unoccupied. Occupier discussions in hand.			
<b>MANAGEMENT ISSUES</b>	<p>Part of the site remains in Churchmanor's ownership. Practical Completion of balance took place in April 2022 and have prepared a budget. Lettings of Phase 2, which are retained by Churchmanor, is ongoing.</p> <p>A number of outstanding works are still to be completed, and the Health and Safety report highlighted others. Items to be addressed are:</p> <ul style="list-style-type: none"> <li>• B&amp;Q need more external storage space. May seek to demise part of external shared yard, provided UDC buy and control the balance.</li> <li>• Additional litter bins to be installed. Bins now emptied at 07:30 before shop opening. May suggest M&amp;S install their own bins.</li> <li>• All upkeep and maintenance contracts (drains, winter maintenance, litter picking and landscaping) are now in place, following informal tenders. New tenders to take place in the new year, in respect of landscaping and cleaning etc.</li> </ul>			

### QUARTERLY REPORT – JUNE 2022

	COMMENTS		
<b>PROPERTY (ADDRESS)</b>	Amazon Distribution Centre Centre Severn Barnwood Gloucester GL4 3UR	Tenant:  Lease Term:  Agreed Rent:  Rent Commencement Date:  Next Rent Review Date:  Basis of Review:	Amazon UK Services Ltd  FRI lease 15 years from 18.03.2022 (14 years and 9 months unexpired)  £2,293,433.49  18.03.2022  18.03.2027  5 yearly, CPI (cap and collar of 1% and 3% pa compounded).
<b>DATE OF LAST PROPERTY INSPECTION</b>	4 <sup>th</sup> March 2022. Next Inspection due on 28 <sup>th</sup> July 2022.		
<b>RENT COLLECTION</b>	Amazon to pay rent quarterly on 1 <sup>st</sup> January 1 <sup>st</sup> April, 1 <sup>st</sup> July and 1 <sup>st</sup> October. Quarterly rent due on 1 <sup>st</sup> July 2022, paid on time.		
<b>INSURANCE</b>	UDC instructed A J Gallagher to obtain quotes. Insurance placed with AXA. Premium £81,027.49. Insurance premium high as there is no sprinkler system in the building. UDC can reclaim 100% of premium from date of lease start date and 50% of cost of premium from date of practical completion to lease commencement date from Amazon. The remaining 50% to be reclaimed from the developer. ML have invoiced Amazon for the insurance premiums due and payment received.		
<b>SERVICE CHARGE</b>	A management company has been set up to look after the estate's common areas. The ownership of the management company is split between the freeholders based on area. UDC hold a 54% share. The service charge deed provides for the management company to administer the service clause and UDC pay a fair proportion of the costs, quarterly on account. The costs are to be reclaimed from Amazon. Bulleys Chartered Surveyors appointed to administer the service charge. ML awaiting a copy of the service charge budget.		
<b>MANAGEMENT ISSUES</b>	<p>Practical completion took place on 4<sup>th</sup> March 2022, (delayed from November 2021 as problems with the van deck surface sealant, which could not be applied in very cold weather).</p> <p>Lease to Amazon completed on 18<sup>th</sup> March 2022. Amazon have advised that they are not expecting to occupy the property until August 2023, they currently have 24-hour security at the building. Bowmer Kirkland are currently undertaking the snagging works.</p> <p>Amazon have requested UDC grant a Licence For Alterations to undertake some works including installing a new door to the warehouse, new windows and a new guard hut. Hogan Lovell's instructed and awaiting an undertaking for UDC's costs before C &amp; W review the proposed works and HL prepare the Licence.</p>		
<b>ASSET MANAGEMENT OPPORTUNITIES &amp; GREEN INITIATIVES</b>	<p>Amazon have an option to extend the lease for a further 5 years on expiry of current lease in March 2037.</p> <p>The front car park area is not fenced (ie insecure), due to a planning stipulation. This may present scope for "unwanted" visitors to gain access. Amazon however have 24 hour security.</p> <p>The property is situated on a site area of 11.5 acres and therefore has a low site cover of 25%.</p>		



### QUARTERLY REPORT – SEPTEMBER 2022

	COMMENTS		
<b>PROPERTY (ADDRESS)</b>	Amazon Distribution Centre Centre Severn Barnwood Gloucester GL4 3UR	Tenant:  Lease Term:  Floor Area:  Passing Rent:  Rent Commencement Date:  Next Rent Review Date:  Basis of Review:	Amazon UK Services Ltd  FRI lease 15 years from 18.03.2022 (14 years and 6 months unexpired)  122,756.79 sq ft  £2,293,433.49  18.03.2022  18.03.2027  5 yearly, CPI (cap and collar of 1% and 3% pa compounded).
<b>DATE OF LAST PROPERTY INSPECTION</b>	28 <sup>th</sup> July 2022. Next Inspection due on 26 <sup>th</sup> October 2022.		
<b>RENT COLLECTION</b>	Amazon to pay rent quarterly on 1 <sup>st</sup> January 1 <sup>st</sup> April, 1 <sup>st</sup> July and 1 <sup>st</sup> October. Quarterly rent due on 1 <sup>st</sup> October 2022, paid on time.		
<b>INSURANCE</b>	UDC instructed A J Gallagher to obtain quotes. Insurance placed with AXA. Premium £81,027.49. AXA reviewed the insurance risk following advice that Amazon are not intending to occupy the building until August 2023 and reduced their capacity to 70% of the sum insured and increased the rating. RSA brought in to co-insure the building w.e.f. 03.08.2022 (previous policy cancelled). A new policy issued at a cost of £118,359.82. Amazon have paid the premium.		
<b>SERVICE CHARGE</b>	A management company has been set up to look after the estate's common areas. The ownership of the management company is split between the freeholders based on area. UDC hold a 54% share. The service charge deed provides for the management company to administer the service clause and UDC pay a fair proportion of the costs, quarterly on account. The costs are to be reclaimed from Amazon. Bulleys Chartered Surveyors appointed to administer the service charge and have prepared a service charge budget. Total budget is £22,325. ML awaiting an invoice.		
<b>MANAGEMENT ISSUES</b>	<p>Practical completion took place on 4<sup>th</sup> March 2022.</p> <p>Lease to Amazon completed on 18<sup>th</sup> March 2022. Amazon have advised that they are not intending to occupy the property until August 2023, they have 2 guards on 24-hour security at the building. ML have advised that it is a condition of the insurance. Bowmer Kirkland are currently undertaking the snagging works.</p> <p>Amazon have requested UDC grant a Licence For Alterations to undertake some works including installing a new door to the warehouse, new internal windows and a new guard hut.</p> <p>Hogan Lovell's instructed to prepare licence and Cushman &amp; Wakefield (CW) to review the proposed works. HL have now received an undertaking for UDC's costs from Amazon. The building and site were looking poorly maintained on the day of inspection. ML requested Amazon address the maintenance issues, they have advised that they now have landscape and cleaning contracts in place. ML to reinspect on 26<sup>th</sup> October 2022.</p>		
<b>ASSET MANAGEMENT OPPORTUNITIES &amp; GREEN INITIATIVES</b>	<p>Amazon have an option to extend the lease for a further 5 years on expiry of current lease in March 2037.</p> <p>The front car park area is not fenced (ie insecure), due to a planning stipulation. This may present scope for "unwanted" visitors to gain access. Amazon however have 24 hour security.</p> <p>The property is situated on a site area of 11.5 acres and therefore has a low site cover of 25%.</p>		

## Agreed Acquisitions

### HEADQUARTERS AND WAREHOUSE, TEWKESBURY

In March 2021 the Council acquired a site in Tewkesbury, Gloucestershire for a new build head office and warehouse with a pre-let 35 year lease. The developer has set up a time lapse video stream so that the Council can see progress. A snapshot is provided below and the stream is available at <https://barberry.reachtimelapse.co.uk/projectmeteor/>



Completion is expected in early 2023

## Asset Valuation

The Council employ CBRE to provide a quarterly valuation of the Council owned assets. The full report for June 2022 is attached as Appendix One, and September 2022 as Appendix Two. In summary, as at the end of quarter 2 the position is as shown below

	Price paid (including future commitments) £	Amount paid as at 30 September 2022 £	SEP 2020 £	DEC 2020 £	MAR 2021 £	JUN 2021 £	SEP 2021 £	DEC 2021 £	MAR 2022 £	JUN 2022 £	SEP 2022 £
Colchester, Stane RP	27,004,322	27,004,322	7,500,000	7,500,000	7,975,000	9,600,000	11,000,000	30,600,000	30,975,000	30,975,000	29,100,000
Chorley, Waitrose RDC	54,608,773	54,608,773	54,600,000	55,000,000	56,700,000	58,500,000	60,150,000	65,700,000	67,500,000	67,500,000	61,150,000
Livingston, 1 Deer Park Road	4,758,374	4,758,374	4,800,000	4,900,000	4,975,000	5,050,000	5,125,000	5,200,000	5,300,000	5,300,000	5,000,000
Takeley, Skyway House	20,000,000	19,500,000	18,000,000	19,500,000	19,500,000	19,600,000	19,600,000	19,900,000	19,950,000	19,950,000	18,350,000
Gloucester, Amazon	42,692,000	32,739,859			5,625,000	8,050,000	23,600,000	37,650,000	42,100,000	50,750,000	43,900,000
Tewkesbury, MOOG HQ	37,749,262	16,196,817			7,000,000	11,000,000	16,950,000	21,050,000	24,650,000	27,150,000	24,000,000
	<b>186,812,731</b>	<b>154,808,145</b>	<b>84,900,000</b>	<b>86,900,000</b>	<b>101,775,000</b>	<b>111,800,000</b>	<b>136,425,000</b>	<b>180,100,000</b>	<b>190,475,000</b>	<b>201,625,000</b>	<b>181,500,000</b>

When the loan to Aspire (CRP) Ltd is built in the total asset valuation is as shown below

	Price paid (including future commitments) £	Amount paid as at 30 September 2022 £	SEP 2020 £	DEC 2020 £	MAR 2021 £	JUN 2021 £	SEP 2021 £	DEC 2021 £	MAR 2022 £	JUN 2022 £	SEP 2022 £
Colchester, Stane RP	27,004,322	27,004,322	7,500,000	7,500,000	7,975,000	9,600,000	11,000,000	30,600,000	30,975,000	30,975,000	29,100,000
Chorley, Waitrose RDC	54,608,773	54,608,773	54,600,000	55,000,000	56,700,000	58,500,000	60,150,000	65,700,000	67,500,000	67,500,000	61,150,000
Livingston, 1 Deer Park Road	4,758,374	4,758,374	4,800,000	4,900,000	4,975,000	5,050,000	5,125,000	5,200,000	5,300,000	5,300,000	5,000,000
Takeley, Skyway House	20,000,000	19,500,000	18,000,000	19,500,000	19,500,000	19,600,000	19,600,000	19,900,000	19,950,000	19,950,000	18,350,000
Gloucester, Amazon	42,692,000	32,739,859			5,625,000	8,050,000	23,600,000	37,650,000	42,100,000	50,750,000	43,900,000
Tewkesbury, MOOG HQ	37,749,262	16,196,817			7,000,000	11,000,000	16,950,000	21,050,000	24,650,000	27,150,000	24,000,000
	<b>186,812,731</b>	<b>154,808,145</b>	<b>84,900,000</b>	<b>86,900,000</b>	<b>101,775,000</b>	<b>111,800,000</b>	<b>136,425,000</b>	<b>180,100,000</b>	<b>190,475,000</b>	<b>201,625,000</b>	<b>181,500,000</b>
Aspire (CRP) Ltd	60,656,500	60,656,500	54,175,000	58,775,000	67,675,000	75,400,000	85,125,000	97,337,500	104,161,767	107,162,730	108,576,802
<b>Total Portfolio</b>	<b>247,469,231</b>	<b>215,464,645</b>	<b>139,075,000</b>	<b>145,675,000</b>	<b>169,450,000</b>	<b>187,200,000</b>	<b>221,550,000</b>	<b>277,437,500</b>	<b>294,636,767</b>	<b>308,787,730</b>	<b>290,076,802</b>

# Future Asset Acquisitions

## Stane Retail Park 2 Phase 2

At the request of the Council the owner developer has agreed to let the whole of Phase 2 before presenting the option to purchase to the Council. Currently there are two units remaining to be let but it is understood that discussions are on-going with potential tenants. The option to purchase will likely be presented to the Council by the developer in late summer.

Councils can continue to invest in commercial assets where it is done so as to increase the value of an existing asset. It is the opinion of our agent and valuers that acquiring phase 2 will significantly increase the value and appeal of phase 1.

With the downturn in the market following the mini-budget by the Government in September 2022 it was no longer viable for the Council to consider acquiring phase 2. At the same time the developer decided to retain phase 2 as the likely sale price would not be viable for them. When the market situation resolves itself a final decision on the possible acquisition of phase 2 will be made.





## Financing

The Portfolio is financed from three sources

1. Internal borrowing – when the Council has excess funds to invest
2. Repayment loan with
3. Borrowing from other local authorities

The split between 1 and 3 above varies on a week to week basis. Below is a snapshot of the external funding as at 14 November 2022 which totals £266,401,121.

<b>Borrowing as at 14/11/22</b>				
<b>Date</b>	<b>Lender</b>	<b>Amount (£)</b>	<b>Maturity</b>	<b>Fixed Rate</b>
22-Nov-21	Bridgend County Borough Council	3,000,000	21-Nov-22	0.25%
22-Nov-21	Somerset County Council Pension Fund	5,000,000	21-Nov-22	0.40%
22-Nov-21	Police & Crime Commissioner for Avon & Somerset	2,000,000	21-Nov-22	0.40%
22-Nov-21	Flyde Borough Council	2,000,000	21-Nov-22	0.35%
22-Nov-21	Ryedale District Council	2,000,000	21-Nov-22	0.35%
02-Dec-21	Comhairle Nan Eilean Siar	3,000,000	21-Nov-22	0.20%
21-Jan-22	West Yorkshire Combined Authority	4,000,000	21-Nov-22	0.25%
05-Sep-22	Middlesbrough Borough Council	5,000,000	30-Nov-22	2.15%
30-Sep-22	Rotherham Metropolitan Borough	7,000,000	30-Nov-22	2.05%
06-Jun-22	The Vale of Glamorgan Council	1,500,000	06-Dec-22	1.21%
06-Jun-22	London Borough of Waltham Forest	5,000,000	06-Dec-22	1.21%
06-Jun-22	Barnsley Metropolitan Borough Council	5,000,000	06-Dec-22	1.21%
08-Sep-22	Torfaen County Borough Council	5,000,000	08-Dec-22	2.17%
08-Sep-22	Cheshire West & Chester Council	5,000,000	08-Dec-22	2.17%
13-Sep-22	Crawley Borough Council	5,000,000	13-Dec-22	2.20%
24-May-22	London Borough of Newham	8,000,000	23-May-23	1.20%
25-Jul-22	West Yorkshire Combined Authority	6,000,000	07-Jun-23	1.25%
18-Jun-20	Oxfordshire County Council	5,000,000	19-Jun-23	1.20%
30-Jun-22	Salford City Council	2,000,000	29-Jun-23	1.30%
30-Jun-22	Local Government Association	1,500,000	29-Jun-23	1.30%
30-Jun-22	Local Government Association	1,500,000	29-Jun-23	1.30%
08-Sep-22	Buckinghamshire Council	10,000,000	04-Aug-23	3.00%
08-Sep-22	Blaenau Gwent Borough Council	5,000,000	07-Sep-23	3.00%
08-Sep-22	Northern Ireland Housing Executive	10,000,000	07-Sep-23	3.00%
13-Sep-22	South Ribble Borough Council	3,000,000	07-Sep-23	3.00%
13-Sep-22	East Sussex County Council	5,000,000	12-Sep-23	3.00%
13-Sep-22	South Oxfordshire District Council	7,000,000	12-Sep-23	3.00%
13-Sep-22	South Lakeland District Council	3,000,000	12-Sep-23	3.00%
30-Nov-22	West Midlands Combined Authority	7,000,000	29-Nov-23	3.05%
06-Dec-22	West Midlands Combined Authority	11,500,000	05-Dec-23	1.80%
07-Jun-23	Crawley Borough Council	5,000,000	06-Jun-24	2.25%
05-Jul-17	Pheonix Life Ltd	36,401,121	05-Jul-57	2.86%
22-Sep-22	Public Works Loans Board - repayment	30,000,000	22-Sep-71	4.28%
29-Sep-22	Public Works Loans Board - interest only	50,000,000	27-Sep-30	4.16%
		<b>266,401,121</b>		

# Risks

## Likelihood Scores

Score	Probability
1 (Little Likelihood)	Less than 10%
2 (Some Likelihood)	10% to 50%
3 (Significant Likelihood)	51% to 90%
4 (Near Certainty)	More than 90%

## Impact Scores

Score	Impact Level on Strategic Objectives
1	Minor impact/delay/difficulty
2	Small impact/delay/difficulty
3	Considerable impact/delay/difficulty
4	Extreme impact/delay/Difficulty

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Each risk score for likelihood and impact is plotted onto a risk matrix to produce its score. A green score indicates risks which the organisation is most prepared to accept and red those which are less likely to be accepted.

LIKELIHOOD

4	4	8	12	16
3	3	6	9	12
2	2	4	6	8
1	1	2	3	4
	1	2	3	4
	IMPACT			

## 21-IB-01 LONG TERM BORROWING

<b>The council is unable to secure long term borrowing</b>	Owner	Original Likelihood	Original Impact	Original Score	Current Controls	
	AW	2	4	8	<ul style="list-style-type: none"> <li>Phoenix loan is secured</li> <li>2 x PWLB loans are secured</li> </ul>	
		Current Likelihood	Current Impact	Current Score	Further Action	
		2	4	8	<ul style="list-style-type: none"> <li>Consider further borrowing in advance of need.</li> </ul>	
		Target Likelihood	Target Impact	Target Score	Action owner	Planned Completion date
1	4	4	AW	31.03.2023		
<b>Progress Update (September 2022)</b>						

## 21-IB-02 INTEREST RATES

<b>Interest rates increase leading to a reduced net income</b>	Owner	Original Likelihood	Original Impact	Original Score	Current Controls	
	AW	2	4	8	<ul style="list-style-type: none"> <li>Phoenix loan is secured so part mitigation</li> <li>2 x PWLB loans are secured</li> </ul>	
		Current Likelihood	Current Impact	Current Score	Further Action	
		2	4	8	<ul style="list-style-type: none"> <li>Review in the Spring</li> </ul>	
		Target Likelihood	Target Impact	Target Score	Action owner	Planned Completion date
1	4	4	AW	31.03.2023		
<b>Progress Update (September 2022)</b>						
<p>➤ The current borrowing is sufficient to repay outstanding loans through to June 2023 thereby reducing exposure to short term borrowing cost fluctuations. Over the next couple of years the investment net contribution will be lower than in 2022/23</p>						

## 21-IB-03 TENANT DEFAULT

<b>Tenants default on rental payments either short term or because of business failure</b>	Owner	Original Likelihood	Original Impact	Original Score	Current Controls	
	AW	2	4	8	• Additional financial due diligence undertaken ahead of all purchases	
		Current Likelihood	Current Impact	Current Score	Further Action	
		1	3	3	• Continuous monitoring of tenants both financial information and news channels	
		Target Likelihood	Target Impact	Target Score	Action owner	Planned Completion date
1	4	4	AW	31.03.2023		
<b>Progress Update (September 2022)</b>						
➤ Tenants passed the viability test and no adverse financial reports this quarter						

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## 21-IB-04 BUILDING LOSS

<b>Loss of building due to fire/flood leading to no rent being received for duration of the repair/reinstatement</b>	Owner	Original Likelihood	Original Impact	Original Score	Current Controls	
	AW	1	4	4	• UDC fully insures the building and recharges the tenant • Copies of fire safety procedures/test etc. held by agent	
		Current Likelihood	Current Impact	Current Score	Further Action	
		1	4	4	• Monitor procedures as part of the inspection process	
		Target Likelihood	Target Impact	Target Score	Action owner	Planned Completion date
1	4	4	AW	31.03.2023		
<b>Progress Update (September 2022)</b>						
➤ Discussions with all tenants on fire etc. safety. Inspections check for issues and ensure maintenance repairs etc. are undertaken						



**21-IB-05 REPUTATION**

<b>Actions of tenants affect the reputation of the Council</b>	Owner	Original Likelihood	Original Impact	Original Score	Current Controls	
	AW	1	4	4	• Tenants checked as part of initial due diligence	
		Current Likelihood	Current Impact	Current Score	Further Action	
		1	3	3	• Continuous monitoring of tenants both financial information and news channels	
		Target Likelihood	Target Impact	Target Score	Action owner	Planned Completion date
1	3	3	AW	31.03.2023		

**Progress Update (May 2022)**

- All publicity this quarter has been positive
  - Stane Retail Park is the East of England winner in the Commercial Property category of the Royal Institute of Chartered Surveyors (RICS) UK Awards. The scheme did not win the award at the national finals.

## Summary

In February 2022, the Council adopted the Commercial Strategy and in so doing confirmed that due to changes in Government and CIPFA policies the portfolio was complete, although further acquisition at Stane Retail Park and more development at Chesterford Research Park was likely.

To date £247,469,231 has been committed with an option for a further estimated £49,474,500 giving a total allocation just under the £300,000,000 target. Stane Retail Park Phase 2 is an estimate of likely cost and the Council can acquire all/part/none of Phase 2 as viability and funds permit.

The net yield of the committed portfolio is 5.21% and this rises to 5.22% when the option items are included. This yield reflects the risk appetite of the Council and the desire for well-known/established brands as tenants.

### Portfolio Summary – Committed

Asset No.	Asset	Acquisition Price £	Rent p.a. £	Net Yield %
1	Loan to Aspire (CRP) Ltd	60,656,500	2,796,057	4.61
2	Skyway House, Takeley	20,000,000	1,128,000	5.64
3	1 Deerpark Road, Livingston	4,758,374	372,546	7.83
4	Regional Distribution Centre, Chorley	54,608,773	2,840,000	5.20
5	Stane Retail Park – Phase 1	27,004,322	1,784,024	6.61
6	Distribution Warehouse, Gloucester	42,692,000	2,293,433	5.37
7	Headquarters, Tewkesbury	37,749,262	1,667,000	4.42
	<b>Total</b>	<b>247,469,231</b>	<b>12,881,060</b>	<b>5.21</b>

**Portfolio Yield – 5.21%**

### Portfolio Summary – Option

Asset No.	Asset	Acquisition Price £	Rent p.a. £	Net Yield %
1	Stane Retail Park - Phase 2	35,000,000	1,750,000	5.00
2	Future loans to Aspire (CRP) Ltd	14,474,500	868,470	6
	<b>Total</b>	<b>49,474,500</b>	<b>2,618,470</b>	<b>5.29</b>

**Total Yield including option – 5.22%**

*It should be noted that the figures above are current estimates. Actual price and rent for Tewkesbury will depend upon the final measured survey of the completed building.*

# VALUATION REPORT

Valuation Date: 30 June 2022

In respect of:

Uttlesford District Council Property Fund

On behalf of:

**Uttlesford District Council**

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(i) 25% of the value of a single property, or, in the case of a claim relating to multiple properties 25% of the aggregated value of the properties to which the claim relates (such value being as at the Valuation Date and on the basis identified in the Instruction or, if no basis is expressed, Market Value as defined by the RICS); or

(ii) £20,000,000 (Twenty Million British Pounds).

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01

# VALUATION REPORT

# Introduction

<b>Report Date</b>	26 July 2022
<b>Valuation Date</b>	30 June 2022
<b>Addressee</b>	Uttlesford District Council London Road Saffron Walden CB11 4ER
<b>The Properties</b>	Properties held in Uttlesford District Council Property Fund, as set out in the Schedule of Values.
<b>Instruction</b>	To value the Properties as at the Valuation Date in accordance with Terms of Engagement dated 10 November 2020.
<b>Status of Valuer</b>	You have instructed us to act as an External valuer as defined in the current version of the RICS Valuation – Global Standards.  Please note that the Valuation may be investigated by the RICS for the purposes of the administration of the Institution’s conduct and disciplinary regulations in order to ensure compliance with the Valuation Standards.
<b>Purpose and Basis of Valuation</b>	You have requested us to carry out a Valuation for Financial Reporting purposes only for incorporation within the Company’s accounts. The Valuation will be on the basis of: <ul style="list-style-type: none"> <li>• <b>Fair Value</b> in accordance with IFRS 13. We confirm that Fair Value as defined in IFRS13 is effectively the same as Market Value. The definitions are set out in full in the VSTOB.</li> </ul>
<b>Fair Value (IFRS 13)</b>	<b>£201,625,000 (TWO HUNDRED AND ONE MILLION SIX HUNDRED AND TWENTY-FIVE THOUSAND POUNDS)</b> exclusive of VAT, as shown in the Schedule of Capital Values set out below.
<b>Market Conditions</b>	We would draw your attention to the fact that a combination of global inflationary pressures, higher interest rates, the recent geopolitical events in Ukraine and the ongoing impact of the global COVID-19 pandemic in some markets has heightened the potential for greater volatility in property markets over the short-to-medium term.  Past experience has shown that consumer and investor behaviour can quickly change during periods of such heightened volatility. You should note that the conclusions set out in this report are only valid as at the valuation date. Where appropriate, we would recommend that the valuation is closely monitored, as we continue to track how market participants respond to current market volatility.
<b>Portfolios and Aggregation</b>	We have valued the Properties individually and no account has been taken of any discount or premium that may be negotiated in the market if all or part of the portfolio was to be marketed simultaneously, either in lots or as a whole.
<b>Joint Tenancies and Indirect Investment Structures</b>	Where a property is owned through an indirect investment structure or a joint tenancy in a trust for sale, our Valuation represents the relevant apportioned percentage of ownership of the value of the whole property, assuming full management control. Our Valuation therefore is unlikely to represent the value of the interests in the indirect investment structure through which the property is held.  Our Valuation does not necessarily represent the ‘Fair Value’ in accordance with IFRS 13 or FRS102 of the interests in the indirect investment structure through which the property is held.

### Compliance with Valuation Standards

The Valuation has been prepared in accordance with the latest version of the RICS Valuation – Global Standards (incorporating the International Valuation Standards) and the UK national supplement (the “Red Book”) current as the Valuation Date.

The Properties have been valued by a valuer who is qualified for the purpose of the Valuation in accordance with the Red Book. We confirm that we have sufficient local and national knowledge of the particular property market involved and have the skills and understanding to undertake the Valuation competently.

Where the knowledge and skill requirements of the Red Book have been met in aggregate by more than one valuer within CBRE, we confirm that a list of those valuers has been retained within the working papers, together with confirmation that each named valuer complies with the requirements of the Red Book.

This Valuation is a professional opinion and is expressly not intended to serve as a warranty, assurance or guarantee of any particular value of the subject Properties. Other valuers may reach different conclusions as to the value of the subject Properties. This Valuation is for the sole purpose of providing the intended user with the valuer’s independent professional opinion of the value of the subject Properties as at the Valuation Date.

### Sustainability Considerations

Wherever appropriate, sustainability and environmental matters are an integral part of the valuation approach. ‘Sustainability’ is taken to mean the consideration of such matters as environment and climate change, health and well-being and corporate responsibility that can or do impact on the valuation of an asset. In a valuation context, sustainability encompasses a wide range of physical, social, environmental, and economic factors that can affect value. The range of issues includes key environmental risks, such as flooding, energy efficiency and climate, as well as matters of design, configuration, accessibility, legislation, management, and fiscal considerations – and current and historic land use.

Sustainability has an impact on the value of an asset, even if not explicitly recognised. Valuers reflect markets, they do not lead them. Where we recognise the value impacts of sustainability, we are reflecting our understanding of how market participants include sustainability requirements in their bids and the impact on market valuations.

### Climate Risk Legislation

The UK Government is currently producing legislation which enforces the transition to net zero by 2050, and the stated 78% reduction of greenhouse gases by 2035 (based on a 1990 baseline).

We understand this to include an update to the Minimum Energy Efficiency Standards, stated to increase the minimum requirements from an E (since 2018) to a B in 2030. The government also intends to introduce an operational rating. It is not yet clear how this will be legislated, but fossil fuels used in building, such as natural gas for heating, are incompatible with the UK’s commitment to be Net Zero Carbon by 2050.

This upcoming legislation could have a potential impact to future asset value.

We also note that the UK’s introduction of mandatory climate related disclosures (reporting climate risks and opportunities consistent with recommendations by the “Task Force for Climate Related Financial Disclosure” (TCFD)), including the assessment of so-called physical and transition climate risks, will potentially have an impact on how the market views such risks and incorporates them into the sale of letting of assets.


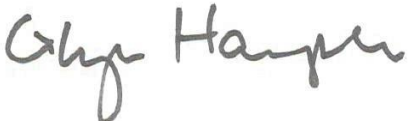
The European Union’s “Sustainable Finance Disclosure Regulations” (SFDR) may impact on UK asset values due to the requirements in reporting to European investors.

### Assumptions

The Properties details on which each Valuation are based are as set out in this report. We have made various assumptions as to tenure, letting, taxation, town planning, and the condition and repair of buildings and sites – including ground and groundwater contamination – as set out below.

If any of the information or assumptions on which the Valuation is based are subsequently found to be incorrect, the Valuation figures may also be incorrect and should be reconsidered.



<b>Variations and/or Departures from Standard Assumptions</b>	None.
<b>Independence</b>	The total fees, including the fee for this assignment, earned by CBRE Ltd (or other companies forming part of the same group of companies within the UK) from the Addressee (or other companies forming part of the same group of companies) is less than 5.0% of the total UK revenues.
<b>Previous Involvement and Conflicts of Interest</b>	We confirm that we have previously valued all the properties on your behalf on a quarterly basis. We have had no other previous material involvement with any of the properties. Copies of our conflict of interest checks have been retained within the working papers.
<b>Disclosure</b>	The principal signatory of this report has continuously been the signatory of Valuations for the same Addressee and Valuation purpose as this report since September 2020. CBRE Ltd has continuously been carrying out Valuation instructions for the Addressee of this report since September 2020. CBRE Ltd has carried out Valuation, Agency and Professional services on behalf of the Addressee since September 2020.
<b>Reliance</b>	The contents of this Report may only be relied upon by: <ul style="list-style-type: none"> <li>i) Addressees of the Report; and</li> <li>ii) Parties who have received prior written consent from CBRE in the form of a reliance letter;</li> </ul> for the specific purpose set out herein and no responsibility is accepted to any third party for the whole or any part of its contents.
<b>Publication</b>	Neither the whole nor any part of our report nor any references thereto may be included in any published document, circular or statement nor published in any way without our prior written approval of the form and context in which it will appear. Such publication of, or reference to this report will not be permitted unless it contains a sufficient contemporaneous reference to any departure from the Red Book or the incorporation of the special assumptions referred to herein.
	<div style="display: flex; justify-content: space-between;"> <div style="text-align: center;"> <p>Yours faithfully</p>  <p>Mark Dennis MRICS Director <b>RICS Registered Valuer</b> For and on behalf of CBRE Limited  +44 2071822469 Mark.Dennis@cbre.com</p> </div> <div style="text-align: center;"> <p>Yours faithfully</p>  <p>Glyn Harper MRICS Senior Director <b>RICS Registered Valuer</b> For and on behalf of CBRE Limited  +44 2071822455 Glyn.Harper@cbre.com</p> </div> </div>

## Schedule of Values

## Schedule of Values

Address	Property Type	Tenure	Total	Ownership Purpose
Skyway House, Bishop's Stortford	Offices	Freehold	£19,950,000	Investment
Waitrose RDC, Chorley	Industrial	Freehold	£67,500,000	Investment
Stane Retail Park, Colchester	Retail Warehouse	Freehold	£30,975,000	Investment
Amazon, Gloucester	Industrial	Freehold	£50,750,000	Investment
1 Deerpark Road, Livingston	Offices	Freehold	£5,300,000	Investment
MOOG, Tewkesbury	Industrial	Freehold	£27,150,000	In the course of Development

Portfolio Total (GBP)	£201,625,000
- Freehold - 100.00 % (GBP)	£201,625,000

\* Short Leasehold: Leasehold of 50 years and under

\*\* Long Leasehold: Leasehold over 50 years unexpired term

Property	Price paid (including future commitments)	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022
Colchester, Stane RP	£ 27,004,322	£ 7,500,000	£ 7,500,000	£ 7,975,000	£ 9,600,000	£ 11,000,000	£ 30,600,000	£ 30,975,000	£ 30,975,000
Chorley, Waitrose RDC	£ 54,608,773	£ 54,600,000	£ 55,000,000	£ 56,700,000	£ 58,500,000	£ 60,150,000	£ 65,700,000	£ 67,500,000	£ 67,500,000
Livingston, 1 Deerpark Road	£ 4,758,374	£ 4,800,000	£ 4,900,000	£ 4,975,000	£ 5,050,000	£ 5,125,000	£ 5,200,000	£ 5,300,000	£ 5,300,000
Takeley, Skyway House	£ 20,000,000	£ 18,000,000	£ 19,500,000	£ 19,500,000	£ 19,600,000	£ 19,600,000	£ 19,900,000	£ 19,950,000	£ 19,950,000
Gloucester, Amazon W/H	£ 42,692,000			£ 5,625,000	£ 8,050,000	£ 23,600,000	£ 37,650,000	£ 42,100,000	£ 50,750,000
Tewkesbury, MOOG HQ	£ 37,749,262			£ 7,000,000	£ 11,000,000	£ 16,950,000	£ 21,050,000	£ 24,650,000	£ 27,150,000
	<b>£ 186,812,731</b>	<b>£ 84,900,000</b>	<b>£ 86,900,000</b>	<b>£ 101,775,000</b>	<b>£ 111,800,000</b>	<b>£ 136,425,000</b>	<b>£ 180,100,000</b>	<b>£ 190,475,000</b>	<b>£ 201,625,000</b>

## Source of Information and Scope of Works

<b>Sources of Information</b>	We have carried out our work based upon information supplied to us by professional advisors, as set out within this report, which we have assumed to be correct and comprehensive.
<b>Inspection</b>	In accordance with your instructions, we inspect the Properties internally every three years. A schedule of the most recent inspection dates and the names of the inspecting valuers is maintained within our working papers and can be made available if required.
<b>Areas</b>	We have not measured the Properties but have relied upon the floor areas provided to us by you or your professional advisors, which we have assumed to be correct and comprehensive, and which you have advised us have been calculated using the: Gross Internal Area (GIA), Net Internal Area (NIA) or International Property Measurement Standard (IPMS) 3 – Office, measurement methodology as set out in the latest edition of the RICS Property Measurement Standards.
<b>Environmental Considerations</b>	<p>We have not been instructed to make any investigations in relation to the presence or potential presence of contamination in land or buildings or the potential presence of other environmental risk factors and to assume that if investigations were made to an appropriate extent then nothing would be discovered sufficient to affect value.</p> <p>We have not carried out investigation into past uses, either of the property or of any adjacent lands, to establish whether there is any potential for contamination from such uses or sites, or other environmental risk factors and have therefore assumed that none exists.</p>
<b>Services and Amenities</b>	<p>We understand that the Properties are located in an area served by mains gas, electricity, water and drainage.</p> <p>None of the services have been tested by us.</p>
<b>Repair and Condition</b>	We have not carried out building surveys, tested services, made independent site investigations, inspected woodwork, exposed parts of the structure which were covered, unexposed or inaccessible, nor arranged for any investigations to be carried out to determine whether or not any deleterious or hazardous materials or techniques have been used, or are present, in any part of the Properties. We are unable, therefore, to give any assurance that the Properties are free from defect.
<b>Town Planning</b>	We have not undertaken planning enquiries.
<b>Titles, Tenures and Lettings</b>	<p>Details of title/tenure under which the Properties are held and of lettings to which it is subject are as supplied to us. We have not generally examined nor had access to all the deeds, leases or other documents relating thereto. Where information from deeds, leases or other documents is recorded in this report, it represents our understanding of the relevant documents. We should emphasise, however, that the interpretation of the documents of title (including relevant deeds, leases and planning consents) is the responsibility of your legal adviser.</p> <p>We have not conducted credit enquiries on the financial status of any tenants. We have, however, reflected our general understanding of purchasers' likely perceptions of the financial status of tenants</p>

## Valuation Assumptions

<b>Capital Values</b>	<p>The Valuation has been prepared on the basis of "Fair Value" in accordance with International Financial Reporting Standard 13 ("IFRS 13"), which is defined as:</p> <p>"The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date."</p> <p>"Fair Value", for the purpose of financial reporting under IFRS 13, is effectively the same as "Market Value", which is defined in the Red Book as:</p> <p>"The estimated amount for which an asset or liability should exchange on the Valuation Date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."</p> <p>The Valuation represents the figure that would appear in a hypothetical contract of sale at the Valuation Date. No adjustment has been made to this figure for any expenses of acquisition or realisation - nor for taxation which might arise in the event of a disposal.</p> <p>No account has been taken of any inter-company leases or arrangements, nor of any mortgages, debentures or other charge.</p> <p>No account has been taken of the availability or otherwise of capital based Government or European Community grants.</p>
<b>Rental Values</b>	<p>Unless stated otherwise rental values indicated in our report are those which have been adopted by us as appropriate in assessing the capital value and are not necessarily appropriate for other purposes, nor do they necessarily accord with the definition of Market Rent in the Red Book, which is as follows:</p> <p>"The estimated amount for which an interest in real property should be leased on the Valuation Date between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."</p>
<b>Fixtures, Fittings and Equipment</b>	<p>Where appropriate we have regarded the shop fronts of retail and showroom accommodation as forming an integral part of the building.</p> <p>Landlord's fixtures such as lifts, escalators, central heating and other normal service installations have been treated as an integral part of the building and are included within our Valuations.</p> <p>Process plant and machinery, tenants' fixtures and specialist trade fittings have been excluded from our Valuations.</p> <p>All measurements, areas and ages quoted in our report are approximate.</p>
<b>Environmental Matters</b>	<p>In the absence of any information to the contrary, we have assumed that:</p> <ol style="list-style-type: none"> <li>the Properties are not contaminated and is not adversely affected by any existing or proposed environmental law;</li> <li>any processes which are carried out on the Properties which are regulated by environmental legislation are properly licensed by the appropriate authorities;</li> <li>in England and Wales, the Properties possesses current Energy Performance Certificates (EPCs) as required under the Government's Energy Performance of Buildings Directive – and that they have an energy efficient standard of 'E', or better. We would draw your attention to the fact that under the Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015 it became unlawful for landlords to rent out a business premise from 1st April 2018 – unless the site has reached a minimum EPC rating of an 'E', or secured a relevant exemption. In Scotland, we have assumed that the Properties possesses current EPCs as required under the Scottish Government's Energy Performance of Buildings (Scotland) Regulations – and that they meet energy standards equivalent to those introduced by the 2002 building regulations. We would draw your attention to the fact the Assessment of Energy Performance of Non-Domestic Buildings (Scotland) Regulations 2016 came into force on 1st September 2016. From this date, building owners are required to commission</li> </ol>

an EPC and Action Plan for sale or new rental of non-domestic buildings bigger than 1,000 sq m that do not meet 2002 building regulations energy standards. Action Plans contain building improvement measures that must be implemented within 3.5 years, subject to certain exemptions;

- d) In January 2021 the Government closed the consultation period that focused on its latest proposals in England and Wales for 'improving the energy performance of privately rented homes'. The key tenets of the proposals are to; reduce emissions; tackle fuel poverty; improve asset quality; reduce energy bills; enhance energy security; and support associated employment. The proposals are wide ranging and they introduce new demands on residential landlords through Energy Performance Certificates ('EPCs'). Existing PRS Regulations set a minimum standard of EPC Band E for residential units to be lettable. The Government proposals see this threshold being raised to EPC Band C for all new tenancies created from 01 April 2025 and for all existing tenancies by 01 April 2028. The principle for relevant building works is to be 'fabric first' meaning maximisation of components and materials that make up the building fabric to enhance, for example, insulation, ventilation and air-tightness. The proposals also cite; compliance measures and penalties for landlords, letting agents and local authorities; and affordability support for carrying out necessary works. The implication is (as with the existing EPC Band E requirement) that private rented units may effectively be rendered unlettable if they fail to meet or exceed the minimum EPC requirement. It is expected that the Government will respond to the consultation process in Q2/Q3 2021 with any new regulations taking effect in Q3/Q4 2021. At present it is not clear how the market would respond to these proposals were they to be implemented as currently drafted; neither do we have any visibility of changes that may be made to the proposals following the consultation process. Our Valuation reflects market conditions and regulations effective at the Valuation date; we make no additional allowances for any future works that may be required in order to ensure that the subject assets would remain lettable under revised regulations;
- e) the Properties are either not subject to flooding risk or, if it is, that sufficient flood defences are in place and that appropriate building insurance could be obtained at a cost that would not materially affect the capital value; and
- f) invasive species such as Japanese Knotweed are not present on the Properties.

High voltage electrical supply equipment may exist within, or in close proximity of, the Properties. The National Radiological Protection Board (NRPB) has advised that there may be a risk, in specified circumstances, to the health of certain categories of people. Public perception may, therefore, affect marketability and future value of the Properties. Our Valuation reflects our current understanding of the market and we have not made a discount to reflect the presence of this equipment.

### Repair and Condition

In the absence of any information to the contrary, we have assumed that:

- a) there are no abnormal ground conditions, nor archaeological remains, present which might adversely affect the current or future occupation, development or value of the Properties;
- b) the Properties are free from rot, infestation, structural or latent defect;
- c) no currently known deleterious or hazardous materials or suspect techniques, including but not limited to Composite Panelling, ACM Cladding, High Alumina Cement (HAC), Asbestos, have been used in the construction of, or subsequent alterations or additions to, the Properties; and
- d) the services, and any associated controls or software, are in working order and free from defect.

We have otherwise had regard to the age and apparent general condition of the Properties. Comments made in the property details do not purport to express an opinion about, or advise

upon, the condition of uninspected parts and should not be taken as making an implied representation or statement about such parts.

**Title, Tenure,  
Lettings, Planning,  
Taxation and  
Statutory & Local  
Authority  
Requirements**

Unless stated otherwise within this report, and in the absence of any information to the contrary, we have assumed that:

- a) the Properties possesses a good and marketable title free from any onerous or hampering restrictions or conditions;
- b) the building has been erected either prior to planning control, or in accordance with planning permissions, and has the benefit of permanent planning consents or existing use rights for their current use;
- c) the Properties is not adversely affected by town planning or road proposals;
- d) the building complies with all statutory and local authority requirements including building, fire and health and safety regulations, and that a fire risk assessment and emergency plan are in place;
- e) only minor or inconsequential costs will be incurred if any modifications or alterations are necessary in order for occupiers of the Properties to comply with the provisions of the Disability Discrimination Act 1995 (in Northern Ireland) or the Equality Act 2010 (in the rest of the UK);
- f) all rent reviews are upward only and are to be assessed by reference to full current market rents;
- g) there are no tenant's improvements that will materially affect our opinion of the rent that would be obtained on review or renewal;
- h) tenants will meet their obligations under their leases, and are responsible for insurance, payment of business rates, and all repairs, whether directly or by means of a service charge;
- i) there are no user restrictions or other restrictive covenants in leases which would adversely affect value;
- j) where more than 50% of the floorspace of the Properties is in residential use, the Landlord and Tenant Act 1987 (the "Act") gives certain rights to defined residential tenants to acquire the freehold/head leasehold interest in the Properties. Where this is applicable, we have assumed that necessary notices have been given to the residential tenants under the provisions of the Act, and that such tenants have elected not to acquire the freehold/head leasehold interest. Disposal on the open market is therefore unrestricted;
- k) where appropriate, permission to assign the interest being valued herein would not be withheld by the landlord where required;
- l) vacant possession can be given of all accommodation which is unlet or is let on a service occupancy; and
- m) Land Transfer Tax (or the local equivalent) will apply at the rate currently applicable. In the UK, Stamp Duty Land Tax (SDLT) in England and Northern Ireland, Land and Buildings Transaction Tax (LABTT) in Scotland or Land Transaction Tax (LTT) in Wales, will apply at the rate currently applicable



02

## Appendices

## Appendix A – Portfolio Valuation Comparison Reports

PORTFOLIO VALUATION COMPARISON REPORT: Uttlesford District Council



Report Date: 25/07/2022

Valuation Date: 30/06/2022

Status: Final

Total Assets: 6

Prop Ref	Town	Address	Tenure*	Area	Net Rent pa	ERV pa	ERV	IY %	EY %	RY %	Capital Value	Capital Value 30/06/2022	Change Since 31/03/2022	% Change
<b>Industrial</b>														
Chorley	Chorley	Waitrose RDC	FH	417,623 sqFt	£2,728,372	£2,401,332	5.75 £/sqFt	3.79	3.86	3.33	161.63 £/sqFt	£67,500,000	£0	0.00
Gloucester	Gloucester	Amazon	FH	122,669 sqFt	£2,293,433	£1,427,180	11.63 £/sqFt	4.24	3.24	2.64	413.71 £/sqFt	£50,750,000	£8,650,000	20.55
Tewkesbury	Tewkesbury	MOOG	FH	208,998 sqFt	£0	£1,671,242	8.00 £/sqFt	0.00	4.15	5.64	129.91 £/sqFt	£27,150,000	£2,500,000	10.14
<b>Industrial</b>				<b>749,290 sqFt</b>	<b>£5,021,805</b>	<b>£5,499,754</b>		<b>3.02</b>	<b>3.72</b>	<b>3.66</b>		<b>£145,400,000</b>	<b>£11,150,000</b>	<b>8.31</b>
<b>Offices</b>														
Livingston	Livingston	1 Deerpark Road	FH	30,940 sqFt	£0	£372,546	12.04 £/sqFt	0.00	6.80	6.60	171.30 £/sqFt	£5,300,000	£0	0.00
Takeley	Bishop's Stortford	Skyway House	FH	47,951 sqFt	£1,128,000	£1,127,808	23.52 £/sqFt	5.30	6.27	5.30	416.05 £/sqFt	£19,950,000	£0	0.00
<b>Offices</b>				<b>78,891 sqFt</b>	<b>£1,128,000</b>	<b>£1,500,354</b>		<b>4.19</b>	<b>6.38</b>	<b>5.57</b>		<b>£25,250,000</b>		<b>0.00</b>
<b>Retail Warehouse</b>														
Colchester	Colchester	Stane Retail Park	FH	99,832 sqFt	£360,395	£1,702,674	17.06 £/sqFt	1.09	4.93	5.16	310.27 £/sqFt	£30,975,000	£0	0.00
<b>Retail Warehouse</b>				<b>99,832 sqFt</b>	<b>£360,395</b>	<b>£1,702,674</b>		<b>1.09</b>	<b>4.93</b>	<b>5.16</b>		<b>£30,975,000</b>		<b>0.00</b>
<b>Grand Total:</b>				<b>928,013 sqFt</b>	<b>£6,510,200</b>	<b>£8,702,781</b>		<b>2.87</b>	<b>4.38</b>	<b>3.83</b>		<b>£201,625,000</b>	<b>£11,150,000</b>	<b>5.85</b>

\* for the purpose of this report Long Leasehold = more than 50 years unexpired. Leasehold = 50 years or less unexpired

Report Date: 25/07/2022

Valuation Date: 30/06/2022

Status: Final

Address / Tenant	Ref No	Unit	Area SqFt	Start Date	Review Date	Expiry Date	Break Date	Passing Rent £ pa	Passing Rent £ psf	Deemed Rent £ pa	Deemed Rent £ psf	ERV £ pa	ERV £ psf	Curr Void	C RF	RV	R RF	Capital Costs £	Capital Value £	Net CV £ psf	IY %	EY %	RY %
<b>Industrial</b>																							
<b>Chorley</b>																							
<b>Waitrose RDC (100.00 %) - Chorley</b>																							
Waitrose Ltd	1		417,623	30/04/2012	30/04/2027	29/04/2042		2,728,372	6.53	2,728,372	6.53	2,401,332	5.75					0	67,499,997	161.63	3.79	3.86	3.33
Gross:			0					2,728,372	6.53	2,728,372	6.53	0	0.00					0	0	0.00	0.00	0.00	0.00
Tenure: Freehold			0					0	0.00	0	0.00	0	0.00					0	0	0.00	0.00	0.00	0.00
<b>Total:</b>			<b>417,623</b>					<b>2,728,372</b>	<b>6.53</b>	<b>2,728,372</b>	<b>6.53</b>	<b>2,401,332</b>	<b>5.75</b>					<b>0</b>	<b>67,500,000</b>	<b>161.63</b>	<b>3.79</b>	<b>3.86</b>	<b>3.33</b>

	Current Rent	ERV	Current Rent (Hist)	ERV (Hist)
AWULT to Expiry	19.83	19.83	20.08	20.08
AWULT to Break	19.83	19.83	20.08	20.08
Vacant % by ERV				

	30/06/2022	31/03/2022	Diff %:	CIY	DIY	EY	RY
Passing Rent	2,728,372	2,271,254	20.13%	3.79	3.79	3.86	3.33
Deemed Rent	2,728,372	2,271,254	20.13%	3.15	3.15	3.83	3.33
ERV	2,401,332	2,401,332	0.00%	0.00%	0.00%		
Capital Value	67,500,000	67,500,000					

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Address / Tenant	Ref No	Unit	Area SqFt	Start Date	Review Date	Expiry Date	Break Date	Passing Rent £ pa	Passing Rent £ psf	Deemed Rent £ pa	Deemed Rent £ psf	ERV £ pa	ERV £ psf	Curr Void	C RF	RV	R RF	Capital Costs £	Capital Value £	Net CV £ psf	IY %	EY %	RY %
<b>Industrial</b>																							
<b>Gloucester</b>																							
<b>Amazon (100.00 %) - Gloucester</b>																							
Amazon UK Services Ltd	208		122,669	18/03/2022	18/03/2027	17/03/2037		2,293,433	18.70	2,293,433	18.70	1,427,180	11.63					0	50,750,002	413.71	4.21	3.24	2.62
Gross:			0					2,293,433	18.70	2,293,433	18.70	0	0.00					0	0	0.00	0.00	0.00	0.00
Tenure: Freehold			0					0	0.00	0	0.00	0	0.00					0	0	0.00	0.00	0.00	0.00
<b>Total:</b>			<b>122,669</b>					<b>2,293,433</b>	<b>18.70</b>	<b>2,293,433</b>	<b>18.70</b>	<b>1,427,180</b>	<b>11.63</b>					<b>-413,763</b>	<b>50,750,000</b>	<b>413.71</b>	<b>4.24</b>	<b>3.24</b>	<b>2.64</b>

	Current Rent	ERV	Current Rent (Hist)	ERV (Hist)																	CIY	DIY	EY	RY
AWULT to Expiry	14.72	14.72	14.97	14.97	<b>30/06/2022</b>	<b>2,293,433</b>	<b>2,293,433</b>	<b>1,427,180</b>											<b>-413,763</b>	<b>50,750,000</b>	<b>4.24</b>	<b>4.24</b>	<b>3.24</b>	<b>2.64</b>
AWULT to Break	14.72	14.72	14.97	14.97	<b>31/03/2022</b>	<b>2,293,433</b>	<b>2,293,433</b>	<b>1,427,180</b>											<b>-9,078,829</b>	<b>42,100,000</b>	<b>5.05</b>	<b>5.05</b>	<b>3.25</b>	<b>3.14</b>
Vacant % by ERV					<b>Diff %:</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>											<b>-95.44%</b>	<b>20.55%</b>				

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Valuation Date: 30/06/2022

Status: Final

Address / Tenant	Ref No	Unit	Area SqFt	Start Date	Review Date	Expiry Date	Break Date	Passing Rent £ pa	Passing Rent £ psf	Deemed Rent £ pa	Deemed Rent £ psf	ERV £ pa	ERV £ psf	Curr Void	C RF	RV	R RF	Capital Costs £	Capital Value £	Net CV £ psf	IY %	EY %	RY %
<b>Industrial</b>																							
<b>Tewkesbury</b>																							
<b>MOOG (100.00 %) - Tewkesbury</b>																							
Moog Controls Ltd	208		208,998	26/09/2022	26/09/2027	25/09/2057		0	0.00	0	0.00	1,671,242	8.00	3				0	27,150,000	129.91	0.00	4.15	4.17
Gross:			0					0	0.00	0	0.00	0	0.00					0	0	0.00	0.00	0.00	0.00
Tenure: Freehold			0					0	0.00	0	0.00	0	0.00					0	0	0.00	0.00	0.00	0.00
<b>Total:</b>			<b>208,998</b>					<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>1,671,242</b>	<b>8.00</b>					<b>-10,433,310</b>	<b>27,150,000</b>	<b>129.91</b>	<b>0.00</b>	<b>4.15</b>	<b>5.64</b>

	Current Rent	ERV	Current Rent (Hist)	ERV (Hist)																			
AWULT to Expiry						<b>30/06/2022</b>	<b>0</b>	<b>0</b>	<b>1,671,242</b>									<b>-10,433,310</b>	<b>27,150,000</b>	<b>0.00</b>	<b>0.00</b>	<b>4.15</b>	<b>5.64</b>
AWULT to Break						<b>31/03/2022</b>	<b>0</b>	<b>0</b>	<b>1,671,242</b>									<b>-13,028,523</b>	<b>24,650,000</b>	<b>0.00</b>	<b>0.00</b>	<b>4.15</b>	<b>6.17</b>
Vacant % by ERV		100.00%		100.00%		<b>Diff %:</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>									<b>-19.92%</b>	<b>10.14%</b>				

<b>Industrial: Total</b>			<b>749,290</b>			<b>30/06/2022</b>	<b>5,021,805</b>	<b>6.70</b>	<b>5,021,805</b>	<b>6.70</b>	<b>5,499,754</b>	<b>7.34</b>							<b>145,400,000</b>		<b>3.02</b>	<b>3.72</b>	<b>3.66</b>
						<b>31/03/2022</b>	<b>4,564,687</b>	<b>6.09</b>	<b>4,564,687</b>	<b>6.09</b>	<b>5,499,754</b>	<b>7.34</b>							<b>134,250,000</b>		<b>3.01</b>	<b>3.72</b>	<b>3.95</b>
						<b>Movement</b>	<b>10.01%</b>		<b>10.01%</b>		<b>0.00%</b>									<b>8.31%</b>			

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Status: Final

Address / Tenant	Ref No	Unit	Area SqFt	Start Date	Review Date	Expiry Date	Break Date	Passing Rent £ pa	Passing Rent £ psf	Deemed Rent £ pa	Deemed Rent £ psf	ERV £ pa	ERV £ psf	Curr Void	C RF	RV	R RF	Capital Costs £	Capital Value £	Net CV £ psf	IY %	EY %	RY %
<b>Offices</b>																							
<b>Livingston</b>																							
<b>1 Deerpark Road (100.00 %) - Livingston</b>																							
Vetinary Specialists (Scotland) Limited	51	Whole Building	30,940	10/09/2019		09/09/2039		0	0.00	0	0.00	372,546	12.04		14			0	5,300,000	171.30	0.00	6.80	6.59
Gross:			0					0	0.00	0	0.00	0	0.00					0	0	0.00	0.00	0.00	0.00
Tenure: Freehold			0					0	0.00	0	0.00	0	0.00					0	0	0.00	0.00	0.00	0.00
<b>Total:</b>			<b>30,940</b>					<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>372,546</b>	<b>12.04</b>					<b>0</b>	<b>5,300,000</b>	<b>171.30</b>	<b>0.00</b>	<b>6.80</b>	<b>6.60</b>

	Current Rent	ERV	Current Rent (Hist)	ERV (Hist)																				
AWULT to Expiry		17.20		17.45	<b>30/06/2022</b>	<b>0</b>	<b>0</b>	<b>372,546</b>	<b>0</b>	<b>5,300,000</b>	<b>0.00</b>	<b>0.00</b>	<b>6.80</b>	<b>6.60</b>										
AWULT to Break		17.20		17.45	<b>31/03/2022</b>	<b>0</b>	<b>0</b>	<b>372,546</b>	<b>0</b>	<b>5,300,000</b>	<b>0.00</b>	<b>0.00</b>	<b>6.70</b>	<b>6.60</b>										
Vacant % by ERV					<b>Diff %:</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>											

Report Date: 25/07/2022

Valuation Date: 30/06/2022

Status: Final

Address / Tenant	Ref No	Unit	Area SqFt	Start Date	Review Date	Expiry Date	Break Date	Passing Rent £ pa	Passing Rent £ psf	Deemed Rent £ pa	Deemed Rent £ psf	ERV £ pa	ERV £ psf	Curr Void	C RF	RV	R RF	Capital Costs £	Capital Value £	Net CV £ psf	IY %	EY %	RY %
<b>Offices</b>																							
<b>Bishop's Stortford</b>																							
<b>Skyway House (100.00 %) - Takeley</b>																							
Weston Homes	79		47,951	30/06/2020	30/06/2025	29/06/2045		1,128,000	23.52	1,128,000	23.52	1,127,808	23.52					0	19,950,001	416.05	5.30	6.27	5.30
Gross:			0					1,128,000	23.52	1,128,000	23.52	0	0.00					0	0	0.00	0.00	0.00	0.00
Tenure: Freehold			0					0	0.00	0	0.00	0	0.00					0	0	0.00	0.00	0.00	0.00
<b>Total:</b>			<b>47,951</b>					<b>1,128,000</b>	<b>23.52</b>	<b>1,128,000</b>	<b>23.52</b>	<b>1,127,808</b>	<b>23.52</b>					<b>0</b>	<b>19,950,000</b>	<b>416.05</b>	<b>5.30</b>	<b>6.27</b>	<b>5.30</b>

	Current Rent	ERV	Current Rent (Hist)	ERV (Hist)																	CIY	DIY	EY	RY
AWULT to Expiry	23.00	23.00	23.25	23.25	30/06/2022	1,128,000	1,128,000	1,127,808	0	19,950,000	5.30	5.30	6.27	5.30										
AWULT to Break	23.00	23.00	23.25	23.25	31/03/2022	1,128,000	1,128,000	1,127,808	0	19,950,000	5.30	5.30	6.25	5.29										
Vacant % by ERV					Diff %:	0.00%	0.00%	0.00%	0.00%	0.00%														

<b>Offices: Total</b>			<b>78,891</b>																					
					30/06/2022	1,128,000	14.30	1,128,000	14.30	1,500,354	19.02								25,250,000		4.19	6.38	5.57	
					31/03/2022	1,128,000	14.30	1,128,000	14.30	1,500,354	19.02								25,250,000		4.19	6.34	5.57	
					Movement	0.00%		0.00%		0.00%									0.00%					



Report Date: 25/07/2022

Valuation Date: 30/06/2022

Status: Final

Address / Tenant	Ref No	Unit	Area SqFt	Start Date	Review Date	Expiry Date	Break Date	Passing Rent £ pa	Passing Rent £ psf	Deemed Rent £ pa	Deemed Rent £ psf	ERV £ pa	ERV £ psf	Curr Void	C RF	RV	R RF	Capital Costs £	Capital Value £	Net CV £ psf	IY %	EY %	RY %
<b>Retail Warehouse</b>																							
<b>Colchester</b>																							
<b>Stane Retail Park (100.00 %) - Colchester</b>																							
B&Q	208		81,350	30/11/2021	30/11/2026	29/11/2036		0	0.00	0	0.00	1,342,275	16.50		10			0	22,438,809	275.83	0.00	5.30	5.53
Aldi	221		18,482	08/12/2021	08/12/2026	07/12/2046	08/12/2041*	360,395	19.50	360,395	19.50	360,399	19.50					0	8,536,190	461.87	3.90	3.90	3.90
Gross:			0					360,395	3.61	360,395	3.61	0	0.00					0	0	0.00	0.00	0.00	0.00
Tenure: Freehold			0					0	0.00	0	0.00	0	0.00					0	0	0.00	0.00	0.00	0.00
<b>Total:</b>			<b>99,832</b>					<b>360,395</b>	<b>3.61</b>	<b>360,395</b>	<b>3.61</b>	<b>1,702,674</b>	<b>17.06</b>					<b>-525,000</b>	<b>30,975,000</b>	<b>310.27</b>	<b>1.09</b>	<b>4.93</b>	<b>5.16</b>

	Current Rent	ERV	Current Rent (Hist)	ERV (Hist)																				
AWULT to Expiry	24.44	16.54		16.79																				
						<b>30/06/2022</b>	<b>360,395</b>	<b>360,395</b>	<b>1,702,674</b>									<b>-525,000</b>	<b>30,975,000</b>	<b>1.09</b>	<b>1.09</b>	<b>4.93</b>	<b>5.16</b>	
AWULT to Break	19.44	15.48		15.73		<b>31/03/2022</b>	<b>0</b>	<b>0</b>	<b>1,702,674</b>									<b>-525,000</b>	<b>30,975,000</b>	<b>0.00</b>	<b>0.00</b>	<b>4.87</b>	<b>5.16</b>	
Vacant % by ERV						<b>Diff %:</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>									<b>0.00%</b>	<b>0.00%</b>					

<b>Retail Warehouse: Total</b>			<b>99,832</b>			<b>30/06/2022</b>	<b>360,395</b>	<b>3.61</b>	<b>360,395</b>	<b>3.61</b>	<b>1,702,674</b>	<b>17.06</b>							<b>30,975,000</b>		<b>1.09</b>	<b>4.93</b>	<b>5.16</b>	
						<b>31/03/2022</b>			<b>1,702,674</b>	<b>17.06</b>										<b>30,975,000</b>		<b>0.00</b>	<b>4.87</b>	<b>5.16</b>
						<b>Movement</b>			<b>0.00%</b>											<b>0.00%</b>				
<b>Portfolio Total:</b>			<b>928,013</b>			<b>30/06/2022</b>	<b>6,510,200</b>	<b>7.02</b>	<b>6,510,200</b>	<b>7.02</b>	<b>8,702,781</b>	<b>9.38</b>							<b>201,625,000</b>		<b>2.87</b>	<b>4.38</b>	<b>3.83</b>	
						<b>31/03/2022</b>	<b>5,692,687</b>	<b>7.15</b>	<b>5,692,687</b>	<b>7.15</b>	<b>8,702,781</b>	<b>10.93</b>								<b>190,475,000</b>		<b>2.51</b>	<b>4.36</b>	<b>3.83</b>
						<b>Movement</b>	<b>14.36%</b>		<b>14.36%</b>		<b>0.00%</b>									<b>5.85%</b>				

## Appendix B - UK Long Income Market Update

# Long Income Market Update

## Q2 - 2022

- The nominal UK GILT rate has moved out quite significantly this quarter, with the 25-year GILT is 60bps softer (13 week trailing average).
- Long range inflation forecasts have increased slightly (+10 bps), with the 25-year RPI forecast now sitting at 3.74% (13 week trailing average).
- Option Adjusted Spreads have remained flat over the quarter, albeit all Bond YTM's have been affected by outward GILT movement.
- Through a combination of competitive tension caused by an increased and now varied buyer pool, required returns over GILT for the income strip market have improved.
- S&LB pricing is generally stable across all sectors with some modest improvement to Student and Hotel assets.
- Opportunities in the CGR market are continuing to emerge, particularly in the Hotel sector, but we have not witnessed yield compression.

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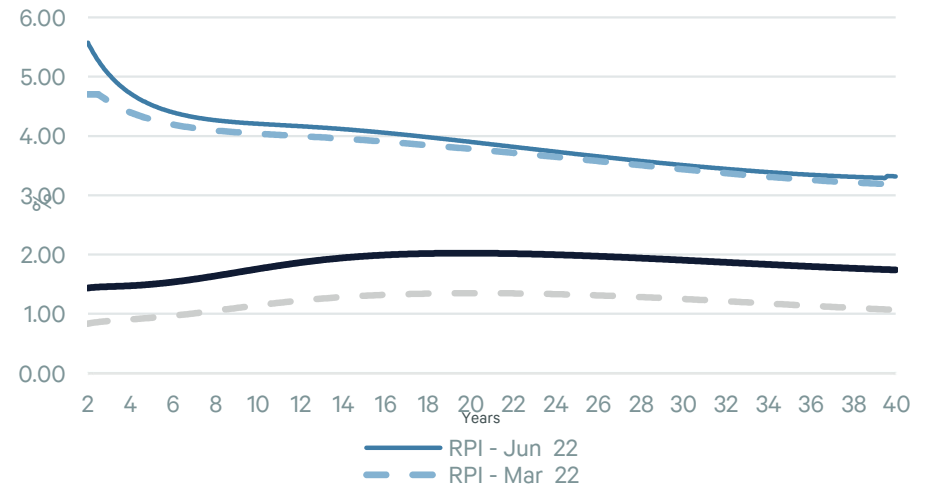


FIGURE 1: 13 Week Average - Nominal, Real and RPI Curve  
Source: Bank of England

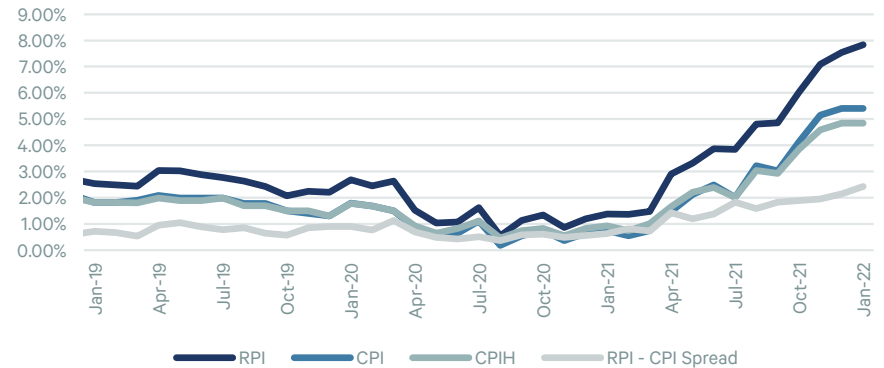


FIGURE 2: Historic RPI, CPI & CPIH Chart  
Source: ONS

## Appendix C – Long Income Benchmark Presentation

# LONG INCOME

BENCHMARK PRESENTATION - Q2 22

Valuation & Advisory Services

# CENTRAL LONDON OFFICES

# Labs House, Bloomsbury Way, London, WC1



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## Property Description

The rent is reviewed in year five upwards only to the greater of market rent or RPI Indexation (3% cap and 1% collar per annum).

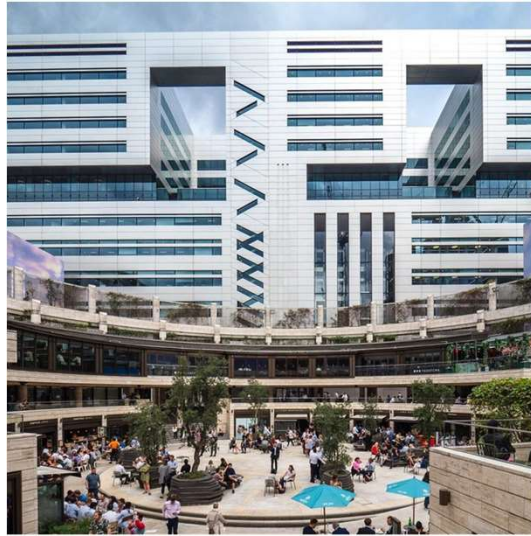
LabTech Investments Limited are the guarantor for a minimum term certain of 10 years.

Refurbished in 2019, and arranged over lower ground, ground and nine upper floors.

## Key Facts

Property Type	Office
Tenure	Freehold
Area	81,546 sq ft
Tenant	Single let to Labs Worldwide Limited
WAULT (years)	16.75
WAUTC (years)	10.00
Current Rent Per Annum (£)	£5,300,000 (£65 per sq ft)
Quoting Price (£)	TBC
Quoting Price NIY %	TBC
Date to Market	December 2021
Vendor	Labtech
Purchaser	Am Alpha
Sale Price (£)	£108,000,000
Sale Price NIY %	4.84
Status Date	March 2022
Status	Sold at £108m (£1,324 per sq ft)

# UBS HQ, 5 Broadgate Circle



## Key Facts

Property Type	Office
Tenure	Freehold
Tenure Comment	OMRV
Area	710,000 sq ft
Tenant	Single let to UBS
WAULT (WAUTC) years	13.40
Current Rent Per Annum	£44,877,769 (£61 per sq ft)
Quoting Price	£1,300,000,000
Quoting Price NIY %	3.50
Date to Market	June 2021
Vendor	CK Asset Holdings
Purchaser	NPS and LaSalle Investment Management
Sale Price	£1,210,000,000
Sale Price NIY %	3.60
Status Date	March 2022
Status	Sold
Comments	Sold to Korea's National Pension Service (NPS) and LaSalle for c.3.6% £1,651 per sq ft.

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## Property Description



# 120 Moorgate, London, EC2



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## Property Description

Long income opportunity in the City of London.

Redeveloped corner building just 50 metres from the Moorgate Station Crossrail entrance.

Sale is to be done on a SPV basis.

## Key Facts

Property Type	Office
Tenure	Freehold
Area (sq ft)	112,875
Tenant	Multi-let to 3 tenants – 77% let to WeWork
WAULT (years)	18.3
WAUTC (years)	-
Current Rent Per Annum (£)	£6,835,551 (£61 per sq ft)
Quoting Price (£)	£147,600,000 (£1,308 per sq ft)
Quoting Price NIY %	4.56
Date to Market	September 2021
Vendor	WeWork Capital
Purchaser	Sun Venture
Sale Price (£)	£148,000,000
Sale Price NIY %	4.55
Status Date	February 2022
Status	Sold at £148,000,000 (£1,311 per sq ft)

# 30 Farringdon Street, London, EC4



## Property Description

Immediate proximity to the vibrant and fast-growing Farringdon and Clerkenwell sub-districts.

Attractive and prominent self-contained building arranged on 2 basement, ground and 8 upper floors.

7 yearly rent review.

## Key Facts

Property Type	Office
Tenure	Freehold
Area (sq ft)	54,914
Tenant	Single let to RELX (UK) Ltd
WAULT years	33
WAUTC years	-
Current Rent Per Annum (£)	£1,100,000 (£20 per sq ft)
Quoting Price (£)	£31,700,000 (£577 per sq ft)
Quoting Price NIY %	3.25
Date to Market	November 2021
Vendor	Invista Real Estate Management
Purchaser	CBRE Investment Management
Sale Price (£)	£37,500,000
Sale Price NIY %	2.75
Status Date	December 2021
Status	Sold at £37,500,000 (£683 per sq ft)

## 8 Bleeding Heart Yard, EC1

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### Property Description

Redevelopment due to complete in 2022 adding 2 floors.

Pre-let to Julius Bear in Dec-21 at blended rent of approx. £76 psf and £80 psf on upper floors.

Area once completed will be approx. 35,566 sq ft

### Key Facts

Property Type	Office
Tenure	Freehold
Area	35,566 sq ft
Tenant	Pre-let to Julius Baer
WAULT (years)	15
WAUTC (years)	
Current Rent Per Annum (£)	£2,700,000 - £75 psf blended. £80+ on upper floors.
Quoting Price (£)	£78,000,000
Quoting Price NIY %	
Date to Market	Off Market
Vendor	Seaforth Land
Purchaser	
Sale Price (£)	
Sale Price NIY %	
Status Date	May 2022
Status	Under Offer

# 20 Cabot Square, London, E14



## Property Description

Virtual Freehold (999 years, £1,000 per annum).

Multi let to 6 tenants.

Asset management opportunities over the short, medium and long term with 53% of the total area currently vacant.

8 first round bids, going over quoting price.

## Key Facts

Property Type	Office
Tenure	Virtual Freehold
Area (sq ft)	568,416
Tenant	Single let to Secretary of State
WAULT years	10.30
WAUTC years	
Current Rent Per Annum (£)	£22,225,773 (£39 per sq ft)
Quoting Price (£)	£475,000,000 (£836 per sq ft)
Quoting Price NIY %	4.60
Date to Market	January 2022
Vendor	Canary Wharf Group
Purchaser	
Sale Price (£)	
Sale Price NIY %	
Status Date	May 2022
Status	Under offer ahead of quoting. Targeting July exchange date

# Spitalfields House, 114 Middlesex Street, London, E1



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## Property Description

Comprehensive refurbishment in 2020. To be sold on a SPV basis.

## Key Facts

Property Type	Office
Tenure	Freehold
Area	47,490 sq ft
Tenant	93% of the income is secured to QA Limited
WAULT (years)	14.00
WAUTC (years)	10.25
Current Rent Per Annum	£2,652,872 (£56 per sq ft)
Quoting Price	£67,000,000 (£1,411 per sq ft)
Quoting Price NIY %	3.70
Date to Market	October 2021
Vendor	Seaforth Land
Purchaser	-
Sale Price	-
Sale Price NIY %	-
Status Date	March 2022
Status	Under offer below quoting

# Kaleidoscope, 4 Lindsey Street, Farringdon



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## Property Description

### Key Facts

Property Type	Office
Tenure	Long leasehold
Area	
Tenant	TikTok
WAULT (years)	10
WAUTC (years)	
Current Rent Per Annum (£)	£83 per sq ft
Quoting Price (£)	£190,000,000
Quoting Price NIY %	3.75%
Date to Market	Feb 2022
Vendor	
Purchaser	
Sale Price (£)	
Sale Price NIY %	
Status Date	January 2022
Status	Withdrawn due to bid around 4% but was a new entrant/relatively unknown party who could not satisfy the TFL covenants on a long leaseholder in the headlease.



# OFFICES

# The Quadrant, Aztec West, Bristol, BS32 4AQ

## Key Facts

Property Type	Office
Tenure	Freehold
Area	40,978 sq ft
Tenant	Single let to St James's Place Wealth Management Group Ltd until 2038. RPI (0%-4%) 5 yrly reviews.
WAULT (WAUTC) years	16.20 (-)
Current Rent Per Annum	£1,014,962 (£25 per sq ft)
Quoting Price	£19,000,000 (£463 per sq ft)
Quoting Price NIY %	5.00
Date to Market	February 2022
Vendor	Citygrove
Purchaser	Private Individual
Sale Price	£20,000,000 (£488 per sq ft)
Sale Price NIY %	4.75
Status Date	April 2022
Status	Sold



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## Property Description

A modern, ESG compliant office located on Aztec West business park, north of Bristol city centre. The park is three miles from Bristol Parkway station and adjacent to junction 16 of the M5.

# BT - 2 Greenmarket, Dundee, 2 Greenmarket, Dundee, DD1 4EH



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## Property Description

### Key Facts

Property Type	Office
Tenure	Freehold
Tenure Comment	5 yearly reviews CPI (collar and cap of 1.0% and 3.0%)
Area	76,807 sq ft
Tenant	Passing rent of £1,825,466.60 per annum reflecting £23.45 per sq ft
WAULT (WAUTC) years	15.00 (-)
Current Rent Per Annum	£1,825,467 (£24 per sq ft)
Quoting Price	£33,750,000 (£0.00 per sq ft)
Quoting Price NIY %	5.31
Date to Market	
Vendor	
Purchaser	Lxi REIT
Sale Price	
Sale Price NIY %	
Status Date	Feb 2022
Status	Sold
Comments	

# One Hardman Boulevard, Hardman Street, Manchester, M3 3AQ



## Property Description

Situated in Spinningfields, the 10-storey building is well located in the heart of Manchester's central business district. The property has strong transport links, 0.9 miles and 1.5 miles from Manchester Victoria and Manchester Piccadilly train stations, respectively.

## Key Facts

Property Type	Office
Tenure	Freehold
Area	357,756 sq ft
Tenant	Let to RBS PLC. Fixed 3% per annum rent reviews compounded 5 yearly.
WAULT (WAUTC) years	16.15 (-)
Current Rent Per Annum	£12,980,280 (£36 per sq ft)
Quoting Price	£300,000,000 (£838 per sq ft)
Quoting Price NIY %	4.05
Date to Market	-
Vendor	M&G
Purchaser	RBS
Sale Price	£292,000,000 (£816 per sq ft)
Sale Price NIY %	4.16
Status Date	January 2022
Status	Sold

# RETAIL WAREHOUSES

# Homebase, Greenhill Way, Newton Abbot



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70

## Property Description

45 parking spaces.  
Open A1 (non-food\_ planning consent.

## Key Facts

Property Type	Retail Warehouse
Tenure	Freehold
Area	36,266 sq ft
Tenant	Homebase
WAULT (WAUTC) years	34.00 (-)
Current Rent Per Annum	£411,488
Quoting Price	£6,420,000
Quoting Price NIY %	6.00
Date to Market	November 2021
Vendor	Queen Anne Street Capital
Purchaser	Undisclosed
Sale Price	£6,250,000 (£172.34 per sq ft)
Sale Price NIY %	6.17
Status Date	April 2022
Status	Sold

# B&M, Peel Centre, Washington, NE37 2PA



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## Property Description

The property sits on the larger site of Washington Retail Park, which has a site area of 9.26 acres (3.747 hectares) and 236 parking spaces.

The property has open A1 (part food) planning permission. The B&M has a Garden Centre attached.

## Key Facts

Property Type	Retail Warehouse
Tenure	Freehold
Area	38,991 sq ft
Tenant	B&M subject to 5 yearly UORR capped at 12%. This is a sale and leaseback with B&M receiving a new 15 year FRI lease upon completion of sale and the option of a further 10 years upon that lease expiry.
WAULT (WAUTC) years	15.00 (-)
Current Rent Per Annum	£437,000 (£11.21 per sq ft)
Quoting Price	£6,840,000 (£175.43 per sq ft)
Quoting Price NIY %	6.00
Date to Market	October 2021
Vendor	Peel Group
Purchaser	-
Sale Price	-
Sale Price NIY %	-
Status Date	May 2022
Status	Under Offer better than 6%



# B&Q, Eastwood, Nottingham



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## Property Description

Secondary DIY store

## Key Facts

Property Type	Retail Warehouse
Tenure	Freehold
Area	37,500 sq ft
Tenant	B&Q
WAULT (WAUTC) years	9.00 (-)
Current Rent Per Annum	£450,000 (£12.19 per sq ft) – rack rented
Quoting Price	£6,750,000
Quoting Price NIY %	6.25
Date to Market	
Vendor	
Purchaser	-
Sale Price	-
Sale Price NIY %	-
Status Date	May 2022
Status	Under Offer better at 5.05% NIY.

# Horspath Driftway Retail Park, Oxford, OX3 7JN



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## Property Description

Site area of 4.78 acres (1.93 hectares) with site cover of approximately 27.5%.

204 parking spaces (1:245 sq ft).

## Key Facts

Property Type	Retail Warehouse
Tenure	Freehold
Area	49,946 sq ft
Tenant	Aldi, Homebase, The Gym, and Costa. Aldi subject to 5-year RPI linked rent reviews. The Gym subject to a fixed rental increase in October 2026 and then 5-yearly OMRR.
WAULT (WAUTC) years	11.50 (10.90)
Current Rent Per Annum	£1,140,669 (£22.84 per sq ft)
Quoting Price	£20,750,000 (£415.45 per sq ft)
Quoting Price NIY %	5.15
Date to Market	February 2022
Vendor	Colliers IM
Purchaser	-
Sale Price	-
Sale Price NIY %	-
Status Date	May 2022
Status	Under Offer at around 3.90% NIY

# FOODSTORES

# Lidl, Ashford, Surrey, TW15 3DT



## Key Facts

Property Type	Foodstore
Tenure	Freehold
Tenure Comment	5 yearly CPI linked rent reviews (1%-3%)
Area	31,776 sq ft
Tenant	Pre-let to Lidl
WAULT (WAUTC) years	24.92 (-)
Current Rent Per Annum	£575,000 (£18 per sq ft)
Quoting Price	£15,400,000
Quoting Price NIY %	3.50
Date to Market	March 2022
Vendor	London Metric
Purchaser	AXA UK Long Lease Fund
Sale Price	£18,000,000
Sale Price NIY %	2.99
Status Date	May 2022
Status	Sold
Comments	

# Asda, Queensway, Halesowen, B63 4AB



## Key Facts

Property Type	Foodstore
Tenure	Freehold
Area	73,249 sq ft
Tenant	Asda Stores Limited. 5 yearly fixed increases at 3% pa on the foodstore and 2% pa on the car park.
WAULT (WAUTC) years	21.90 (-)
Current Rent Per Annum	£2,051,840 (£28.01 per sq ft)
Quoting Price	£42,000,000 (£573.39 per sq ft)
Quoting Price NIY %	4.58
Date to Market	November 2021
Vendor	Tansor (Cornbow) Limited
Purchaser	Lxi REIT
Sale Price	£43,500,000 (£593.86 per sq ft)
Sale Price NIY %	4.65
Status Date	March 2022
Status	Sold. Corporate acquisition.

## Property Description

600 Parking Spaces.

Income is split between Asda (£1,748,091 pa) and the car park (£304,748 pa).

Running yield will increase to 5.15% after a rent review on 29 September 2023.

# Sainsbury's, Park Hill Road, Garstang, Preston, PR3 1EL



## Key Facts

Property Type	Supermarket
Tenure	Freehold
Area	Approx. 23,000 sq ft
Tenant	Sainsbury's subject to 5-year RPI linked RR, collared at 1.5% and capped at 4%.
WAULT (WAUTC) years	Approx. 13.00 (-)
Current Rent Per Annum	Approx. £480,128 (£20.88 per sq ft)
Quoting Price	-
Quoting Price NIY %	-
Date to Market	Off Market
Vendor	abrdn
Purchaser	Olim
Sale Price	£10,000,000 (£434.78 per sq ft)
Sale Price NIY %	4.50
Status Date	March 2022
Status	Sold
Comments	-

## Property Description

# Sainsbury's, Galleries Shopping Centre, Washington, NE38 7RU

## Key Facts

Property Type	Supermarket
Tenure	Freehold
Area	158,000 sq ft
Tenant	Sainsbury's, subject to 7-yearly RPI linked rent reviews, 1-4%.
WAULT (WAUTC) years	34.00 (-)
Current Rent Per Annum	£1,055,112 (£6.68 per sq ft)
Quoting Price	-
Quoting Price NIY %	-
Date to Market	-
Vendor	M&G
Purchaser	Supermarket Income REIT
Sale Price	£24,500,000 (£155.06 per sq ft)
Sale Price NIY %	4.00
Status Date	January 2022
Status	Sold. Marketed as part of an adjacent shopping centre.



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## Property Description

11.7 acre site.

800 parking spaces.



# Jewel Portfolio

## Key Facts

Property Type	Supermarket
Tenure	Freehold
Area	41,035 sq ft
Tenant	Co-Operative and Sainsbury's
WAULT (WAUTC) years	14.68 (13.42)
Current Rent Per Annum	£795,500 (£19.39 per sq ft)
Quoting Price	£17,800,000 (£433.78 per sq ft)
Quoting Price NIY %	4.20
Date to Market	January 2022
Vendor	-
Purchaser	-
Sale Price	-
Sale Price NIY %	-
Status Date	June 2022
Status	Under Offer
Comments	Under offer at approx. 3.75% NIY.



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## Property Description

Co-operative, Cranfield: 8,609 sq ft. £225,000 pa. 5-yearly CPI linked rent reviews. 14.75 WAULT. Quoting price and NIY of £4,690,000 and 4.50%.

Sainsbury's, Shepperton: 13,093 sq ft. £250,000 pa. 5-yearly rent reviews, originally fixed then to OMV. 14.92 WAULT. Quoting price and NIY of £5,860,000 and 4.00%.

Sainsbury's, Chessington: 10,187 sq ft. £120,500 pa. 5-yearly rent reviews to OMV. 7.5 WAULT. Quoting price and NIY of £2,830,000 and 4.00%.

Sainsbury's, Bishop's Waltham: 9,146 sq ft. £200,000 pa. 5-yearly CPI linked rent reviews. 18.6 WAULT. Quoting price and NIY of £4,420,000 and 4.25%.

# Sainsbury's, Billet Street, Taunton, TA1 3NE



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## Property Description

Site are of 2.45 acres (1 hectare).

224 parking spaces (1:224 sq ft).

## Key Facts

Property Type	Supermarket
Tenure	Freehold
Area	50,159 sq ft
Tenant	Sainsbury's. 5-yearly RPI linked rent reviews collared and capped at 1% and 4%.
WAULT (WAUTC) years	10.50 (-)
Current Rent Per Annum	£1,130,453 (£22.54 per sq ft)
Quoting Price	£21,500,000 (£428.64 per sq ft)
Quoting Price NIY %	5.71
Date to Market	March 2022
Vendor	Aviva Investors
Purchaser	-
Sale Price	-
Sale Price NIY %	-
Status Date	June 2022
Status	Available
Comments	Was under offer at quoting which fell through.

# Aldi Maidstone, Langley Park ,ME17 3FU



## Key Facts

Property Type	Supermarket
Tenure	Freehold
Area	18,734 sq ft
Tenant	Let to Aldi Stores Limited on a 20-year FRI lease expiring 24th October 2037 Aldi subject to 5 yearly upward only RPI linked rent review ,collar and cap of 1% and 3% respectively per annum compounded.
WAULT (WAUTC) years	15.5 (10.5)
Current Rent Per Annum	£275,000
Quoting Price	£7,000,000
Quoting Price NIY %	4.25%
Date to Market	May 2022
Vendor	
Purchaser	
Sale Price	
Sale Price NIY %	
Status Date	June 2022
Status	Available
Comments	

## Property Description

Total site area is 1.67 acres (0.675 ha).

111-space surface car park (attractive parking ratio of 1:169 sq ft).

The current passing rent is £275,000 per annum. The next review is 25th October 2022 where the rent will rise to £317,084 per annum, reflecting £16.93psf..The vendor is proposing to 'top-up' the rent to the 2022 review.

# INDUSTRIAL DISTRIBUTION

# Tesco, Avonmouth



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## Property Description

Off-market transaction

## Key Facts

Property Type	Warehouse/Distribution
Tenure	Freehold
Area	541,000 sq ft
Tenant	Tesco. RPI index-linked reviews (0%-4%)
WAULT (WAUTC) years	8.00
Current Rent Per Annum	
Quoting Price	
Quoting Price NIY %	
Date to Market	
Vendor	
Purchaser	Tritax Big Box REIT
Sale Price	£102,000,000
Sale Price NIY %	
Status Date	May 2022
Status	Sold

# E-Buyer Goole, Howden Dyke Road, DN14 7UW



## Key Facts

Property Type	Warehouse/Distribution
Tenure	Freehold
Area	287,589 sq ft
Tenant	Let to E-Buyer (UK) Ltd until October 2036
WAULT (WAUTC) years	14.60
Current Rent Per Annum	£1,190,000 (£4.14 per sq ft)
Quoting Price	£24,000,000 (£83.00 per sq ft)
Quoting Price NIY %	5.30
Date to Market	-
Vendor	Private
Purchaser	Urban Logistics REIT Plc
Sale Price	£24,000,000 (£83.00 per sq ft)
Sale Price NIY %	5.30
Status Date	May 2022
Status	Sold

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## Property Description

# Brew Dog, Pinnacle, 2 Condor Glen, Motherwell, ML1 4UY

## Key Facts

Property Type	Warehouse/Distribution
Tenure	Freehold
Area	67,689 sq ft
Tenant	Let to Brewdog until 6 February 2042. RPI C&C 1%/3%
WAULT (WAUTC) years	20.00
Current Rent Per Annum	£450,000 (£6.50 per sq ft)
Quoting Price	-
Quoting Price NIY %	-
Date to Market	-
Vendor	Private Investor
Purchaser	Fiera Real Estate UK
Sale Price	£12,400,000 (£183 per sq ft)
Sale Price NIY %	3.40
Status Date	April 2022
Status	Sold



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## Property Description

Former Eddie Stobart unit. Well specified with a 50 m yard, 16 dock level doors, 2 ground level doors, 12m eaves, 50 kN/m2 floor loading, high bay warehouse lighting and 37 car parking spaces.



# Whirlpool UK HQ Campus, Morley Way, Peterborough, PE2

## Key Facts

Property Type	Warehouse/Distribution
Tenure	Freehold
Area	310,996 sq ft
Tenant	Sale and leaseback to Whirlpool UK Appliances. 5-yearly rent reviews annually compounded in line with RPI subject to a collar of 1% p.a. and cap of 3% p.a
WAULT (WAUTC) years	15.00 (15.00)
Current Rent Per Annum	£1,781,233 (£5.00 per sq ft)
Quoting Price	£36,720,000 (£118.00 per sq ft)
Quoting Price NIY %	4.50
Date to Market	May 2021
Vendor	Owner Occupier
Purchaser	ICG
Sale Price	£54,000,000 (£174.00)
Sale Price NIY %	3.52%
Status Date	March 2022
Status	Sold



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## Property Description

Acts as a UK HQ Campus for Whirlpool, comprising 21 buildings including HQ offices, industrial space and social accommodation. Industrial specification: 8.2m eaves, 30m yard depth, 1,000 good lift, 16 dock level loading doors, 3 level access doors and 15 HGV parking space. Includes 23.29 acres of vacant development land



# Fresh-Pak-Barnsley, Waterside Park, Valley Way, S73 0BB

## Key Facts

Property Type	Warehouse/Distribution
Tenure	Freehold
Area	105,275 sq ft
Tenant	Reversionary lease to Fresh-Pak Chilled Foods Limited providing a 22-year unbroken lease term. RPI linked rent reviews annually from July 2024, with a cap and collar of 1%-3%. Headline rents in the region are now in excess of £6.50 psf.
WAULT (WAUTC) years	22.00
Current Rent Per Annum	£536,423 (£5.10 per sq ft)
Quoting Price	£9,150,000 (£86.92 per sq ft)
Quoting Price NIY %	5.5
Date to Market	November 2021
Vendor	CitiGroup
Purchaser	Realty Income
Sale Price	£9,250,000
Sale Price NIY %	5.44%
Status Date	March 2022
Status	Sold



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## Property Description

Modern high specification distribution unit, recently refurbished and extended comprising 105,275 sq ft on a site area of 10.05 acres (4.07 hectares) including 1.5 acres of expansion land, reflecting a site cover of 25%.

# Unit 1 Wakefield Hub, Wakefield, Headways

## Key Facts

Property Type	Warehouse/Distribution
Tenure	Freehold
Area	65,000 sq ft
Tenant	Fully-let to HB Clark & Co on a new FRI 20 year lease with no breaks. The rent will be reviewed every five years to the higher of open market value or uncapped RPI. The initial rent is £396,500 pa reflecting a low overall rate of £6.10 psf.
WAULT (WAUTC) years	19.95
Current Rent Per Annum	£396,500 (£6.10 per sq ft)
Quoting Price	£10,617,000 (£163.00 per sq ft)
Quoting Price NIY %	3.50
Date to Market	March 2022
Vendor	Henry Boots Development
Purchaser	-
Sale Price	-
Sale Price NIY %	2.90
Status Date	May 2022
Status	Under Offer



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## Property Description

Prime mid box industrial investment. 4.14 acre site providing a cover of 33%. Part of Wakefield Hub, a new prime distribution development in the north of England.

# KiTWave, Wakefield



## Key Facts

Property Type	Warehouse/Distribution
Tenure	Freehold
Area	65,000 sq ft
Tenant	4A1 covenant. 5 yearly rent reviews. RPI uncapped.
WAULT (WAUTC) years	25.00
Current Rent Per Annum	£396,500pa (£6.10 psf)
Quoting Price	£10,360,000
Quoting Price NIY %	3.50%
Date to Market	
Vendor	
Purchaser	
Sale Price	
Sale Price NIY %	
Status Date	May 2022
Status	Under offer at c. 2.9%

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## Property Description

New build. Brochure due this week.

# 1251 Hedon Road, Hull, HU9 5NA

## Key Facts

Property Type	Warehouse/Distribution
Tenure	Freehold
Area	568,297 sq ft
Tenant	Let to Willerby Group Property Limited on a new FR&I 25 year inflation-linked lease expiring in 2047. The lease is guaranteed by Willerby Limited. 5 yearly upward only rental uplifts to the RPI with annual collar and caps of 1.00% and 4.00% compounded.
WAULT (WAUTC) years	25.00
Current Rent Per Annum	£2,388,243 (£2.50 per sq ft)
Quoting Price	£36,000,000 (£63.00 per sq ft)
Quoting Price NIY %	6.15
Date to Market	April 2022
Vendor	-
Purchaser	-
Sale Price	-
Sale Price NIY %	-
Status Date	May 2022
Status	Available
Comments	First round bids circa 5.5%, second round bids sub 5%



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## Property Description

Sale and leaseback. Numerous warehouse buildings extending to 568,297 with an additional 43 acres of additional yard. Total site area of 70 acres (28.32 ha).

# CARE HOMES

# Hamberley Care



**HAMBERLEY**

CARE HOMES

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## Property Description

- Elstow Manor (Bedford) – Built 2022 – 80 beds
- Verwood House (Verwood, Dorset) Built 2011 (major works 2020) – 42 beds
- Upton Manor (Poole) Built 2015 (major works 2020) – 65 beds

2 x Developments (due 2023)  
Eastleigh – 84 beds  
Enfield – 82 beds

## Key Facts

Property Type	5x care home
Tenure	
Tenure Comment	Annual RPI Cap and Collar 2 % and 4%.
Area	353 beds
Tenant	Hamberley Care Group (SPV tenants by property)
WAULT (WAUTC) years	35
Current Rent Per Annum	Confidential
Quoting Price	
Quoting Price NIY %	
Date to Market	
Vendor	Hamberley Care Group
Purchaser	Tristan Capital Partners
Sale Price	£100m
Sale Price NIY %	Confidential
Status Date	April 2022
Status	Sold

Comments

# Dashwood Manor Care Home, Bradley Way, Basingstoke RG23 7GF



## Key Facts

Property Type	1x Care Home
Tenure	Freehold
Tenure Comment	Annual RPI RR with 5% cap. Guarantee from Care UK Ltd
Area	70 beds
Tenant	Care UK
WAULT (WAUTC) years	30
Current Rent Per Annum	£840k - £12k per bed
Quoting Price	
Quoting Price NIY %	
Date to Market	
Vendor	AEW
Purchaser	Specialist Care Investor
Sale Price	Circa £250k per bed
Sale Price NIY %	Confidential
Status Date	Feb 2022
Status	Sold

## Property Description

Dashwood manor (opened Q4 2021)  
Estimated Average Weekly Fee range: In excess of £1,350 per week

Comments:

# Project Sandpiper



## Key Facts

Property Type	6x care home
Tenure	5x freehold, 1x long leasehold
Tenure Comment	Rent reviews 0 % and 5% annual.
Area	430 beds
Tenant	Care UK
WAULT (WAUTC) years	24
Current Rent Per Annum	£3,406,374
Quoting Price	
Quoting Price NIY %	
Date to Market	
Vendor	L&G
Purchaser	PGIM
Sale Price	£70,200,000
Sale Price NIY %	4.54
Status Date	Jan 2022
Status	Sold

Sandpiper homes are all in East Anglia and the Poole asset is included within the transaction.

## Comments

Local Authority Block Contracts in place across a portion of homes.



## Property Description

Off market transaction.

Care home portfolio comprising 6 assets let to Care UK. 5x Freehold assets and 1x Long Leasehold asset (Hartismere Place) with 125 years from December 2014 at £0 ground rent.



# HOTELS

# Premier Inn, Saffron Waldon



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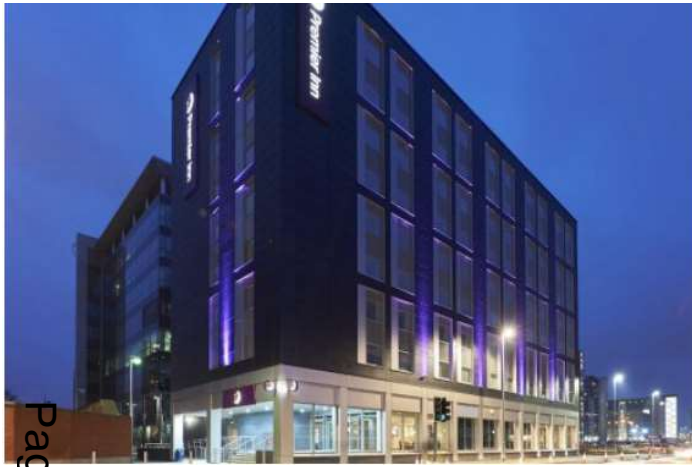
## Property Description

Let to Premier Inn, B&M, Pure Gym, Pets at Home and Costa. The hotel has been pre-let to Premier Inn Hotels Limited on a new 25-year lease (with a tenant break right at year 20) from completion of the building works.

## Key Facts

Property Type	Hotel
Tenure	Freehold
Tenure Comment	5 yearly CPI uplifts.
Area	
Tenant	Premier Inn
WAULT (WAUTC) years	25.00 (20.00) yrs
Current Rent Per Annum	
Quoting Price	
Quoting Price NIY %	
Date to Market	
Vendor	LXi REIT
Purchaser	
Sale Price	£19,330,000
Sale Price NIY %	4.45%
Status Date	April 2022
Status	Sold
Comments	

# Premier Inn, Leeds



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## Property Description

The purpose built hotel was constructed in 2017 and is let to Premier Inn Hotels with an attractive and rare guarantee from its owner, Whitbread Plc, until 2042 with indexed rent reviews. The asset includes 136 bedrooms over eight floors with a bar and restaurant facility on the ground floor.

## Key Facts

Property Type	Hotel
Tenure	
Tenure Comment	Index linked.
Area	136 beds
Tenant	Premier Inn
WAULT (WAUTC) years	20.00 yrs
Current Rent Per Annum	
Quoting Price	Off Market
Quoting Price NIY %	
Date to Market	
Vendor	Town Centre Securities TCS
Purchaser	Mayfair Capital PITCH
Sale Price	£16,800,000
Sale Price NIY %	4.00%
Status Date	March 2022
Status	Sold
Comments	

# Premier Inn, Richmond



## Key Facts

Property Type	Hotel
Tenure	Freehold
Tenure Comment	5 yearly CPI (0%-5%). Next review May 2022.
Area	92 beds
Tenant	Premier Inn
WAULT (WAUTC) years	15.50
Current Rent Per Annum	£532,767
Quoting Price	£11,920,000
Quoting Price NIY %	4.50
Date to Market	
Vendor	
Purchaser	
Sale Price	
Sale Price NIY %	
Status Date	May 2022
Status	Under Offer at high 3%
Comments	

## Property Description

92 en-suite bedrooms arranged over part ground and three upper floors.

A 2,285 sq ft ground floor retail unit let to Anney Home Designs Ltd until 26 March 2024 paying £40,000 per annum.

# Travelodge Chiswick



Page 99

## Property Description

Forward Funding opportunity. Sales brochure in market.

## Key Facts

Property Type	Hotel
Tenure	Freehold
Tenure Comment	5 yearly CPI-H (1%-4%)
Area	113 beds
Tenant	Travelodge
WAULT (WAUTC) years	35
Current Rent Per Annum	£960,500 (£8,500 per key)
Quoting Price	£20,960,000
Quoting Price NIY %	4.50
Date to Market	Jan 2022
Vendor	
Purchaser	
Sale Price	
Sale Price NIY %	
Status Date	May 2022
Status	Under Offer
Comments	Under offer close to 4.75%

# Travelodge, Lowestoft



Page 100

## Property Description

46 car parking spaces situated on 1.1 acre site.

Road access to Norwich City Centre and international airport as well as Cambridge.

## Key Facts

Property Type	Hotel
Tenure	Freehold
Tenure Comment	5 yearly RPI Uncapped.
Area	47 beds.
Tenant	Travelodge
WAULT (WAUTC) years	25 (18.5) yrs. Option to renew for an additional 25 yrs.
Current Rent Per Annum	£194,874 (£4,146 per room)
Quoting Price	£2,725,000
Quoting Price NIY %	6.72
Date to Market	
Vendor	
Purchaser	
Sale Price	
Sale Price NIY %	
Status Date	May 2022
Status	Available
Comments	

# Travelodge, Winnersh



## Key Facts

Property Type	Hotel
Tenure	Freehold
Tenure Comment	5 yearly RPI Uncapped.
Area	93 beds.
Tenant	Travelodge
WAULT (WAUTC) years	23 yrs.
Current Rent Per Annum	£475,672 (£5,115 per room)
Quoting Price	£8,500,000
Quoting Price NIY %	5.25
Date to Market	April 2022
Vendor	
Purchaser	
Sale Price	
Sale Price NIY %	
Status Date	May 2022
Status	Available
Comments	

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## Property Description

Mixed use business park home. Own dedicated railway station direct access to London and Reading.

Large car park for 50 vehicles.



# Travelodge, Carlisle



## Property Description

### Key Facts

Property Type	Hotel
Tenure	Freehold
Tenure Comment	5 yearly RPI Uncapped.
Area	
Tenant	85% let to Travelodge
WAULT (WAUTC) years	
Current Rent Per Annum	
Quoting Price	£2,525,000
Quoting Price NIY %	6.50
Date to Market	Feb 2022
Vendor	
Purchaser	
Sale Price	
Sale Price NIY %	
Status Date	May 2022
Status	Available
Comments	



# Hub by Premier Inn, Marylebone



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## Property Description

Close proximity to Paddington, Marylebone and Edgware Road tube station.

## Key Facts

Property Type	Hotel
Tenure	Freehold
Tenure Comment	5 yearly CPI (0%-4%)
Area	294 beds. 80,320 sq ft.
Tenant	Premier Inn guaranteed by Whitbread Group PLC.
WAULT (WAUTC) years	27.25 (Tenant right to renew for 15 years upon expiry)
Current Rent Per Annum	TBC
Quoting Price	£90,000,000
Quoting Price NIY %	
Date to Market	
Vendor	
Purchaser	
Sale Price	Confidential
Sale Price NIY %	Confidential
Status Date	May 2022
Status	Sold
Comments	Lease with PI not agreed but likely to be 35 years, with 2 options to renew for 35 years. Planning permission was granted in 2019 and it is understood to be in the early stages to construction (site clearance).

# Travelodge, Whetstone



Page 104

## Property Description

96 purpose-built hotel with a ground floor retail.

## Key Facts

Property Type	Hotel
Tenure	Freehold
Tenure Comment	5 yearly RPI Uncapped. Next review in December 2025.
Area	96 key
Tenant	Travelodge
WAULT (WAUTC) years	21 yrs
Current Rent Per Annum	£535,221 (£5,575 per key)
Quoting Price	£11,560,000
Quoting Price NIY %	5.75
Date to Market	May 2022
Vendor	
Purchaser	
Sale Price	
Sale Price NIY %	
Status Date	May 2022
Status	Available
Comments	

# Travelodge, Newport



## Key Facts

Property Type	Hotel
Tenure	Freehold
Tenure Comment	5 yearly RPI Uncapped. Next review in February 2024.
Area	62 key
Tenant	Travelodge
WAULT (WAUTC) years	25.00 (15.00) yrs
Current Rent Per Annum	£280,534 (£4,525 per key)
Quoting Price	£3,700,000
Quoting Price NIY %	7.70
Date to Market	May 2022
Vendor	
Purchaser	
Sale Price	
Sale Price NIY %	
Status Date	May 2022
Status	Available
Comments	Landlord option to extend for a further 3 years.

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## Property Description

62 bedroom hotel over ground and two upper floors.

# Travelodge, Hastings



Page 106

## Property Description

Large area of 2.53 acres.

## Key Facts

Property Type	Hotel
Tenure	Long Leasehold
Tenure Comment	5 yearly RPI Uncapped. Next review in 2025.
Area	49 key
Tenant	Travelodge
WAULT (WAUTC) years	16.00 yrs
Current Rent Per Annum	£222,065 (£4,532 per key)
Quoting Price	£3,250,000
Quoting Price NIY %	6.50
Date to Market	May 2022
Vendor	
Purchaser	
Sale Price	
Sale Price NIY %	
Status Date	May 2022
Status	Available
Comments	

# Premier Inn, Cleethorpes



## Key Facts

Property Type	Hotel
Tenure	
Tenure Comment	5 yrly CPI rent reviews (0%-5%). Next review in November 2024.
Area	60 beds
Tenant	Premier Inn
WAULT (WAUTC) years	25 (11.5) yrs
Current Rent Per Annum	£377,539
Quoting Price	£7,070,000
Quoting Price NIY %	5.0%
Date to Market	
Vendor	
Purchaser	
Sale Price	
Sale Price NIY %	
Status Date	April 2022
Status	Available
Comments	

## Property Description

Hotel and restaurant opportunity in the seaside resort of Cleethorpes.

EPC rating A-20.

192 cover restaurant.

PI have added an additional 24 rooms at their own cost to create 84 rooms on the 2-acre site.

# Premier Inn, Manchester Trafford Centre West



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## Property Description

H2 2021 and Q1 2022 provided an average daily rate of 10% above the 2019 peak performance.

234 bed arranged over ground and three upper floors.

## Key Facts

Property Type	Hotel
Tenure	
Tenure Comment	5 yrly CPI Rent Reviews. Cap and Collar of (0%-4%)
Area	234 beds
Tenant	Premier Inn guaranteed by Whitbread Group PLC
WAULT (WAUTC) years	15.00
Current Rent Per Annum	£1,319,818 (£5,640 per bed)
Quoting Price	£27,460,000
Quoting Price NIY %	4.50%
Date to Market	June 2022
Vendor	
Purchaser	
Sale Price	
Sale Price NIY %	
Status Date	June 2022
Status	Available
Comments	Lease take effect from 1 <sup>st</sup> September 2022

# STUDENT ACCOMMODATION



# Baltic Street, Edinburgh



Page 110

## Property Description

Long-let student accommodation forward funding opportunity

Modern purpose-built accommodation split over 6 blocks

## Key Facts

Property Type	Student Housing
Tenure	Freehold
Tenure Comment	Annual CPI-linked rent reviews (1% – 4%).
Area	612 beds
Tenant	University of Edinburgh
WAULT (WAUTC) years	20
Current Rent Per Annum	£3,411,403 per annum
Quoting Price	£103,075,000
Quoting Price NIY %	3.25
Date to Market	
Vendor	
Purchaser	
Sale Price	
Sale Price NIY %	
Status Date	May 2022
Status	Under Offer ahead of quoting sub 3%
Comments	



# Green Park House, Bath



Page 111

## Property Description

Purpose built scheme constructed in 2016 with Bath Stone frontages, located within the UNESCO World Heritage boundary

## Key Facts

Property Type	Student Housing
Tenure	
Tenure Comment	Annual CPI-linked rent reviews (0% – 6%).
Area	470 beds
Tenant	University of Bath
WAULT (WAUTC) years	27.00 (-)
Current Rent Per Annum	
Quoting Price	
Quoting Price NIY %	
Date to Market	
Vendor	Bath Spa University
Purchaser	Aviva Investors
Sale Price	£82,000,000 (£174,000 per bedspace)
Sale Price NIY %	4.5% NIY on DL
Status Date	Feb 2022
Status	
Comments	

# PETROLEUM & AUTOMOTIVE

# Volvo, Preston



## Property Description

Rybrook Volvo Bluebell Way Preston PR2 5PZ

## Key Facts

Property Type	Car Dealership
Tenure	Freehold
Area	19,375 sq ft
Tenant	Rybrook Cars Limited
WAULT (WAUTC) years	20.00
Current Rent Per Annum	£300,711
Quoting Price	£5,115,000
Quoting Price NIY %	5.50%
Date to Market	February 2022
Vendor	Monte Blackburn Limited
Purchaser	Bel Ombre Limited
Sale Price	£5,625,000
Sale Price NIY %	5%
Status Date	May 2022
Status	Sold

# Solihull Ferrari BMW MINI



## Property Description

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### Key Facts

Property Type	Car Dealerships x3
Tenure	Freehold
Area	-
Tenant	Sytner Group Limited
WAULT (WAUTC) years	16.6 years
Current Rent Per Annum	£1,079,223
Quoting Price	-
Quoting Price NIY %	-
Date to Market	
Vendor	
Purchaser	
Sale Price	£20,220,000
Sale Price NIY %	5%
Status Date	April 2022
Status	Sold



## Key Facts

Property Type	Car Dealership
Tenure	Freehold / Leasehold
Area (sq ft)	54,262 sq ft
Tenant	Cazoo properties limited w/ guarantee from Cazoo Limited
WAULT (years)	20 years
Current Rent Per Annum (£)	£879,500
Quoting Price (£)	-
Quoting Price NIY %	-
Date to Market	-
Vendor	Cazoo Limited
Purchaser	LXI REIT
Sale Price (£)	13,733,641 – 6% NIY
Status Date	Feb 2022
	Sold.
Comments	One further transaction pending head landlords consent for completion, to form portfolio of four at £16,076,000 – NIY 6%.

## Property Description

Three car dealerships sold by way of a sale and leaseback.

- Cazoo Chertsey, Staines Road, Chertsey KT16 9DA
- Cazoo Northampton, Bedford Road, Northampton NN1 5NS
- Cazoo Carlisle, 57a Kingstone Industrial Estate, Carlisle CA3 0ET.

# LEISURE

# Doncaster Leisure Park, Herten Way, Doncaster, DN4 7NW

## Key Facts

Property Type	Leisure
Tenure	Long Leasehold
Tenure Comment	
Area	
Tenant	Vue Cinema, Pizza Express and Nando's
WAULT (WAUTC) years	17.40 (-)
Current Rent Per Annum	£746,323 (£19 per sq ft)
Quoting Price	£9,000,000 (£233.14 per -)
Quoting Price NIY %	7.77
Date to Market	01/09/2021
Vendor	Bankfoot Financial Services
Purchaser	Clearbell UK Strategic
Sale Price	£9,000,000
Sale Price NIY %	8.00%
Status Date	May 2022
Status	Sold
Comments	



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## Property Description

Doncaster leisure park comprises a terrace of three units totalling 38,603 sq.ft., located 2.5 miles from junction 3 of the M18 and the A1. The property is held long leasehold from Doncaster Borough Council for 140 years from 12th February 1992 at a peppercorn (111 years unexpired). The park includes 745 parking spaces.

# iScene, Ilford



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## Property Description

### Key Facts

Property Type	Cinema, Hotel, Gym and various F&B
Tenure	Freehold
Tenure Comment	5 yearly CPI (1%-3%)
Area	100,410 sq ft
Tenant	8 tenants and anchored by Cineworld, Nuffield Health & Travelodge
WAULT (WAUTC) years	13
Current Rent Per Annum	£1,961,450 p.a.
Quoting Price	£25,640,000
Quoting Price NIY %	7.00%
Date to Market	October 2021
Vendor	Legal & General
Purchaser	Private
Sale Price	£22,5000,000
Sale Price NIY %	7.50%
Status Date	December 2021
Status	Sold
Comments	Sold around the 7.5% guide but a lot of vacancy / "just rented" and the price may well interpret to quite a bit sharper when you work back to units that are fitted out and paying rent. The cinema and Nuffield are over rented



# David Lloyd, Shawfair, Edinburgh



## Key Facts

Property Type	Health and Fitness
Tenure	Freehold
Tenure Comment	5 yearly CPI rent reviews (1% - 4%)
Area	62,592 sq ft
Tenant	David Lloyd
WAULT (WAUTC) years	30.00 (-)
Current Rent Per Annum	£1,000,000
Quoting Price	£19,550,000
Quoting Price NIY %	5.00
Date to Market	
Vendor	David Lloyd Leisure
Purchaser	Aberdeen
Sale Price	Confidential
Sale Price NIY %	Sub 4.50
Status Date	September 2021
Status	Sold
Comments	Sold sub 4.50% ahead of Bicester. Forward Fund of new H&F club.

# David Lloyd, Rugby



## Key Facts

Property Type	Health and Fitness
Tenure	Freehold
Tenure Comment	5 yearly CPI rent reviews (1% - 4%)
Area	62,592 sq ft
Tenant	David Lloyd
WAULT (WAUTC) years	30.00 (-)
Current Rent Per Annum	£900,000
Quoting Price	£17,550,000
Quoting Price NIY %	5.00
Date to Market	
Vendor	David Lloyd Leisure
Purchaser	
Sale Price	
Sale Price NIY %	
Status Date	June 2022
Status	Under Offer
Comments	U/O with UBS. Completion expected in Q3/Q4 2022.

## Property Description

250 car parking spaces.

Spa Garden, 3 Tennis Courts, Air Dome, 3 Padel Courts, 1 Football pitch.

Arranged over Ground, First and External space

# Odeon Harrogate



## Key Facts

Property Type	Leisure
Tenure	Freehold
Tenure Comment	Annual yearly RPI linked uplifts (1-5%).
Area	23,971 sq ft
Tenant	Odeon Cinemas Ltd
WAULT (WAUTC) years	16.30
Current Rent Per Annum	£499,159 pa but will be topped up to £524,117 pa (hitting the 5% cap).
Quoting Price	£7,000,000
Quoting Price NIY %	7.00%
Date to Market	
Vendor	
Purchaser	
Sale Price	
Sale Price NIY %	
Status Date	May 2022
Status	Under Offer
Comments	

## Property Description

5 screen Grade II Listed cinema let to Odeon Cinemas Ltd

# Nuffield, Newbury



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## Property Description

20-metre swimming pool, spa, physio, squash courts and sports hall

Sits next to two new residential developments with subject site providing long term redevelopment potential (STP)

## Key Facts

Property Type	Leisure
Tenure	Freehold
Tenure Comment	5 yearly OMR
Area	49,000
Tenant	Nuffield
WAULT (WAUTC) years	15.65 (-)
Current Rent Per Annum	£661,500
Quoting Price	£10,770,000
Quoting Price NIY %	5.75%
Date to Market	June 2022
Vendor	
Purchaser	
Sale Price	
Sale Price NIY %	
Status Date	
Status	Available
Comments	

# Nuffield, Glasgow

## Key Facts

Property Type	Leisure
Tenure	Freehold
Tenure Comment	5 yearly OMR
Area	40,305
Tenant	Nuffield Health
WAULT (WAUTC) years	35 (19.5)
Current Rent Per Annum	£603,300 (£14.96 per sqft)
Quoting Price	£11,300,000
Quoting Price NIY %	5.00%
Date to Market	June 2022
Vendor	
Purchaser	
Sale Price	
Sale Price NIY %	
Status Date	June 2022
Status	Available
Comments	

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## Property Description

The address is 141 Finnieston Street, Glasgow G3 8HB.

The property totals 40,305 sq ft on a total site area of 2.492 acres.

The facilities are arranged around a central 25 metre swimming pool and offers a gym, studio, sauna, steam room, health and beauty salon, a fully licensed bar and brassiere plus dedicated medial centre. Parking is provided for approximately 230 cars

# Nuffield, Shipley



## Key Facts

Property Type	Leisure
Tenure	Freehold
Tenure Comment	5 yearly CPI collared at 1% and capped at 3.5% per annum
Area	38,121
Tenant	Nuffield Health
Wault (Wautc) years	20 (-)
Current Rent Per Annum	£360,000 (£9.44 per sqft)
Quoting Price	£6,740,000
Quoting Price NIY %	5.00%
Date to Market	June 2022
Vendor	
Purchaser	
Sale Price	
Sale Price NIY %	
Status Date	June 2022
Status	Available
Comments	

## Property Description

The property includes a swimming pool, gymnasium, a large range of classes, spa, onsite experts including physios and personal trainers. .

There are over 230 car parking spaces surrounding the property providing a car parking ratio of 1:167 per sqft.

# PUBS

# The Wales Portfolio



## Key Facts

Property Type	Pub
Tenure	93 Freehold 6 long leasehold
Tenure Comment	5 yearly CPI (1%-3%)
Area	
Tenant	100% let and fully occupied by Marston's Estates Limited.
WAULT (WAUTC) years	24.35 (14.35)
Current Rent Per Annum	£5,420,000 (Gross rent roll)
Quoting Price	
Quoting Price NIY %	
Date to Market	
Vendor	Song Capital
Purchaser	
Sale Price	£88,000,000
Sale Price NIY %	5.75%
Status Date	June 2022
Status	Sold
Comments	

## Property Description

99 pubs

A geographically diverse portfolio occupying a range of locations varying from town and city centres to suburban and some rural settings.

The properties are primarily concentrated around Cardiff, Newport and Swansea with clusters in West, Mid and North Wales.

The portfolio is owned by the Welsh brewery and pub operator, SA Brain & Company.



# Revolution, George Street, Bath, BA1 2EB



## Key Facts

Property Type	Bar/Tavern/Nightclub
Tenure	Freehold
Area	-
Tenant	Revolution
WAULT (WAUTC) years	14.00 (-)
Current Rent Per Annum	£130,000
Quoting Price	-
Quoting Price NIY %	-
Date to Market	-
Vendor	-
Purchaser	-
Sale Price	£2,100,000
Sale Price NIY %	5.82
Status Date	March 2022
Status	Sold

# O'Neill's, George Street, Oxford, OX1



## Key Facts

Property Type	Pub
Tenure	Virtual Freehold
Area	-
Tenant	M&B Retail Ltd
WAULT (WAUTC) years	19.00 (9.00)
Current Rent Per Annum	£225,000
Quoting Price	£3,650,000
Quoting Price NIY %	-
Date to Market	-
Vendor	Helix Limited
Purchaser	-
Sale Price	-
Sale Price NIY %	-
Status Date	June 2022
Status	Available

## Property Description

# The Lordship, Lordship Lane, East Dulwich, London, SE22 8HA



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## Property Description

### Key Facts

Property Type	Pub
Tenure	Freehold
Area	-
Tenant	El Group (part of Stonegate Group)
WAULT (WAUTC) years	14.00 (-)
Current Rent Per Annum	£75,000
Quoting Price	£2,000,000
Quoting Price NIY %	-
Date to Market	-
Vendor	-
Purchaser	-
Sale Price	-
Sale Price NIY %	-
Status Date	June 2022
Status	Available

# High Street Banks

# The Aurora Bank Portfolio



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## Property Description

Portfolio of 6 banks in the North of England :

- NatWest, 33-35 King William Street, Blackburn
- RBS, 46-48 Deansgate, Bolton
- RBS, 45-47 Bank Street, Bradford
- NatWest, 12, 13 & 14 High Street, Doncaster
- RBS, 97 Fishergate, Preston
- RBS, 269-271 Lord Street, Southport

## Key Facts

Property Type	Banks
Tenure	Freehold
Tenure Comment	Annual RPI rent reviews (0%-3%)
Area	66,346
Tenant	Royal Bank of Scotland
WAULT (WAUTC) years	15.7(-)
Current Rent Per Annum	£1,462,406 topped up to £1,506,278 in December
Quoting Price	£23,500,000
Quoting Price NIY %	6.00%
Date to Market	Jan 2022
Vendor	Knight Frank Investment Management
Purchaser	Royal Bank of Scotland
Sale Price	£23,575,000
Sale Price NIY %	6.00%
Status Date	April 2022
Status	Sold
Comments	

# GARDEN CENTRES

# Dobbies, Northampton



## Key Facts

Property Type	Leisure
Tenure	Freehold
Tenure Comment	Annual reviews CPI (1%-4%). Review on 20 Jan 2022.
Area	84,512 sq ft
Tenant	Dobbies Garden Centres Ltd
WAULT (WAUTC) years	28.10 (-)
Current Rent Per Annum	£657,646 (£7.78 per sq ft)
Quoting Price	
Quoting Price NIY %	
Date to Market	
Vendor	AEW
Purchaser	UBS
Sale Price	£13,000,000
Sale Price NIY %	4.74%
Status Date	Jan 2022
Status	Sold
Comments	

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## Property Description

210 car parking spaces on a 6.52 acre site.

# GROUND RENTS



# ICP Nurseries Portfolio

icpnurseries

Page 135

## Property Description

Portfolio of 17 assets (roughly half o the companies sites)

London and home countries locations

## Key Facts

Property Type	Nurseries
Tenure	Freehold
Tenure Comment	Annual RPI rent reviews (0%-5%)
Area	
Tenant	ICP Nurseries
WAULT (WAUTC) years	125
Current Rent Per Annum	Geared to sub-10% of overall EBITDAR
Quoting Price	
Quoting Price NIY %	
Date to Market	December 2021
Vendor	ICP Nurseries / Oakley Capital
Purchaser	Macquarie
Sale Price	In excess of £20 000 000
Sale Price NIY %	In excess of 2.70%
Status Date	March 2022
Status	Sold
Comments	

# The Garden Centre collection



Page 136

## Property Description

South East ground rent portfolio of three garden centre assets.

Offering good car parking provision benefiting from strong demographic profile.

## Key Facts

Property Type	Garden Centre
Tenure	Ground rent of 147 years unexpired
Tenure Comment	Annual RPI rent reviews (1%-5%)
Area	9.14 acres
Tenant	Dobbies
WAULT (WAUTC) years	147
Current Rent Per Annum	£252,431 topped up to £265,053 in June
Quoting Price	£9,375,000
Quoting Price NIY %	2.65%
Date to Market	Jan 2022
Vendor	CBRE IM
Purchaser	PropCo
Sale Price	£10,250,000
Sale Price NIY %	2.40%
Status Date	Feb 2022
Status	Completed
Comments	2.4% to an undisclosed PropCo. 5x bids ahead of asking

# Project Royal



Page 137

## Property Description

Portfolio:

Portfolio comprises 9 neurological, 17 adult care, and 3 children's home facilities, totalling 29 assets.

## Key Facts

Property Type	Specialist Care
Tenure	Freehold and Long Leasehold
Tenure Comment	Annual RPI rent reviews (0%-5%)
Area	-
Tenant	Active Care Group
WAULT (WAUTC) years	125
Current Rent Per Annum	-
Quoting Price	-
Quoting Price NIY %	-
Date to Market	March 2022
Vendor	Montreux
Purchaser	-
Sale Price	-
Sale Price NIY %	-
Status Date	May 2022
Status	Under Offer
Comments	-

# Aria Resorts



Page 138

## Property Description

Portfolio:

The Bay Filey, Yorkshire  
 Retallack Resort & Spa, Cornwall  
 Newperran Holiday Resort, Cornwall  
 St Helens Coastal Resort, Isle of Wight

## Key Facts

Property Type	Holiday parks
Tenure	To be agreed with purchaser
Tenure Comment	Annual RPI rent reviews (1%-5%)
Area	173 acres
Tenant	Away Resorts
WAULT (WAUTC) years	
Current Rent Per Annum	
Quoting Price	
Quoting Price NIY %	
Date to Market	
Vendor	Away resorts
Purchaser	
Sale Price	
Sale Price NIY %	
Status Date	Feb 2022
Status	Available
Comments	

# INCOME STRIPS

# Culham Science Centre, Abingdon



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## Property Description

6,248 sq m office, 2,260 sq m rig hall, plus 283 space MSCO.

Tenant has option to acquire freehold for £1 at lease expiry

## Key Facts

Property Type	R&D Building
Tenure	Long Leasehold – 125 years
Tenure Comment	Annual CPI linked (0% - 4%)
Area	6,248 sq m, 2,260 sq m rig hall, plus 283 MSCP
Tenant	UK Atomic Energy Authority
WAULT (WAUTC) years	35
Current Rent Per Annum	To be based on final funding cost
Quoting Price	£40,000,000
Quoting Price NIY %	-
Date to Market	Q3 21
Vendor	-
Purchaser	-
Sale Price	-
Sale Price NIY %	-
Status Date	November 2021
Status	Under Offer
Comments	Forward Funding, circa 4.2-acre site

# Blackpool Central MSCP



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## Property Description

Forward funding of a new car park offered with a council wrapped lease. First phase of wider leisure development on site of former Blackpool Central railway station. Tenant option to buy back freehold for £1 at lease expiry.

Confidential

## Key Facts

Property Type	Multi Storey Car Park
Tenure	Freehold
Tenure Comment	Annual RPI linked subject to caps and collars
Area	1,306 spaces
Tenant	Blackpool Council
WAULT (WAUTC) years	35 years
Current Rent Per Annum	£1,175,400 (£900 per space)
Quoting Price	TBC
Quoting Price NIY %	TBC
Date to Market	
Vendor	Nikil/Blackpool Council
Purchaser	
Sale Price	
Sale Price NIY %	
Status Date	December 2021
Status	Sold
Comments	

# GE Renewable Energy Blade Facility, Middlesbrough



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## Property Description

The development unlocks a strategic site in Teesworks.

The blades produced by GE Renewable Energy will be supplied to the Dogger Bank wind farm, which when completed in 2026, will be the largest offshore wind farm in the UK.

## Key Facts

Property Type	Wind turbine manufacturing
Tenure	Freehold
Tenure Comment	FRI lease on PC. Annual RPI (1%-4%). Rent geared to 85% of GE Renewable Energy initial rent.
Area	63 acres
Tenant	Tees Valley Combined Authority
WAULT (WAUTC) years	35
Current Rent Per Annum	£6,240,823
Quoting Price	£212,500,000
Quoting Price NIY %	2.75
Date to Market	
Vendor	
Purchaser	
Sale Price	
Sale Price NIY %	
Status Date	November 2021
Status	Under Offer
Comments	Income Strip, £1 buy back option



# St Andrews University, Albany Park



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## Property Description

672 new rooms to be built (9 of which are twin rooms, giving 681 beds)

Maintaining and operating the 672 rooms for 50 years; UoSA operating and looking after FM, CLV looking after lifecycle

UoSA owns the land and it was previously used for 334 student rooms (now demolished)

Construction period Dec 2021 – May 2025

## Key Facts

Property Type	Student Accommodation
Tenure	Freehold
Tenure Comment	Annual RPI linked (0% - 5%)
Area	672 rooms
Tenant	St Andrews University
WAULT (WAUTC) years	50-years (4-year construction period followed by a 46-year lease)
Current Rent Per Annum	
Quoting Price	£120,000,000
Quoting Price NIY %	
Date to Market	
Vendor	
Purchaser	
Sale Price	
Sale Price NIY %	
Status Date	November 2021
Status	Available
Comments	St Andrews will be a 49% shareholder in the LLP.

# Project Bakewell



## Key Facts

Property Type	Hospital
Tenure	Freehold
Tenure Comment	5-yearly RPI linked (2% - 4% pa)
Area	55,561 sqft
Tenant	NHS Foundation Trust
WAULT (WAUTC) years	32.9(-)
Current Rent Per Annum	£796,000 (14.33 per sqft)
Quoting Price	
Quoting Price NIY %	
Date to Market	February 2022
Vendor	
Purchaser	
Sale Price	
Sale Price NIY %	
Status Date	June 2022
Status	Available
Comments	

## Property Description

A partner is sought to acquire and Forward Fund the partial redevelopment of a 2.79 acre site within the campus of an operational NHS hospital.

The development is for the demolition of a number of existing hospital buildings followed by their replacement with a new main entrance building and a surface car park. These will interconnect with two existing hospital buildings which are to be retained and are included within the lease.

The tenant will be required to acquire the freehold upon expiry of the lease for £1.

# Order of St John Care Trust, Oxford



Page 145

## Property Description

Forward funded care home investment opportunity pre-let to the order of St John Care Trust in prime Oxford Location

78 high specification bedrooms.

Anticipated GIA of 5,204 sq m, equating to c 66.7 sq m per resident

The tenant will be required to acquire the freehold upon expiry of the lease for £1. 12 months rent free period

## Key Facts

Property Type	Care Home
Tenure	Freehold
Tenure Comment	Annual RPI linked rental uplifts (2% - 4% )
Area	78 Beds
Tenant	The Order of St John Care Trust
WAULT (WAUTC) years	40(-)
Current Rent Per Annum	£932,100 (£11,950 per bed)
Quoting Price	
Quoting Price NIY %	
Date to Market	February 2022
Vendor	
Purchaser	
Sale Price	
Sale Price NIY %	
Status Date	June 2022
Status	Under Offer
Comments	Deal is in legals

# Government Property Agency, First Street, Manchester



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## Property Description

Grade A office building with 35 basement car parking spaces, in the heart of Manchester's newest business district. The building will consist of ground and 9 upper floors and will become the latest phase in the already popular First Street Master Plan.

Fully let to the Government on an Index linked long lease

The tenant will be required to acquire the freehold upon expiry of the lease for £1.

## Key Facts

Property Type	Office
Tenure	Freehold
Tenure Comment	5 Yearly CPI linked rental uplifts compounded annually, capped and collared at 4% and 0% respectively
Area	130,910 sqft
Tenant	The Department for Levelling Up, Housing and Communities
WAULT (WAUTC) years	25(20)
Current Rent Per Annum	£3,181,174 (£23.50 per sqft and £3,000 per car space)
Quoting Price	
Quoting Price NIY %	
Date to Market	February 2022
Vendor	
Purchaser	
Sale Price	
Sale Price NIY %	
Status Date	June 2022
Status	
Comments	

# VALUATION REPORT

Valuation Date: 30 September 2022

In respect of:

Uttlesford District Council Property Fund

On behalf of:

**Uttlesford District Council**

## Legal Notice and Disclaimer

This valuation report (the "Report") has been prepared by CBRE Limited ("CBRE") exclusively for Uttlesford District Council (the "Client") in accordance with the terms of engagement entered into between CBRE and the client dated 10 November 2020 ("the Instruction"). The Report is confidential to the Client and any other Addressees named herein and the Client and the Addressees may not disclose the Report unless expressly permitted to do so under the Instruction.

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(i) 25% of the value of a single property, or, in the case of a claim relating to multiple properties 25% of the aggregated value of the properties to which the claim relates (such value being as at the Valuation Date and on the basis identified in the Instruction or, if no basis is expressed, Market Value as defined by the RICS); or

(ii) £20,000,000 (Twenty Million British Pounds).

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01

# VALUATION REPORT



# Introduction

<b>Report Date</b>	2 November 2022
<b>Valuation Date</b>	30 September 2022
<b>Addressee</b>	Uttlesford District Council London Road Saffron Walden CB11 4ER
<b>The Properties</b>	Properties held in Uttlesford District Council Property Fund, as set out in the Schedule of Values.
<b>Instruction</b>	To value the Properties as at the Valuation Date in accordance with Terms of Engagement dated 10 November 2020.
<b>Status of Valuer</b>	You have instructed us to act as an External valuer as defined in the current version of the RICS Valuation – Global Standards.  Please note that the Valuation may be investigated by the RICS for the purposes of the administration of the Institution’s conduct and disciplinary regulations in order to ensure compliance with the Valuation Standards.
<b>Purpose and Basis of Valuation</b>	You have requested us to carry out a Valuation for Financial Reporting purposes only for incorporation within the Company’s accounts.  The Valuation will be on the basis of: <ul style="list-style-type: none"> <li>• <b>Fair Value</b> in accordance with IFRS 13. We confirm that Fair Value as defined in IFRS13 is effectively the same as Market Value. The definitions are set out in full in the VSTOB.</li> </ul>
<b>Fair Value (IFRS 13)</b>	<b>£181,500,000 (ONE HUNDRED AND EIGHTY-ONE MILLION FIVE HUNDRED THOUSAND POUNDS)</b> exclusive of VAT, as shown in the Schedule of Capital Values set out below.
<b>Market Conditions</b>	We would draw your attention to the fact that a combination of global inflationary pressures, higher interest rates, currency movements and the recent geopolitical events in Ukraine, has heightened the potential for greater volatility in property markets over the short-to-medium term.  Past experience has shown that consumer and investor behaviour can quickly change during periods of such heightened volatility. You should note that the conclusions set out in this report are only valid as at the valuation date. Where appropriate, we would recommend that the valuation is closely monitored, as we continue to track how market participants respond to current market volatility.
<b>Portfolios and Aggregation</b>	We have valued the Properties individually and no account has been taken of any discount or premium that may be negotiated in the market if all or part of the portfolio was to be marketed simultaneously, either in lots or as a whole.
<b>Joint Tenancies and Indirect Investment Structures</b>	Where a property is owned through an indirect investment structure or a joint tenancy in a trust for sale, our Valuation represents the relevant apportioned percentage of ownership of the value of the whole property, assuming full management control. Our Valuation therefore is unlikely to represent the value of the interests in the indirect investment structure through which the property is held.  Our Valuation does not necessarily represent the ‘Fair Value’ in accordance with IFRS 13 or FRS102 of the interests in the indirect investment structure through which the property is held.

### Compliance with Valuation Standards

The Valuation has been prepared in accordance with the latest version of the RICS Valuation – Global Standards (incorporating the International Valuation Standards) and the UK national supplement (the “Red Book”) current as the Valuation Date.

The Properties have been valued by a valuer who is qualified for the purpose of the Valuation in accordance with the Red Book. We confirm that we have sufficient local and national knowledge of the particular property market involved and have the skills and understanding to undertake the Valuation competently.

Where the knowledge and skill requirements of the Red Book have been met in aggregate by more than one valuer within CBRE, we confirm that a list of those valuers has been retained within the working papers, together with confirmation that each named valuer complies with the requirements of the Red Book.

This Valuation is a professional opinion and is expressly not intended to serve as a warranty, assurance or guarantee of any particular value of the subject Properties. Other valuers may reach different conclusions as to the value of the subject Properties. This Valuation is for the sole purpose of providing the intended user with the valuer’s independent professional opinion of the value of the subject Properties as at the Valuation Date.

### Sustainability Considerations

Wherever appropriate, sustainability and environmental matters are an integral part of the valuation approach. ‘Sustainability’ is taken to mean the consideration of such matters as environment and climate change, health and well-being and corporate responsibility that can or do impact on the valuation of an asset. In a valuation context, sustainability encompasses a wide range of physical, social, environmental, and economic factors that can affect value. The range of issues includes key environmental risks, such as flooding, energy efficiency and climate, as well as matters of design, configuration, accessibility, legislation, management, and fiscal considerations – and current and historic land use.

Sustainability has an impact on the value of an asset, even if not explicitly recognised. Valuers reflect markets, they do not lead them. Where we recognise the value impacts of sustainability, we are reflecting our understanding of how market participants include sustainability requirements in their bids and the impact on market valuations.

### Climate Risk Legislation

The UK Government is currently producing legislation which enforces the transition to net zero by 2050, and the stated 78% reduction of greenhouse gases by 2035 (based on a 1990 baseline).

We understand this to include an update to the Minimum Energy Efficiency Standards, stated to:

- Increase the minimum requirements for non-domestic properties from an E (since 2018) to a B in 2030; and,
- Require a minimum EPC of C for privately rented residential properties from 2028.

The government also intends to introduce an operational rating. It is not yet clear how this will be legislated, but fossil fuels used in building, such as natural gas for heating, are incompatible with the UK’s commitment to be Net Zero Carbon by 2050.

This upcoming legislation could have a potential impact to future asset value.

We also note that the UK’s introduction of mandatory climate related disclosures (reporting climate risks and opportunities consistent with recommendations by the “Task Force for Climate Related Financial Disclosure” (TCFD)), including the assessment of so-called physical and transition climate risks, will potentially have an impact on how the market views such risks and incorporates them into the sale of letting of assets.

The European Union’s “Sustainable Finance Disclosure Regulations” (SFDR) may impact on UK asset values due to the requirements in reporting to European investors.

<b>Assumptions</b>	<p>The Properties details on which each Valuation are based are as set out in this report. We have made various assumptions as to tenure, letting, taxation, town planning, and the condition and repair of buildings and sites – including ground and groundwater contamination – as set out below.</p> <p>If any of the information or assumptions on which the Valuation is based are subsequently found to be incorrect, the Valuation figures may also be incorrect and should be reconsidered.</p>
<b>Variations and/or Departures from Standard Assumptions</b>	None.
<b>Independence</b>	<p>The total fees, including the fee for this assignment, earned by CBRE Ltd (or other companies forming part of the same group of companies within the UK) from the Addressee (or other companies forming part of the same group of companies) is less than 5.0% of the total UK revenues.</p>
<b>Previous Involvement and Conflicts of Interest</b>	<p>We confirm that we have previously valued all the properties on your behalf on a quarterly basis. We have had no other previous material involvement with any of the properties.</p> <p>Copies of our conflict of interest checks have been retained within the working papers.</p>
<b>Disclosure</b>	<p>The principal signatory of this report has continuously been the signatory of Valuations for the same Addressee and Valuation purpose as this report since September 2020.</p> <p>CBRE Ltd has continuously been carrying out Valuation instructions for the Addressee of this report since September 2020.</p> <p>CBRE Ltd has carried out Valuation, Agency and Professional services on behalf of the Addressee since September 2020.</p>
<b>Reliance</b>	<p>The contents of this Report may only be relied upon by:</p> <ul style="list-style-type: none"> <li>i) Addressees of the Report; and</li> <li>ii) Parties who have received prior written consent from CBRE in the form of a reliance letter;</li> </ul> <p>for the specific purpose set out herein and no responsibility is accepted to any third party for the whole or any part of its contents.</p>

**Publication**

Neither the whole nor any part of our report nor any references thereto may be included in any published document, circular or statement nor published in any way without our prior written approval of the form and context in which it will appear.

Such publication of, or reference to this report will not be permitted unless it contains a sufficient contemporaneous reference to any departure from the Red Book or the incorporation of the special assumptions referred to herein.

Yours faithfully



Mark Dennis MRICS  
Director  
**RICS Registered Valuer**  
For and on behalf of CBRE Limited  
  
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Yours faithfully



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**Schedule of Values**

Address	Property Type	Tenure	Total	Ownership Purpose
Skyway House, Bishop's Stortford	Offices	Freehold	£18,350,000	Investment
Waitrose RDC, Chorley	Industrial	Freehold	£61,150,000	Investment
Stane Retail Park, Colchester	Retail Warehouse	Freehold	£29,100,000	Investment
Amazon, Gloucester	Industrial	Freehold	£43,900,000	Investment
1 Deerpark Road, Livingston	Offices	Freehold	£5,000,000	Investment
MOOG, Tewkesbury	Industrial	Freehold	£24,000,000	In the course of Development

Portfolio Total (GBP)	£181,500,000
- Freehold - 100.00 % (GBP)	£181,500,000

\* Short Leasehold: Leasehold of 50 years and under

\*\* Long Leasehold: Leasehold over 50 years unexpired term

Property	Price paid (including future commitments)	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022
Colchester, Stane RP	£ 27,004,322	£ 7,500,000	£ 7,500,000	£ 7,975,000	£ 9,600,000	£ 11,000,000	£ 30,600,000	£ 30,975,000	£ 30,975,000	£ 29,100,000
Chorley, Waitrose RDC	£ 54,608,773	£ 54,600,000	£ 55,000,000	£ 56,700,000	£ 58,500,000	£ 60,150,000	£ 65,700,000	£ 67,500,000	£ 67,500,000	£ 61,150,000
Livingston, 1 Deerpark Road	£ 4,758,374	£ 4,800,000	£ 4,900,000	£ 4,975,000	£ 5,050,000	£ 5,125,000	£ 5,200,000	£ 5,300,000	£ 5,300,000	£ 5,000,000
Takeley, Skyway House	£ 20,000,000	£ 18,000,000	£ 19,500,000	£ 19,500,000	£ 19,600,000	£ 19,600,000	£ 19,900,000	£ 19,950,000	£ 19,950,000	£ 18,350,000
Gloucester, Amazon W/H	£ 42,692,000			£ 5,625,000	£ 8,050,000	£ 23,600,000	£ 37,650,000	£ 42,100,000	£ 50,750,000	£ 43,900,000
Tewkesbury, MOOG HQ	£ 37,749,262			£ 7,000,000	£ 11,000,000	£ 16,950,000	£ 21,050,000	£ 24,650,000	£ 27,150,000	£ 24,000,000
	<b>£ 186,812,731</b>	<b>£ 84,900,000</b>	<b>£ 86,900,000</b>	<b>£ 101,775,000</b>	<b>£ 111,800,000</b>	<b>£ 136,425,000</b>	<b>£ 180,100,000</b>	<b>£ 190,475,000</b>	<b>£ 201,625,000</b>	<b>£ 181,500,000</b>

## Source of Information and Scope of Works

<b>Sources of Information</b>	We have carried out our work based upon information supplied to us by professional advisors, as set out within this report, which we have assumed to be correct and comprehensive.
<b>Inspection</b>	In accordance with your instructions, we inspect the Properties internally every three years. A schedule of the most recent inspection dates and the names of the inspecting valuers is maintained within our working papers and can be made available if required.
<b>Areas</b>	We have not measured the Properties but have relied upon the floor areas provided to us by you or your professional advisors, which we have assumed to be correct and comprehensive, and which you have advised us have been calculated using the: Gross Internal Area (GIA), Net Internal Area (NIA) or International Property Measurement Standard (IPMS) 3 – Office, measurement methodology as set out in the latest edition of the RICS Property Measurement Standards.
<b>Environmental Considerations</b>	<p>We have not been instructed to make any investigations in relation to the presence or potential presence of contamination in land or buildings or the potential presence of other environmental risk factors and to assume that if investigations were made to an appropriate extent then nothing would be discovered sufficient to affect value.</p> <p>We have not carried out investigation into past uses, either of the property or of any adjacent lands, to establish whether there is any potential for contamination from such uses or sites, or other environmental risk factors and have therefore assumed that none exists.</p>
<b>Services and Amenities</b>	<p>We understand that the Properties are located in an area served by mains gas, electricity, water and drainage.</p> <p>None of the services have been tested by us.</p>
<b>Repair and Condition</b>	We have not carried out building surveys, tested services, made independent site investigations, inspected woodwork, exposed parts of the structure which were covered, unexposed or inaccessible, nor arranged for any investigations to be carried out to determine whether or not any deleterious or hazardous materials or techniques have been used, or are present, in any part of the Properties. We are unable, therefore, to give any assurance that the Properties are free from defect.
<b>Town Planning</b>	We have not undertaken planning enquiries.
<b>Titles, Tenures and Lettings</b>	<p>Details of title/tenure under which the Properties are held and of lettings to which it is subject are as supplied to us. We have not generally examined nor had access to all the deeds, leases or other documents relating thereto. Where information from deeds, leases or other documents is recorded in this report, it represents our understanding of the relevant documents. We should emphasise, however, that the interpretation of the documents of title (including relevant deeds, leases and planning consents) is the responsibility of your legal adviser.</p> <p>We have not conducted credit enquiries on the financial status of any tenants. We have, however, reflected our general understanding of purchasers' likely perceptions of the financial status of tenants</p>

## Valuation Assumptions

### Capital Values

The Valuation has been prepared on the basis of "Fair Value" in accordance with International Financial Reporting Standard 13 ("IFRS 13"), which is defined as:

"The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date."

"Fair Value", for the purpose of financial reporting under IFRS 13, is effectively the same as "Market Value", which is defined in the Red Book as:

"The estimated amount for which an asset or liability should exchange on the Valuation Date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

The Valuation represents the figure that would appear in a hypothetical contract of sale at the Valuation Date. No adjustment has been made to this figure for any expenses of acquisition or realisation - nor for taxation which might arise in the event of a disposal.

No account has been taken of any inter-company leases or arrangements, nor of any mortgages, debentures or other charge.

No account has been taken of the availability or otherwise of capital based Government or European Community grants.

### Rental Values

Unless stated otherwise rental values indicated in our report are those which have been adopted by us as appropriate in assessing the capital value and are not necessarily appropriate for other purposes, nor do they necessarily accord with the definition of Market Rent in the Red Book, which is as follows:

"The estimated amount for which an interest in real property should be leased on the Valuation Date between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

### Fixtures, Fittings and Equipment

Where appropriate we have regarded the shop fronts of retail and showroom accommodation as forming an integral part of the building.

Landlord's fixtures such as lifts, escalators, central heating and other normal service installations have been treated as an integral part of the building and are included within our Valuations.

Process plant and machinery, tenants' fixtures and specialist trade fittings have been excluded from our Valuations.

All measurements, areas and ages quoted in our report are approximate.

### Environmental Matters

In the absence of any information to the contrary, we have assumed that:

- a) the Properties are not contaminated and is not adversely affected by any existing or proposed environmental law;
- b) any processes which are carried out on the Properties which are regulated by environmental legislation are properly licensed by the appropriate authorities;
- c) in England and Wales, the Properties possesses current Energy Performance Certificates (EPCs) as required under the Government's Energy Performance of Buildings Directive – and that they have an energy efficient standard of 'E', or better. We would draw your attention to the fact that under the Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015 it became unlawful for landlords to rent out a business premise from 1st April 2018 – unless the site has reached a minimum EPC rating of an 'E', or secured a relevant exemption. In Scotland, we have assumed that the Properties possesses current EPCs as required under the Scottish Government's Energy Performance of Buildings (Scotland) Regulations – and



that they meet energy standards equivalent to those introduced by the 2002 building regulations. We would draw your attention to the fact the Assessment of Energy Performance of Non-Domestic Buildings (Scotland) Regulations 2016 came into force on 1st September 2016. From this date, building owners are required to commission an EPC and Action Plan for sale or new rental of non-domestic buildings bigger than 1,000 sq m that do not meet 2002 building regulations energy standards. Action Plans contain building improvement measures that must be implemented within 3.5 years, subject to certain exemptions;

- d) In January 2021 the Government closed the consultation period that focused on its latest proposals in England and Wales for 'improving the energy performance of privately rented homes'. The key tenets of the proposals are to; reduce emissions; tackle fuel poverty; improve asset quality; reduce energy bills; enhance energy security; and support associated employment. The proposals are wide ranging and they introduce new demands on residential landlords through Energy Performance Certificates ('EPCs'). Existing PRS Regulations set a minimum standard of EPC Band E for residential units to be lettable. The Government proposals see this threshold being raised to EPC Band C for all new tenancies created from 01 April 2025 and for all existing tenancies by 01 April 2028. The principle for relevant building works is to be 'fabric first' meaning maximisation of components and materials that make up the building fabric to enhance, for example, insulation, ventilation and air-tightness. The proposals also cite; compliance measures and penalties for landlords, letting agents and local authorities; and affordability support for carrying out necessary works. The implication is (as with the existing EPC Band E requirement) that private rented units may effectively be rendered unlettable if they fail to meet or exceed the minimum EPC requirement. It is expected that the Government will respond to the consultation process in Q2/Q3 2021 with any new regulations taking effect in Q3/Q4 2021. At present it is not clear how the market would respond to these proposals were they to be implemented as currently drafted; neither do we have any visibility of changes that may be made to the proposals following the consultation process. Our Valuation reflects market conditions and regulations effective at the Valuation date; we make no additional allowances for any future works that may be required in order to ensure that the subject assets would remain lettable under revised regulations;
- e) the Properties are either not subject to flooding risk or, if it is, that sufficient flood defences are in place and that appropriate building insurance could be obtained at a cost that would not materially affect the capital value; and
- f) invasive species such as Japanese Knotweed are not present on the Properties.

High voltage electrical supply equipment may exist within, or in close proximity of, the Properties. The National Radiological Protection Board (NRPB) has advised that there may be a risk, in specified circumstances, to the health of certain categories of people. Public perception may, therefore, affect marketability and future value of the Properties. Our Valuation reflects our current understanding of the market and we have not made a discount to reflect the presence of this equipment.

### Repair and Condition

In the absence of any information to the contrary, we have assumed that:

- a) there are no abnormal ground conditions, nor archaeological remains, present which might adversely affect the current or future occupation, development or value of the Properties;
- b) the Properties are free from rot, infestation, structural or latent defect;
- c) no currently known deleterious or hazardous materials or suspect techniques, including but not limited to Composite Panelling, ACM Cladding, High Alumina Cement (HAC), Asbestos, have been used in the construction of, or subsequent alterations or additions to, the Properties; and

- d) the services, and any associated controls or software, are in working order and free from defect.

We have otherwise had regard to the age and apparent general condition of the Properties. Comments made in the property details do not purport to express an opinion about, or advise upon, the condition of uninspected parts and should not be taken as making an implied representation or statement about such parts.

**Title, Tenure,  
Lettings, Planning,  
Taxation and  
Statutory & Local  
Authority  
Requirements**

Unless stated otherwise within this report, and in the absence of any information to the contrary, we have assumed that:

- a) the Properties possesses a good and marketable title free from any onerous or hampering restrictions or conditions;
- b) the building has been erected either prior to planning control, or in accordance with planning permissions, and has the benefit of permanent planning consents or existing use rights for their current use;
- c) the Properties is not adversely affected by town planning or road proposals;
- d) the building complies with all statutory and local authority requirements including building, fire and health and safety regulations, and that a fire risk assessment and emergency plan are in place;
- e) only minor or inconsequential costs will be incurred if any modifications or alterations are necessary in order for occupiers of the Properties to comply with the provisions of the Disability Discrimination Act 1995 (in Northern Ireland) or the Equality Act 2010 (in the rest of the UK);
- f) all rent reviews are upward only and are to be assessed by reference to full current market rents;
- g) there are no tenant's improvements that will materially affect our opinion of the rent that would be obtained on review or renewal;
- h) tenants will meet their obligations under their leases, and are responsible for insurance, payment of business rates, and all repairs, whether directly or by means of a service charge;
- i) there are no user restrictions or other restrictive covenants in leases which would adversely affect value;
- j) where more than 50% of the floorspace of the Properties is in residential use, the Landlord and Tenant Act 1987 (the "Act") gives certain rights to defined residential tenants to acquire the freehold/head leasehold interest in the Properties. Where this is applicable, we have assumed that necessary notices have been given to the residential tenants under the provisions of the Act, and that such tenants have elected not to acquire the freehold/head leasehold interest. Disposal on the open market is therefore unrestricted;
- k) where appropriate, permission to assign the interest being valued herein would not be withheld by the landlord where required;
- l) vacant possession can be given of all accommodation which is unlet or is let on a service occupancy; and
- m) Land Transfer Tax (or the local equivalent) will apply at the rate currently applicable. In the UK, Stamp Duty Land Tax (SDLT) in England and Northern Ireland, Land and Buildings Transaction Tax (LABTT) in Scotland or Land Transaction Tax (LTT) in Wales, will apply at the rate currently applicable

02

## Appendices

## Appendix A – Portfolio Valuation Comparison Reports

PORTFOLIO VALUATION COMPARISON REPORT: Uttlesford District Council



Report Date: 03/11/2022

Valuation Date: 30/09/2022

Status: Final

Total Assets: 6

Prop Ref	Town	Address	Tenure*	Area	Net Rent pa	ERV pa	ERV	IY %	EY %	RY %	Capital Value	Capital Value 30/09/2022	Change Since 30/06/2022	% Change
<b>Industrial</b>														
Chorley	Chorley	Waitrose RDC	FH	417,623 sqFt	£2,840,000	£2,839,836	6.80 £/sqFt	4.35	4.82	4.35	146.42 £/sqFt	£61,150,000	£-6,350,000	-9.41
Gloucester	Gloucester	Amazon	FH	122,669 sqFt	£2,293,433	£1,427,180	11.63 £/sqFt	4.90	3.80	3.05	357.87 £/sqFt	£43,900,000	£-6,850,000	-13.50
Tewkesbury	Tewkesbury	MOOG	FH	208,998 sqFt	£0	£1,671,242	8.00 £/sqFt	0.00	4.65	6.38	114.83 £/sqFt	£24,000,000	£-3,150,000	-11.60
<b>Industrial</b>				<b>749,290 sqFt</b>	<b>£5,133,433</b>	<b>£5,938,258</b>		<b>3.48</b>	<b>4.45</b>	<b>4.43</b>		<b>£129,050,000</b>	<b>£-16,350,000</b>	<b>-11.24</b>
<b>Offices</b>														
Livingston	Livingston	1 Deerpark Road	FH	30,940 sqFt	£0	£372,546	12.04 £/sqFt	0.00	7.31	6.99	161.60 £/sqFt	£5,000,000	£-300,000	-5.66
Takeley	Bishop's Stortford	Skyway House	FH	47,951 sqFt	£1,128,000	£1,127,808	23.52 £/sqFt	5.76	6.84	5.76	382.68 £/sqFt	£18,350,000	£-1,600,000	-8.02
<b>Offices</b>				<b>78,891 sqFt</b>	<b>£1,128,000</b>	<b>£1,500,354</b>		<b>4.53</b>	<b>6.94</b>	<b>6.02</b>		<b>£23,350,000</b>	<b>£-1,900,000</b>	<b>-7.52</b>
<b>Retail Warehouse</b>														
Colchester	Colchester	Stane Retail Park	FH	99,832 sqFt	£360,395	£1,702,674	17.06 £/sqFt	1.16	5.28	5.49	291.49 £/sqFt	£29,100,000	£-1,875,000	-6.05
<b>Retail Warehouse</b>				<b>99,832 sqFt</b>	<b>£360,395</b>	<b>£1,702,674</b>		<b>1.16</b>	<b>5.28</b>	<b>5.49</b>		<b>£29,100,000</b>	<b>£-1,875,000</b>	<b>-6.05</b>
<b>Grand Total:</b>				<b>928,013 sqFt</b>	<b>£6,621,828</b>	<b>£9,141,285</b>		<b>3.24</b>	<b>5.08</b>	<b>4.47</b>		<b>£181,500,000</b>	<b>£-20,125,000</b>	<b>-9.98</b>

\* for the purpose of this report Long Leasehold = more than 50 years unexpired. Leasehold = 50 years or less unexpired

Report Date: 03/11/2022

Valuation Date: 30/09/2022

Status: Final

Address / Tenant	Ref No	Unit	Area SqFt	Start Date	Review Date	Expiry Date	Break Date	Passing Rent £ pa	Passing Rent £ psf	Deemed Rent £ pa	Deemed Rent £ psf	ERV £ pa	ERV £ psf	Curr Void	C RF	RV	R RF	Capital Costs £	Capital Value £	Net CV £ psf	IY %	EY %	RY %
<b>Industrial</b>																							
<b>Chorley</b>																							
<b>Waitrose RDC (100.00 %) - Chorley</b>																							
Waitrose Ltd	1		417,623	30/04/2012	30/04/2027	29/04/2042		2,840,000	6.80	2,840,000	6.80	2,839,836	6.80					0	61,149,998	146.42	4.35	4.82	4.35
Gross:			0					2,840,000	6.80	2,840,000	6.80	0	0.00					0	0	0.00	0.00	0.00	0.00
Tenure: Freehold			0					0	0.00	0	0.00	0	0.00					0	0	0.00	0.00	0.00	0.00
<b>Total:</b>			<b>417,623</b>					<b>2,840,000</b>	<b>6.80</b>	<b>2,840,000</b>	<b>6.80</b>	<b>2,839,836</b>	<b>6.80</b>					<b>0</b>	<b>61,150,000</b>	<b>146.42</b>	<b>4.35</b>	<b>4.82</b>	<b>4.35</b>

	Current Rent	ERV	Current Rent (Hist)	ERV (Hist)
AWULT to Expiry	19.58	19.58	19.83	19.83
AWULT to Break	19.58	19.58	19.83	19.83
Vacant % by ERV				

<b>30/09/2022</b>	<b>2,840,000</b>	<b>2,840,000</b>	<b>2,839,836</b>	<b>0</b>	<b>61,150,000</b>	<b>4.35</b>	<b>4.35</b>	<b>4.82</b>	<b>4.35</b>
<b>30/06/2022</b>	<b>2,728,372</b>	<b>2,728,372</b>	<b>2,401,332</b>	<b>0</b>	<b>67,500,000</b>	<b>3.79</b>	<b>3.79</b>	<b>3.86</b>	<b>3.33</b>
<b>Diff %:</b>	<b>4.09%</b>	<b>4.09%</b>	<b>18.26%</b>	<b>0.00%</b>	<b>-9.41%</b>				

Report Date: 03/11/2022

Valuation Date: 30/09/2022

Status: Final

Address / Tenant	Ref No	Unit	Area SqFt	Start Date	Review Date	Expiry Date	Break Date	Passing Rent £ pa	Passing Rent £ psf	Deemed Rent £ pa	Deemed Rent £ psf	ERV £ pa	ERV £ psf	Curr Void	C RF	RV	R RF	Capital Costs £	Capital Value £	Net CV £ psf	IY %	EY %	RY %
<b>Industrial</b>																							
<b>Gloucester</b>																							
<b>Amazon (100.00 %) - Gloucester</b>																							
Amazon UK Services Ltd	208		122,669	18/03/2022	18/03/2027	17/03/2037		2,293,433	18.70	2,293,433	18.70	1,427,180	11.63					0	43,900,000	357.87	4.86	3.80	3.02
Gross:			0					2,293,433	18.70	2,293,433	18.70	0	0.00					0	0	0.00	0.00	0.00	0.00
Tenure: Freehold			0					0	0.00	0	0.00	0	0.00					0	0	0.00	0.00	0.00	0.00
<b>Total:</b>			<b>122,669</b>					<b>2,293,433</b>	<b>18.70</b>	<b>2,293,433</b>	<b>18.70</b>	<b>1,427,180</b>	<b>11.63</b>					<b>-413,763</b>	<b>43,900,000</b>	<b>357.87</b>	<b>4.90</b>	<b>3.80</b>	<b>3.05</b>

	Current Rent	ERV	Current Rent (Hist)	ERV (Hist)																	CIY	DIY	EY	RY		
AWULT to Expiry	14.46	14.46	14.72	14.72	30/09/2022	2,293,433	2,293,433	1,427,180													-413,763	43,900,000	4.90	4.90	3.80	3.05
AWULT to Break	14.46	14.46	14.72	14.72	30/06/2022	2,293,433	2,293,433	1,427,180													-413,763	50,750,000	4.24	4.24	3.24	2.64
Vacant % by ERV					Diff %:	0.00%	0.00%	0.00%													0.00%	-13.50%				

Report Date: 03/11/2022

Valuation Date: 30/09/2022

Status: Final

Address / Tenant	Ref No	Unit	Area SqFt	Start Date	Review Date	Expiry Date	Break Date	Passing Rent £ pa	Passing Rent £ psf	Deemed Rent £ pa	Deemed Rent £ psf	ERV £ pa	ERV £ psf	Curr Void	C RF	RV	R RF	Capital Costs £	Capital Value £	Net CV £ psf	IY %	EY %	RY %
<b>Industrial</b>																							
<b>Tewkesbury</b>																							
<b>MOOG (100.00 %) - Tewkesbury</b>																							
Moog Controls Ltd	208		208,998	30/12/2022	30/12/2027	29/12/2057		0	0.00	0	0.00	1,671,242	8.00	3				0	24,000,001	114.83	0.00	4.65	4.68
Gross:			0					0	0.00	0	0.00	0	0.00					0	0	0.00	0.00	0.00	0.00
Tenure: Freehold			0					0	0.00	0	0.00	0	0.00					0	0	0.00	0.00	0.00	0.00
<b>Total:</b>			<b>208,998</b>					<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>1,671,242</b>	<b>8.00</b>					<b>-9,514,474</b>	<b>24,000,000</b>	<b>114.83</b>	<b>0.00</b>	<b>4.65</b>	<b>6.38</b>

	Current Rent	ERV	Current Rent (Hist)	ERV (Hist)																			
AWULT to Expiry					<b>30/09/2022</b>	<b>0</b>	<b>0</b>	<b>1,671,242</b>										<b>-9,514,474</b>	<b>24,000,000</b>	<b>0.00</b>	<b>0.00</b>	<b>4.65</b>	<b>6.38</b>
AWULT to Break					<b>30/06/2022</b>	<b>0</b>	<b>0</b>	<b>1,671,242</b>										<b>-10,433,310</b>	<b>27,150,000</b>	<b>0.00</b>	<b>0.00</b>	<b>4.15</b>	<b>5.64</b>
Vacant % by ERV		100.00%		100.00%	<b>Diff %:</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>										<b>-8.81%</b>	<b>-11.60%</b>				

<b>Industrial: Total</b>			<b>749,290</b>		<b>30/09/2022</b>	<b>5,133,433</b>	<b>6.85</b>	<b>5,133,433</b>	<b>6.85</b>	<b>5,938,258</b>	<b>7.93</b>								<b>129,050,000</b>		<b>3.48</b>	<b>4.45</b>	<b>4.43</b>
					<b>30/06/2022</b>	<b>5,021,805</b>	<b>6.70</b>	<b>5,021,805</b>	<b>6.70</b>	<b>5,499,754</b>	<b>7.34</b>								<b>145,400,000</b>		<b>3.02</b>	<b>3.72</b>	<b>3.66</b>
					<b>Movement</b>	<b>2.22%</b>		<b>2.22%</b>		<b>7.97%</b>									<b>-11.24%</b>				



Report Date: 03/11/2022

Valuation Date: 30/09/2022

Status: Final

Address / Tenant	Ref No	Unit	Area SqFt	Start Date	Review Date	Expiry Date	Break Date	Passing Rent £ pa	Passing Rent £ psf	Deemed Rent £ pa	Deemed Rent £ psf	ERV £ pa	ERV £ psf	Curr Void	C RF	RV	R RF	Capital Costs £	Capital Value £	Net CV £ psf	IY %	EY %	RY %
<b>Offices</b>																							
<b>Livingston</b>																							
<b>1 Deerpark Road (100.00 %) - Livingston</b>																							
Vetinary Specialists (Scotland) Limited	51	Whole Building	30,940	10/09/2019		09/09/2039		0	0.00	0	0.00	372,546	12.04		11			0	4,999,999	161.60	0.00	7.35	7.02
Gross:			0					0	0.00	0	0.00	0	0.00					0	0	0.00	0.00	0.00	0.00
Tenure: Freehold			0					0	0.00	0	0.00	0	0.00					0	0	0.00	0.00	0.00	0.00
<b>Total:</b>			<b>30,940</b>					<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>372,546</b>	<b>12.04</b>					<b>0</b>	<b>5,000,000</b>	<b>161.60</b>	<b>0.00</b>	<b>7.31</b>	<b>6.99</b>

	Current Rent	ERV	Current Rent (Hist)	ERV (Hist)																				
AWULT to Expiry		16.94		17.20	<b>30/09/2022</b>	<b>0</b>	<b>0</b>	<b>372,546</b>	<b>0</b>	<b>5,000,000</b>	<b>0.00</b>	<b>0.00</b>	<b>7.31</b>	<b>6.99</b>										
AWULT to Break		16.94		17.20	<b>30/06/2022</b>	<b>0</b>	<b>0</b>	<b>372,546</b>	<b>0</b>	<b>5,300,000</b>	<b>0.00</b>	<b>0.00</b>	<b>6.80</b>	<b>6.60</b>										
Vacant % by ERV					<b>Diff %:</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>-5.66%</b>														

Report Date: 03/11/2022

Valuation Date: 30/09/2022

Status: Final

Address / Tenant	Ref No	Unit	Area SqFt	Start Date	Review Date	Expiry Date	Break Date	Passing Rent £ pa	Passing Rent £ psf	Deemed Rent £ pa	Deemed Rent £ psf	ERV £ pa	ERV £ psf	Curr Void	C RF	RV	R RF	Capital Costs £	Capital Value £	Net CV £ psf	IY %	EY %	RY %
<b>Offices</b>																							
<b>Bishop's Stortford</b>																							
<b>Skyway House (100.00 %) - Takeley</b>																							
Weston Homes	79		47,951	30/06/2020	30/06/2025	29/06/2045		1,128,000	23.52	1,128,000	23.52	1,127,808	23.52					0	18,350,001	382.68	5.76	6.84	5.76
Gross:			0					1,128,000	23.52	1,128,000	23.52	0	0.00					0	0	0.00	0.00	0.00	0.00
Tenure: Freehold			0					0	0.00	0	0.00	0	0.00					0	0	0.00	0.00	0.00	0.00
<b>Total:</b>			<b>47,951</b>					<b>1,128,000</b>	<b>23.52</b>	<b>1,128,000</b>	<b>23.52</b>	<b>1,127,808</b>	<b>23.52</b>					<b>0</b>	<b>18,350,000</b>	<b>382.68</b>	<b>5.76</b>	<b>6.84</b>	<b>5.76</b>

	Current Rent	ERV	Current Rent (Hist)	ERV (Hist)																	CIY	DIY	EY	RY
AWULT to Expiry	22.75	22.75	23.00	23.00	30/09/2022	1,128,000	1,128,000	1,127,808	0	18,350,000	5.76	5.76	6.84	5.76										
AWULT to Break	22.75	22.75	23.00	23.00	30/06/2022	1,128,000	1,128,000	1,127,808	0	19,950,000	5.30	5.30	6.27	5.30										
Vacant % by ERV					Diff %:	0.00%	0.00%	0.00%	0.00%	-8.02%														

<b>Offices: Total</b>			<b>78,891</b>																					
					30/09/2022	1,128,000	14.30	1,128,000	14.30	1,500,354	19.02								23,350,000		4.53	6.94	6.02	
					30/06/2022	1,128,000	14.30	1,128,000	14.30	1,500,354	19.02								25,250,000		4.19	6.38	5.57	
					Movement	0.00%		0.00%		0.00%									-7.52%					

Report Date: 03/11/2022

Valuation Date: 30/09/2022

Status: Final

Address / Tenant	Ref No	Unit	Area SqFt	Start Date	Review Date	Expiry Date	Break Date	Passing Rent £ pa	Passing Rent £ psf	Deemed Rent £ pa	Deemed Rent £ psf	ERV £ pa	ERV £ psf	Curr Void	C RF	RV	R RF	Capital Costs £	Capital Value £	Net CV £ psf	IY %	EY %	RY %
<b>Retail Warehouse</b>																							
<b>Colchester</b>																							
<b>Stane Retail Park (100.00 %) - Colchester</b>																							
B&Q	208		81,350	30/11/2021	30/11/2026	29/11/2036		0	0.00	0	0.00	1,342,275	16.50		7			0	21,271,124	261.48	0.00	5.65	5.83
Aldi	221		18,482	08/12/2021	08/12/2026	07/12/2046	08/12/2041*	360,395	19.50	360,395	19.50	360,399	19.50					0	7,828,874	423.59	4.25	4.25	4.25
Gross:			0					360,395	3.61	360,395	3.61	0	0.00					0	0	0.00	0.00	0.00	0.00
Tenure: Freehold			0					0	0.00	0	0.00	0	0.00					0	0	0.00	0.00	0.00	0.00
<b>Total:</b>			<b>99,832</b>					<b>360,395</b>	<b>3.61</b>	<b>360,395</b>	<b>3.61</b>	<b>1,702,674</b>	<b>17.06</b>					<b>-525,000</b>	<b>29,100,000</b>	<b>291.49</b>	<b>1.16</b>	<b>5.28</b>	<b>5.49</b>

	Current Rent	ERV	Current Rent (Hist)	ERV (Hist)																				
AWULT to Expiry	24.19	16.29	24.44	16.54																				
						<b>30/09/2022</b>	<b>360,395</b>	<b>360,395</b>	<b>1,702,674</b>										<b>-525,000</b>	<b>29,100,000</b>	<b>1.16</b>	<b>1.16</b>	<b>5.28</b>	<b>5.49</b>
AWULT to Break	19.19	15.23	19.44	15.48		<b>30/06/2022</b>	<b>360,395</b>	<b>360,395</b>	<b>1,702,674</b>										<b>-525,000</b>	<b>30,975,000</b>	<b>1.09</b>	<b>1.09</b>	<b>4.93</b>	<b>5.16</b>
Vacant % by ERV						<b>Diff %:</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>										<b>0.00%</b>	<b>-6.05%</b>				

<b>Retail Warehouse: Total</b>			<b>99,832</b>			<b>30/09/2022</b>	<b>360,395</b>	<b>3.61</b>	<b>360,395</b>	<b>3.61</b>	<b>1,702,674</b>	<b>17.06</b>							<b>29,100,000</b>		<b>1.16</b>	<b>5.28</b>	<b>5.49</b>	
						<b>30/06/2022</b>	<b>360,395</b>	<b>3.61</b>	<b>360,395</b>	<b>3.61</b>	<b>1,702,674</b>	<b>17.06</b>							<b>30,975,000</b>		<b>1.09</b>	<b>4.93</b>	<b>5.16</b>	
						<b>Movement</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>											<b>-6.05%</b>				

<b>Portfolio Total:</b>			<b>928,013</b>			<b>30/09/2022</b>	<b>6,621,828</b>	<b>7.14</b>	<b>6,621,828</b>	<b>7.14</b>	<b>9,141,285</b>	<b>9.85</b>							<b>181,500,000</b>		<b>3.24</b>	<b>5.08</b>	<b>4.47</b>	
						<b>30/06/2022</b>	<b>6,510,200</b>	<b>7.02</b>	<b>6,510,200</b>	<b>7.02</b>	<b>8,702,781</b>	<b>9.38</b>							<b>201,625,000</b>		<b>2.87</b>	<b>4.38</b>	<b>3.83</b>	
						<b>Movement</b>	<b>1.71%</b>	<b>1.71%</b>	<b>5.04%</b>											<b>-9.98%</b>				

## Appendix B - UK Long Income Market Update

# Rising interest rates and weaker public markets are directly impacting IRR

- ▶ Overall limited transactional activity during the summer months.
- ▶ An area of resilience is Commercial Ground Rents. Sizeable transactions involving Butlins and Merlin show continued desire for the structure.
- ▶ Further softening has been seen with long dated UK GILTs as the BoE reverses it's QE programme and begins selling off their holdings. This is directly impacting Income Strip pricing
- ▶ Long range inflation forecasts have increased marginally, with the 25-year RPI forecast now sitting at c3.50% (4-week trailing average).

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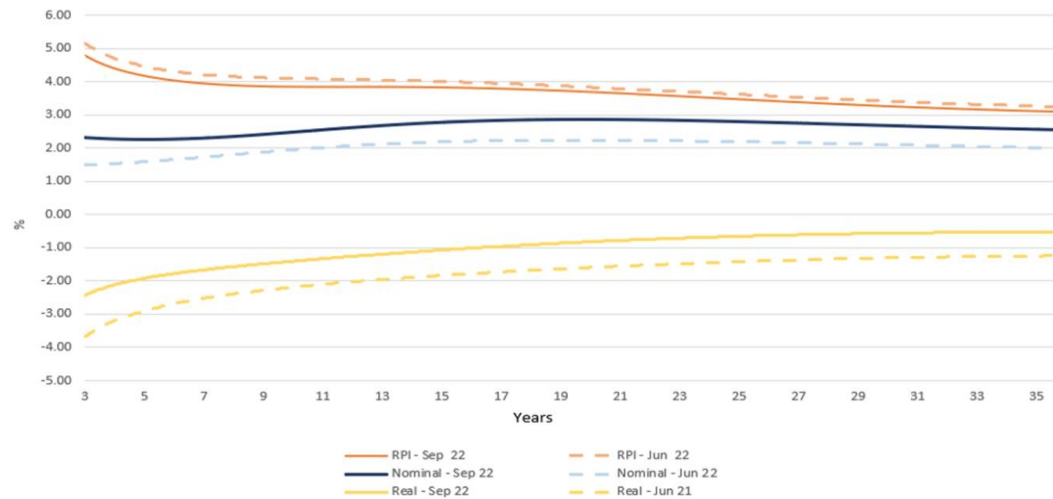


FIGURE 1: 13 Week Average - Nominal, Real and RPI Curve (Source: Bank of England)

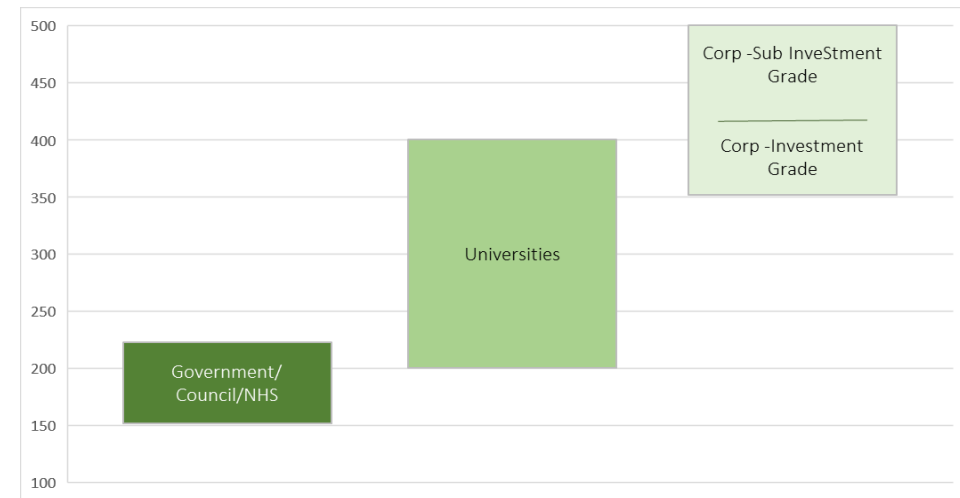


FIGURE 2: Income Discount Rate Gross Z-Spread (bps) Q3 22 (Source: CBRE)  
The above is for illustrative purposes only. Asset specific advice should be taken when appraising any investment.

## Appendix C – Long Income Benchmark Presentation

# September 2022 Long Income Pack

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Valuation & Advisory Services

# LONDON OFFICES



# The Painter Building, 70 White Lion Street, London, N1



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## Property Description

Newly constructed office building completed in 2019.

Rated BREEAM Excellent, with an EPC rating of A.

Long term income stream, which is securely let to Spaces on a single FRI lease expiring July 2032.

## Key Facts

Property Type	Office
Tenure	Freehold
Area (sq ft)	37,239
Tenant	Spaces
WAULT (years)	11.00
WAUTC (years)	-
Current Rent Per Annum	£2,048,145 (£55 per sq ft)
Quoting Price	£38,400,000 (£1,031 per sq ft)
Quoting Price NIY %	5.00
Date to Market	October 2021
Vendor	LBS Properties
Purchaser	RTP Global
Sale Price	£38,400,000
Sale Price NIY %	5.00
Status Date	September 2022
Status	Exchanged at £38,400,000 (£1,031 per sq ft)

# 20 Cabot Square, London, E14



## Property Description

Virtual Freehold (999 years, £1,000 per annum).

Multi let to 6 tenants.

Asset management opportunities over the short, medium and long term with 53% of the total area currently vacant.

8 first round bids, going over quoting price.

## Key Facts

Property Type	Office
Tenure	Virtual Freehold
Area (sq ft)	568,416
Tenant	Single let to Secretary of State
WAULT years	10.30
WAUTC years	
Current Rent Per Annum (£)	£22,225,773 (£39 per sq ft)
Quoting Price (£)	£475,000,000 (£836 per sq ft)
Quoting Price NIY %	4.60
Date to Market	January 2022
Vendor	Canary Wharf Group
Purchaser	
Sale Price (£)	
Sale Price NIY %	
Status Date	September 2022
Status	Under offer ahead of quoting

# Kaleidoscope, 4 Lindsey Street, Farringdon



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## Property Description

Landmark Grade A 88,581 sq ft office arranged over ground and 5 upper floors.

150 year leasehold interest from TfL, head rent geared to 10% of contracted rents. No base rent and no deemed rent in the case of voids or rent free periods.

## Key Facts

Property Type	Office
Tenure	Long Leasehold
Area	88,581 sq ft
Tenant	TikTok
WAULT (years)	15
WAUTC (years)	10
Current Rent Per Annum (£)	£7,633,053 (£86.17 per sq ft)
Quoting Price (£)	£180,000,000 (£2,032.04 per sq ft)
Quoting Price NIY %	3.75%
Date to Market	February 2022
Vendor	Helical
Purchaser	
Sale Price (£)	
Sale Price NIY %	
Status Date	September 2022
Status	This was previously understood to have been withdrawn as interest was received at around 4%. It has recently gone under offer again at 4.25-4.30%.

# 21 Moorfields, London EC2M 6TX



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## Property Description

The 17-storey, 564,000 sq ft building is due to be completed by the end of 2022. Located directly above Moorgate Underground Station and Crossrail ticket hall, it will become Deutsche Bank's HQ.

## Key Facts

Property Type	Office
Tenure	
Area	564,000 sq ft
Tenant	Deutsche Bank
WAUTC (years)	25
Current Rent Per Annum (£)	£40,900,000 per annum (£72.50 per sq ft)
Quoting Price (£)	Off Market
Quoting Price NIY %	Off Market
Date to Market	Off Market
Vendor	Landsec
Purchaser	TCorp
Sale Price (£)	-
Sale Price NIY %	-
Status Date	September 2022
Status	Under Offer Negotiations began Q4 2021, initially guiding £1,020M (3.75%). Terms were initially agreed in Q1 2022 at sub 4%, now being renegotiated at around 4.1% (circa £935M / £1,655 per sq ft).

# 33 Horseferry Road, London SW1P 2AA



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## Property Description

The 5-storey building includes 163,761 sq ft of Grade A office space and 16,839 sq ft of ground floor retail space. Within a 10 minute walk of Westminster Abbey.

## Key Facts

Property Type	Office
Tenure	Freehold
Area	181,600 sq ft
Tenant	Secretary of State - subject to 5-yearly CPI linked reviews, cap and collared at 2-4%
WAUTC (years)	12
Current Rent Per Annum (£)	£8,238,929 (£45.37 per sq ft)
Quoting Price (£)	Off Market
Quoting Price NIY %	Off Market
Date to Market	Off Market
Vendor	Sinarmas Land
Purchaser	Lembaga Tabung Haji
Sale Price (£)	£247,500,000 (£1,363 per sq ft)
Sale Price NIY %	3.27%
Status Date	August 2022
Status	Sold

# 40 Strand, London, WC2



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## Property Description

Headquarter offices to global management consultants Bain & Company.

## Key Facts

Property Type	Office/Retail
Tenure	Freehold
Area (sq ft)	141,000
Tenant	Multi-let
WAULT (years)	9.20
WAUTC (years)	-
Current Rent Per Annum (£)	£8,382,827 (£58 per sq ft on the offices; £330 ZA on the retail)
Quoting Price (£)	£195,000,000 (£1,383 per sq ft)
Quoting Price NIY %	4.26
Date to Market	October 2021
Vendor	Landsec
Purchaser	Sinar Mas
Sale Price (£)	£195,000,000
Sale Price NIY %	4.26
Status Date	July 2022
Status	Sold at £195,000,000 (£1,383 per sq ft)



# London Fruit & Wool Exchange, 1-10 Brushfield Street, London, E1



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## Property Description

Recently refurbished Grade A office space situated between the City, Shoreditch and Silicon Roundabout.

LLH with 149 years unexpired with gearing at 5%.

M&G are selling a 50% stake.

## Key Facts

Property Type	Office
Tenure	Long Leasehold
Area (sq ft)	341,146
Tenant	Multi-let
WAULT years	-
WAUTC years	15.30
Current Rent Per Annum	£18,900,000 (£55 per sq ft)
Quoting Price	£210,000,000 (£1,231.00 per sq ft)
Quoting Price NIY %	4.00
Date to Market	June 2022
Vendor	M&G
Purchaser	-
Sale Price	-
Sale Price NIY %	-
Status Date	September 2022
Status	Withdrawn

# 1 New Street Square, London, EC4



## Property Description

Building provides 275,000 sq ft of office and ancillary space over ground, upper ground and 14 office floors.

The office development completed in 2016.

LLH with 147 years unexpired geared at 7%.

Annual fixed uplifts of 2.35%

Sale to be done on an SPV basis.

## Key Facts

Property Type	Office
Tenure	Long Leasehold
Area (sq ft)	274,766
Tenant	Single-let to Deloitte LLP
WAULT years	14.50
WAUTC years	14.50
Current Rent Per Annum (£)	£18,500,000 (£67 per sq ft)
Quoting Price (£)	£440,000,000 (£1,601 per sq ft)
Quoting Price NIY %	3.85
Date to Market	June 2022
Vendor	Landsec
Purchaser	-
Sale Price	-
Sale Price NIY %	-
Status Date	September 2022
Status	Withdrawn 1 <sup>st</sup> round bids reportedly received at 4.25%-4.40%.



# Duo, 280 Bishopsgate, London, EC2



## Property Description

The property underwent a comprehensive refurbishment to provide over 250,000 sq ft.

The building provides typical floorplates of c.21,000 sq ft with private terraces facing Spitalfields on each floor, as well as access for all occupiers to the communal roof garden.

LLH with 150 years unexpired geared at 3.93%

Sale to be done a SPV basis.

## Key Facts

Property Type	Office
Tenure	Long Leasehold
Area (sq ft)	274,167
Tenant	Multi-let
WAULT years	13.80
WAUTC years	13.6
Current Rent Per Annum (£)	£19,985,171 (££73 per sq ft)
Quoting Price (£)	£502,000,000 (£1,838 per sq ft)
Quoting Price NIY %	3.76
Date to Market	May 2022
Vendor	CBRE IM, Arax Properties Limited and King Street Real Estate
Purchaser	-
Sale Price	-
Sale Price NIY %	-
Status Date	September 2022
Status	Withdrawn. Bids received late May, terms agreed with a party at 4.25% NIY but did not progress due to debt issues.

# OFFICES

# Nestle UK HQ, One City Place, Gatwick, RH6 0PA



## Key Facts

Property Type	Office
Tenure	Freehold
Tenure Comment	Annual RPI (0-5%)
Area	130,783 sq ft
Tenant	Nestle UK Limited with a guarantee from Nestle Holdings (UK) PLC
WAULT (WAUTC) years	10.3
Current Rent Per Annum	£3,694,895 (£28.45 per sq ft)
Quoting Price	£65,000,000
Quoting Price NIY %	5.86% (purchasers' costs at 1.80% due to JPUT structure)
Date to Market	July 2022
Vendor	L&G
Purchaser	
Sale Price	
Sale Price NIY %	
Status Date	September 2022
Status	Under offer
Comments	

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## Property Description

A 130,783 sq ft Grade A HQ office building arranged over ground and 3 upper floors. 596 car parking spaces.

# Cheltenham House, 14-16 Temple Street, Birmingham, B2 5BG



## Property Description

Office building with ground floor restaurant located in Birmingham city centre. The building was fully refurbished in 2014 at £62.00 psf. The restaurant element has an EPC C rating and the office EPC D.

## Key Facts

Property Type	Office
Tenure	Freehold
Area	16,734 sq ft
Tenant	Single let to New World Trading Company Ltd
WAULT (WAUTC) years	17.50 (-)
Current Rent Per Annum	£295,000 (£18 per sq ft)
Quoting Price	£4,615,000 (£275 per sq ft)
Quoting Price NIY %	6.00
Date to Market	June 2022
Vendor	Circle Property
Purchaser	Private Investor
Sale Price	£4,750,000 (£280 per sq ft)
Sale Price NIY %	5.89
Status Date	September 2022
Status	Exchanged

# Britannia House, Carttsyke Avenue, Greenock, PA15 1ED



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## Property Description

Office accommodation situated adjacent to the A8. The property is located 1.5 miles from Greenock Station.

## Key Facts

Property Type	Office
Tenure	Freehold
Area	67,616 sq ft
Tenant	Single let to RBS
WAULT (WAUTC) years	19.00 (-)
Current Rent Per Annum	£1,041,429 (£15 per sq ft)
Quoting Price	£15,680,000 (£232 per sq ft)
Quoting Price NIY %	6.25
Date to Market	June 2018
Vendor	Legal & General
Purchaser	-
Sale Price	-
Sale Price NIY %	-
Status Date	September 2022
Status	Under Offer

# Electric House, 3 Wellesley Road, Croydon, CR0 2AG



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## Property Description

Grade II Listed Art Deco building which has recently been refurbished and refitted to form a new campus for London South Bank University. Includes central secure courtyard with parking for 16 vehicles.

## Key Facts

Property Type	Office
Tenure	Freehold
Area	56,189 sq ft
Tenant	Single Let to London South Bank University
WAULT (WAUTC) years	14.20 (-)
Current Rent Per Annum	£1,892,647 (£34 per sq ft)
Quoting Price	£35,450,000 (£630 per sq ft)
Quoting Price NIY %	5.00
Date to Market	June 2022
Vendor	Private Investor
Purchaser	-
Sale Price	-
Sale Price NIY %	-
Status Date	September 2022
Status	Under Offer

# Former Telephone Exchange, 42 Church Street, Maidstone ME14 1DN

BT building & Colman House car parking



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## Property Description

1960's offices and car parking, 16,478 sq ft NIA offices and 103 car spaces. Site area: 0.66 acres.

## Key Facts

Property Type	Office
Tenure	Freehold
Tenure Comment	To open market, 21 yearly, next due 26.02.2031
Area	16,478 sq ft
Tenant	BT Group plc
WAULT (WAUTC) years	71.50
Current Rent Per Annum	£100,315 (£6.08 per sq ft)
Quoting Price	£1,760,000 (August 2020)
Quoting Price NIY %	5.00%
Date to Market	August 2020
Vendor	BAE Systems Pension Fund
Purchaser	Unknown
Sale Price	£2,300,000
Sale Price NIY %	4.08%
Status Date	August 2022
Status	Sold
Comments	

# Cobalt 14, Quick Silver Way, Newcastle upon Tyne, NE27 0QQ

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## Property Description

Located on Cobalt Business Park, 5.5 miles east of Newcastle. The park is approximately 175 acres and is connected to the regional road network through the A19 and A1058 Coast Road.

## Key Facts

Property Type	Office
Tenure	Long Leasehold
Area	45,832 sq ft
Tenant	Let to the North Tyneside Council (NTC) for a term of 23 years from 1 July 2009, with over 11 years remaining unexpired.
WAULT (WAUTC) years	11.00 (-)
Current Rent Per Annum	£720,698 (£16 per sq ft)
Quoting Price	£10,200,000 (£223 per sq ft)
Quoting Price NIY %	6.62
Date to Market	October 2021
Vendor	-
Purchaser	-
Sale Price	-
Sale Price NIY %	-
Status Date	September 2022
Status	Under Offer



# St. Vincent Plaza, Glasgow



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## Property Description

10-Storey office building located in Glasgow city centre. Best in class, BREEAM rated 'Excellent'.

## Key Facts

Property Type	Office
Tenure	Freehold
Area	172,465sq ft
Tenant	A diversified tenant roster, anchored by KPMG which accounts for 24.7% of the in-place rent. Other tenants include Zurich, Mott MacDonald, Whyte and Mackay, Pelion IOT Limited and Nero Holdings Limited
WAULT (WAUTC) years	7.9 (5.7)
Current Rent Per Annum	£4,522,083 (£24.65 per sq ft overall)
Quoting Price	Confidential
Quoting Price NIY %	Rumoured to be 5.25%
Date to Market	August 2022
Vendor	A Luxembourg-domiciled Limited Company
Purchaser	-
Sale Price	-
Sale Price NIY %	-
Status Date	September 2022
Status	Withdrawn Went to first round bids at the end of August, interest rumoured to be at 6.50%

# Government Property Agency, First Street, Manchester



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## Property Description

Grade A office building with 35 basement car parking spaces, in the heart of Manchester's newest business district. The building will consist of ground and 9 upper floors and will become the latest phase in the already popular First Street Master Plan.

Fully let to the Government on an Index linked long lease

## Key Facts

Property Type	Office
Tenure	Freehold
Tenure Comment	5 yearly CPI linked rental uplifts compounded annually, capped and collared at 4% and 0% respectively
Area	130,910 sq ft
Tenant	The Department for Levelling Up, Housing and Communities
WAULT (WAUTC) years	25 (20)
Current Rent Per Annum	£3,181,174 (£23.50 per sq ft and £3,000 per car space)
Quoting Price	
Quoting Price NIY %	
Date to Market	February 2022
Vendor	
Purchaser	PIC
Sale Price	
Sale Price NIY %	
Status Date	September 2022
Status	Under Offer
Comments	Rumoured to be around 3.05% NIY

# One Angel Square, Manchester, M60 0AG



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## Property Description

BREEAM 'Outstanding' and EPC A+ office accommodation in Manchester city centre arranged over basement, lower ground and 14 upper floors.

## Key Facts

Property Type	Office
Tenure	Freehold
Area	329,219 sq ft
Tenant	Single-let to The Co-operative Group
WAULT (WAUTC) years	15.50 (-)
Current Rent Per Annum	£11,601,393 (£36 per sq ft)
Quoting Price	£210,000,000 (£620 per sq ft)
Quoting Price NIY %	5.17
Date to Market	June 2022
Vendor	-
Purchaser	-
Sale Price	-
Sale Price NIY %	-
Status Date	September 2022
Status	Available
Comments	5 yearly upwards only RPI linked rent reviews compounded annually, cap and collar of 4% and 1.5% p.a.

# 10 Canons Way, Bristol, BS1 5LF



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## Property Description

Grade A office accommodation completed in 2007. The building has a BREEAM rating of 'Excellent'.

## Key Facts

Property Type	Office
Tenure	Freehold
Area	176,611 sq ft
Tenant	Let to Bank of Scotland PLC
WAULT (WAUTC) years	10.50 (-)
Current Rent Per Annum	£5,709,191 (£32 per sq ft)
Quoting Price	£112,000,000 (£635 per sq ft)
Quoting Price NIY %	5.00
Date to Market	May 2022
Vendor	-
Purchaser	-
Sale Price	-
Sale Price NIY %	-
Status Date	September 2022
Status	Available

# B3, Thorpe Park, Leeds, LS15 8GH



Page 195

## Property Description

Newly constructed, grade A office accommodation situated on Thorpe Park business park in Leeds, five and a half miles from Leeds city centre.

## Key Facts

Property Type	Office
Tenure	Freehold
Area	133,117 sq ft
Tenant	Single-let to Lowell UK Shared Services Ltd
WAULT (WAUTC) years	15.00 (13.40)
Current Rent Per Annum	£3,036,295 (£23 per sq ft)
Quoting Price	£49,450,000 (£371 per sq ft)
Quoting Price NIY %	5.75
Date to Market	July 2022
Vendor	Scarborough Property Group
Purchaser	-
Sale Price	-
Sale Price NIY %	-
Status Date	September 2022
Status	Available

# FOODSTORES

# Tesco, Earle Street, Newton-le-Willows, WA12 9LN



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## Property Description

Site area of 2.92 acres (1.18 hectares).

172 parking spaces (1:197 sq ft).

999-year long leasehold interest from 29 July 2009 at a fixed rent of £2 per annum for the head lease.

Was under offer to another party at a higher price.

## Key Facts

Property Type	Supermarket
Tenure	Long Leasehold
Area	33,967 sq ft
Tenant	Tesco subject to annual RPI linked rent reviews collared and capped at 0% and 5%. Next Rent Review in September 2022.
WAULT (WAUTC) years	12.20 (-)
Current Rent Per Annum	£880,941 (£25.94 per sq ft)
Quoting Price	£16,150,000 (£475.46 per sq ft)
Quoting Price NIY %	5.11
Date to Market	April 2022
Vendor	Legal & General
Purchaser	Supermarket Income REIT
Sale Price	£16,580,000
Sale Price NIY %	4.97%
Status Date	August 2022
Status	Sold
Comments	Yield will increase to approx. 5.25% at September 2022 rent review.

# Tesco, Church Road, Bishops Cleeve, Cheltenham, GL52 8LR



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## Property Description

Site area of 4.03 acres (1.63 hectares).

## Key Facts

Property Type	Supermarket
Tenure	Long Leasehold
Area	44,091 sq ft
Tenant	Tesco subject to annual RPI linked rent reviews collared and capped at 0% and 5%. Next rent review June 2023.
WAULT (WAUTC) years	12.00 (-)
Current Rent Per Annum	£1,326,892 (£30.09 per sq ft)
Quoting Price	£24,400,000
Quoting Price NIY %	4.85
Date to Market	May 2022 (Selectively Marketed)
Vendor	Savills IM (Diageo)
Purchaser	Supermarket Income REIT
Sale Price	£25,350,000
Sale Price NIY %	4.90
Status Date	August 2022
Status	Sold Price reflects a yield of 5.35% at the June 2023 review (assuming 5% cap).



# Aldi, Langley Park, Maidstone, ME17 3FU



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## Property Description

Site area of 1.67 acres (0.68 hectares).

111 parking spaces (1:169 sq ft).

A1 planning consent.

Was under offer at a higher price before the deal fell through.

## Key Facts

Property Type	Supermarket
Tenure	Freehold
Area	18,734 sq ft
Tenant	Aldi subject to 5-yearly RPI linked rent reviews, collared and capped at 1% and 3%.
WAULT (WAUTC) years	15.50 (10.5)
Current Rent Per Annum	£317,084 (£16.93 per sq ft) – vendor topped up to October 2022 rent review.
Quoting Price	£7,000,000 (£373.65 per sq ft)
Quoting Price NIY %	4.25
Date to Market	May 2022
Vendor	Aubrey Capital Management
Purchaser	Undisclosed
Sale Price	£7,250,000
Sale Price NIY %	4.10
Status Date	July 2022
Status	Sold

# Mabgate Junction, Skinner Lane, Leeds, LS7 1AX



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## Property Description

Aldi and Pure Gym account for 80% of the income with RPI linked rent reviews.

Site area of 2.35 acres.

192 parking spaces (1:221 sq ft).

## Key Facts

Property Type	Supermarket and Retail Warehouse
Tenure	Freehold
Area	45,554 sq ft
Tenant	Aldi, Pure Gym, and One Below
WAULT (WAUTC) years	11.60 (-)
Current Rent Per Annum	£565,691 (£12.42 per sq ft)
Quoting Price	£9,700,000 (£212.93 per sq ft)
Quoting Price NIY %	5.50
Date to Market	March 2022
Vendor	-
Purchaser	Private Family
Sale Price	£10,250,000 (£225.01 per sq ft)
Sale Price NIY %	5.17
Status Date	July 2022
Status	Sold

# Lidl, Woodbridge Road, Guildford GU1 1EE



## Property Description

Site area of 2.3 acres (0.93 hectares).

148 parking spaces (1:226 sq ft).

The only Lidl in Guildford.

There is a subletting of 8,706 sq ft to Pets at Home for 15 years at a rent of £286,275 p.a.)

There is a small area to the rear of the service yard held long leasehold from the National Trust. The lease was recently extended for an unexpired term of 99 years and expires in 2119.

## Key Facts

Property Type	Supermarket
Tenure	Freehold 5 yearly RPI (1-3% p.a.)
Area	33,464 sq ft
Tenant	Lidl Great Britain Limited
WAULT (WAUTC) years	23.5
Current Rent Per Annum	£870,000 (£26.00 per sq ft)
Quoting Price	£25,075,000 (£749.31 per sq ft)
Quoting Price NIY %	3.25
Date to Market	June 2022
Vendor	Royal London
Purchaser	-
Sale Price	-
Sale Price NIY %	
Status Date	September 2022
Status	Withdrawn. Interest was reportedly received at 4.5%

# Sainsbury's, Lower Trinity Walk, Wakefield, WF1 1QQ



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## Property Description

The property is part of the larger Trinity Walk Shopping Centre, which is not included in the sale.

1,000 parking spaces shared with the Shopping Centre.

The long leasehold is for a term of 999 years from 13 August 2014 at a peppercorn rent.

## Key Facts

Property Type	Supermarket
Tenure	Long Leasehold
Area	116,763 sq ft
Tenant	Sainsbury's subject to 5-yearly upwards only rent reviews.
WAULT (WAUTC) years	14.00 (-)
Current Rent Per Annum	£2,510,415 (£21.50 per sq ft)
Quoting Price	£47,000,000 (£402.52 per sq ft)
Quoting Price NIY %	5.00
Date to Market	May 2022
Vendor	Aubrey Weiss
Purchaser	-
Sale Price	-
Sale Price NIY %	-
Status Date	July 2022
Status	Withdrawn

# Sainsbury's, Alcester Road South, Maypole, Birmingham, B14 5TN



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## Property Description

Site area of 5.36 acres.

467 parking spaces (1:190 sq ft).

## Key Facts

Property Type	Supermarket
Tenure	Freehold
Area	90,458 sq ft
Tenant	Sainsbury's. Part of the property is sub-let to PureGym.
WAULT (WAUTC) years	16.10 (-)
Current Rent Per Annum	£2,037,000 (£22.52 per sq ft)
Quoting Price	£40,600,000 (£404.65 per sq ft)
Quoting Price NIY %	4.70
Date to Market	February 2022
Vendor	JMKA Investments
Purchaser	-
Sale Price	-
Sale Price NIY %	-
Status Date	July 2022
Status	Withdrawn. This asset was previously under offer at 4.60%.

# Tesco Aylesbury, Bicester Road, HP19 8BU



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## Property Description

A fully integrated omni-channel foodstore comprising 106,439 sq ft. 726 car parking spaces and a 6 pump onsite PFS.

Newly regearred lease with a rebased rent.

Large site of 9.29 acres. Low site cover of 26.3%.

## Key Facts

Property Type	Supermarket
Tenure	Long Leasehold (999 years from 2008 with a £2 p.a. ground rent)
Area	106,439 sq ft
Tenant	Tesco with annual RPI 1-3% until August 2028, with annual CPI 1-3% thereafter
WAULT (WAUTC) years	14.75
Current Rent Per Annum	£2,685,248 (£23.92 per sq ft)
Quoting Price	£61,000,000
Quoting Price NIY %	4.12
Date to Market	July 2022
Vendor	Legal & General
Purchaser	-
Sale Price	-
Sale Price NIY %	-
Status Date	September 2022
Status	Withdrawn as interest substantially worse than quoting

# Aldi, Mercery Road, Weymouth, DT3 5FA



## Property Description

Site area of 1.83 acres (0.74 hectares).

parking spaces (1:188 sq ft).

## Key Facts

Property Type	Supermarket
Tenure	Freehold
Area	18,571 sq ft
Tenant	Aldi subject to 5-yearly RPI linked rent reviews, collared and capped at 1% and 3%. Next rent review is May 2025.
WAULT (WAUTC) years	17.90 ()
Current Rent Per Annum	£309,210 (£16.65 per sq ft)
Quoting Price	£7,890,000 (£424.86 per sq ft)
Quoting Price NIY %	3.67
Date to Market	June 2022
Vendor	London Metric
Purchaser	-
Sale Price	-
Sale Price NIY %	-
Status Date	September 2022
Status	Available
Comments	At quoting price, estimated running yield of 4.25% in 2025



# Aldi Harrow, 330 Northolt Road, HA2 8EQ



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## Property Description

Purpose built supermarket with 6 residential flats above (sold off on long leases. 55 car parking spaces.

Site area of 1.07 acres

## Key Facts

Property Type	Supermarket
Tenure	Freehold
Area	27,993 sq ft
Tenant	5-yearly RPI linked rent reviews, collared and capped at 1% and 3%.
WAULT (WAUTC) years	18.5 (option to extend for a further 15 years)
Current Rent Per Annum	£397,500 (£14.20 per sq ft)
Quoting Price	£9,310,000 (£332 per sq ft)
Quoting Price NIY %	4.00
Date to Market	July 2022
Vendor	Private Investor
Purchaser	-
Sale Price	-
Sale Price NIY %	
Status Date	September 2022
Status	Available



# Lidl, London Road, High Wycombe, HP11 1LJ



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## Property Description

Site area of 2.82 acres (1.14 hectares).

134 parking spaces with 6 EV chargers.

A1 planning consent for the sale of food and comparison goods and A1/A3 for two adjoining units.

## Key Facts

Property Type	Supermarket
Tenure	Freehold
Area	30,396 sq ft
Tenant	Lidl, Starbucks and Wenzel's Bakers. Lidl is subject to 5-year CPI linked rent reviews capped at 2% pa compounded annually. Vendor top up on Wenzel's Baker's rent free.
WAULT (WAUTC) years	21.17 (11.52)
Current Rent Per Annum	£637,300 (£20.97 per sq ft)
Quoting Price	£14,130,000 (£464.86 per sq ft)
Quoting Price NIY %	4.00
Date to Market	June 2022
Vendor	Nuveen Real Estate
Purchaser	-
Sale Price	-
Sale Price NIY %	-
Status Date	September 2022
Status	Available

# Morrisons, Alkerden Village, Ebbsfleet, DA10



## Property Description

Property to be acquired on a forward funding basis.

Work scheduled to start in Q4 2022 with practical completion in Q1 2024.

Three floors of residential above to be retained on a 250-year long leasehold at peppercorn.

136 proposed parking spaces.

## Key Facts

Property Type	Supermarket
Tenure	Freehold
Area	29,384 sq ft
Tenant	Morrisons subject to 5-yearly upwards only CPI linked rent reviews, capped at 3% per annum. Rent free to be topped up by the Vendor.
WAULT (WAUTC) years	20.00 (-)
Current Rent Per Annum	£545,121 (£18.55 per sq ft)
Quoting Price	£11,270,000 (£383.54 per sq ft)
Quoting Price NIY %	4.75
Date to Market	April 2022
Vendor	Henley Investment Management Ltd
Purchaser	-
Sale Price	-
Sale Price NIY %	-
Status Date	September 2022
Status	Available

# Jubilee Portfolio



Morrisons ALDERSHOT



Tesco CHELMSFORD



Asda HAYES



Morrisons VERWOOD

## Property Description

**Morrisons Aldershot.** LLH (999 years), 14.8 years UXT, 5 yearly RPI 2-4%

**Tesco Chelmsford.** FH, 10.7 years UXT, 5 yearly OMV

**Asda Hayes.** FH. 18 years UXT, 5 yearly OMV

**Morrisons Verwood.** FH. 17.3 years UXT, 5 yearly OMV

## Key Facts

Property Type	Supermarket
Tenure	Freehold
Area	292,138 sq ft
Tenant	Tesco, Asda and Morrisons
WAULT (WAUTC) years	15.50
Current Rent Per Annum	£6,989,990
Quoting Price	£149,500,000
Quoting Price NIY %	4.37% blended
Date to Market	July 2022
Vendor	British Steel Pension Fund
Purchaser	-
Sale Price	-
Sale Price NIY %	-
Status Date	September 2022
Status	Verwood under offer, the remaining assets still available. Interest reportedly materially softer than quoting at second round of bids

# INDUSTRIAL DISTRIBUTION

# Sainsbury's National Distribution Centre, Tamworth, B77 5PB



Page 2 of 11

## Property Description

An institutionally specified cross docked logistics warehouse extending to a total of 431,210 sq ft GIA, incorporating the main logistics warehouse, offices, Resource Recovery unit (RRU) and vehicle maintenance unit. The tenant utilises the building on a 24/7 operation to distribute high value and slow moving goods nationally, with c. 500 people working on site. EPC A (19).

## Key Facts

Property Type	Warehouse/Distribution
Tenure	Freehold
Area	431,210 sq ft
Tenant	Supermarkets Limited for a term of 30 years from 31 October 2007 to 30 October 2037 at a passing rent of £2,940,587 per annum (£6.82 per sq ft). 5 yearly upward only rent reviews linked to uncapped RPI; FRI terms with no onerous covenants on the landlord or the tenant.
WAULT (WAUTC) years	15.50
Current Rent Per Annum	£2,940,587 (£6.82 per sq ft)
Quoting Price	£90,000,000 (£209.00 per sq ft)
Quoting Price NIY %	3.06
Date to Market	May 2022
Vendor	BAE Systems Pension Funds Trustees Ltd.
Purchaser	Railways Pension Fund
Sale Price	£97,900,000 (£227 per sq. ft.)
Sale Price NIY %	2.80%
Status Date	August 2022
Status	Exchanged. Chipped from £102m. EY analysis 3.50% at review.

# Boots Distribution Centre, Burton-on-Trent DE14 2WA



## Property Description

Constructed in 1997 as a logistics facility calling approximately 300,000 sq ft. In 2007 Opus Land extending the unit to it's current c.466,000 sq ft. Significant improvement works undertaken including the installation of mezzanine floors. Boots have invested heavily into automation, spending over £35 million pounds on automation within the unit, with the final phase of investment programme currently underway. Site area is 9.53 hectares (23.54 acres) low site cover of 46%. EPC C (74)

## Key Facts\

Property Type	Warehouse/Distribution
Tenure	Freehold
Area	466,745 sq ft
Tenant	Boots UK Limited. Lease Start: 01/04/2022 (New reversionary 20 year lease). Lease End: 31/03/2042. Rent Review provisions: 5 yearly upward only open market rent reviews
WAULT (WAUTC) years	20.00
Current Rent Per Annum	£3,150,529 (£6.75 per sq ft)
Quoting Price	Off Market
Quoting Price NIY %	Off Market
Date to Market	Off Market
Vendor	Owner Occupier
Purchaser	ICG
Sale Price	£74,000,000 (£159.00 per sq ft)
Sale Price NIY %	4.00
Status Date	July 2022
Status	Sold - Sale & Leaseback. Asset was U/O at 3.80% NIY but was price chipped by £7.00m (8.64%) on the day of exchange.

# Peugeot, West Road, Hooton Park Airfield, Ellesmere Port, CH65 1BJ



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## Property Description

Forward-funding. Comprises a high spec cross docked steel portal frame distribution warehouse extending to 667,185 sq ft, including 2 storey ancillary office accommodation. Target PC date of May 2023. BREEAM 'Excellent' & Net Carbon Zero at practical completion. UK parts distribution centre for Peugeot

## Key Facts

Property Type	Warehouse/Distribution
Tenure	Freehold
Area	667,185 sq ft
Tenant	Pre-let to Peugeot Motor Company Plc on a 15 year FRI lease. Passing rent of £3,877,525 reflecting £5.75 psf. 5 yearly CPI linked rent reviews, 2%-4% cap & collar pa compounded.
WAULT (WAUTC) years	15.00
Current Rent Per Annum	£3,877,525 (£5.75 per sq ft)
Quoting Price	£89,620,000 (£134.00 per sq ft)
Quoting Price NIY %	3.78
Date to Market	February 2022
Vendor	Stoford
Purchaser	Frasers Property International
Sale Price	£101,000,000 (£151.38 per sq ft)
Sale Price NIY %	3.60
Status Date	July 2022
Status	Sold – 3.94% EY, 3.9% RY. Note – the price was reduced from £106.3m (3.42% IY) in early June as a result of increased debt costs



# Container Components, Holmewood Industrial Park, Chesterfield, S42 5UX



## Property Description

Modern warehouse built in c.2001 with offices. Site extends 2.13 acres. 200 year long leasehold interest from 16 August 2000 at a rent of £1 per annum, therefore providing c. 178 years remaining. Freehold can be acquired for £1. EPC C (74)

## Key Facts\

Property Type	Warehouse/Distribution
Tenure	Long Leasehold
Area	47,882 sq ft
Tenant	To be let to Container Components Europe Ltd for 20 years on FR&I terms with 5 yearly rent reviews in accordance with annually compounded CPI 2-4%
WAULT (WAUTC) years	20.00
Current Rent Per Annum	£227,440 (£4.75 per sq ft)
Quoting Price	£3,250,000 (£67.87 per sq ft)
Quoting Price NIY %	6.52
Date to Market	March 2022
Vendor	-
Purchaser	Custodian
Sale Price	£3,500,000 (£73.09 per sq ft)
Sale Price NIY %	6.10
Status Date	July 2022
Status	Sold



# Clyde Union Pumps, Cathcart, Glasgow, G44 4EX



## Property Description

Largely industrial premises over 3 buildings, with ancillary office accommodation. The buildings housing the manufacturing operations are constructed of iron and steel frame with profiled panel external cladding with north rooflights. The office buildings are a mix of brick and concrete block construction.

Key Facts	
Property Type	Warehouse/Distribution
Tenure	Freehold
Area	385,907 sq ft
Tenant	S&L to Clyde Union Limited. Guaranteed by Celeros Flow Technologies LLC. Straight 25 year FRI lease subject to 5 yearly RR's to higher of OMRV or RPI Index (2-5%)
WAULT (WAUTC) years	25.00
Current Rent Per Annum	£1,518,813 (£3.94 per sq ft)
Quoting Price	£21,875,000 (£56.68 per sq ft)
Quoting Price NIY %	6.50
Date to Market	February 2022
Vendor	Owner Occupier
Purchaser	Realty Income
Sale Price	£30,000,000 (£77.39 per sq ft)
Sale Price NIY %	4.70
Status Date	July 2022
Status	Sold

# Berry Bros, Andover Business Park, SP11 8BF



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## Property Description

Newly constructed warehouse purpose built for Berry Bros. The facility will be carbon neutral, generating its own energy supply alongside utilising rainwater harvesting and electric vehicle (EV) charging points.

## Key Facts

Property Type	Warehouse/Distribution
Tenure	Freehold
Area	118,646 sq ft
Tenant	Fully let to Berry Bros for 35 years with a tenant break in year 25. 5 yearly rent reviews with RPI (1.50%-2.75%). Open market review in year 25
WAULT (WAUTC) years	25.00
Current Rent Per Annum	£842,386 (£7.10 per sq ft)
Quoting Price	£21,050,000 (£177.00 per sq ft)
Quoting Price NIY %	3.75
Date to Market	June 2022
Vendor	Goodman
Purchaser	
Sale Price	
Sale Price NIY %	
Status Date	September 2022
Status	Under Offer

# Iceland, Unit 1, Symmetry Park, Laines Way, Swindon, SN3 4DB



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## Property Description

High specification Grade A warehouse built in 2018. EPC A (24)

## Key Facts

Property Type	Warehouse/Distribution
Tenure	Freehold
Area	217,325 sq ft
Tenant	Fully let to Iceland since PC, expiring 20 November 2035. RPI-linked rent reviews, 1-3% Cap & Collar.
WAULT (WAUTC) years	13.27
Current Rent Per Annum	£1,492,918 (£6.87 per sq ft)
Quoting Price	Off Market
Quoting Price NIY %	Off Market
Date to Market	Off Market
Vendor	Delancey
Purchaser	Capital Advisors
Sale Price	£33,650,000 (£155.00 per sq ft)
Sale Price NIY %	4.15
Status Date	September 2022
Status	Under Offer

# Tennent Caledonian Breweries, Duke St, Glasgow, G31 1JD



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## Property Description

A prime distribution warehouse let to Tennent Caledonian Breweries UK Ltd with a parent company guarantee from C&C Group Plc.

## Key Facts

Property Type	Warehouse/Distribution
Tenure	Freehold
Area	193,698 sq ft
Tenant	Let to Tennent Caledonian Breweries Ltd with a parent company guarantee from C&C Group PLC on a full repairing and insuring lease, expiring 9th May 2027. PC of the building extension, the lease will be varied to provide a 15-year term, subject to 5 yearly rent reviews to the higher of the passing rent, OMRV or RPI, subject to a collar and cap of 1% and 3% pa respectively.
WAULT (WAUTC) years	15.00 (-)
Current Rent Per Annum	£1,310,000 (£6.76 per sq ft)
Quoting Price	£27,250,000 (£140.68 per sq ft)
Quoting Price NIY %	4.50
Date to Market	September 2021
Vendor	-
Purchaser	ICG
Sale Price	£28,240,000 (£146.00 per sq ft)
Sale Price NIY %	4.35
Status Date	September 2022
Status	Under Offer

# Unit 1 Wakefield Hub, Wakefield, Headways, WF3 4FE



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## Property Description

Prime mid box industrial investment. 4.14 acre site providing a cover of 33%. Part of Wakefield Hub, a new prime distribution development in the north of England. EPC A (14)

## Key Facts

Property Type	Warehouse/Distribution
Tenure	Freehold
Area	65,000 sq ft
Tenant	Fully-let to HB Clark & Co on a new FRI 20 year lease with no breaks. The rent will be reviewed every five years to the higher of open market value or uncapped RPI. The initial rent is £396,500 pa reflecting a low overall rate of £6.10 psf.
WAULT (WAUTC) years	19.95
Current Rent Per Annum	£396,500 (£6.10 per sq ft)
Quoting Price	£10,617,000 (£163.33 per sq ft)
Quoting Price NIY %	3.50
Date to Market	March 2022
Vendor	Henry Boots Development
Purchaser	-
Sale Price	-
Sale Price NIY %	3.14
Status Date	September 2022
Status	Under Offer

# National Express, Sipson Road, West Drayton, Middlesex, UB7 0HN



Page 220

## Property Description

A 2.51 acre site (site cover 11%) hardstanding with an industrial warehouse totalling 12,725 sq ft and two storey office accommodation totalling 3,656 sq ft. The industrial warehouse has 4.70m eaves, 8 level access loading doors, a maintenance pit and two storey ancillary offices. The premises are used for the storage and repair of coaches and buses. EPC D (100)

## Key Facts

Property Type	Warehouse/Open Storage
Tenure	Freehold
Area	16,381 sq ft
Tenant	Fully let to National Express Ltd for a term expiring on 21st December 2037. Rent totalling £513,398 per annum reflecting £4.70 per sq ft on the overall site. This is assuming the minimum uplift at the December 2022 rent review. The current rent passing is subject to 5-yearly RPI linked rent reviews.
WAULT (WAUTC) years	15.80
Current Rent Per Annum	£513,398 (£4.70 per sq ft)
Quoting Price	£16,035,000 (£978.88 per sq ft)
Quoting Price NIY %	3.00
Date to Market	March 2022
Vendor	Mirastar
Purchaser	ARA Dunedin
Sale Price	£17,500,000 (£1,068.31 per sq ft)
Sale Price NIY %	2.75
Status Date	July 2022
Status	Sold

# Amazon, St Modwen Park Poole, Sterte Avenue, Poole, BH15 2AS



Page 22

## Property Description

10.89 acre site comprising a 122,925 sq ft (11,420 sqm) bespoke unit with adjacent 4 level van park containing 400 spaces with EV charging capability.

## Key Facts

Property Type	Warehouse/Distribution
Tenure	Freehold
Area	122,925 sq ft
Tenant	Pre-let to Amazon UK Services Ltd from practical completion scheduled from September 2022. CPI linked rent reviews, collared and capped at 1-3%.
WAULT (WAUTC) years	15.00
Current Rent Per Annum	£3,384,125 (£27.53 per sq ft)
Quoting Price	£79,000,000 (£642.66 per sq ft)
Quoting Price NIY %	4.00
Date to Market	July 2022
Vendor	St Modwen
Purchaser	-
Sale Price	-
Sale Price NIY %	-
Status Date	September 2022
Status	Available

# DHL, Phase 1, Manton Wood, Worksop, S80 2RT



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## Property Description

Site area of 31 acres, low site cover of 36% - will form part of a wider DHL campus. EPC A (24)

## Key Facts

Property Type	Warehouse/Distribution
Tenure	Freehold
Area	542,051 sq ft
Tenant	Let to DHL Supply Chain - mission critical asset. 18.4 years unexpired (2040 expiry). 5 yearly reviews compounded at a fixed rate of 2% PA, offering guaranteed reversion in 2025.
WAULT (WAUTC) years	18.40
Current Rent Per Annum	£3,000,000 (£5.60 per sq ft)
Quoting Price	£79,000,000 (£142.00 per sq ft)
Quoting Price NIY %	3.60
Date to Market	May 2022
Vendor	Alpha Real Capital
Purchaser	-
Sale Price	-
Sale Price NIY %	-
Status Date	September 2022
Status	Available



# Vision Profiles, Unit K, Quedgeley West Business Park, Gloucester, GL2 4PA



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## Property Description

Unit K was built in 2014 and formed part of the final phase of development of Quedgeley West Business Park and comprises a high quality, modern, detached industrial warehouse building located on a self-contained plot. EPC A (21)

Key Facts	
Property Type	Warehouse/Distribution
Tenure	Freehold
Area	37,110 sq ft
Tenant	Will be let on a new FRI lease for a term of 20 years without break from completion to Vision Profiles Ltd. The initial rent will be £278,325 per annum, reflecting £7.50 per sq ft, subject to five yearly rent reviews linked to RPI (2-4%).
WAULT (WAUTC) years	20.00
Current Rent Per Annum	£278,325 (£7.50 per sq ft)
Quoting Price	£5,450,000 (£146.86 per sq ft)
Quoting Price NIY %	4.75
Date to Market	July 2022
Vendor	-
Purchaser	-
Sale Price	-
Sale Price NIY %	-
Status Date	August 2022
Status	Available

# Unit 1, Diamond Point, Fleming Way, Crawley, RH10 9DP



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## Property Description

Mission-critical industrial warehouse totalling approximately 115,041 sq ft (GIA), situated on a 4.76 acre site reflecting 55% site cover. EPC B (43)

## Key Facts

Property Type	Warehouse/Distribution
Tenure	Freehold
Area	115,041 sq ft
Tenant	Long let to CAE Training & Services UK Limited (guaranteed by CAE Inc.) until 15 July 2043, providing an unexpired term certain of 21.1 years.
WAULT (WAUTC) years	21.10
Current Rent Per Annum	£1,175,778 (£10.22 per sq ft)
Quoting Price	£25,900,000 (£225.13 per sq ft)
Quoting Price NIY %	4.25
Date to Market	July 2022
Vendor	Abrdn
Purchaser	-
Sale Price	-
Sale Price NIY %	-
Status Date	September 2022
Status	Available

# APEX, i54 Business Park, Innovation Drive, Wolverhampton, WV9 5GA



## Property Description

New, high specification industrial manufacturing facility of approximately 67,884 sq ft. In line with the highly successful i54 Business Park, the building is restricted to B2 use. PC'd Summer 2021. Steel portal frame construction, Profile clad elevations and roof incorporating PV panels, 2 dock level doors and 4 ground level doors, 12m clear internal height, 50 kn / sq m floor loading capacity, 1MVA power supply, 40m secure concrete surfaced yard, 120 car parking spaces of which 20 have electric vehicle charging points. EPC A (22)

## Key Facts

Property Type	Warehouse/Distribution
Tenure	Freehold
Area	392,179 sq ft
Tenant	Let to Bilco Access Solutions Limited. Subject to 5 yearly upward only rent reviews linked to CPI (+1), compounded annually. Compounded 2.00% collar and 4.00% cap. Review allows for increases in the index (+1) above 4.00% in any given year to be carried forward against years that fall below 4.00%, provided the overall compounded cap for the 5 year period is not exceeded. Include rent free period of 9 months from lease commencement.
WAULT (WAUTC) years	15.00
Current Rent Per Annum	£475,188 (£7.00 per sq ft)
Quoting Price	£11,140,000 (£164.00 per sq ft)
Quoting Price NIY %	4.00
Date to Market	June 2022
Status Date	September 2022
Status	Available

# CARE HOMES

# Hamberley Care



**HAMBERLEY**

CARE HOMES

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## Property Description

- Elstow Manor (Bedford) – Built 2022 – 80 beds
- Verwood House (Verwood, Dorset) Built 2011 (major works 2020) – 42 beds
- Upton Manor (Poole) Built 2015 (major works 2020) – 65 beds

2 x Developments (due 2023)  
Eastleigh – 84 beds  
Enfield – 82 beds

## Key Facts

Property Type	5x care home
Tenure	
Tenure Comment	Annual RPI Cap and Collar 2 % and 4%.
Area	353 beds
Tenant	Hamberley Care Group (SPV tenants by property)
WAULT (WAUTC) years	35
Current Rent Per Annum	Confidential
Quoting Price	
Quoting Price NIY %	
Date to Market	
Vendor	Hamberley Care Group
Purchaser	Tristan Capital Partners
Sale Price	£100m
Sale Price NIY %	Confidential
Status Date	April 2022
Status	Sold

Comments

# Dashwood Manor Care Home, Bradley Way, Basingstoke RG23 7GF



Page 228

## Property Description

Dashwood manor (opened Q4 2021)  
Estimated Average Weekly Fee range: In excess of £1,350 per week

## Key Facts

Property Type	1x Care Home
Tenure	Freehold
Tenure Comment	Annual RPI RR with 5% cap. Guarantee from Care UK Ltd
Area	70 beds
Tenant	Care UK
WAULT (WAUTC) years	30
Current Rent Per Annum	£840k - £12k per bed
Quoting Price	
Quoting Price NIY %	
Date to Market	
Vendor	AEW
Purchaser	Specialist Care Investor
Sale Price	Circa £250k per bed
Sale Price NIY %	Confidential
Status Date	Feb 2022
Status	Sold

Comments:

# Project Sandpiper



## Key Facts

Property Type	6x care home
Tenure	5x freehold, 1x long leasehold
Tenure Comment	Rent reviews 0 % and 5% annual.
Area	430 beds
Tenant	Care UK
WAULT (WAUTC) years	24
Current Rent Per Annum	£3,406,374
Quoting Price	
Quoting Price NIY %	
Date to Market	
Vendor	L&G
Purchaser	PGIM
Sale Price	£70,200,000
Sale Price NIY %	4.54
Status Date	Jan 2022
Status	Sold
Comments	Sandpiper homes are all in East Anglia and the Poole asset is included within the transaction.  Local Authority Block Contracts in place across a portion of homes.

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## Property Description

Off market transaction.

Care home portfolio comprising 6 assets let to Care UK. 5x Freehold assets and 1x Long Leasehold asset (Hartismere Place) with 125 years from December 2014 at £0 ground rent.

# HOTELS



# Travelodge Wadebridge



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## Property Description

A purpose-built hotel providing 55 bedrooms over three floors located in a reasonably rural area on the outskirts of Wadebridge.

20 years remaining on the lease with inflation linked passing rent of £250k per annum.

## Key Facts

Property Type	Hotel
Tenure	Freehold
Tenure Comment	5 yearly RPI Uncapped.
Area	55 beds
Tenant	Travelodge
WAULT (WAUTC) years	20.00
Current Rent Per Annum	£250,000 (£4,545 per room)
Quoting Price	
Quoting Price NIY %	
Date to Market	
Vendor	
Purchaser	Alpha Real Trust
Sale Price	£4,250,000
Sale Price NIY %	6.10%
Status Date	August 2022
Status	Sold
Comments	

# Premier Inn, Perth

Page 232



## Property Description

The property features an 83-bedroom hotel and benefits from a ground floor bar / restaurant providing 76 covers and two meeting rooms to cater for the surrounding corporate demand.

## Key Facts

Property Type	Hotel
Tenure	
Tenure Comment	CPI 5 yearly (0%-4%)
Area	83 beds
Tenant	Premier Inn
WAULT (WAUTC) years	17.00 (12.00)
Current Rent Per Annum	£358,587 (£4,320 per room)
Quoting Price	£7,100,000
Quoting Price NIY %	4.74%
Date to Market	
Vendor	
Purchaser	
Sale Price	
Status Date	August 2022
Status	Reportedly under offer softer than quoting
Comments	

# Premier Inn, Basingstoke



Page 233

## Property Description

A purpose-built hotel providing 81 en-suite bedrooms arranged over ground and four upper floors.

Fully let to Premier Inn Hotels Limited – the largest hotelier in the UK. .

## Key Facts

Property Type	Hotel
Tenure	Freehold
Tenure Comment	5 yearly CPI uplifts subject to a collar of 0% and cap of 4%
Area	81 beds
Tenant	Premier Inn
WAULT (WAUTC) years	18.00 (13.00)
Current Rent Per Annum	£417,114 (£5,150 per bed)
Quoting Price	£8,650,000
Quoting Price NIY %	4.52%
Date to Market	
Vendor	
Purchaser	
Sale Price	
Sale Price NIY %	
Status Date	August 2022
Status	Rumored to be under offer at 4.60%.
Comments	

# Premier Inn, Manchester Trafford Centre West



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234

## Property Description

H2 2021 and Q1 2022 provided an average daily rate of 10% above the 2019 peak performance.

234 bed arranged over ground and three upper floors.

## Key Facts

Property Type	Hotel
Tenure	
Tenure Comment	5 yrly CPI Rent Reviews. Cap and Collar of (0%-4%)
Area	234 beds
Tenant	Premier Inn guaranteed by Whitbread Group PLC
WAULT (WAUTC) years	15.00
Current Rent Per Annum	£1,319,818 (£5,640 per bed)
Quoting Price	£27,460,000
Quoting Price NIY %	4.50%
Date to Market	June 2022
Vendor	
Purchaser	
Sale Price	
Sale Price NIY %	
Status Date	June 2022
Status	Withdrawn
Comments	Lease takes effect from 1 <sup>st</sup> September 2022

# Premier Inn, Richmond



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## Property Description

92 en-suite bedrooms arranged over part ground and three upper floors.

A 2,285 sq ft ground floor retail unit let to Anney Home Designs Ltd until 26 March 2024 paying £40,000 per annum.

## Key Facts

Property Type	Hotel
Tenure	Freehold
Tenure Comment	5 yearly CPI (0%-5%). Next review May 2022.
Area	92 beds
Tenant	Premier Inn
WAULT (WAUTC) years	15.50
Current Rent Per Annum	£532,767 (£5,791 per room)
Quoting Price	£11,920,000
Quoting Price NIY %	4.50
Date to Market	
Vendor	
Purchaser	
Sale Price	
Sale Price NIY %	
Status Date	May 2022
Status	Was previously under offer at high 3%
Comments	Withdrawn, reportedly due to cladding issues

# Staycity, Deansgate

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## Property Description

The 22-storey 310 bed apart-hotel includes a mix of studio and 1 bed apartments. The ground floor includes amenity space for the apart hotel and will contain a retail unit with target area of 3,164 sq ft. The ground floor will also contain a retail unit which Transport for Greater Manchester will retain. This has a target floor area of 1,325 sq ft.

## Key Facts

Property Type	Hotel
Tenure	
Tenure Comment	5 yrly CPI rent reviews. Cap and collar of 0%-4%
Area	310 beds
Tenant	Staycity UK Limited
WAULT (WAUTC) years	30.00(-)
Current Rent Per Annum	
Quoting Price	£52,000,000
Quoting Price NIY %	4.50%
Date to Market	June 2022
Vendor	
Purchaser	
Sale Price	
Sale Price NIY %	
Status Date	September 2022
Status	Withdrawn
Comments	Purchaser to offer rental level. The yield is dependent on the level of rent offered.

# Travelodge Gatwick Central, Povey Cross Road, RH6 0BE



Page 237

## Property Description

400 en-suite bedrooms arranged over ground and 6 upper floors. The hotel underwent a comprehensive refurbishment in 2021 to upgrade the rooms, common parts and Bar Café. The hotel now trades as Travelodge Plus. 250 on-site parking spaces.

## Key Facts

Property Type	Hotel
Tenure	Long leasehold (975 years unexpired) £1,000 p.a. fixed ground rent
Tenure Comment	5 yrly uncapped RPI (next review 10 July 2026)
Area	400 beds
Tenant	Travelodge Hotels Limited
WAULT (WAUTC) years	27(-)
Current Rent Per Annum	£3,062,836 p.a. (£7,657 per key)
Quoting Price	£47,840,000
Quoting Price NIY %	6%
Date to Market	August 2022
Vendor	
Purchaser	
Sale Price	
Sale Price NIY %	
Status Date	September 2022
Status	Available
Comments	



# Travelodge Chiswick



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## Property Description

Forward Funding opportunity. Sales brochure in market.

## Key Facts

Property Type	Hotel
Tenure	Freehold
Tenure Comment	5 yearly CPI-H (1%-4%)
Area	113 beds
Tenant	Travelodge
WAULT (WAUTC) years	35
Current Rent Per Annum	£960,500 (£8,500 per key)
Quoting Price	£20,960,000
Quoting Price NIY %	4.50
Date to Market	Jan 2022
Vendor	
Purchaser	
Sale Price	
Sale Price NIY %	
Status Date	May 2022
Status	Was previously under offer close to 4.75%
Comments	Available



# Travelodge, Lowestoft



Page 239

## Property Description

46 car parking spaces situated on 1.1 acre site.

Road access to Norwich City Centre and international airport as well as Cambridge.

## Key Facts

Property Type	Hotel
Tenure	Freehold
Tenure Comment	5 yearly RPI Uncapped.
Area	47 beds.
Tenant	Travelodge
WAULT (WAUTC) years	25 (18.5) yrs. Option to renew for an additional 25 yrs.
Current Rent Per Annum	£194,874 (£4,146 per room)
Quoting Price	£2,725,000
Quoting Price NIY %	6.72
Date to Market	
Vendor	
Purchaser	
Sale Price	
Sale Price NIY %	
Status Date	May 2022
Status	Available
Comments	

# Travelodge, Winnersh



## Property Description

Mixed use business park home. Own dedicated railway station direct access to London and Reading.

Large car park for 50 vehicles.

## Key Facts

Property Type	Hotel
Tenure	Freehold
Tenure Comment	5 yearly RPI Uncapped.
Area	93 beds.
Tenant	Travelodge
WAULT (WAUTC) years	23 yrs.
Current Rent Per Annum	£475,672 (£5,115 per room)
Quoting Price	£8,500,000
Quoting Price NIY %	5.25
Date to Market	April 2022
Vendor	
Purchaser	
Sale Price	
Sale Price NIY %	
Status Date	May 2022
Status	Available
Comments	

# Travelodge, Newport



Page 24

## Property Description

62 bedroom hotel over ground and two upper floors.

## Key Facts

Property Type	Hotel
Tenure	Freehold
Tenure Comment	5 yearly RPI Uncapped. Next review in February 2024.
Area	62 key
Tenant	Travelodge
WAULT (WAUTC) years	25.00 (15.00) yrs
Current Rent Per Annum	£280,534 (£4,525 per key)
Quoting Price	£3,700,000
Quoting Price NIY %	7.70
Date to Market	May 2022
Vendor	
Purchaser	
Sale Price	
Sale Price NIY %	
Status Date	May 2022
Status	Available
Comments	Landlord option to extend for a further 3 years.

# STUDENT ACCOMMODATION

# Baltic Street, Edinburgh



Page 243

## Property Description

Long-let student accommodation forward funding opportunity

Modern purpose-built accommodation split over 6 blocks

## Key Facts

Property Type	Student Housing
Tenure	Freehold
Tenure Comment	Annual CPI-linked rent reviews (1% – 4%).
Area	612 beds
Tenant	University of Edinburgh
WAULT (WAUTC) years	20
Current Rent Per Annum	£3,411,403 per annum
Quoting Price	£103,075,000
Quoting Price NIY %	3.25
Date to Market	
Vendor	
Purchaser	
Sale Price	
Sale Price NIY %	
Status Date	August 2022
Status	Was previously under offer ahead of quoting sub 3%
Comments	Withdrawn

# PETROLEUM & AUTOMOTIVE

# Nissan, Bristol



Page 245

## Property Description

Wessex Garages Nissan Bristol, Hayes Way,  
Patchway, Bristol BS34 5BZ

## Key Facts

Property Type <sup>1</sup>	Car Dealership
Tenure	Freehold
Area	20,053 sq ft
Tenant	Let to Nissan Motor (GB) Limited. RPI linked 5-yearly rent reviews, collared and capped at 0-3%.
WAULT (WAUTC) years	13
Current Rent Per Annum	£329,876.83 (£16 per sq ft)
Quoting Price	Off market
Quoting Price NIY %	n/a
Date to Market	n/a
Vendor	LCIV
Purchaser	TBC
Sale Price	£6,140,000
Sale Price NIY %	5.03%
Status Date	September 2022
Status	Exchanged. Price was reportedly chipped by £100k on the date of exchange



## Property Description

Portfolio of 5 car dealerships

## Key Facts

Property Type	5 x Car Dealership
Tenure	Freehold
Area (sq ft)	116,946 sq ft
Tenant	Vindis Group Limited
WAULT (years)	20 years
Current Rent Per Annum (£)	£1,140,000
Reviews	5 Yearly to CPI 1%/3% per annum compounded
Quoting Price (£)	£21,000,000
Quoting Price NIY %	5.05
Date to Market	June 2020
Vendor	Vinidis Group Limited
Purchaser	
Sale Price (£)	£22,300,000 – 4.79% NIY
Status Date	August 2022
Status	Sold



# Jorvik Service Station, Lawrence Street, York, YO10 3EB



Page 2/7

## Property Description

PFS with M&S C-store.

## Key Facts

Property Type	Petrol Station
Tenure	Freehold
Area (sq ft)	2,184 sq ft
Tenant	BP Oil UK Limited
WAULT (years)	10.43
Reviews	5 yearly, 2.5% fixed uplifted
Current Rent Per Annum (£)	£60,828
Quoting Price (£)	£1,600,000
Quoting Price NIY %	3.58%
Date to Market	-
Vendor	OLIM
Purchaser	Valli Forecourts
Sale Price (£)	£1,600,000 – 3.58% NIY
Status Date	August 2022
Status	Sold

# Cupar Landrover



Page 248

## Property Description

Eden Valley Bus Park, Cupar, KY15 4RB

## Key Facts

Property Type	Car Dealership
Tenure	Freehold
Area	27,055 sq ft
Tenant	Reg Vardy (Property Management) Ltd with a subletting to Agricar Ltd, annual RPI with a 2.5% cap
WAULT (WAUTC) years	11
Current Rent Per Annum	£139,141
Quoting Price	-
Quoting Price NIY %	-
Date to Market	-
Vendor	OLIM
Purchaser	
Sale Price	£1,700,000
Sale Price NIY %	7.80
Status Date	August 2022
Status	Sold

# Volvo, Preston



## Property Description

Rybrook Volvo Bluebell Way Preston PR2 5PZ

## Key Facts

Property Type	Car Dealership
Tenure	Freehold
Area	19,375 sq ft
Tenant	Rybrook Cars Limited
WAULT (WAUTC) years	20.00
Current Rent Per Annum	£300,711
Quoting Price	£5,115,000
Quoting Price NIY %	5.50%
Date to Market	February 2022
Vendor	Monte Blackburn Limited
Purchaser	Bel Ombre Limited
Sale Price	£5,625,000
Sale Price NIY %	5%
Status Date	May 2022
Status	Sold

# Motorpoint, Castleford



## Property Description

Motorpoint Castleford, Summit Park, Whistler Drive, WF10 5HX

## Key Facts

Property Type	Car Dealership
Tenure	Freehold
Area	27,055 sq ft
Tenant	Motorpoint Limited, 5 yearly RPI rent reviews (2%-4%)
WAULT (WAUTC) years	13.10
Current Rent Per Annum	£455,385
Quoting Price	£7,425,000
Quoting Price NIY %	5.75%
Date to Market	July 2022
Vendor	
Purchaser	
Sale Price	
Sale Price NIY %	
Status Date	August 2022
Status	Available

# LEISURE

# Nuffield Health, Gosforth Park Way, Newcastle upon Tyne



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## Property Description

Purpose-built 37,652 sq ft health and fitness club with 25m indoor swimming pool located in an established business park.

## Key Facts

Property Type	Leisure
Tenure	Freehold
Tenure Comment	Annual CPI 2-4%
Area	37,652 sq ft
Tenant	Nuffield
WAULT (WAUTC) years	17
Current Rent Per Annum	£270,400 (£7.00 per sq ft)
Quoting Price	£4,230,000
Quoting Price NIY %	6.00%
Date to Market	June 2022
Vendor	OLIM
Purchaser	
Sale Price	£4,280,000
Sale Price NIY %	5.93%
Status Date	August 2022
Status	Sold
Comments	Lease recently regeared, rent reduced and term extended to March 2040

# David Lloyd, Shawfair, Edinburgh



Page 253

## Property Description

### Key Facts

Property Type	Health and Fitness
Tenure	Freehold
Tenure Comment	5 yearly CPI rent reviews (1% - 4%)
Area	62,592 sq ft
Tenant	David Lloyd
WAULT (WAUTC) years	30.00 (-)
Current Rent Per Annum	£1,000,000
Quoting Price	£19,550,000
Quoting Price NIY %	4.50%
Date to Market	
Vendor	David Lloyd Leisure
Purchaser	Aberdeen
Sale Price	Confidential
Sale Price NIY %	4.80%
Status Date	August 2022
Status	Sold
Comments	The price was reportedly chipped by 25-30bps prior to completion. Forward commitment.

# Nuffield Health, Newbury



Page 254

## Property Description

20-metre swimming pool, spa, physio, squash courts and sports hall

Sits next to two new residential developments with subject site providing long term redevelopment potential (STP).

## Key Facts

Property Type	Leisure
Tenure	Freehold
Tenure Comment	5 yearly OMR
Area	49,000 sq ft
Tenant	Nuffield
WAULT (WAUTC) years	15.65 (-)
Current Rent Per Annum	£661,500
Quoting Price	£10,770,000
Quoting Price NIY %	5.75%
Date to Market	June 2022
Vendor	
Purchaser	Private Investor
Sale Price	£11,000,000
Sale Price NIY %	5.63%
Status Date	August 2022
Status	Sold
Comments	



# Odeon Harrogate



Page 255

## Property Description

5 screen Grade II Listed cinema let to Odeon Cinemas Ltd

## Key Facts

Property Type	Leisure
Tenure	Freehold
Tenure Comment	Annual yearly RPI linked uplifts (1-5%).
Area	23,971 sq ft
Tenant	Odeon Cinemas Ltd
WAULT (WAUTC) years	16.30
Current Rent Per Annum	£499,159 pa but will be topped up to £524,117 pa (hitting the 5% cap).
Quoting Price	£7,000,000
Quoting Price NIY %	7.00%
Date to Market	-
Vendor	-
Purchaser	Private Investor
Sale Price	£6,770,000
Sale Price NIY %	7.25%
Status Date	May 2022
Status	Sold
Comments	-

# David Lloyd Portfolio



Page 256

## Property Description

16 leisure centres with a significant London and South East England allocation, in addition to broader regional exposure, the portfolio provides diversified UK coverage.

Assets are located within large and affluent population catchments that have supported strong member and revenue growth over the last decade.

Rent coverage 1.8x

## Key Facts

Property Type	Health & Fitness
Tenure	12 Freehold 4 long leasehold
Tenure Comment	Annual RPI uplifts (1%-5%), aside from two assets (Chelsea and Swindon) subject to fixed 2.5% annual uplifts.
Area	1,700,000 sq ft
Tenant	David Lloyd
WAULT (WAUTC) years	23.10
Current Rent Per Annum	£19,730,000 (Gross rent roll)
Quoting Price	
Quoting Price NIY %	
Date to Market	
Vendor	
Purchaser	
Sale Price	
Sale Price NIY %	
Status Date	September 2022
Status	Withdrawn
Comments	Offers are sought for the entire portfolio or an individual assets basis. Some individual assets were previously under offer but saw price chipping

# Nuffield Health, Glasgow



## Property Description

The address is 141 Finnieston Street, Glasgow G3 8HB.

The property totals 40,305 sq ft on a total site area of 2.492 acres.

The facilities are arranged around a central 25 metre swimming pool and offers a gym, studio, sauna, steam room, health and beauty salon, a fully licensed bar and brassiere plus dedicated medial centre. Parking is provided for approximately 230 cars.

## Key Facts

Property Type	Leisure
Tenure	Freehold
Tenure Comment	5 yearly OMR
Area	40,305 sq ft
Tenant	Nuffield Health
WAULT (WAUTC) years	35 (19.5)
Current Rent Per Annum	£603,300 (£14.96 per sq ft)
Quoting Price	£11,300,000
Quoting Price NIY %	5.00%
Date to Market	June 2022
Vendor	
Purchaser	
Sale Price	
Sale Price NIY %	
Status Date	June 2022
Status	Available
Comments	

# Nuffield Health, Shipley



Page 258

## Property Description

The property includes a swimming pool, gymnasium, a large range of classes, spa, onsite experts including physios and personal trainers.

There are over 230 car parking spaces surrounding the property providing a car parking ratio of 1:167 per sq ft.

## Key Facts

Property Type	Leisure
Tenure	Freehold
Tenure Comment	5 yearly CPI collared at 1% and capped at 3.5% per annum
Area	38,121 sq ft
Tenant	Nuffield Health
WAULT (WAUTC) years	20 (-)
Current Rent Per Annum	£360,000 (£9.44 per sq ft)
Quoting Price	£6,740,000
Quoting Price NIY %	5.00%
Date to Market	June 2022
Vendor	
Purchaser	
Sale Price	
Sale Price NIY %	
Status Date	June 2022
Status	Available
Comments	

# PUBS

# Slug & Lettuce, 35 High Steet, Poole BH15 1AB



## Property Description

### Key Facts

Property Type	Pub
Tenure	Freehold
Tenure Comment	Annual RPI (2%-4%)
Area	4,306 sq ft
Tenant	Stonegate Pub Co Ltd
WAULT (WAUTC) years	22.00 (-)
Current Rent Per Annum	£85,296
Quoting Price	
Quoting Price NIY %	
Date to Market	
Vendor	OLIM
Purchaser	
Sale Price	£1,800,000
Sale Price NIY %	5.75%
Status Date	August 2022
Status	Sold

### Comments

# Whittle Taps, 1-3a Regent Street Cheltenham, GL50 1HE



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## Property Description

### Key Facts

Property Type	Pub
Tenure	Freehold
Tenure Comment	Annual RPI (2%-4%)
Area	4,666 sq ft
Tenant	Stonegate Pub Co Ltd
WAULT (WAUTC) years	22.00 (-)
Current Rent Per Annum	£168,180
Quoting Price	
Quoting Price NIY %	
Date to Market	
Vendor	OLIM
Purchaser	
Sale Price	£2,800,000
Sale Price NIY %	5.70%
Status Date	August 2022
Status	Sold

### Comments

# Dutton Arms, 441 The Promenade, Blackpool FY4 1AR



## Key Facts

Property Type	Pub
Tenure	Freehold
Tenure Comment	Annual RPI (2%-4%)
Area	11,000
Tenant	Stonegate Pub Co Ltd
WAULT (WAUTC) years	22.00 (-)
Current Rent Per Annum	£59,363
Quoting Price	
Quoting Price NIY %	
Date to Market	
Vendor	OLIM
Purchaser	
Sale Price	£780,000
Sale Price NIY %	7.50%
Status Date	August 2022
Status	Sold

## Comments



# The Lordship, 209-211 Lordship Lane, East Dulwich, London SE22



## Property Description

A substantial freehold property occupying a prominent corner position on Lordship Lane, East Dulwich's main commercial pitch.

The property comprises a 6,900 sq ft public house with an external trading area to the front and a large beer garden to the rear. There is an events barn which is currently under renovation. 3 bedroom manager's flat on the 2<sup>nd</sup> floor.

## Key Facts

Property Type	Pub
Tenure	Freehold
Tenure Comment	5 yearly OMV (outstanding 2021 review)
Area	6,900 sq ft
Tenant	El Group Limited
WAULT (WAUTC) years	24 (14)
Current Rent Per Annum	£75,000 (£11.67 per sq ft)
Quoting Price	£2,000,000 (£290 per sq ft)
Quoting Price NIY %	3.53%
Date to Market	June 2022
Vendor	-
Purchaser	-
Sale Price	£2,210,000
Sale Price NIY %	3.19%
Status Date	September 2022
Status	Sold

## Comments

# Rose & Crown, 65 Union Street, London SE1 1SG



## Property Description

Large public house and hostel (45 guest beds) arranged over ground, basement, first and second floors totalling 5,072 sq ft and benefitting from a large beer garden.

The pub trades over ground floor (55 covers) with customer WCs and commercial kitchen also on this level. The basement comprises storage areas, cellar, manager's office and a guest luggage area.

The first and second floors comprise hostel accommodation (5 large dorm rooms and 2-large ensuite double rooms) totalling 45 beds.

The property was fully refurbished in 2019. The pub benefits from external customer areas to the rear (60 covers) and to the front (24 covers).

## Key Facts

Property Type	Pub
Tenure	Freehold
Tenure Comment	5 yearly RPI (3-4% annually compounded)
Area	5,072 sq ft
Tenant	EI Group Limited
WAULT (WAUTC) years	23.5
Current Rent Per Annum	£81,398
Quoting Price	£2,190,000 (£431 per sq ft)
Quoting Price NIY %	3.50%
Date to Market	-
Vendor	-
Purchaser	-
Sale Price	-
Sale Price NIY %	-
Status Date	September 2022
Status	Available
Comments	The property is sublet on identical terms to the headlease. The subtenant is a JV between Stonegate and PubLove – a multi-site hostel operator

# The Eagle Ale House, 104 Chatham Road, London SW11 6HG



## Property Description

Page 265  
A traditional public house arranged over ground, basement, first and second floors totalling 2,888 sq ft and benefitting from a large beer garden.

The pub trades as a traditional pub over ground floor with ancillary accommodation, cellar, manager's office in the basement and managers accommodation over first and second floors.

The pub benefits from external customer areas to the rear.

## Key Facts

Property Type	Pub
Tenure	Freehold
Tenure Comment	5 yearly RPI (3-4% annually compounded)
Area	-
Tenant	EI Group Limited
WAULT (WAUTC) years	23.5
Current Rent Per Annum	£101,748
Quoting Price	£2,250,000
Quoting Price NIY %	4.25%
Date to Market	-
Vendor	-
Purchaser	-
Sale Price	-
Sale Price NIY %	-
Status Date	September 2022
Status	Available

## Comments

# The Landor Pub, 70 Landor Road, London SW9 9PH



## Key Facts

Property Type	Pub
Tenure	Freehold
Tenure Comment	5 yearly RPI (3-4% annually compounded)
Area	9,349 sq ft
Tenant	EI Group Limited
WAULT (WAUTC) years	23.5
Current Rent Per Annum	£115,314
Quoting Price	£3,095,000 (£331 per sq ft)
Quoting Price NIY %	3.50%
Date to Market	-
Vendor	-
Purchaser	-
Sale Price	-
Sale Price NIY %	-
Status Date	September 2022
Status	Available
Comments	The pub is sublet at £170,000 p.a.

## Property Description

Large public house arranged over ground, basement, first and second floors totalling 9,349 sq ft and benefitting from a large beer garden.

The pub trades as a gastro-pub over ground floor with ancillary accommodation / cellar in the basement.

At first floor level is a large events space which is used for comedy nights, live music, and theatre performances. The second floor comprises recently refurbished residential accommodation.

The pub benefits from one of the largest beer gardens in the local area.

# Project Silver



## Property Description

Free of Tie portfolio of 75 pubs across the UK, concentrated in South East England and London, and offers 99% RPI linked income from a largely independent or small operator tenant base. Remaining weighted average lease term of 13.3 years to expiry. Formed over several years by Stonegate, the vendor.

## Key Facts

Property Type	Leisure / restaurant / bar
Tenure	Freehold
Area	
Tenant	Mixed local / independent
Expiry Term	13.3 years
Current Rent Per Annum	£5.2m
Vendor	Stonegate
Purchaser	
Sale Price	
Sale Price NIY %	Not quoting but anticipate c. 7.5-8.5%
Status Date	September 2022
Status	Available

# NURSERIES

# Bright Horizons, Buckhurst Hill



Page 269

## Property Description

Affluent suburb of Buckhurst Hill in Essex, with high demand for nursery places.

Once complete, the property will comprise a new nursery for up to 100 children. Due to open in Autumn 2022

## Key Facts

Property Type	Nursery
Tenure	Freehold
Tenure Comment	Annual reviews RPI (2%-4%) and this reverts to CPI + 1% in 2030
Area	5,489 sq ft
Tenant	Bright Horizons Family Solutions Limited
WAULT (WAUTC) years	24.7 (15.00)
Current Rent Per Annum	£175,000 (£31.88 per sq ft)
Quoting Price	£3,650,000
Quoting Price NIY %	4.50%
Date to Market	July 2022
Vendor	Gerald Eve
Purchaser	Private Investor
Sale Price	£3,700,000
Sale Price NIY %	4.43%
Status Date	Sold
Status	August 2022

Comments

# GROUND RENTS



# Thorpe Park and Alton Towers



Page 27

## Property Description

The deal structure comprises the sale of the freehold of the two assets to M&G, with 999 year leases granted back to LXi REIT.

LXi REIT has a 65 year break option for £1.

The property is sublet to Merlin with a WAULT of 55 years, with a 35-year extension option on expiry.

## Key Facts

Property Type	Theme Park
Tenure	Long Leasehold
Tenure Comment	Annual CPI linked +0.5%
Area	
Tenant	LXi REIT
WAULT (WAUTC) years	999 (65)
Current Rent Per Annum	£8,200,000
Quoting Price	-
Quoting Price NIY %	-
Date to Market	-
Vendor	LXi REIT
Purchaser	M&G Real Estate
Sale Price	£257,000,000
Sale Price NIY %	2.96%
Status Date	September 2022
Status	Exchanged
Comments	-

# Clayton Hotel, 27-29 Station Road, Cambridge CB1 2FB



Page  
272

## Property Description

This modern 160-bedroom upscale hotel is situated adjacent to Cambridge Train Station and surrounded by a cluster of some of the largest multinational corporations and a plethora of leisure demand generators.

Underlease to Dalata Hotel Group plc on an inflationary linked lease for 27 years.

## Key Facts

Property Type	Hotel
Tenure	Freehold
Tenure Comment	RPI yearly (1%-5%)
Area	160 beds
Tenant	Station Road Development (Cambridge) Limited
WAULT (WAUTC) years	147.00(-). Tenant buy back option of £1 at the end of the term
Current Rent Per Annum	£541,993
Quoting Price	£22,555,000
Quoting Price NIY %	2.25%
Date to Market	
Vendor	
Purchaser	
Sale Price	
Status Date	August 2022
Status	Under Offer
Comments	6 bids in the 1 <sup>st</sup> round, 4 bids in the 2 <sup>nd</sup> round. There were overbidders after the asset went under offer.

# Butlins Portfolio



Page 27

## Property Description

Portfolio:

Bognor Regis near South Downs National Park, Minehead in Somerset, and Skegness in Lincolnshire.

## Key Facts

Property Type	Holiday parks
Tenure	
Tenure Comment	
Area	
Tenant	Butlins
WAULT (WAUTC) years	
Current Rent Per Annum	
Quoting Price	
Quoting Price NIY %	
Date to Market	
Vendor	Bourne Leisure
Purchaser	
Sale Price	£300,000,000
Sale Price NIY %	
Status Date	September 2022
Status	Sold
Comments	The price was reportedly chipped ahead of exchange by £20m

# INCOME STRIPS

# Project Mars



Page 275

## Property Description

- 6 public houses, 1 lodge operated by Marston's
- 35 years term certain
- Marston's Estates Limited as the tenant entity
- Guarantor Marston's PLC
- RPI rent

## Key Facts

Property Type	6 pubs, 1 lodge
Tenure	Freehold, 1 long leasehold
Area	
Tenant	Marston's Estates Limited with annual RPI 1-4%
Unexpired Term	35 years
Current Rent Per Annum	£1,357,000
Vendor	
Purchaser	
Sale Price	Quoting £22,100,000
Sale Price NIY %	Quoting 5.75%
Status Date	September 2022
Status	Available
Comments	Interest has reportedly been received at between 6%-6.25%

# Brunswick Street Darlington



Page 27

## Property Description

Grade A forward funding opportunity pre-let to HMT Treasury and other government departments. Will be BREEAM rated 'Excellent' on PC which is expected in Q3 2024.

Five years rent free from Lease start date.

The tenant will be required to acquire the freehold upon expiry of the lease for £1.

## Key Facts

Property Type	Office
Tenure	Freehold
Tenure Comment	5-yearly CPI (0-4% p.a.)
Area	110,051 sq ft
Tenant	Various government departments care of GPA
WAULT (WAUTC) years	30 years
Current Rent Per Annum	£1,546,216 (£14.05 per sq ft)
Quoting Price	
Quoting Price NIY %	
Date to Market	
Vendor	
Purchaser	
Sale Price	
Sale Price NIY %	
Status Date	August 2022
Status	Available
Comments	

# Culham Science Centre, Abingdon



Page 27

## Property Description

6,248 sq m office, 2,260 sq m rig hall, plus 283 space MSCP.

Tenant has option to acquire freehold for £1 at lease expiry.

Forward funding, circa 4.2-acre site

## Key Facts

Property Type	R&D Building
Tenure	Long Leasehold – 125 years
Tenure Comment	Annual CPI linked (0% - 4%)
Area	6,248 sq m, 2,260 sq m rig hall, plus 283 MSCP
Tenant	UK Atomic Energy Authority
WAULT (WAUTC) years	35
Current Rent Per Annum	To be based on final funding cost
Quoting Price	£40,000,000
Quoting Price NIY %	-
Date to Market	Q3 2021
Vendor	-
Purchaser	-
Sale Price	-
Sale Price NIY %	-
Status Date	August 2022
Status	Completed
Comments	Pricing agreed in May 2022

# Project Bakewell



Page 278

## Property Description

A partner is sought to acquire and Forward Fund the partial redevelopment of a 2.79 acre site within the campus of an operational NHS hospital.

The development is for the demolition of a number of existing hospital buildings followed by their replacement with a new main entrance building and a surface car park. These will interconnect with two existing hospital buildings which are to be retained and are included within the lease.

The tenant will be required to acquire the freehold upon expiry of the lease for £1.

## Key Facts

Property Type	Hospital
Tenure	Freehold
Tenure Comment	5-yearly RPI linked (2% - 4% p.a)
Area	55,561 sq ft
Tenant	NHS Foundation Trust
WAULT (WAUTC) years	32.9(-)
Current Rent Per Annum	£796,000 (14.33 per sq ft)
Quoting Price	
Quoting Price NIY %	
Date to Market	February 2022
Vendor	
Purchaser	Railpen
Sale Price	
Sale Price NIY %	
Status Date	June 2022
Status	Completed
Comments	



**Committee:** Investment Board

**Date:**

**Title:** Commercial Strategy 2023 - 2028

Tuesday, 20  
December 2022

**Report Author:** Adrian Webb, Director - Finance and Corporate Services

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## Summary

1. This is the first draft of the Commercial Strategy 2023 – 2028 for consideration by the Board.

## Recommendations

2. The Board recommends the submission of the Strategy to Cabinet as part of the 2023/24 budget setting process, subject to any agreed changes at the meeting.

## Financial Implications

3. None directly relating to the strategy.

## Background Papers

4. The following papers were referred to by the author in the preparation of this report and are available for inspection from the author of the report.

None

## Situation

5. Each year the Commercial Strategy is updated and approved by Cabinet and Council.
6. The draft 2023 – 2028 Strategy is similar to previous versions with updates mainly with regards to Amazon and Moog which have completed/progressed since the last iteration.
7. As good asset management practice, and to comply with the Prudential Code, Officers are currently working on an asset review document which summarises the strengths and weaknesses of each asset and the potential for disposal, both in terms of asset value and impact on the Council finances. This will be brought to the Board early in the new calendar year.



# Uttlesford District Council

## Commercial Strategy 2023 to 2028



Prepared by:  
Commercial Team  
Uttlesford District Council  
December 2022

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1. The Council recognises that as a consequence of reducing government funding there is an increased requirement to generate additional income to underpin the core services provided by the Council to its residents. Traditional ways of generating additional income such as through Council Tax and fees and charges will not be able to absorb the reduction in government funding. By way of illustration, a 1% rise in Council Tax is equivalent to about £60,000 in additional income.
2. When the 2020-2024 Commercial Strategy was approved in February 2020, the Administration indicated that they proposed to address the significant shortfalls identified in the Medium Term Financial Strategy (MTFS) primarily through investments. To achieve that the Council agreed to set an investment fund approved limit of £300 million.
3. Changes in both the CIPFA Prudential Code (the Code) and Government legislation on Minimum Revenue Provision (MRP) now mean that 2023-2028 MTFS has significant and rising shortfalls in funding despite the commercial portfolio that has been acquired. It is likely that in 2023/24 an asset will need to be sold with the profit being used to remove the need for future short term borrowing and thereby reducing the annual shortfalls to a lower but still significant level.

## Vision

4. To generate income to maximise the number and quality of services provided by the Council, whilst acknowledging the difficult financial position local government as a whole is experiencing.

## CIPFA Prudential Code 2021 (the Code) and Minimum Revenue Provision (MRP)

5. The Code was revised and published in December 2021. There are a number of changes but two in particular have a negative impact on future commercial investments
  - The Code previously said commercial activity should not be undertaken for yield. The Code now says 'an authority must not borrow to invest primarily for financial return'.
  - It further strengthens the statement by 'It is not prudent for local authorities to make any investment or spending decision that will increase the capital financing requirement, and so may lead to new borrowing, unless directly and primarily related to the functions of the authority and where any financial returns are either related to the financial viability of the project in question or otherwise incidental to the primary purpose.'
6. There are useful points of clarification which enable the Council to continue to invest in Chesterford Research Park and retain the existing commercial assets, subject to regular review.

- a) 'Authorities with existing commercial investments (including property) are not required by this Code to sell these investments. Such authorities may carry out prudent active management and rebalancing of their portfolios. However, authorities that have an expected need to borrow should review options for exiting their financial investments for commercial purposes and summarise the review in their annual treasury management or investment strategies. The reviews should evaluate whether to meet expected borrowing needs by taking new borrowing or by repaying investments, based on a financial appraisal that takes account of financial implications and risk reduction benefits. Authorities with commercial land and property may also invest in maximising its value, including repair, renewal and updating of the properties.'
  - b) 'the risks associated with investments for service and commercial purposes are proportionate to their financial capacity – ie that plausible losses could be absorbed in budgets or reserves without unmanageable detriment to local services.'
7. The Government has also strengthened the position with regards to MRP. Councils are now required to set aside annually monies, so as to ensure that, at the end of the borrowing term, there is sufficient funds available to pay off the amount borrowed. This Council has always applied MRP at 0% as the approach now mandated takes no account of inflation and future values.

### **Aims of the Strategy**

8. Given the changes in the Code and MRP the following seven principles guide the new strategy
- (a) There will be no new commercial investments.
  - (b) Subject to (d) and (e) below, The portfolio, as set out in this document is therefore complete. Of the £300 million allocated in 2020 to building the fund, £275,565,000 (£275 million) has been used.
  - (c) MRP will be applied on an annuity basis over the life of each asset.
  - (d) As the Council already owns, through Aspire (CRP) Ltd, the land at Chesterford Research Park it will continue to develop the asset to maximise its value.
  - (e) As the Council already owns 48% of Stane Retail Park, which includes all of the public car parking, link roads and other shared elements for the entire site, it will evaluate the option of acquiring the rest of the asset to maximise the value of the already owned part. This would be done on the basis that the sum of the whole is worth more than the sum of the constituent parts.
  - (f) The portfolio will be reviewed on a regular basis to determine the requirements of the Council and the appropriateness of retaining or selling each asset.
  - (g) The Council will look to maintain the commercial asset portfolio at an investment level of no more than £275 million. However, it should be

noted that investments may need to take place ahead of sales which could temporarily increase that number.

## Purpose of the Investments

9. The investments are to generate income to enable the council to provide its core services. This income requirement has arisen because of reductions in the Council's financing from central government. Government also restricts the ability of councils to raise income from council tax increases.
10. The Council seeks to operate in the most cost effective ways and will continuously look for improvements in operations that will reduce costs or avoid increased costs. However, the scale of reduction in external finance was such that other income sources had to be found.
11. For 2023/24 the income target for the investments was guided by the MTF5. The MTF5 forecasts the income and expenditure over a five year period and includes all known factors. It shows the predicted annual net surpluses or deficits. The investment income seeks to minimise the forecast significant deficits in each of the years of the MTF5, so as to ensure that existing services can continue to be provided. The investments acquired achieved this between 2017 and 2022, however changes to the Code and MRP now mean that the assets are required to support budgets as the Council seeks efficiencies whilst minimising inevitable service impacts.

## Current Portfolio

### Chesterford Research Park

12. In May 2017 the Council, through its wholly owned subsidiary Aspire (CRP) Ltd, acquired a 50% share in Chesterford Research Park and formed a joint venture with Aviva Investors. As part of the Cambridge Life Science cluster the Park is world renowned, having been in existence for 19 years, with available space to significantly increase the commercial floor space, plus expand the Park into other areas of research to diversify and reduce the risk.
13. The Council gave a loan to Aspire (CRP) Ltd for the purchase of 50% of Chesterford Research Park (£47.25m). The loan was funded by
  - Phoenix Life – borrowing of £37m for 40 years on a repayment basis @ 2.86% fixed. The first £10m drawdown was 5 July 2017 with the remainder as follows
    - 5 July 2020 - £12m
    - 5 July 2021 - £15m
  - Use of reserves and balances (£10.25m) funds the balance.

14. Since the initial purchase the Council has made additional ongoing loans to Aspire (CRP) Ltd for further development totalling £13,346,000 taking the total investment to £60,596,000.
15. For 2023/24 the income from Chesterford Research Park is expected to be £2,796,057. There is also repayment to the Council of staff time whilst undertaking company work on Aspire (CRP) Ltd.
16. Further investment is planned during 2023/24 and future years as a new building (Building 800) is delivered. This will be a multi-let, near 60,000 sq ft building, a mix of office and laboratory space. Plans are also being developed for a similar sized building (Building 1100/1200). This will mean that construction will run in parallel of two new buildings which will be the 2<sup>nd</sup> and 3<sup>rd</sup> biggest on the Park. They both aim to be completed in 2025/26.

### **Skyway House, Takeley**

17. On 30 June 2020 the Council completed the purchase of Skyway House at Takeley. The tenant is Weston Homes Plc who have signed a long lease.



### **Stane Retail Park, Colchester**

18. On 4 August 2020 the Council completed on the forward funding opportunity at Stane Retail Park on the outskirts of Colchester adjacent to the A12. This saw the construction of two buildings, one for Aldi and the other for B&Q located on an extension to the existing site. Both tenants have signed long leases. Completion took place in December 2021.







## 1 Deer Park Road, Livingston

19. On 21 August 2020 the Council completed on the acquisition of 1 Deer Park Road, Livingston. The tenant, Veterinary Specialist (Scotland) Ltd had recently taken occupation and final fit out was taking place.



20. At the time of purchase Veterinary Specialist (Scotland) Limited was a partnership between Pets At Home (Guarantors) and Dick White Referrals. Pets At Home have remained the guarantor but they have sold their interest to Linnaeus Group. Dick White Referrals have also joined Linnaeus Group which is part of the Mars Veterinary Health Group.
21. The tenant is currently going through a Board approval process to develop the second and third floors of the building into a training facility for both vets and veterinary nurses. The level of investment they will make will be in the region of £8 million to £10 million.

## Matrix Park, Chorley

22. On 16 September 2020 the Council completed the purchase of a large logistics building on Matrix Park, Chorley adjacent to the M6. The tenant, on a long lease, is Waitrose Limited. Waitrose have sub-let to GXO a worldwide distribution company. [GXO Logistics](#)





### **Amazon, Gloucester**

23. The Council completed the forward funding acquisition in March 2021 for a large scale distribution centre. The tenant is Amazon and they will use it as a 'final mile' van based distribution centre. Occupation by the tenant is delayed and it is likely they will look to sublet the facility for a number of years before they themselves take occupation.





## **Moog, Tewkesbury**

24. In March 2021 the Council acquired a site in Tewkesbury for a new build head office and warehouse. The tenant will be Moog Controls Ltd. It is expected that the tenant will take occupation in the final quarter of 2022/23.



## **Little Canfield Business Park**

25. In November 2020 the Council acquired the former Winfresh Factory at Little Canfield, primarily as a new single waste depot. The site has a significant area of both building and land that will be let to tenant(s) once the conversion is complete. The agreement for lease for the commercial element of the site is due to be signed in the final quarter of 2022/23. The prospective tenant is already in occupation under a temporary licence to operate arrangement.



## Loans to wholly owned subsidiaries

26. The Council recognises that, to further support the budget ongoing and to ensure the continued delivery of services at the level currently provided, further investment in the expansion of Chesterford Research Park will be necessary. To date, the following loans to Aspire (CRP) Ltd have been made

Date	Amount	Term	Rate	Basis	Annual Repayment	Repaid
03/05/2017	£47,250,000	50 years	4%	Interest Only	£1,890,000.00	
27/06/2017	£60,000	10 months	4%	Interest and principal	£61,827.95	✓
26/03/2018	£223,000	49 years 1 months	4%	Interest only	£8,920.00	
02/01/2019	£2,518,000	48 years 4 months	4%	Interest only	£100,720.00	
20/08/2019	£3,000,000	20 years	4.5%	Interest and principal	£230,628.43	
09/06/2020	£1,250,000	20 years	4.5%	Interest and principal	£96,095.18	
01/07/2020	£2,600,000	20 years	4.5%	Interest and principal	£199,877.98	
15/03/2021	£2,975,500	20 years	4.5%	Interest and principal	£228,744.97	
26/08/2021	£780,000	20 years	4.5%	Interest and principal	£41,070.82	

27. Interest only loans relate to refurbishment of a building and thereby extending its useful life. Interest and principal loans are where it is for fit out works which have a 20-year life expectancy.

28. In 2020 the Council allocated a further £20 million of funding, from the £300 million, for further expansion at CRP, of which £12.62 million remains to be allocated.

## The Investment Fund

29. The original 2020 Commercial Strategy set out an investment fund requirement of £300 million with a portfolio yield target (before borrowing costs) of 4%. As set out earlier completion of that portfolio sum is not now an option. The following table shows the current portfolio position and is split into two parts

- Completed investments – those already in the portfolio
- Future committed investments – forward funding approved yet to complete

£'000	Capital Investment (exc. Fees)
<b>Completed Investments</b>	
Chesterford Research Park	60,596
Weston Homes	20,000
Veterinary Hospital	5,925
Stane Retail Park	30,424
Waitrose Retail Distribution Centre	55,000
Amazon Distribution Centre	43,000
Little Canfield Business Park	7,500
	<b>222,445</b>
<b>Future Committed Investments</b>	
Chesterford Research Park	12,620
Moog Circuits Ltd	40,500
	<b>53,120</b>
<b>Investment Total</b>	<b>275,565</b>

30. With the change in the Code and MRP the Portfolio is now complete, and no further assets will be added.

31. In a full year the portfolio yield, once all outstanding acquisitions are completed, will have a yield of 5.21%. The rental income for the next five years is shown in the following table.

£'000	Capital Investment (exc. Fees)	Annual Rental Income				
		2023/24	2024/25	2025/26	2026/27	2027/28
<b>Completed Investments</b>						
	Chesterford Research Park	60,596	2,796	2,796	2,796	2,796
	Weston Homes	20,000	1,128	1,128	1,128	1,239
	Veterinary Hospital	5,925	205	411	411	411
	Stane Retail Park	30,424	1,714	1,784	1,784	1,870
	Waitrose Retail Distribution Centr	55,000	2,840	2,840	2,840	2,840
	Amazon Distribution Centre	43,000	2,293	2,293	2,293	2,293
	Little Canfield Business Park	7,500	233	400	400	400
		<b>222,445</b>	<b>11,209</b>	<b>11,652</b>	<b>11,652</b>	<b>11,849</b>
<b>Future Committed Investments</b>						
	Chesterford Research Park	12,620	-	-	603	603
	Moog Circuits Ltd	40,500	1,667	1,667	1,667	1,667
		<b>53,120</b>	<b>1,667</b>	<b>1,667</b>	<b>2,270</b>	<b>2,270</b>
	<b>Investment Total</b>	<b>275,565</b>	<b>12,876</b>	<b>13,319</b>	<b>13,922</b>	<b>14,119</b>

\* Little Canfield Business Park – Income is not shown in the investment income line in the MTFs it is shown within the General Fund budget as is other rental income of UDC occupied buildings (i.e. London Road)

## The Portfolio Moving Forward

32. The original plan had been to acquire assets, hold them for a period of time to generate income, but then to sell them at the appropriate time to realise a sum at least the level of which was paid for the asset. The monies received would then be reinvested in a new asset and the process repeated. By doing this the need to refurbish buildings, find new tenants etc. would be avoided and the portfolio kept 'current'.
33. The changes introduced by Government and CIPFA have resulted in the need to revise the plan for the portfolio moving forward. It will not now be possible to sell assets and buy new, the council will need to retain the assets for the longer term.
34. In line with the need to retain the asset for a longer period of time it will now be necessary, from 2025/26, to set aside some of the income raised each year into a reserve to cover increased risk of business failure and future costs of refurbishment at the end of lease.
35. The Council is committed to investing in Chesterford Research Park and changes to the Prudential Code do not stop it from doing so. The Council is keen to see

existing tenants expand and grow on the Park and for the Park to attract new tenants from a diverse range of research activities. The Park is within the district boundary and investing helps to sustain existing employment, introduce new employment opportunities, and generate additional Business Rates.

36. Regular reviews of all assets in the portfolio will be undertaken to determine the most appropriate point in time for sale, and to highlight timescales for refurbishments. The reviews will not only look at the asset itself but also the financial position of the Council and the opportunities that could be addressed if an asset is sold for a profit.
37. It is likely that in the final quarter of 2022/23 or first quarter of 2023/24 the Council will need to sell an asset or assets to enable future balanced budgets to be set.

## Funding and Reserves

38. With the uncertainty over changes to the Code and MRP resolved, the Council during 2022/23 secured long term borrowing with the Public Works Loans Board. These loans coincided with the end dates for short term financing and followed lengthy discussion with Government departments around the plans for ongoing development at Chesterford Research Park and the possible acquisition of Stane Retail Park 2.
39. With monies being set aside to repay the principal annually through MRP the main loan was secured on a repayment basis over 35 years. The reason for moving to a repayment loan is that the new Code requires the Council to demonstrate that its debt levels are reducing.
40. The new strategy requires a Commercial Asset Reserve to be established to cover costs at the end of the tenancy for each asset (except CRP). This reserve will pay for any refurbishment, void period and rent free period for new tenants. The lease terms and approximate costs of refurbishment over the period 2022 – 2070 have been mapped and timings of costs established. The resulting position is that a sum of £500,000 per annum, from the investment income, will be placed in the reserve, starting in 2025/26.
41. This reserve will grow without being drawn upon for a number of years but will then be heavily used between years 15 and 25 as most of the assets have lease expiry at that point in time.

## Performance Reporting

42. A quarterly report is produced for the portfolio. This includes a
  - a) professional valuation undertaken by a market leading specialist for each asset
  - b) commercial market trading update to help inform investment decisions



- c) report on each asset by professional asset managers who are responsible for tenant liaison, rent collection, rent reviews etc.

43. As at 30 September 2022 the value of the completed acquisitions is set out below

	Price paid (including future commitments) £	Amount paid as at 30 September 2022 £	SEP 2022 £
Colchester, Stane RP	30,424,000	27,004,322	29,100,000
Chorley, Waitrose RDC	55,000,000	54,608,773	61,150,000
Livingston, 1 Deer Park Road	4,758,374	4,758,374	5,000,000
Takeley, Skyway House	20,000,000	19,500,000	18,350,000
Gloucester, Amazon	42,692,000	0	43,900,000
Tewkesbury, MOOG HQ	40,500,000	16,196,817	24,000,000
	<b>193,374,374</b>	<b>122,068,286</b>	<b>181,500,000</b>
Aspire (CRP) Ltd	60,596,000	60,596,000	108,576,802
<b>Total Portfolio</b>	<b>253,970,374</b>	<b>182,664,286</b>	<b>290,076,802</b>

## Security, Liquidity and Yield

44. As the Council only has a small amount of money of its own to invest, any further expansion at CRP will necessarily be funded from a mix of external borrowing, from Public Works Loan Board (PWLB) and other local authorities. The Council will not invest in high yield, high risk opportunities. This will be reflected in an average portfolio yield target of 5% (before cost of borrowing).
45. Investments at Chesterford Research Park will be made by way of loans to Aspire (CRP) Ltd the Council's wholly owned subsidiary. All commercial investments outside of Chesterford Research Park will be undertaken by the Council.
46. The option to liquidate funds is either by selling the investment (or part thereof) or by refinancing the debt.

## Risks

47. The Council takes advice from its professional advisers at all times. For example, with the purchase of the 50% share at Chesterford Research Park the Council engaged



- Arlingclose as its financial advisers who project managed the funding tender
- Cushman and Wakefield who undertook all of the purchase negotiations and due diligence
- Hogan Lovells for Legal due diligence

48. For Aspire (CRP) Ltd the Council has established two non-executive director roles to serve on the Board and bring independent challenge and support.

49. There are five main risks with regard to the wider portfolio and the new strategy of asset retention.

Risk	Probability (L, M, H)	Favourable Impact (L, M, H)	Adverse Impact (L, M, H)	Mitigation
Tenant default rent payments	M	L	H	The Council has established a Commercial Asset Reserve, one role of which is to mitigate the budget impact of this risk occurring.
Cost of borrowing increases beyond yield	L	L	H	The Council entered in to long term borrowing during 2022/23 in order to mitigate the risk.
Refurbishment costs at end of lease are materially different to budget	M	M	M	Estimates for refurbishment have been made based on experiences at CRP. As this element of the Commercial Asset Reserve is unlikely to be used for the next 15 years there will be sufficient funds to cover requirements.
Unable to find new tenants resulting in void periods being longer and/or new tenants want longer rent free periods than budgeted	M	L	H	Estimates for reasonable periods for void and rent free periods based on advice from agents. As this element of the Commercial Asset Reserve is unlikely to be used for the next 15 years there will be sufficient funds to cover any shortfall in income.
The joint venture partner at CRP wants to sell their 50% share	L	H	H	The Council would have three options and would choose the most applicable at the time <ol style="list-style-type: none"> <li>1. Buy the JV partner's share</li> <li>2. Sell the Aspire share at the same time</li> <li>3. Accept whoever the new JV partner is</li> </ol>

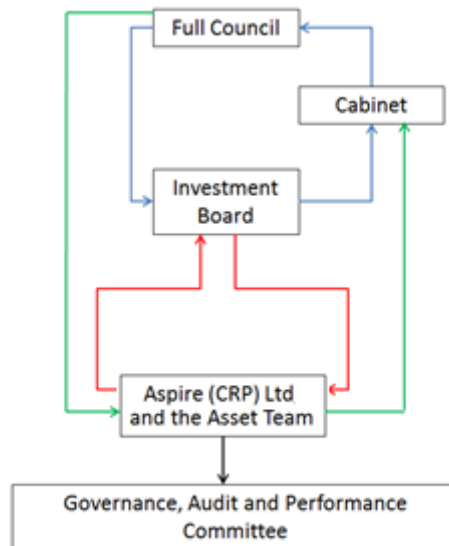
## Proportionality

50. The income requirement has arisen as a result of reductions in the Council's funding from central government. Government also restricts the ability of councils to raise income from council tax increases.
51. The Council has established a Commercial Asset Reserve (see para 40) which will be established with the sum of £3 million to cover the risk of investment failure. In addition, the Reserve will increase by £500,000 per annum from 2025/26 to cover the cost of future refurbishment, void and rent free periods for each of the assets, except CRP.
52. As part of the regular review of the portfolio the Council will look to, at the right points in time, reduce the level of borrowing in place by selling one or more of the assets.

## Capacity, Skills and Culture

### Investment Board (IB)

53. The IB will operate in accordance with the Commercial Strategy which is adopted annually by Full Council. Cabinet will delegate to the Leader; Portfolio Holder for Finance and Budget, Portfolio Holder for the Economy, Investment and Corporate Strategy and the S151 Officer (or Assistant Director of Resources for Aspire investments) to conclude investments or disposals where authorisation has been given by Full Council.
54. Constitution of the IB
  - a) The IB is a Working Group of Cabinet and membership will be determined by the Leader of the Council
  - b) In addition there will be two independent members to supplement the skills of the elected Members.
55. The investment decision making and monitoring process is as set out overleaf



#### 56. Democratic Process (blue line)

- a) As part of the annual budget setting process, Cabinet develops the Commercial Strategy in consultation with the IB. Cabinet recommends to Council the adoption of the Commercial Strategy.
- b) Council adopts the Commercial Strategy.
- c) The Cabinet will receive from the IB quarterly updates, including KPIs, on the performance of the portfolio.
- d) For new investments or disposal of existing, the IB reviews the business case and if appropriate supports a recommendation to Cabinet for the acquisition or disposal.
- e) Cabinet reviews the business case and recommendation for either an acquisition or disposal, and if satisfied recommends to Council that either funding is made available, or the disposal is approved.

#### 57. Internal Process (red line)

- d) Aspire (CRP) Ltd looks after developments at Chesterford Research Park. The Council's Asset Team will manage all other non-CRP commercial investments.
- e) Depending on the category of investment or disposal sought, Aspire (CRP) Ltd or the Asset Team, working with professional advisors, will identify assets which meet the requirements set out by the IB. They will prepare business cases for consideration by the IB. The IB will review and consider the cases in detail and if suitable will make the recommendation to the Cabinet to proceed. Approval by the Board of Aspire (CRP) Ltd is also required prior to submission to the IB.

- f) Aspire (CRP) Ltd, along with the Asset Team, prepare the quarterly KPI and other information for submission to the IB.

58. New investments or disposal of existing assets (green line)

- a) At an Extraordinary Meeting of Council a decision is taken on whether or not to allocate the funding for a new investment or agree to the disposal of an existing asset.
- b) If an investment is agreed, funding will be made available to Aspire (CRP) Ltd or to the Asset Team to enable the purchase to be made in accordance with paragraph 56.
- c) If the authority is for a sale the disposal will be undertaken in accordance with paragraph 56.

59. A report on annual performance of Aspire (CRP) Ltd will be presented to Cabinet