



Uttlesford District Council

Chief Executive: Peter Holt

Investment Board

Date: Thursday, 15th February, 2024
Time: 6.00 pm
Venue: Council Chamber - Council Offices, London Road, Saffron Walden,
CB11 4ER

Chair: Councillor N Reeve
Members: Councillors G Bagnall, C Criscione, J Evans, R Gooding, N Gregory,
N Hargreaves (Vice-Chair), D McBirnie and G Sell

AGENDA

- 1 Apologies for Absence and Declarations of Interest**
To receive any apologies for absence and declarations of interest.
- 2 Minutes of the previous meeting** 4 - 6
To consider the minutes of the previous meeting.
- 3 UDC Property Portfolio Q3 2023/24 Report** 7 - 179
To consider the report regarding the UDC Property Portfolio for Quarter 3 2023/24.
- 4 Independent Member Recruitment** 180 - 183
To consider the report regarding Independent Member Recruitment.
- 5 Commercial Strategy 2024 - 2029** 184 - 208
To consider the Commercial Strategy 2024-29.
- 6 Exclusion of public and press**

To exclude the public and press due to consideration of reports containing exempt information within the meaning of section 100I and paragraph 3 part 1 Schedule 12A Local Government Act 1972.

PART 2

Exclusion of Public and Press

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|----------|--|-----------|
| 7 | Commercial Portfolio - Annual Review | 209 - 238 |
| | To consider the Commercial Portfolio – Annual Review. | |
| 8 | Sale of a Commercial Portfolio Asset | 239 - 289 |
| | To consider the report regarding the sale of a Commercial Portfolio Asset. | |

For information about this meeting please contact Democratic Services

Telephone: 01799 510410, 510369, 510460 or 510548

Email: Committee@uttlesford.gov.uk

General Enquiries

Council Offices, London Road, Saffron Walden, CB11 4ER

Telephone: 01799 510510

Fax: 01799 510550

Email: uconnect@uttlesford.gov.uk

Website: www.uttlesford.gov.uk

Agenda Item 2

INVESTMENT BOARD held at UDC LITTLE CANFIELD DEPOT - HIGH CROSS LANE EAST, LITTLE CANFIELD, DUNMOW, CM6 1TH, on THURSDAY, 16 NOVEMBER 2023 at 6.00 pm

Present: Councillor N Reeve (Chair)
Councillors G Bagnall, J Evans, R Gooding, N Gregory,
D McBirnie and G Sell

Officers in attendance: A Webb (Strategic Director of Finance, Commercialisation and Corporate Services), C Gibson (Democratic Services Officer) and N Wittman (Director of Digital Innovation and Commercialisation)

IB10 **APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST**

Apologies for absence were received from Councillor Hargreaves and Richard White (Independent Member).

There were no declarations of interest.

IB11 **MINUTES OF THE PREVIOUS MEETING**

The minutes of the meeting held on 21 August 2023 were approved.

IB12 **FEEDBACK FROM MEMBER DISCUSSION ON THE GOVERNMENT REVIEWS INTO LOCAL AUTHORITY COMMERCIAL INVESTMENTS**

The Chair introduced the item and reported back from the Councillors' informal meeting.

He said that appropriate concerns were in place and highlighted four areas of significance:

1. The need to engage a second Independent Member on the Board, preferably from the direct property industry.
2. The need to carefully consider the role of advisors, who are likely to be advising elsewhere too.
3. To perhaps consider the introduction of sliding scale fees for land agents and solicitors.
4. To ensure that governance and advice arrangements are in place for future divestments.

There was then a general discussion. The following issues were raised:

- The benefits gained in not delegating authority in respect of investment decisions unlike that at Thurrock Council.

- The obstacles that had been put in place by the Government in respect of local authority investments; in addition, the lack of clear criteria in place for borrowing at the PWLB.
- The lack of any Scrutiny arrangements at Thurrock Council where there had been no oversight by Members. UDC Investment Board itself had provided the Scrutiny function with the Commercial Strategy being reviewed by Scrutiny Committee.
- The suggestion was put forward of tabulating the differences between UDC and the other two authorities under review. The Chair said that he considered that this would involve a lot of effort for little value.
- The need to ensure that Members fully understand the pros and cons of any future divestments and receive appropriate expert advice and guidance. Divestment could be a slower process than the previous need to react at pace to proposed investments and would only be done at the right time. UDC have previously used the best solicitors and agents available to support their investments and would look to utilise the same expertise in any proposed divestments. The principle of “off-market” valuations was discussed; many land agents talk off the record. Any divestment decisions would be taken through Investment Board and Council and were likely to be taken in early 2024.
- The CIPFA Guidance was highlighted; once per year there had to be a report on investments and if any assets provided positive benefits they should be sold. There were different ways of interpreting these guidelines, but External Audit are also governed by CIPFA Guidance and could provide a challenge.
- The specific uniqueness of Chesterford Research Park was highlighted in respect of the need for further scientific research space in the Cambridge area.
- The previous intention when Investment Board first convened had been to make investments, flip them and then refresh. This was no longer possible. The Chair stated that the priority had been to maximise yield, whilst also considering suitable opportunities in district. The point was made that UDC currently had very good tenants in place.

The Chair summarised the discussion and said that the discussion had reinforced the points made previously at the Councillors’ informal meeting.

IB13 **UDC PROPERTY Q2 REPORT**

The Strategic Director outlined the report. He highlighted that the 35-year lease with MOOG had now been signed and that Stane Retail Park Phase 2 had now been removed from the report. He referred to the current yield on the Portfolio summary (page 9) as being 5.21% and that the assumption was that any future loans to Aspire (CRP) Ltd would be at 7.5% (page 10). The valuation of Chesterford Research Park of £209.5m was clarified, giving a valuation to both investors of £104.75m (page 11).

In response to various questions the Strategic Director undertook to provide further explanation as to the fall in the Mansion House valuation after “the financial crash” from £4.150m in September 2022 to £2.31m in December 2022 (page 12).

The Director of Digital Innovation and Commercialisation gave very positive feedback on her recent visits to MOOG at Tewkesbury and Waitrose at Chorley and said that solar panels were in use at both locations. She said that the intention was to visit all sites at least once per year as owners.

The Strategic Director highlighted the total asset valuation of £276m against the price paid of £247.5m (page 25). He said that valuations were still affected by “the 2022 crash” but that revenue had been the priority, rather than valuations.

In response to further questions, the Strategic Director said that:

- The MOOG valuation was perhaps on the low side but that the valuers had no similar transactions for a 35-year lease to compare to.
- The Skyway House valuation had dropped as office spaces had lost value.
- Quarterly valuations were the industry standard.
- In respect of the borrowing figures (page 26), the weighted average of 4.22% was still below the MTFS assumption of 4.85%; one-year offers had dropped from September rates back to those being offered in the summer, an indication that the market is stabilising.
- £18.5m of loans were shortly due to be renegotiated.
- In respect of net yield figures being affected by differences in interest rates of as little as 0.01%, the Treasury Team were fully focussed on such issues.
- Although the MTFS had been based on an intention to sell one or more assets in the current financial year, the Council does not need to sell.
- He would ask for a report to be prepared to ensure that all insurances in place were sufficient.

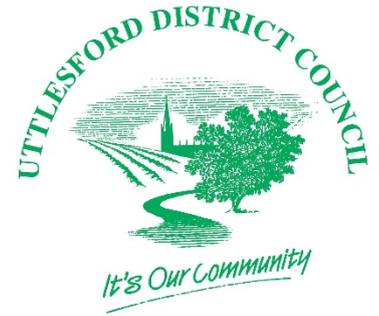
The Chair said that in light of the discussion there was no need to take the next item as this had simply provided evidence for the valuations. He said that in summary the position was not as good as hoped for two years ago but that investments were holding up.

The item was noted.

IB14 CBRE Q2 VALUATION REPORT

This item was covered within the previous agenda item.

Meeting closed at 8.15 pm.



**Uttlesford Property Portfolio
Q3 Report
1 October 2023 – 31 December 2023**

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Glossary of Terms

Acquisition Price	The purchase price of the asset excluding one-off costs such as Stamp Duty, agents and legal fees
ERV	Estimate Rental Value
Rent	Total of actual rent paid by tenants and loan repayments made by Aspire (CRP) Ltd
Net Income to the Council (NIC)	Net Income after deducting borrowing and agent costs
NIC Yield	Net Income after deducting borrowing and agent costs as a percentage of Acquisition Price
Net Rent	Rent less the costs of borrowing and estate management
Yield	Rent as a percentage of Acquisition Price

Summary

In February 2023 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 possible. Since that date the opportunity at Stane Retail Park has not materialised as the developer is retaining ownership due to the downturn in the market.

To date £250,709,231 has been committed with an agreed further loan to Aspire (CRP) Ltd of £17,760,000 giving a total allocation of £268,469,231.

The yield of the committed portfolio is 5.12% and this rises to 5.37% when the additional loan is 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. £	Yield %
1	Loan to Aspire (CRP) Ltd	63,896,500	2,814,950	4.41
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	1,702,670	6.31
6	Distribution Warehouse, Gloucester	42,692,000	2,293,433	5.37
7	Headquarters, Tewkesbury	37,749,262	1,680,500	4.45
	Total	250,709,231	12,832,099	5.12

- Loan payments on the £21,060,000 loan to Aspire (CRP) Ltd do not start until 1/4/2025

Portfolio Summary – Agreed loans not yet drawn down or interest payments not yet started

Asset No.	Asset	Acquisition Price £	Rent p.a. £
1	Agreed loans to Aspire (CRP) Ltd	17,760,000	1,332,000
1	Loan to Aspire (CRP) Ltd 6/12/2023	3,300,000	247,500
	Total	21,060,000	1,579,500

Portfolio Combined – Committed and Agreed

	Portfolio	Acquisition Price £	Rent p.a. £	Yield %
1	Committed	250,709,231	13,079,599	5.12
2	Agreed not yet drawn down	17,760,000	1,332,000	7.50
	Total	268,469,231	14,411,599	5.37

Net Income to the Council (NIC)

The NIC for the 2023/24 financial year (as forecast to the 31 March 2024) is as follows.

	Acquisition Cost £	Net Income to the Council (NIC) £	NIC Yield %
Rent		12,832,099	
Less			
Cost of borrowing		-8,410,000	
Managing Agent		-194,282	
	250,709,231	4,227,817	1.69

- Loan payments on the £21,060,000 loan to Aspire (CRP) Ltd do not start until 1/4/2025
- It should be noted that this is the commercial position. Local Authority accounting treatment, including that of rent free periods and Minimum Revenue Provision, along with a May 2023 rent start date for the headquarters building in Tewkesbury reduces the net rent sum further.

Asset Valuation

The valuation for the overall portfolio has decreased by £6,900,000 in this quarter following a £6,200,000 increase in the previous quarter. The valuation for the whole portfolio is now £269,100,000 compared to an acquisition price of £250,709,231

Portfolio Assets – Quarterly Update

The main message coming from the external advisers is that the investment market has continued to be relatively quiet over the last quarter with transactions still being impacted by the rate of borrowing as the Bank of England tries to battle inflation.

Interest rates, and therefore the cost of borrowing, are expected to remain at or about existing levels for a large part of 2024.

Chesterford Research Park

Funding

The Council has loaned Aspire (CRP) Ltd a total of £63,896,500 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. Loans given to date are;

Drawdown Date	Amount £	Loan Term	Rate %	Repayment Basis	Loan Interest Receivable 2023/24 £
03/05/2017	47,250,000	50 years	4.0	Interest Only	1,890,000
26/03/2018	223,000	49 years 1 month	4.0	Interest Only	8,920
02/01/2019	2,518,000	48 years 4 months	4.0	Interest Only	100,720
20/08/2019	3,000,000	20 years	4.5	Principal & Interest	230,628
09/06/2020	1,250,000	20 years	4.5	Principal & Interest	96,095
01/07/2020	2,600,000	20 years	4.5	Principal & Interest	199,878
15/03/2021	2,975,500	20 years	4.5	Principal & Interest	228,745
26/08/2021	780,000	20 years	4.5	Principal & Interest	59,963
06/12/2023	3,300,000	50 years	7.5	Interest Only commencing 1/4/2025	0
Total of Loans	63,896,500			Annual payment from Aspire (CRP) Ltd	2,814,950

- The Council has the ability to request the repayment of any or all loans at any point in time

At the Full Council meeting in August the Council agreed to loan Aspire (CRP) Ltd a further £21,060,000 for the development of Building 800 and phase 1 of the solar farm. This will be drawn down over the coming two years with repayments commencing on 1 April 2025. The first drawdown of £3,300,000 was made in December of this quarter.

At the September Planning Committee full permission was obtained for a new building covering Plots 1100 and 1200. Outline permission was also obtained for a further four plots. The Park will shortly go out to tender for the construction of Building 1100/1200 and a further loan request will be made by Aspire (CRP) Ltd to the Council in due course.

Vacant units

At the time of reporting this information was not available.

Valuation

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.

Individual unit valuations are shown on the next page.

Building	March 2022	June 2022	September 2022	December 2022	March 2023	June 2023	September 2023	December 2023
Mansion House	4,220,000	2,890,000	4,150,000	2,310,000	2,460,000	2,840,000	2,910,000	3,420,000
Science Village	25,300,000	27,100,000	27,100,000	27,250,000	28,200,000	28,250,000	29,400,000	28,250,000
Nucleus	-3,384,502	-5,427,101	-5,335,543	-8,406,769	-8,377,472	-8,366,665	-8,353,586	-8,874,194
Garden Cottage	150,500	150,400	-47,345	-119,241	-126,649	-117,609	-115,623	-255,499
Older perm buildings	3,050,000	3,950,000	4,430,000	3,900,000	4,450,000	4,400,000	4,480,000	4,470,000
Older temp buildings	2,430	895,200	892,900	822,300	820,000	817,400	814,600	813,000
Building 60	34,800,000	36,100,000	36,150,000	37,450,000	39,700,000	41,150,000	41,250,000	39,100,000
Building 200	23,300,000	26,100,000	26,200,000	23,350,000	23,450,000	23,450,000	23,550,000	22,350,000
Building 300	35,450,000	36,550,000	36,550,000	37,450,000	39,350,000	40,650,000	40,850,000	38,700,000
Building 400	6,640,000	7,760,000	7,760,000	7,180,000	7,190,000	7,180,000	7,190,000	7,200,000
Building 600/700	50,150,000	53,300,000	53,400,000	47,700,000	45,300,000	45,450,000	45,550,000	45,650,000
Building 900	13,950,000	13,300,000	13,300,000	12,700,000	12,700,000	12,650,000	12,650,000	12,650,000
Building 50	8,980,000	9,690,000	9,660,000	8,920,000	8,890,000	8,860,000	8,840,000	8,820,000
Miscellaneous	1,640,000	1,640,000	1,630,000	1,650,000	1,650,000	1,640,000	1,640,000	1,630,000
Estate s/c shortfall	-3,674,823	-6,162,761	-6,068,248	-11,743,206	-11,761,056	-11,802,458	-11,835,291	-14,407,239
Development Land	13,150,000	13,150,000	13,500,000	16,400,000	16,200,000	16,750,000	16,750,000	17,800,000
Estate Capex	-5,400,071	-6,660,278	-6,118,161	-6,088,161	-6,088,161	-6,088,161	-6,088,161	-5,675,906
Value	£208,300,000	£214,500,000	£217,250,000	£201,250,000	£204,000,000	£207,800,000	£209,500,000	£203,550,000

As can be seen from the valuation figures, the Park is currently valued at £203,550,000 which gives a value per investor of £101,775,000 a potential pre-tax profit of £37,878,500

It should be noted that this valuation is based on the sale value of the whole of the Park. Should the Council request Aspire (CRP) Ltd to sell it's 50% share the value would not be that shown above as any potential buyers would discount the value on the basis of it only being a share, not the whole, for sale. In addition, the value would likely be reduced further as Aspire (CRP) Ltd are not the asset managers, that is a function undertaken by Aviva.

Without testing the market it is very difficult to estimate the value of selling only a 50% share. Life sciences remains a premium investment as does the Cambridge/Oxford corridor which means that the discount may be reduced compared to a non-life sciences park elsewhere in the country.

As the asset is owned by Aspire (CRP) Limited any sale would be liable to tax. Below are estimates of returns to the Council, for a number of sale price options, to demonstrate the impact of tax, and potential discounting as set out above.

Approximate sale receipt				
Sale price (£)	101,775,000	95,000,000	90,000,000	85,000,000
Less				
land agents	-1,221,300	-1,140,000	-1,080,000	-1,020,000
solicitors	-508,875	-475,000	-450,000	-425,000
Subject to Tax	100,044,825	93,385,000	88,470,000	83,555,000
Tax	-9,037,081	-7,372,125	-6,143,375	-4,914,625
Balance to the Council	91,007,744	86,012,875	82,326,625	78,640,375

Top 10 Tenants by Rent

At the time of reporting this information was not available.

Rent Paid

At the time of reporting this information was not available.



SKYWAY HOUSE

PARSONAGE ROAD, TAKELEY, BISHOP'S STORTFORD CM22 6PU

TENANT:	WESTON HOMES PLC
LEASE TERM:	FRI 25 YEARS FROM 30.06.2020 EXPIRING 29.06.2045
FLOOR AREA:	47,951 SQ FT NIA PLUS CIRCA 142 CAR PARKING SPACES (79 SURFACE AND 63 BASEMENT)
PASSING RENT:	£1,128,000 P.A. EXC (£23.52 P.S.FT)
NEXT RENT REVIEW DATE:	30.06.2025
BASIS OF RENT REVIEW:	FIXED REVIEW TO £1,276,228 P.A. EXC ON 30.06.2025 (13.14% UPLIFT EVERY 5 YEARS)

DATE OF LAST PROPERTY INSPECTION

18th December 2023. Next inspection due June 2024.

RENT COLLECTION

The tenant pays quarterly in advance on the usual quarter days.

The December 2023 quarter's rent was paid on time.

INSURANCE

UDC insure and recover the cost from Weston Homes (WH).

Insurance Renewal w.e.f. 01.10.2023 AJ Gallagher renewed the policy with RSA as a two year deal was agreed in 2022. WH have paid the premium for the year to 30.09.2024.

SERVICE CHARGE

N/A

MANAGEMENT ISSUES

CW confirmed that PC was achieved on 14th September 2020.

The building is fully occupied, the rear of the 2nd floor has been fitted out as high specification director's offices.

The tenant provides ML with copies of their Risk Assessments and up to date compliance certification.

ASSET MANAGEMENT OPPORTUNITIES AND GREEN INITIATIVES

WH have acquired 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. However, the land is allocated for residential development/amenity green space in the draft Local Plan.

WH obtained planning permission for an extension to their car park on part of the 7 acre field they own at the rear of Skyway House and Weston Business Centre to provide 124 new car parking spaces. This has improved the parking ratio of the building. UDC agreed to vary the rights granted in WH's lease to allow them to access the new car parking spaces from the car parking area behind Skyway House and a Deed of Variation has been completed.

ML have recommended that if possible UDC acquire the completed car park and lease it back to the tenant as this would improve the investment value. Preliminary discussions have taken place but we understand that the timing is not right for either party.

WH have obtained planning permission for approximately 3,500 square metres of employment space on the remainder of the 7 acre field. The new access road has been constructed between Skyway House and Weston Business Centre on land owned by Aegon. The road will be adopted if WH obtain planning permission for the residential development on the parcel of land adjoining the employment land once completed. UDC have agreed to vary their rights over WH's land once the road has been adopted as these rights will not be needed once the property is accessed from the adopted highway. Hogan Lovell instructed.

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 in the car park at the front of the building. The tenant has installed electric vehicle charging points in all the spaces in the basement car park.





1 DEER PARK ROAD

FAIRWAYS BUSINESS PARK, LIVINGSTON EH54 8AF

TENANT:	VETERINARY SPECIALISTS (SCOTLAND) LTD
LEASE TERM:	FRI LEASE 20 YEARS FROM 10.09.2019 LEASE EXPIRY 09.09.2039
FLOOR AREA:	30,855 SQ FT PLUS CIRCA 160 CAR PARKING SPACES
AGREED RENT:	£372,546 P.A. EXC (£12.07 P.S.FT)
RENT COMMENCEMENT DATE:	10.09.2023
NEXT RENT REVIEW DATE:	10.09.2024
BASIS OF RENT REVIEW:	FIXED FIRST REVIEW TO £411,320 P.A. EXC



DATE OF LAST PROPERTY INSPECTION

25th September 2023.

Next inspection March 2024.

RENT COLLECTION

The tenant had a four year rent-free period, rent payable w.e.f 10.9.2023. The tenant has paid the last quarter's rent on time.

The Lease provides for quarterly payments on 28th February, 28th May, 28th August and 28th November, although a side letter allows the tenant to pay monthly on 1st of each month, they have chosen to pay quarterly in accordance with the lease.

INSURANCE

UDC responsible, subject to recovery from tenant.

Insurance renewed with RSA w.e.f. 01.10.2023. The tenant has paid the premium for the year to 30.09.2024.

SERVICE CHARGE

N/A.

MANAGEMENT ISSUES

The building was constructed as an office building in 2002 and was converted in 2019 to a Veterinary Hospital fully fitted and refurbished with state of the art facilities including operating theatres, a CT and X-ray room and intensive care facilities.

The tenant currently only occupies the ground and a small part of the 1st floor. The majority of the second and whole

of the third floors are vacant. However the tenant is now using a small area of the vacant 1st floor space as a meeting area and uses some of the space for storage.

The tenant provides ML with copies of their Risk Assessments and compliance certification. The tenant has obtained an updated 5 yearly Electrical Certificate for the whole building and an updated Fire Risk Assessment. ML have been provided with copies.

Linnaeus Group (part of the Mars group of companies) acquired Veterinary Specialist (Scotland) Ltd from Pets at Home in 2021. UDC refused consent for an assignment of the lease to Linnaeus Veterinary Ltd as the Pets At Home Guarantee would fall away on assignment.

The tenant has advised that the mobile MRI scanner is now permanent and they would like to erect fencing around the area and make alterations to the walkways and also create a dog run. ML are awaiting plans. All the works will then be incorporated in a Licence for Alterations.

ASSET MANAGEMENT OPPORTUNITIES AND GREEN INITIATIVES

Linnaeus have advised that they have plans to grow the business and will be looking to convert the rest of the 1st floor and 2nd floors to provide additional theatres, clinical areas and offices to enable them to expand the business. The tenant has tidied up the car park, installed new entrance and exit barriers, undertaken some repairs to the tarmac and kerbs, and the landscaping is now better maintained.

The tenant has advised that they would like to install some electric charging points in the car park, ML are awaiting further details.





WAITROSE DISTRIBUTION CENTRE
MATRIX PARK, WESTERN AVENUE, CHORLEY, LANCASHIRE PR7 7NB

TENANT:	WAITROSE LTD
LEASE TERM:	FRI LEASE 30 YEARS FROM 30.04.2012 LEASE EXPIRY 29.04.2042
FLOOR AREA:	421,809 SQ FT PLUS CIRCA 400 CAR PARKING SPACES AT THE FRONT OF THE BUILDING
SITE AREA:	31.14 ACRES, APPROX 29% SITE COVERAGE
PASSING RENT:	£2,840,000 P.A. EXC (£6.73 P.S.FT)
NEXT RENT REVIEW DATE:	30.04.2027
BASIS OF RENT REVIEW:	HIGHER OF OPEN MARKET RENT OR RPI (CAP & COLLAR OF 5% & 2% P.A COMPOUNDED)



DATE OF LAST PROPERTY INSPECTION

15th November 2023. Next inspection May 2024.

RENT COLLECTION

The tenant reverted to quarterly rent payments from the June 2021 quarter as agreed with ML. December 2023 quarter's rent received on time.

INSURANCE

UDC insure and recover the cost from Waitrose.

A J Gallagher instructed to renew the insurance policy with RSA w.e.f. 01.10.2023. ML have recharged the tenant the cost of the premium for the year to 30.09.2024.

SERVICE CHARGE

Matrix Park Management Company administer the service charge for the estate, the service charge year is 1st June to 31st May. UDC pay 44.27% of the total budget, Matrix invoice UDC quarterly and ML recharge to Waitrose. Matrix issue a budget for the year. Total budget for the current year 1st June 2023 to 31st May 2024 is £70,205 + VAT. Waitrose are up to date with payments.

RENT REVIEW

Rent reviewed as at 30th April 2022. Agreed at £2,840,000 p.a. which is a 25% increase from the 2017 rent. Rent Review memorandum signed and uplift in rent paid by Waitrose.

Next rent review 30th April 2027.

MANAGEMENT ISSUES

Waitrose have sublet part of the 2nd floor offices to ABOVE (formerly Amey). The sub-lease expired on 1st June 2023. UDC have approved the renewal of the sub-lease for a term of 3 years w.e.f. 5th June 2023. New sub-lease still to be completed.

Waitrose have signed a 5 year Distribution Service Agreement with XPO Logistics in March 2021, GXO (part of XPO Logistics) are now occupying the property, GXO advised that the building is now operating at full capacity. They are using the surplus space to store goods for other customers. Waitrose are permitted in accordance with the lease to grant a Distribution Underlease to a Distribution Services Provider without the Landlord's consent.

GXO are maintaining the property well. They are undertaking repairs to the service yard and are repainting the road markings. They are also gradually changing the remaining lights to LED.

Risk Assessments and Compliance certification - GXO have provided ML with copies of all their up-to-date certification.

ASSET MANAGEMENT OPPORTUNITIES AND GREEN INITIATIVES

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 originally intended to be used for an incineration/ recycling plant to provide heating to some areas of the building, this was abandoned some time ago. The land is included within Waitrose's demise.





**STANE RETAIL PARK
STANWAY, COLCHESTER CO3 8AU**

TENANT:	B&Q LIMITED	ALDI STORES LTD
LEASE TERM:	15 YEARS FROM 01.11.2021 (TENANT RIGHT TO RENEW) END DATE - 30TH OCTOBER 2036	25 YEARS FROM 01.11.2021 (TENANT BREAK ON 01.11.2041) END DATE - 30TH OCTOBER 2046
RENT COMMENCEMENT DATE:	20TH APRIL 2023	23RD MAY 2022
COMMENCING RENT:	£1,342,275 P.A. EXC (£16.50 P.S.FT ON TARGET) (81,350 SQ FT)	£360,395 P.A. EXC (19.50 P.S.FT ON TARGET) (18,482 SQ FT - ACTUAL)
ACTUAL FLOOR AREAS:	STORE: 81,350 SQ FT BUILDERS YARD: 15,973 SQ FT GARDEN CENTRE: 19,170 SQ FT	
NEXT RENT REVIEW DATES:	01.11.2026 & 01.11.2031	01.11.2026, 01.11.2031, 01.11.2036 & 01.11.2041
BASIS OF RENT REVIEW:	5 YEARLY RPI (0-2% P.A. COMPOUNDED)	5 YEARLY, RPI (1% & 3% P.A. COMPOUNDED)
TOTAL RENT RECEIVED (FROM PHASE 1):	£1,702,670 P.A. EXC	



Uttlesford District Council own part only (Phase 1 - B&Q and Aldi) of the Stane Retail Park, together with shared use of the Common Areas (including 628 car park spaces). Mark Liell manage the whole retail park, including the second phase for UDC and Churchmanor Estates, who retain Phase 2 at present.

DATE OF LAST PROPERTY INSPECTION

13th December 2023. Next formal half yearly inspection to take place in June 2024. Intervening regular visits undertaken.

RENT COLLECTION

All rental payments up to date. B&Q pay monthly as per their side letter. MER's 2023 rent for the EV charging points has been paid. We are awaiting confirmation that the 2024 RPI rent review figures have been accepted.

INSURANCE

UDC insure the units within their ownership. Insurance Policy renewed with RSA w.e.f. 01.10.2023. Fully recoverable.

SERVICE CHARGE

ML manage the service charge, which commenced as at 1st November 2021 when Phase 1 was PC'd. 100% recoverable from the tenants and Churchmanor (the developer). No arrears. Current service charge budget for year ending 31st December 2024 of £194,700 + VAT. The 2023 year end reconciliation has begun. The budget apportionment schedules have been adapted to reflect the split of unit A6.

TENANT LINE-UP (THE WHOLE)

All units now occupied. Card Factory opened on 17/09/2023 in unit A6a. Pets Corner opened on 06/10/2023 in unit A6b.

MANAGEMENT ISSUES

Part (Phase 2) of the site remains in Churchmanor's ownership. Practical completion of Phase 2 took place in April 2022. UDC have now taken ownership of the Common Areas including the car park.

Wider management updates:

- All upkeep and maintenance contracts (drains, winter maintenance, litter picking and landscaping) are now in place, litter picking and landscaping were re-tendered.
- Churchmanor have instructed the replacement of some areas of vegetation including semi mature trees. This work is to take place in 2024.
- Complaints have been received about cars mounting the footpath at the end of Wombat Street. Churchmanor are looking at the installation of bollards.

- Internal car park congestion is still being reported as an issue. Churchmanor are working with Highways England and Essex County Council to produce a long term solution to enable easier access onto the wider road network at peak times.
- A new one way directional route has been installed to help alleviate congestion on the park, including signage and alligator teeth.
- Security improvements. 6 CCTV cameras were installed at the park and radios have been issued to all tenants.
- Car parking usage overseen by Green Parking (4 hour limit). Soft monitoring/action taken to breaches/abuse, to minimise customer and staff upset.

ASSET MANAGEMENT OPPORTUNITIES AND GREEN INITIATIVES

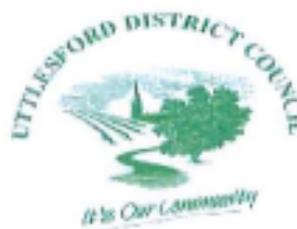
- Electric charging points have proved popular. MER installed a further 10 (5 portals) charging outlets in advance of original schedule.
- UDC's ownership of the whole would be preferable by adding Phase 2 (which includes an all formats M&S store which contributes c50% of the Phase 2 rent) to the existing B&Q and Aldi. Phase 2 remains available to purchase subject to future discussions, provided Churchmanor do not sell to another.





AMAZON DISTRIBUTION CENTRE
CENTRE SEVERN, BARNWOOD, GLOUCESTER GL4 3UR

TENANT:	AMAZON UK SERVICES LTD (NOT CURRENTLY IN OCCUPATION)
LEASE TERMS:	FRI LEASE 15 YEARS FROM 18.03.2022 LEASE EXPIRY 17.03.2037
FLOOR AREA:	WAREHOUSE AND OFFICES: 122,756.79 SQ FT ADJACENT 4 LEVEL MULTI-STOREY VAN PARK (408 SPACES), SURFACE CAR PARK (150 CAR SPACES AND 118 VAN SPACES), 11.23 ACRES.
PASSING RENT:	£2,293,433.49 P.A. EXC
RENT COMMENCEMENT DATE:	18.03.2022
NEXT RENT REVIEW DATE:	18.03.2027
BASIS OF REVIEW:	5 YEARLY, CPI (COLLAR AND CAP OF 1% AND 3% COMPOUNDED ANNUALLY)



DATE OF LAST PROPERTY INSPECTION

25th October 2023.

Next inspection due May 2024.

RENT COLLECTION

Amazon pay rent quarterly in advance on 1st January, 1st April, 1st July and 1st October.

Quarterly rent due on 1st January 2024 received on time. Next quarter due 1st April 2024.

INSURANCE

UDC insure the building and recover the cost from Amazon.

Insurance policy renewal w.e.f. 03.08.2023, however as Amazon are not intending to occupy the building and are looking to sub-let AXA reduced capacity to 50%. RSA co-insure the building and provide 30%, Aspen brought in to cover the remaining 20%. This has significantly increased the cost of the premium. New premium £145,624.35 for the year to 03.08.2024. Amazon have paid the premium.

SERVICE CHARGE

A management company has been set up to look after the estate's common areas and administer the service charge. The ownership of the management company is split between the freeholders based on area. (UDC hold a 54% share of the Management Company). Bulleys Chartered Surveyors administer the service charge and prepared a service charge budget of £22,325. Bulleys to invoice UDC, ML to recharge Amazon. However, ML are still awaiting an invoice from Bulleys, they have advised that they cannot issue a demand until they have a VAT number.

MANAGEMENT ISSUES

Practical completion took place on 4th March 2022. Lease to Amazon completed on 18th March 2022. Amazon have advised that they are now not intending to occupy the property and are looking to sub-let. The property is therefore currently vacant. Amazon have 2 guards providing 24 hour security at the building, which is a condition of the insurance. Bowmer Kirkland (BK), the original contractor, are undertaking the snagging works. ML awaiting confirmation that the works have been completed.

There was extensive cracking to the van deck stair towers. The rectification works have been completed by BK and Cushman Wakefield have advised that all the snagging works identified have now been completed.

Amazon have appointed Cushman Wakefield to manage the property.

Amazon have instructed CW to market a sub-lease of the building. We understand that there is currently no detailed prospective tenant discussions taking place.

ASSET MANAGEMENT OPPORTUNITIES AND GREEN INITIATIVES

Amazon have an option to extend the lease for a further 5 years on expiry of current lease in March 2037.

The front car park area is protected by temporary fencing. This may present scope for "unwanted" visitors to gain access. Amazon however currently have 24 hour security.

The property is situated on a site area of 11.5 acres and therefore has a low site cover of 25%. The building has an EPC rating of A24. There are 10 EV charging points in the car park at the front of the building and the infrastructure for further charging points in the car park.





MOOG CONTROLS LTD

ASHCHURCH ROAD, TEWKESBURY, GLOUCESTERSHIRE GL20 8JN

TENANT:

MOOG CONTROLS LTD

LEASE TERMS:

NEW FRI LEASE FOR A TERM OF 35 YEARS FROM 23.05.2023
LEASE EXPIRY 22.05.2058

FLOOR AREA:

WAREHOUSE AND OFFICES: **209,010 SQ FT**
SERVICE YARD AND EXTERNAL STORAGE BUILDING
365 CAR PARKING SPACES

SITE AREA:

9.5 ACRES (APPROXIMATELY 42% SITE COVERAGE)

PASSING RENT:

£1,680,500 P.A. EXC

RENT COMMENCEMENT DATE:

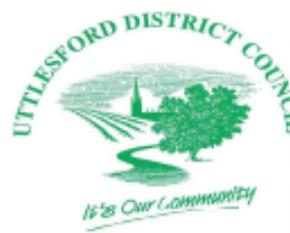
23.05.2023

NEXT RENT REVIEW DATE:

23.05.2028

BASIS OF REVIEW:

5 YEARLY, RPI (COLLAR AND CAP OF 2% AND 4% COMPOUNDED ANNUALLY)



DATE OF LAST PROPERTY INSPECTION

25th October 2023.

Next inspection due May 2024.

RENT COLLECTION

The tenant pays quarterly in advance on the usual quarter days. The tenant paid the December quarter's rent on time.

INSURANCE

UDC insure the building and recover the cost from MOOG. The insurance has been placed with AXA who insure the other UDC investment properties. The tenant has been invoiced and paid the full cost of the premium from the rent commencement date until 30th September 2024. Cushman & Wakefield provided an updated RCA to include the tenant's fitting out works which the Landlord's insures.

SERVICE CHARGE

N/A

MANAGEMENT ISSUES

PC was achieved on 16th May subject to an extensive snagging list. Completion of the lease took place on 15th August 2023, but backdated to 23rd May 2023.

The building has been constructed to a very high specification and MOOG are undertaking extensive fitting out works at an estimated cost of approx. £30 million.

The building is a state-of-the-art headquarters building for MOOG and is used for the research, development and production of highly specialist component parts for the aerospace industry. The tenant has moved their staff into the offices and some of the labs and manufacturing space are in use. Their Category B fit out works have been completed and the Category C works and the full move are expected to be completed by the end of April 2024.

The landscaping has been replanted in some areas, however it still requires attention to bring it all up to standard as a lot of the plants died.

ASSET MANAGEMENT OPPORTUNITIES AND GREEN INITIATIVES

Once fully operational the property will be a flag ship HQ building for MOOG. The 25,000 sq ft extension to the building has been constructed to give MOOG future expansion space, in the meantime this area will not be fully fitted out and will be used for storage.

The property has an A+ (-11) EPC rating and a BREEAM excellent rating.

The photovoltaic cells on the roof are expected to generate approx. 20% of the electricity and there is a rainwater harvesting system to be used for all the toilet facilities. A horizontal brise soleil system has been installed along the south facing elevation to reduce heat gain. 11 EC charging points have been installed with the infrastructure for up to 40 EV charging points when required.



Portfolio Valuation

The Council employ CBRE to provide a quarterly valuation of the Council owned assets, their yield sheet report is attached at Appendix One. In summary, as at the end of quarter 3 the position is as shown below

	Price paid (including future commitments)	Amount paid as at 31 December 2023	DEC 2022	MAR 2023	JUN 2023	SEP 2023	Valuation as at 31 December 2023
	£	£	£	£	£	£	£
Colchester, Stane RP	27,004,322	26,504,322	27,250,000	28,275,000	28,200,000	27,550,000	27,125,000
Chorley, Waitrose RDC	54,608,773	54,608,773	54,400,000	54,400,000	53,600,000	52,200,000	50,900,000
Livingston, 1 Deer Park Road	4,758,374	4,758,374	4,750,000	4,750,000	4,750,000	4,750,000	4,675,000
Takeley, Skyway House	20,000,000	20,000,000	17,625,000	16,250,000	15,950,000	15,650,000	15,425,000
Gloucester, Amazon	42,692,000	42,278,237	41,000,000	41,000,000	39,500,000	38,200,000	36,300,000
Tewkesbury, MOOG HQ	37,749,262	37,464,079	23,750,000	23,900,000	23,900,000	32,900,000	32,900,000
	186,812,731	185,613,785	168,775,000	168,575,000	165,900,000	171,250,000	167,325,000

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

	Price paid (including future commitments)	Amount paid as at 31 December 2023	DEC 2022	MAR 2023	JUN 2023	SEP 2023	Valuation as at 31 December 2023
	£	£	£	£	£	£	£
Colchester, Stane RP	27,004,322	26,504,322	27,250,000	28,275,000	28,200,000	27,550,000	27,125,000
Chorley, Waitrose RDC	54,608,773	54,608,773	54,400,000	54,400,000	53,600,000	52,200,000	50,900,000
Livingston, 1 Deer Park Road	4,758,374	4,758,374	4,750,000	4,750,000	4,750,000	4,750,000	4,675,000
Takeley, Skyway House	20,000,000	20,000,000	17,625,000	16,250,000	15,950,000	15,650,000	15,425,000
Gloucester, Amazon	42,692,000	42,278,237	41,000,000	41,000,000	39,500,000	38,200,000	36,300,000
Tewkesbury, MOOG HQ	37,749,262	37,464,079	23,750,000	23,900,000	23,900,000	32,900,000	32,900,000
	186,812,731	185,613,785	168,775,000	168,575,000	165,900,000	171,250,000	167,325,000
Aspire (CRP) Ltd	63,896,500	63,896,500	100,625,000	102,000,000	103,900,000	104,750,000	101,775,000
Total Portfolio	250,709,231	249,510,285	269,400,000	270,575,000	269,800,000	276,000,000	269,100,000

Financing

The Portfolio is financed from three sources

1. Internal borrowing – when the Council has excess funds to invest
2. Loans from PWLB and Phoenix Life Ltd
3. Borrowing from other local authorities

The split between 1 and 3 above varies on a week-to-week basis. On the following page is a snapshot of the arranged external funding as at 16 January 2024 which totals £209,098,673

Borrowing as at 16/01/24

GF/HRA	Date	Lender	Amount (£)	Maturity	Rate (%)
GF	07-Jun-22	Crawley Borough Council	5,000,000	06-Jun-24	2.25
GF	23-May-23	South Oxfordshire District Council	3,000,000	21-May-24	4.60
GF	23-May-23	South Oxfordshire District Council	1,000,000	21-May-24	4.60
GF	23-May-23	Bridgend County Borough Council	4,000,000	21-May-24	4.60
GF	04-Aug-23	Gloucestershire County Council	5,000,000	02-Aug-24	5.30
GF	03-Jul-23	West Yorkshire Combined Authority	4,500,000	17-Jun-24	5.20
GF	29-Aug-23	Barnsley Metropolitan Borough Council	5,000,000	29-May-24	5.20
GF	19-Jul-23	North Hertfordshire District Council	2,000,000	19-Jan-24	5.20
GF	04-Aug-23	Hyndburn Borough Council	2,000,000	02-Aug-24	5.20
GF	04-Aug-23	Local Government Association	1,500,000	02-Aug-24	5.55
GF	04-Aug-23	Local Government Association	1,500,000	02-Aug-24	5.55
GF	19-Jul-23	Police & Crime Commissioner for Avon & Somerset	5,000,000	01-Jul-24	5.80
GF	12-Sep-23	North Northamptonshire Council	5,000,000	10-Sep-24	5.70
GF	12-Sep-23	South Oxfordshire District Council	7,000,000	10-Sep-24	5.70
GF	07-Sep-23	Northern Ireland Housing Executive	5,000,000	07-May-24	5.70
GF	07-Sep-23	The Vale of Glamorgan Council	3,000,000	07-May-24	5.70
GF	01-Sep-23	Royal Borough of Kingston Upon Thames	5,000,000	01-Mar-24	5.75
GF	11-Sep-23	London Borough of Sutton	5,000,000	11-Jun-24	5.76
GF	21-Sep-23	East Suffolk Council	5,000,000	15-Jul-24	5.80
GF	13-Nov-23	East Suffolk Council	4,000,000	15-Jul-24	5.60
GF	05-Dec-23	Cornwall Council	15,000,000	05-Aug-24	5.75
GF	05-Jul-17	Phoenix Life Ltd	35,784,992	05-Jul-57	2.86
GF	22-Sep-22	Public Works Loans Board	29,813,681	22-Sep-71	4.28
GF	29-Sep-22	Public Works Loans Board	50,000,000	27-Sep-30	4.16
Total			209,098,673		

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.

		1	2	3	4
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			

23-IB-01 LONG TERM BORROWING

The council is unable to secure long term borrowing	Owner	Original Likelihood	Original Impact	Original Score	Current Controls	
	AW	2	4	8	<ul style="list-style-type: none"> Phoenix loan is secured 2 x PWLB loans are secured 	
		Current Likelihood	Current Impact	Current Score	Further Action	
		2	4	8	<ul style="list-style-type: none"> Evaluate sale of one or more assets 	
		Target Likelihood	Target Impact	Target Score	Action owner	Planned Completion date
1	4	4	AW	ongoing		

Progress Update (December 2023)

- No further long term borrowing is planned at the present time

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23-IB-02 INTEREST RATES

Interest rates increase leading to a further reduction in net income	Owner	Original Likelihood	Original Impact	Original Score	Current Controls	
	AW	2	4	8	<ul style="list-style-type: none"> Phoenix loan and 2 x PWLB loans are secured 	
		Current Likelihood	Current Impact	Current Score	Further Action	
		3	4	12	<ul style="list-style-type: none"> Evaluate sale of one or more assets Consider additional PWLB loans 	
		Target Likelihood	Target Impact	Target Score	Action owner	Planned Completion date
1	4	4	AW	ongoing		

Progress Update (December 2023)

- Base rate has stayed static for the last 3 months, as therefore has the cost of borrowing. Over the next few of years the investment net contribution will be lower than in previous years, recovering towards the end of the five year period as reflected in the Council's MTFS

23-IB-03 TENANT DEFAULT

Tenants default on rental payments either short term or because of business failure	Owner	Original Likelihood	Original Impact	Original Score	Current Controls	
	AW	2	4	8	<ul style="list-style-type: none"> • Additional financial due diligence undertaken ahead of all purchases • Monitoring of tenants both financial information and news channels 	
		Current Likelihood	Current Impact	Current Score	Further Action	
		1	3	3		
		Target Likelihood	Target Impact	Target Score	Action owner	Planned Completion date
1	4	4	AW	ongoing		

Progress Update (December 2023)

- Tenants passed the viability test and no adverse financial reports this quarter
- Commercial asset reserve will enable short term rent losses to be covered without detriment to council services

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23-IB-04 BUILDING LOSS

Loss of building due to fire/flood leading to no rent being received for duration of the repair/reinstatement	Owner	Original Likelihood	Original Impact	Original Score	Current Controls	
	AW	1	4	4	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Monitor procedures as part of the inspection process 	
		Target Likelihood	Target Impact	Target Score	Action owner	Planned Completion date
1	4	4	AW	ongoing		

Progress Update (December 2023)

- Discussions with all tenants on fire safety etc. Inspections check for issues and ensure maintenance repairs etc. are undertaken
- Commercial asset reserve will enable short term loss in rent to be covered without detriment to council services

23-IB-05 REPUTATION

Actions of tenants affect the reputation of the Council	Owner	Original Likelihood	Original Impact	Original Score	Current Controls	
	AW	1	4	4	<ul style="list-style-type: none"> • Tenants checked as part of initial due diligence • Continuous monitoring of tenants both financial information and news channels 	
		Current Likelihood	Current Impact	Current Score	Further Action	
		1	3	3		
		Target Likelihood	Target Impact	Target Score	Action owner	Planned Completion date
1	3	3	AW	ongoing		

Progress Update (December 2023)

- No adverse or positive news stories this quarter

Valuation Report

In respect of:

Uttlesford District Council Property Fund

On behalf of:

Uttlesford District Council

Date of valuation:

31 December 2023

Legal Notice and Disclaimer

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- a) 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
- b) £20,000,000 (Twenty Million British Pounds).

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If you do not understand this legal notice then it is recommended that you seek independent legal advice.

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Valuation Report

Introduction

Report Date	15 January 2024
Valuation Date	31 December 2023
Addressee	Uttlesford District Council London Road Saffron Walden CB11 4ER
The Properties	Properties held in Uttlesford District Council Property Fund, as set out in the Schedule of Values.
Instruction	To value the Properties as at the Valuation Date in accordance with Terms of Engagement dated 10 November 2020.
Status of Valuer	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.
Purpose and Basis of Valuation	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: – Fair Value 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.
Fair Value (IFRS 13)	£167,325,000 (ONE HUNDRED AND SIXTY-SEVEN MILLION THREE HUNDRED AND TWENTY-FIVE THOUSAND POUNDS) exclusive of VAT, as shown in the Schedule of Capital Values set out below.
Market Conditions	We draw your attention to a combination of global inflationary pressures (leading to higher interest rates) and recent failures/stress in banking systems which have increased the potential for constrained credit markets, negative capital value movements and enhanced volatility in property markets over the short-to-medium term. Experience has shown that consumer and investor behaviour can quickly change during periods of such heightened volatility. Lending or investment decisions should reflect this heightened level of volatility and the potential for deteriorating market conditions.

It is important to note that the conclusions set out in this report are valid as at the valuation date only. Where appropriate, we recommend that the valuation is closely monitored, as we continue to track how markets respond to evolving events.

Portfolios and Aggregation

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.

Joint Tenancies and Indirect Investment Structures

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	<p>From June 2019, the Climate Change Act 2008 (2050 Target Amendment) Order 2019 commits the UK Government to reducing greenhouse gas emissions by 100% from 1990 levels (i.e. a Net Zero position) by 2050. In 2021 an interim target was set, to reduce emissions by 78% by 2035, by decarbonising electricity generation. This means that fossil fuels used in building, such as natural gas for heating, are incompatible with this commitment. The proposal to update the Minimum Energy Efficiency Standards, to require all non-domestic properties to a minimum epc rating of B in 2030 has not been ratified and in the absence of any commentary from the current administration, we assume landlords will continue to work towards this target.</p> <p>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.</p> <p>The European Union's "Sustainable Finance Disclosure Regulations" (SFDR) may impact on UK asset values due to the requirements in reporting to European investors.</p>
Assumptions	<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>
Variations and/or Departures from Standard Assumptions	None.
Independence	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.
Previous Involvement and Conflicts of Interest	<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>
Disclosure	<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>
Reliance	<p>The contents of this Report may only be relied upon by:</p> <p>i) Addressees of the Report; and</p>

- ii) Parties who have received prior written consent from CBRE in the form of a reliance letter;

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.

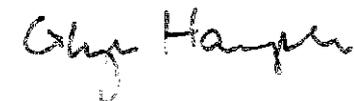
Publication

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

Yours faithfully

Mark Dennis

Glyn Harper

MRICS

MRICS

Director

Senior Director

RICS Registered Valuer

RICS Registered Valuer

For and on behalf of CBRE Limited

For and on behalf of CBRE Limited

+44 2071822469

+44 2071822962

Mark.Dennis@cbre.com

Glyn.Harper@cbre.com

Schedule of Values

Address	Property Type	Tenure	Total	Ownership Purpose
Skyway House, Bishop's Stortford	Offices	Freehold	£15,425,000	Investment
Waitrose RDC, Chorley	Industrial	Freehold	£50,900,000	Investment
Stane Retail Park, Colchester	Retail Warehouse	Freehold	£27,125,000	Investment
Amazon, Gloucester	Industrial	Freehold	£36,300,000	Investment
1 Deerpark Road, Livingston	Offices	Freehold	£4,675,000	Investment
MOOG, Tewkesbury	Industrial	Freehold	£32,900,000	Investment

Portfolio Total (GBP)	£167,325,000
- Freehold - 100.00 % (GBP)	£167,325,000

* 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	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023
Colchester, Stone RP	£ 27,004,312	£ 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	£ 27,250,000	£ 28,275,000	£ 28,200,000	£ 27,550,000	£ 27,125,000
Charley, Valtrose NDC	£ 54,608,773	£ 54,600,000	£ 55,000,000	£ 56,700,000	£ 58,500,000	£ 60,150,000	£ 63,700,000	£ 67,500,000	£ 67,500,000	£ 61,150,000	£ 54,400,000	£ 54,400,000	£ 53,600,000	£ 52,200,000	£ 50,900,000
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	£ 4,750,000	£ 4,750,000	£ 4,750,000	£ 4,750,000	£ 4,675,000
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	£ 17,625,000	£ 16,250,000	£ 15,950,000	£ 15,650,000	£ 15,425,000
Gloucester, Amazon W/H	£ 42,692,000			£ 5,625,000	£ 8,000,000	£ 23,600,000	£ 37,650,000	£ 42,100,000	£ 50,750,000	£ 43,900,000	£ 41,000,000	£ 41,000,000	£ 39,200,000	£ 38,200,000	£ 36,300,000
Tewkesbury, MODOG 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	£ 23,750,000	£ 23,900,000	£ 23,900,000	£ 23,900,000	£ 23,900,000
	£ 186,812,731	£ 84,900,000	£ 86,900,000	£ 101,775,000	£ 111,800,000	£ 136,425,000	£ 180,100,000	£ 190,475,000	£ 201,625,000	£ 181,500,000	£ 168,775,000	£ 168,575,000	£ 165,900,000	£ 171,250,000	£ 167,325,000

Source of Information and Scope of Works

Sources of Information	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.
Inspection	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.
Areas	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.
Environmental Considerations	<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>
Sustainability Considerations	In carrying out this valuation, we have considered the impact of sustainability factors on the value of the property. Based on our inspection and our review of the information that was available to us, we have not identified any risk factors which, in our opinion, would affect value. However, CBRE gives no warranty as to the absence of such risk factors in relation to sustainability.
Services and Amenities	<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>
Repair and Condition	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.
Town Planning	We have not undertaken planning enquiries.
Titles, Tenures and Lettings	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.

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.

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 Property/Properties is/are not contaminated and is not adversely affected by any existing or proposed environmental law;
- b) any processes which are carried out on the Property/Properties which are regulated by environmental legislation are properly licensed by the appropriate authorities;
- c) in England and Wales, the Property/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. Under the Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015 it became unlawful for landlords to rent out business or residential 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 Property/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. The Assessment of Energy Performance of Non-Domestic Buildings (Scotland) Regulations 2016 requires building owners 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 set out 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 were wide ranging and included 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 was (as with the existing EPC Band E requirement) that private rented units may effectively be rendered unlettable if they failed to meet or exceed the minimum EPC requirement.

On 20 September 2023 the Prime Minister announced revisions to the PRS Regulations such that residential landlords will not be fined if they do not meet these requirements. It was not specified if this denotes a delay to the effective dates or the removal of the penalty.

In addition the Prime Minister announced that Boiler Upgrade Scheme subsidies will be increased from £5,000 to £7,500, and the timeframe for removal of gas fired boilers delayed until 2035.

The change in policy is more towards incentivising change as opposed to enforcement.

The UK's Net Zero 2050 pledge is still being upheld although future revisions are not out of the question, particularly in the event of a potential change in Government. It is likely that institutional landlords in particular will continue to target energy efficiency given policy change uncertainty and the ever increasing focus on ESG; we therefore expect EPC ratings to continue to be a focus for residential investors and occupiers in the UK

- 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, Reinforced Autoclaved Aerated Concrete (Raac), 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

Appendices

Appendix A: Portfolio Valuation Comparison Reports

PORTFOLIO VALUATION COMPARISON REPORT: Uttlesford District Council



Report Date: 15/01/2024
 Valuation Date: 31/12/2023
 Status: Final
 Total Assets: 6

Prop Ref	Town	Address	Tenure ¹	Green Certification	Heating Fuel	Avg. EPC Rating ²	Avg. EPC Band	EPC Rating Range	EPC Band Range	Area	Net Rent pa	ERV pa	ERV	IV %	EY %	RY %	Capital Value	Capital Value 31/12/2023	Change Since 30/09/2023	% Change
Sector - Industrial																				
Chorley	Chorley	Waitrose RDC	FH							417,623 sqFt	£2,840,000	£2,923,361	7.00 £/sqFt	5.22	6.20	5.38	121.88 £/sqFt	£50,900,000	£-1,300,000	-2.49
Gloucester	Gloucester	Amazon	FH							122,669 sqFt	£2,293,433	£1,427,180	11.63 £/sqFt	5.87	4.65	3.65	295.92 £/sqFt	£36,300,000	£-1,900,000	-4.97
Tewkesbury	Tewkesbury	MOOG	FH							208,998 sqFt	£1,680,500	£1,671,242	8.00 £/sqFt	4.79	4.75	4.77	157.42 £/sqFt	£32,900,000	£0	0.00
										749,290 sqFt	£6,813,933	£6,021,783		5.30	5.33	4.69		£120,100,000	£-3,200,000	-2.60
Sector - Offices																				
Livingston	Livingston	1 Deerpark Road	FH							30,940 sqFt	£372,546	£371,000	11.99 £/sqFt	7.48	8.42	7.45	151.10 £/sqFt	£4,675,000	£-75,000	-1.58
Takeley	Bishop's Stortford	Skyway House	FH							47,951 sqFt	£1,128,000	£1,127,808	23.52 £/sqFt	6.85	8.28	6.85	321.68 £/sqFt	£15,425,000	£-225,000	-1.44
										78,891 sqFt	£1,500,546	£1,498,808		7.00	8.31	6.99		£20,100,000	£-300,000	-1.47
Sector - Retail Warehouse																				
Colchester	Colchester	Stane Retail Park	FH							99,832 sqFt	£1,702,670	£1,702,674	17.06 £/sqFt	5.89	6.23	5.89	271.71 £/sqFt	£27,125,000	£-425,000	-1.54
										99,832 sqFt	£1,702,670	£1,702,674		5.89	6.23	5.89		£27,125,000	£-425,000	-1.54
Grand Total:										928,013 sqFt	£10,017,149	£9,223,264		5.58	6.04	5.13		£167,325,000	£-3,925,000	-2.29

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¹ for the purpose of this report Long Leasehold = more than 50 years unexpired. Leasehold = 50 years or less unexpired
² Avg. EPC is the available EPC ratings, weighted by floor area within the asset, which is then reflected in the whole building Avg. EPC Band
 Please note the portfolio ERVs stated above reflect our opinion of rental value on all properties, whether freehold or leasehold, but that the portfolio level Reversionary Yield may be calculated against the rental value of the freehold tenures only (after expiry of the leaseholds) in the case of mixed-tenure portfolios.

Report Date: 15/01/2024

Valuation Date: 31/12/2023

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 %	
Sector - Industrial																								
Charley																								
Waitrose RDC (100.00 %) - Charley																								
Waitrose Ltd	1		417,623	30/04/2012	30/04/2027	29/04/2042		2,840,000	6.80	2,840,000	6.80	2,923,361	7.00					0	50,900,000	121.88	5.22	6.20	5.38	
Gross:								2,840,000	6.80	2,840,000	6.80													
Tenure: Freehold								0	0.00	0	0.00													
Total:			417,623					2,840,000	6.80	2,840,000	6.80	2,923,361	7.00					0	50,900,000	121.88	5.22	6.20	5.38	

	Current Rent	ERV	Current Rent (Hist)	ERV (Hist)																			
AWULT to Expiry	18.33	18.33	18.58	18.58	31/12/2023	2,840,000	2,840,000	2,923,361	0	50,900,000	5.22	5.22	6.20	5.38									
AWULT to Break	18.33	18.33	18.58	18.58	30/09/2023	2,840,000	2,840,000	2,923,361	0	52,200,000	5.09	5.09	6.00	5.24									
Vacant % by ERV					Diff %:	0.00%	0.00%	0.00%	0.00%	-2.49%													

Please note the portfolio ERV's stated above reflect our opinion of rental value on all properties, whether freehold or leasehold, but that the portfolio level Reversionary Yield may be calculated against the rental value of the freehold tenures only (after expiry of the leaseholds) in the case of mixed-tenure portfolios.

Report Date: 15/01/2024

Valuation Date: 31/12/2023

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 %		
Sector - Industrial																									
Gloucester																									
Amazon (100.00 %) - Gloucester																									
Amazon UK Services Ltd	208		122,669	18/03/2022		17/03/2037		2,293,433	18.70	2,293,433	18.70	1,427,180	11.63					0	36,300,000	295.92	5.86	4.65	3.65		
Gross:								2,293,433	18.70	2,293,433	18.70														
Tenure: Freehold								0	0.00	0	0.00														
Total:			122,669					2,293,433	18.70	2,293,433	18.70	1,427,180	11.63					-413,763	36,300,000	295.92	5.87	4.65	3.65		

	Current Rent	ERV	Current Rent (Hist)	ERV (Hist)																			
AWULT to Expiry	13.21	13.21	13.46	13.46	31/12/2023	2,293,433	2,293,433	1,427,180															
AWULT to Break	13.21	13.21	13.46	13.46	30/09/2023	2,293,433	2,293,433	1,427,180															
Vacant % by ERV					Diff %:	0.00%	0.00%	0.00%															

Report Date: 15/01/2024

Valuation Date: 31/12/2023

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 %	
Sector - Industrial																								
Tewkesbury																								
MOOG (100.00 %) - Tewkesbury																								
Moog Controls Ltd	208		208,998	23/05/2023		22/05/2058		1,680,500	8.04	1,680,500	8.04	1,671,242	8.00					0	32,900,000	157.42	4.76	4.75	4.73	
Gross:								1,680,500	8.04	1,680,500	8.04													
Tenure: Freehold								0	0.00	0	0.00													
Total:			208,998					1,680,500	8.04	1,680,500	8.04	1,671,242	8.00					-285,183	32,900,000	157.42	4.79	4.75	4.77	

	Current Rent	ERV	Current Rent (Hist)	ERV (Hist)																				
AWULT to Expiry	34.39	34.39	34.64	34.64	31/12/2023	1,680,500	1,680,500	1,671,242	-285,183	32,900,000	4.79	4.79	4.75	4.77										
AWULT to Break	34.39	34.39	34.64	34.64	30/09/2023	1,680,500	1,680,500	1,671,242	-285,183	32,900,000	4.79	4.79	4.75	4.77										
Vacant % by ERV					Diff %:	0.00%	0.00%	0.00%	0.00%	0.00%														
Sector - Industrial: Total																								
					31/12/2023	6,813,933	9.09	6,813,933	9.09	6,021,783	8.04								120,100,000		5.30	5.33	4.69	
					30/09/2023	6,813,933	9.09	6,813,933	9.09	6,021,783	8.04								123,300,000		5.16	5.17	4.57	
					Movement	0.00%		0.00%		0.00%									-2.60%					

Report Date: 15/01/2024

Valuation Date: 31/12/2023

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 %	
Sector - Offices																								
Livingston																								
1 Deerpark Road (100.00 %) - Livingston																								
Vetinary Specialists (Scotland) Limited	51	Whole Building	30,940	10/09/2019		09/09/2039		372,546	12.04	372,546	12.04	371,000	11.99					0	4,675,000	151.10	7.46	8.40	7.43	
Gross:								372,546	12.04	372,546	12.04													
Tenure: Freehold								0	0.00	0	0.00													
Total:			30,940					372,546	12.04	372,546	12.04	371,000	11.99					0	4,675,000	151.10	7.48	8.42	7.45	

	Current Rent	ERV	Current Rent (Hist)	ERV (Hist)																			
AWULT to Expiry	15.69	15.69	15.95	15.95	31/12/2023	372,546	372,546	371,000	0	4,675,000	7.48	7.48	8.42	7.45									
AWULT to Break	15.69	15.69	15.95	15.95	30/09/2023	372,546	372,546	371,000	0	4,750,000	7.36	7.36	8.27	7.33									
Vacant % by ERV					Diff %:	0.00%	0.00%	0.00%	0.00%	-1.58%													

Please note the portfolio ERV's stated above reflect our opinion of rental value on all properties, whether freehold or leasehold, but that the portfolio level Reversionary Yield may be calculated against the rental value of the freehold tenures only (after expiry of the leaseholds) in the case of mixed-tenure portfolios.

Report Date: 15/01/2024

Valuation Date: 31/12/2023

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 %	
Sector - Offices																								
Bishop's Stortford																								
Skyway House (100.00 %) - Takeley																								
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	15,425,000	321.68	6.85	8.28	6.85	
Gross:								1,128,000	23.52	1,128,000	23.52													
Tenure: Freehold								0	0.00	0	0.00													
Total:			47,951					1,128,000	23.52	1,128,000	23.52	1,127,808	23.52					0	15,425,000	321.68	6.85	8.28	6.85	

	Current Rent	ERV	Current Rent (Hist)	ERV (Hist)																			
AWULT to Expiry	21.50	21.50	21.75	21.75	31/12/2023	1,128,000	1,128,000	1,127,808	0	15,425,000	6.85	6.85	8.28	6.85									
AWULT to Break	21.50	21.50	21.75	21.75	30/09/2023	1,128,000	1,128,000	1,127,808	0	15,650,000	6.75	6.75	8.13	6.75									
Vacant % by ERV					Diff %:	0.00%	0.00%	0.00%	0.00%	-1.44%													
Sector - Offices: Total																							
					31/12/2023	1,500,546	1,500,546	1,498,808	19.02	19.02	19.02	1,498,808	19.00					20,100,000		7.00	8.31	6.99	
					30/09/2023	1,500,546	1,500,546	1,498,808	19.02	19.02	19.02	1,498,808	19.00					20,400,000		6.89	8.16	6.88	
					Movement	0.00%	0.00%	0.00%										-1.47%					

Please note the portfolio ERV's stated above reflect our opinion of rental value on all properties, whether freehold or leasehold, but that the portfolio level Reversionary Yield may be calculated against the rental value of the freehold tenures only (after expiry of the leaseholds) in the case of mixed-tenure portfolios.

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	CRF	RV	R RF	Capital Costs £	Capital Value £	Net CV £ psf	IY %	EY %	RY %		
Sector - Retail Warehouse																									
Colchester																									
Stane Retail Park (100.00 %) - Colchester																									
B&Q	208		81,350	30/11/2021		29/11/2036		1,342,275	16.50	1,342,275	16.50	1,342,275	16.50					0	20,910,504	257.04	5.92	6.25	5.92		
Aldi	221		18,482	08/12/2021		07/12/2046	08/12/2041*	360,395	19.50	360,395	19.50	360,399	19.50					0	6,214,496	336.25	5.35	6.14	5.35		
Gross:								1,702,670	17.06	1,702,670	17.06														
Tenure: Freehold								0	0.00	0	0.00														
Total:			99,832					1,702,670	17.06	1,702,670	17.06	1,702,674	17.06					-500,000	27,125,000	271.71	5.89	6.23	5.89		

	Current Rent	ERV	Current Rent (Hist)	ERV (Hist)																	CIY	DIY	EY	RY		
AWULT to Expiry	15.04	15.04	15.29	15.29	31/12/2023	1,702,670	17.06	1,702,670	17.06	1,702,674	17.06										-500,000	27,125,000	5.89	5.89	6.23	5.89
AWULT to Break	13.98	13.98	14.23	14.23	30/09/2023	1,702,670	17.06	1,702,670	17.06	1,702,674	17.06										-500,000	27,550,000	5.80	5.80	6.12	5.80
Vacant % by ERV					Diff %:	0.00%		0.00%		0.00%											0.00%	-1.54%				

Sector - Retail Warehouse: Total			99,832			31/12/2023	1,702,670	17.06	1,702,670	17.06	1,702,674	17.06										27,125,000		5.89	6.23	5.89
						30/09/2023	1,702,670	17.06	1,702,670	17.06	1,702,674	17.06										27,550,000		5.80	6.12	5.80
						Movement	0.00%		0.00%		0.00%											-1.54%				
Portfolio Total:			928,013			31/12/2023	10,017,149	10.79	10,017,149	10.79	9,223,264	9.94										167,325,000		5.58	6.04	5.13
						30/09/2023	10,017,149	10.79	10,017,149	10.79	9,223,264	9.94										171,250,000		5.45	5.77	5.02
						Movement	0.00%		0.00%		0.00%											-2.29%				

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Appendix B: UK Long Income Market Update

Q4 2023 Long Income Pack

Valuation & Advisory Services

Yield Sheet December 2023

2023 likely to show the lowest transaction volumes on record - well below the 10 year average.

Retail
Low volumes continue with few prime opportunities available.

Out of Town Retail
A number of assets withdrawn from the market as bids fail to meet pricing expectations..

Industrial
Long leases with RPI/CPI uplifts and locations with weaker rental growth prospects in less demand.

Offices
A number of transactions close to completion in a weak market .

Changes in red/ Last month in brackets

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	Dec 2022 (%)	Mar 2023 (%)	June 2023 (%)	Sept 2023 (%)	Dec 2023 (%)	Trend
OFFICES						
West End (Mayfair/St James's)	3.75	3.75	3.75	4.00	4.00	Weaker
West End Non Core	4.00	4.00	4.25	4.50	4.75	Weaker
City of London	4.50	4.50	5.00	5.50	5.75	Weaker
M25/South East	6.25	6.25	6.50	6.85	7.00	Weaker
Regional Cities	6.00	6.00	5.75	6.00	6.25	Weaker
Good Secondary	9.00	9.25	9.50	9.75	10.00	Weaker
Secondary	12.50	13.00	13.50	13.75	14.00	Weaker
INDUSTRIAL						
Prime Distribution	5.00	5.25	5.25	5.25	5.25	Weaker
Prime Estate (Greater London)	4.50	4.75	4.75	4.75	4.75	Weaker
Prime Estate (Ex Greater London)	5.00	5.25	5.25	5.25	5.25	Weaker
Good Secondary	6.00	6.25	6.25	6.25	6.50	Weaker
Secondary Estate	7.00	7.25	7.25	7.25	7.50	Weaker

	Dec 2022 (%)	Mar 2023 (%)	June 2023 (%)	Sept 2023 (%)	Dec 2023 (%)	Trend
HIGH STREET SHOPS						
Prime	6.50	6.75	6.75	6.75	7.00	Stable
Good Secondary	8.75	9.00	9.00	9.00	9.00	Stable
Secondary	12.00	12.00	12.00	12.00	12.00	Weaker
SUPERMARKETS						
Prime	5.25	5.25	5.25	5.25	5.25	Weaker
SHOPPING CENTRES						
Prime	7.75	8.25	8.25	8.25	8.25	Stable
Best Secondary	12.00	12.00	12.00	12.00	12.00	Stable
Secondary	16.00	16.00	16.00	16.00	16.00	Stable
RETAIL WAREHOUSES						
Park - Prime - Open User	6.00	5.75	5.50	6.00	6.25	Weaker
Park - Prime - Bulky User	6.00	5.75	5.50	6.00	6.25	Weaker
Solus - Prime - Bulky User	6.00	5.75	5.50	5.75	6.25 (6.00)	Weaker
Park - Secondary	8.00	7.75	7.50	7.75	8.00	Weaker

Some new hotel assets on the market but all sectors trending weaker

Changes in red/ Last month in brackets

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	Dec 2022 (%)	Mar 2023 (%)	June 2023 (%)	Sept 2023 (%)	Dec 2023 (%)	Trend
LEISURE						
Prime Leisure Park	7.50	7.50	7.50	7.75	8.00	Weaker
Good Secondary Leisure Park	9.50	10.00	10.25	10.75	11.50	Weaker
Cinema Prime	7.50	7.50	7.50	8.00	8.50 (8.25)	Weaker
Health & Fitness Prime	5.50	5.75	5.50	5.50	6.00 (5.75)	Weaker
HOTELS						
Prime London Vacant Possession	4.75	4.75	4.75	4.75	5.00 (4.75)	Weaker
Prime London Management Contract	5.75	5.75	5.75	5.75	6.00 (5.75)	Weaker
Prime London Lease	4.50	4.50	4.50	4.75	4.75	Weaker
Prime Regional Vacant Possession	7.25	7.25	7.25	7.25	7.50 (7.25)	Weaker
Prime Regional Management Contract	8.50	8.50	8.50	8.50	8.50	Weaker
Prime Regional Lease	5.25	5.25	5.25	5.25	5.25	Weaker

	Dec 2022 (%)	Mar 2023 (%)	June 2023 (%)	Sept 2023 (%)	Dec 2023 (%)	Trend
PUBS						
Prime London Corporate Pub	4.00	4.00	4.00	4.25	4.50	Weaker
Prime Regional Corporate Pub	6.75	6.75	6.75	7.50	8.00 (7.75)	Weaker
ROADSIDE & AUTOMOTIVE						
Car Showroom Prime RPI Lease	5.75	5.75	5.75	6.00	6.00	Weaker
Petrol Filling Station Prime RPI Lease	5.25	5.25	5.25	5.50	5.50	Weaker
Car Park Prime RPI Lease	5.50	5.50	5.50	5.75	6.50	Weaker
FINANCIAL INDICATORS						
Base Rate	3.00	4.00	4.50	5.25	5.25	◀▶
5 Year Swaps	3.63	4.02	4.48	4.92	4.09 (4.23)	▼
10 Year Gilts	3.16	3.82	4.18	4.61	4.16 (4.31)	▼
RPI	14.20	13.40	11.40	9.00	6.10 (8.90)	▼
CPI	11.10	10.10	8.70	6.80	4.60 (6.70)	▼

Yields soften further, market remains active amidst continued economic uncertainty

Residential
Yields soften further, market remains active amidst continued economic uncertainty.
Changes in red/Last month in brackets

Student
Sentiment remains positive for best in class “clean and green” properties with strong rental growth prospects, however, non-prime assets are seeing less demand from investors.

	Dec 22 (%)	Mar 23 (%)	Jun 23 (%)	Sep 23 (%)	Dec 23 (%)	Trend
RESIDENTIAL						
London Zone 2 Prime	3.50	3.60	3.60	3.85	4.15 (4.00)	Weaker
London Zone 2 Good Secondary	4.00	4.00	4.00	4.25	4.50 (4.25)	Weaker
London Zone 3 to 6 Prime	3.65	3.75	3.75	4.00	4.25 (4.00)	Weaker
London Zone 3 to 6 Good Secondary	4.00	4.00	4.00	4.15	4.50 (4.25)	Weaker
South East Prime	3.90	4.00	4.00	4.15	4.25	Weaker
South East Good Secondary	4.50	4.50	4.50	4.50	4.50	Weaker
Regional Cities Prime	4.15	4.15	4.15	4.25	4.35 (4.25)	Weaker
Regional Cities Secondary	4.75	4.75	4.75	4.75	4.75	Weaker
Other Regional Centres Prime	4.50	4.50	4.50	4.50	4.50	Weaker
Other Regional Centres Secondary	5.25	5.25	5.25	5.25	5.25	Weaker

	Dec 22 (%)	Mar 23 (%)	Jun 23 (%)	Sep 23 (%)	Dec 23 (%)	Trend
SINGLE FAMILY HOUSING						
South East Prime	3.80	3.80	3.80	4.00	4.15 (4.00)	Weaker
North West Prime	4.15	4.15	4.15	4.25	4.35 (4.25)	Weaker
HEALTHCARE						
Care Homes Prime (Not for Profit)	4.15	4.15	4.25	4.50	4.50	Weaker
Care Homes Prime (SPV)	5.50	5.50	5.50	5.50	5.50	Weaker
Care Homes Secondary	7.50	7.50	7.50	7.50	7.75	Weaker
STUDENT ACCOMMODATION						
Central London Direct Let	3.75	3.75	3.75	4.00	4.25	Stable
Prime Regional Direct Let	5.00	5.00	5.00	5.00	5.00	Stable
Secondary Regional Direct Let	8.50	8.50	8.50	8.50	8.50	Stable
Central London RPI Lease	4.00	4.00	4.00	4.00	4.25 (4.00)	Stable
Prime Regional RPI Lease	4.00	4.00	4.00	4.00	4.25 (4.00)	Stable
Secondary Regional RPI Lease	5.25	5.25	5.25	5.25	5.50 (5.25)	Stable

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Contacts

David Tudor
Senior Director
UK Fund Valuations
+44 (0) 7985 876111

Tom Holt-Wilson
Senior Director
Hotels
+44 (0) 7590 485278

James Hinde
Senior Director
Residential
+44 (0) 7879 602911

Rupert Driver
Executive Director
Residential
+44 (0) 7985 876071

Tim Pankhurst
Executive Director
Student Accommodation
+44 (0) 7714 145917

Sam Wright
Senior Director
Healthcare
+44 (0) 7384 235275

Matt Hopwood
Senior Director, Leisure & Pubs
+44 (0) 7714 146 019

Inflation Update December 2023

Inflation Rates v UK 15 year Gilt Yields

ONS Annual Inflation

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Index	Dec-21	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23
CPI-H	4.8%	8.8%	9.6%	9.3%	9.2%	8.8%	9.2%	8.9%	7.8%	7.9%	7.3%	6.4%	6.3%	6.3%	4.7%
CPI	5.4%	10.1%	11.1%	10.7%	10.5%	10.1%	10.4%	10.1%	8.7%	8.7%	7.9%	6.8%	6.7%	6.7%	4.6%
RPI	7.5%	12.6%	14.2%	14%	13.4%	13.4%	13.8%	13.5%	11.4%	11.3%	10.7%	9.0%	9.1%	8.9%	6.1%

UK 15 Year Gilt Yield

Dec-21	14-Sep-22	19-Oct-22	16-Nov-22	06-Dec-22	20-Jan-23	20-Feb-23	24-Mar-23	18-Apr-23	24-May-23	19-Jul-23	16-Aug-23	07-Sep-23	10-Oct-23	15-Nov-23	11-Dec-23
1.144%	3.541%	4.148%	3.477%	3.467%	3.710%	3.843%	3.509%	4.001%	4.475%	4.412%	4.857%	4.710%	4.759%	4.540%	4.356%

Long Income Q4 2023 Update

Insurance capital continues to lead the way. Debt markets present a more positive picture.

Markets believe interest rates have now peaked, although if inflation sticks it is widely accepted the BoE will act.

Sentiment is generally weak as liquidity is an issue with a reduced number of active buyers in the market.

Income strip and ground activity has picked up, which is broadly supporting valuation.

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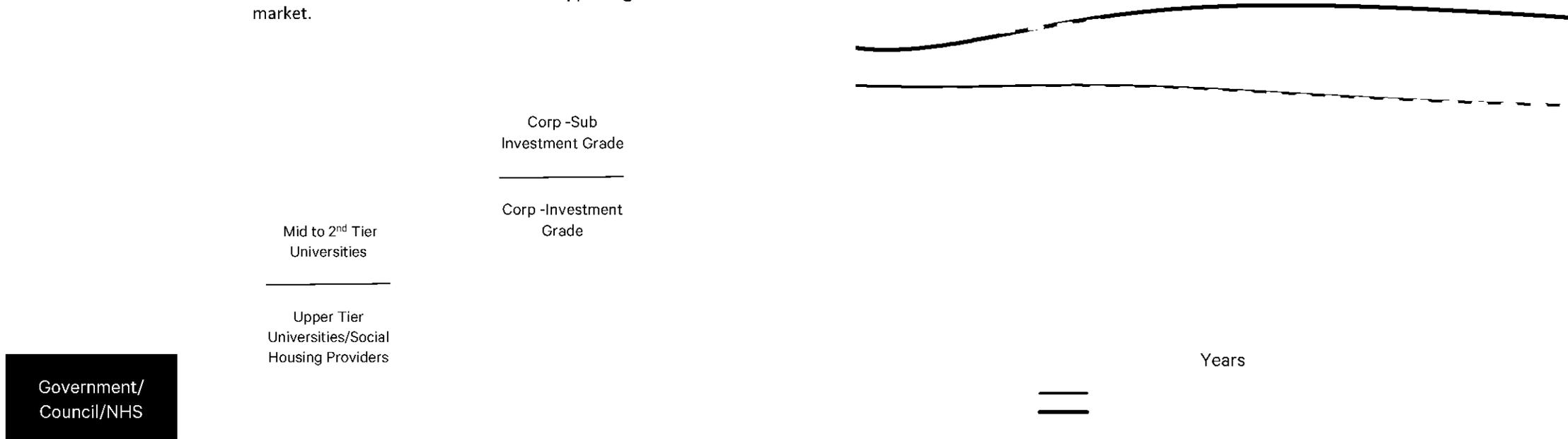


FIGURE 1: Income Discount Rate Gross Z-Spread (bps) Q4 23 (Source: CBRE)
 The above is for illustrative purposes only. Asset specific advice should be taken when appraising any investment.

FIGURE 2: 4 Week Average - Nominal, Real and RPI Curve (Source: Bank of England)

Q4 LONG INCOME INVESTMENT MARKET TRENDS

Sale & Leasebacks

Income Strips

Ground Rents

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Outlook: Weaker

Outlook: Stronger/Stable

Outlook: Stable

LONDON OFFICES

8 Bleeding Heart Yard, 20-23 Greville Street, London, EC1N 8SS

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Property Description

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



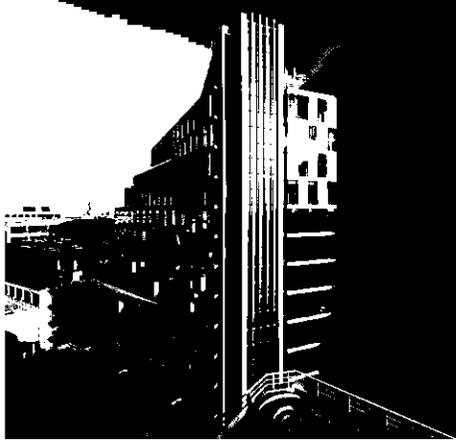
Very Good

Key Facts

Property Type	Office
Tenure	Freehold
Area	28,644 sq ft
Tenant	Pre-let to Julius Baer
WAULT (WAUTC) Years	15.00 (10.00)
Current Rent Per Annum	TBC (est. £2,350,000 (£82.00 per sq ft))
Quoting Price	£59,000,000 (£2,060 per sq ft)
Quoting Price NIY %	4.50
Date to Market	Off Market
Vendor	Seaforth Land
Purchaser	TBC
Sale Price	£45,400,000 (£1,584 psf)
Sale Price NIY %	4.83%
Status Date	October 2023
Status	Sold

12/14 New Fetter Lane, London, EC4A3BF

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Property Description

Single-let to Bird & Bird LLP.
To be sold on an SPV basis.
Rumoured U/O 5.90% to UBS.
Continuing to progress but it is unlikely to complete this side of Christmas.



Excellent

Key Facts

Property Type	Office
Tenure	Long Leasehold (143 years unexpired at 6%)
Area	143,270 sq ft
Tenant	Single-let to Bird & Bird LLP
WAULT (WAUTC) Years	13.4 (-)
Current Rent Per Annum	£8,295,203 (£57.90 per sq ft)
Quoting Price	£170,200,000 (£1,188 per sq ft)
Quoting Price NIY %	4.50
Date to Market	November 2022
Vendor	Nuveen Real Estate
Status Date	November 2023
Status	Under Offer

20 Old Bailey, London, EC4M 7AN



Property Description

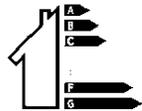
Redeveloped in 2017.

The price being guided by Mirae is below the £341m it paid Blackstone for the property in April 2018.

Metro Bank broke their lease in 2022.

To be sold on an SPV basis.

Rejected offer at 6.3%.



EPC: B



Excellent

Key Facts

Property Type	Office
Tenure	Freehold
Area	240,319 sq ft
Tenant	Multi-let
WAULT (WAUTC) Years	10.40 (9.10)
Current Rent Per Annum	£14,588,490 (£60.70 per sq ft)
Quoting Price	£320,650,000 (£1,325 per sq ft)
Quoting Price NIY %	4.50%
Date to Market	January 2023
Vendor	Mirae Asset Global Investments
Status Date	December 2023
Status	Under Offer
Comments	U/O to Singaporean for investor for £230,000,000 (£957 per sq ft) at 6.3% NIY.

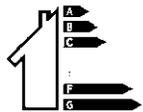
Cargo, 25 Colonnade, London, E14 5HD

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Property Description

Close to full occupancy.
Food court on the ground floor.
Extensively refurbished and completed in 2020.
Sold on an SPV basis.
Majority let to BP and BCG.



EPC: B



Very Good

Key Facts

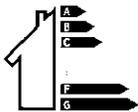
Property Type	Office
Tenure	Virtual Freehold (981 years at peppercorn)
Area	362,775 sq ft
Tenant	Multi-let
WAULT (WAUTC) Years	12.00 (12.00)
Current Rent Per Annum	£17,800,000 (£49.07 per sq ft)
Quoting Price	£250,000,000 (£689 per sq ft)
Quoting Price NIY %	6.99%
Date to Market	August 2023
Vendor	Blackrock
Status Date	October 2023
Status	Available

5 Churchill Place, London, E14 5HU



Property Description

Previously bought for £270m in 2017.
Majority let to JP Morgan.



EPC: D

Key Facts

Property Type	Office
Tenure	Virtual Freehold (989 years at peppercorn)
Area	318,137 sq ft
Tenant	Multi-let
WAULT (WAUTC) Years	c. 11.00 (c.10.00)
Current Rent Per Annum	£13,640,000 (£42.90 per sq ft)
Quoting Price	£150,000,000 (£471 per sq ft)
Quoting Price NIY %	8.94%
Date to Market	August 2023
Vendor	Cheung Kei
Status Date	October 2023
Status	Available

1 Ruskin Square, Croydon, CR0 2WF

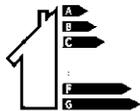


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Property Description

Fully let to HMRC

Under offer to the government for c.£115m reflecting a yield in the region of 5.75%.



EPC: B

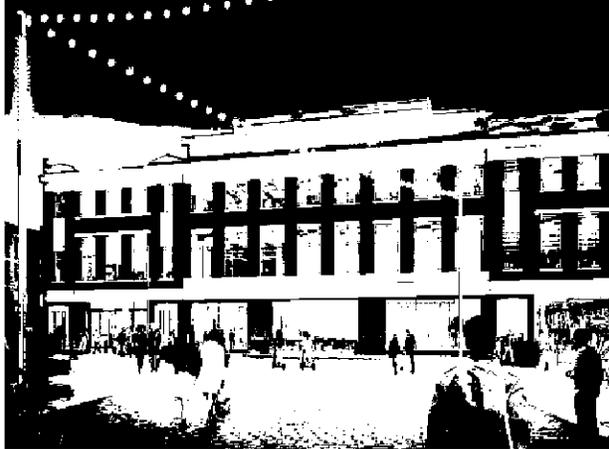
Key Facts

Property Type	Office
Tenure	Freehold
Area	180,000 sq ft
Tenant	HMRC
WAULT (WAUTC) Years	18 yrs UXT
Current Rent Per Annum	£7,300,000 (£40.56 per sq ft)
Quoting Price	
Quoting Price NIY %	
Date to Market	
Vendor	Schroders
Status Date	November 2023
Status	Under offer

REGIONAL OFFICES

Typhoo Building, 90 Bordesley, Birmingham, B5 5QA

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Property Description

Derelict factory site, shut down in 1978. Forward funding of a major creative quarter regeneration. 84,000 sq. ft office complex to be let to BBC Birmingham for 25 years.



Outstanding



EPC: A

Key Facts

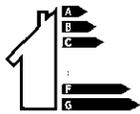
Property Type	Office
Tenure	Freehold (Forward Funding)
Area	84,000 sq ft (Development)
Tenant	BBC Birmingham
WAULT (WAUTC) Years	25 Years
Current Rent Per Annum	NA (RPI Reviews 1.5% - 4.5% p.a.)
Quoting Price	£66,400,000
Quoting Price NIY %	4.3
Date to Market	January 2023
Status Date	November 2023
Status	Under Offer
Comments	Believed to be under offer to Aviva at over 5.0% NIY.

One Angel Square, Manchester, M4 4GL



Property Description

Office accommodation in Manchester city centre arranged over basement, lower ground, and 14 upper floors.



EPC: A



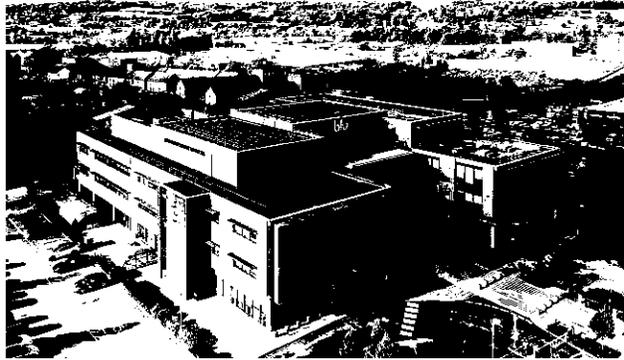
Outstanding

Key Facts

Property Type	Office
Tenure	Freehold
Area	329,219 sq ft
Tenant	Single-let to The Co-operative Group
WAULT (WAUTC) Years	13.60 (-)
Current Rent Per Annum	£12,355,986 (£37.16 per sq ft) 5 yearly UO RPI linked rent reviews compounded annually, cap and collar of 4% and 1.5% p.a.
Quoting Price	£165,000,000 (£483 per sq ft)
Quoting Price NIY %	7.00
Date to Market	June 2022
Vendor	Deutsche Bank
Purchaser	Private
Sale Price	£137,500,000 (£418 per sq ft)
Sale Price NIY %	8.41
Status Date	October 2023
Status	Sold
Comment	Relaunched with £45m discount (originally quoting £210m / 5.17% NIY)

121 Winterstoke Road, Bristol, BS3 2LL

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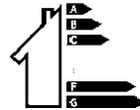


Property Description

Imperial Brands PLC UK headquarters. Located in the outskirts of Bristol, the building was constructed in 2013 and possesses strong ESG credentials as well as offering potential investors long-term, CPI index linked (5 yearly) income until 2038 (0%-4%).



Excellent



EPC: A

Key Facts

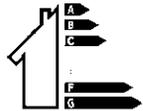
Property Type	Office
Tenure	Freehold
Area	85,394 (5.11 Acre Site)
Tenant	Imperial Brands PLC
WAULT (WAUTC) Years	14.50
Current Rent Per Annum	£2,861,458 (33.51 per sq ft)
Quoting Price	£33,500,000 (£392.30 per sq ft)
Quoting Price NIY %	8.54
Date to Market	April 2023
Vendor	Abrdn
Status Date	November 2023
Status	Under Offer
Comments	Under offer at high 7s/low 8s.

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



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.

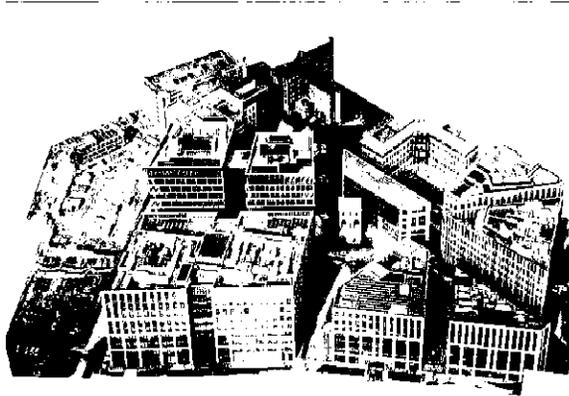


EPC: B

Key Facts

Property Type	Office
Tenure	Long Leasehold
Area	45,832 sq ft
Tenant	Let to the North Tyneside Council (NTC)
WAULT (WAUTC) Years	11.00 (-)
Current Rent Per Annum	£720,698 (£15.72 per sq ft)
Quoting Price	£10,200,000 (£222.55 per sq ft)
Quoting Price NIY %	6.62
Date to Market	October 2021
Status Date	November 2023
Status	Under Offer
Comments	Let to the North Tyneside Council (NTC) for a term of 23 years from 1 July 2009, with over 11 years remaining unexpired.

Wellington Place (Leeds) and Paradise (Birmingham)



Property Description

50% stake in best-in-class portfolio of assets located in Birmingham and Leeds. The assets have a combined WAULT of 14.1 to expiry and 9.1 to break. Predominantly office assets but the portfolio also includes hotels, storage, leisure as well as further development opportunities.

Key Facts

Property Type	Mixed Use Portfolio
Tenure	Majority Freehold with some Long Leasehold
Area	Wellington Place: <ul style="list-style-type: none"> - 22 Acres, 884,566 sq. ft Commercial Total - 816,316 sq ft Office Space Paradise: <ul style="list-style-type: none"> - 17 Acres, 647,175 sq. ft Commercial Total, - 584,845 sq ft Office Space
Tenant	Multi-let
WAULT (WAUTC) Years	14.1 (9.1)
Current Rent Per Annum	Wellington Place - £25,200,000 Paradise - £23,200,000
Quoting Price	Circa. £300,000,000
Quoting Price NIY %	7.0
Vendor	CPPIB (Federated Hermes retaining 50% stake)
Date to Market	September 2023
Status Date	November 2023
Status	Available
Comments	Reportedly more viewings at Paradise and fewer at WP. Transaction not expected until 2024 earliest.

Harbour City, Salford Quays, Manchester, M50 3SP



Property Description

Two Grade A office buildings totalling 182,092 with an adjoining multi storey car park. Attractive core income with significant value add potential or residential redevelopment potential.

Reversionary yield of 11.23%

Car park income £1000 per space



Key Facts

Property Type	Mixed Use
Tenure	Freehold
Area	182,092
Tenant	Multi-let (tenants include Bupa, M&S, RAC, Tech Mahindra, and the DWP)
WAULT (WAUTC) Years	31.1 (-)
Current Rent Per Annum	£4,304,460 (Office-£17.05/Car-£1,000 per space)
Quoting Price	£40,300,000 (£157 per sq ft)
Quoting Price NIY %	10.00
Vendor	Peel
Date to Market	October 2023
Status Date	November 2023
Status	Available

Equinox, 19 Cadogan Street, Glasgow, G2 7AB



Property Description

Grade A office arranged over 8 floors. Located in Glasgow's CBD, a 10 minute walk from both Glasgow Central and Glasgow Queen Street rail stations.

Key Facts

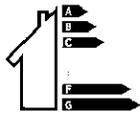
Property Type	Office
Tenure	Freehold
Area	67,851 sq ft
Tenant	Single-let to Esure
WAULT (WAUTC) Years	26.50 (-)
Current Rent Per Annum	£1,860,000 (£27.41 per sq ft)
Quoting Price	£23,250,000 (£346.35 per sq ft)
Quoting Price NIY %	7.49
Date to Market	May 2023
Status Date	September 2023
Status	Withdrawn
Comments	Upwards only rent review in October 2025

Santander House, Redhill



Property Description

Town Centre HQ office investment long-let to Santander with RPI-linked RR and potential for residential conversion.



EPC: B

Key Facts

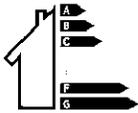
Property Type	Office
Tenure	Freehold
Tenant	Single Let
Area	47,000
WAULT (WAUTC) Years	10.60years
Current Rent Per Annum	£1,418,304 (£30.00 per sq ft)
Quoting Price	Originally £18,900,000, reduced to £16,500,000
Quoting Price NIY %	8.00%
Vendor	Blackrock
Date to Market	September 2023
Status Date	November 2023
Status	Available

Parklands Court, 24 Parklands, Birmingham, B45 9PZ



Property Description

Situated in Rubery in the outskirts of Birmingham.



EPC: B

Key Facts

Property Type	Office
Tenure	Freehold
Tenant	Compass Group Holdings
Area	30,532
WAULT (WAUTC) Years	12.5 UXT
Sale Price	£5,440,000
Sale Price NIY %	7.12%
EY %	7.87%
Vendor	KFIM
Purchaser	Private Investor
Status Date	November 2023
Status	Sold

FOODSTORES

Morrisons, Triangle Way, Gloucester, GL1 1AH



Property Description

Site area of 6.6 acres (2.67 hectares).

356 car parking spaces (1:201 sq ft).

On-site petrol filling station.

Key Facts

Property Type	Supermarket
Tenure	Freehold
Area	71,406 sq ft
Tenant	Morrisons
WAULT (WAUTC) Years	15.00 (10.00)
Current Rent Per Annum	£1,613,360 (£22.59 per sq ft)
Quoting Price	£21,000,000 (£294.09 per sq ft)
Quoting Price NIY %	8.75
Date to Market	June 2023
Vendor	LIM
Purchaser	Private Investor
Sale Price NIY %	9.00
Sale Price EY %	9.48
Status Date	October 2023
Status	Sold
Comments	5 yearly RPI linked rent reviews. Collar of 5.15% reflecting 1% per annum compounded over five years, and a cap of 21.6%, reflecting 4% per annum compounded over five years. Sold at 9% to private investor.

Lidl, Woodbridge Road, Guildford, GU1 1EE



Property Description

Site area of 2.3 acres (0.93 hectares).
148 parking spaces (1:226 sq ft).
Planning permission for Bulky Goods
and a limited assortment discount
foodstore (net sales area capped at
1,500 sq m) within Use Class E.

Key Facts

Property Type	Supermarket
Tenure	Freehold
Area	33,464 sq ft
Tenant	Lidl
WAULT (WAUTC) Years	23.50 (-)
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	Private Investor
Sale Price	£17,000,000 (£508.01 per sq ft)
Sale Price NIY %	4.50
Status Date	September 2023
Status	Sold
Comments	Subject to 5-yearly upward only rent RPI linked rent reviews, collared and capped at 1% and 3%. Sold at 4.80% to private investor. Running yield likely to be 5.50% at the next rent review in December 2025.

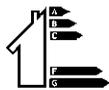
Morrisons, Sale Way, Leigh, Wigan, WN7 4JY



Property Description

Site area 6.16 acres (2.5 hectares).

301 car parking spaces (1:168 sq ft).

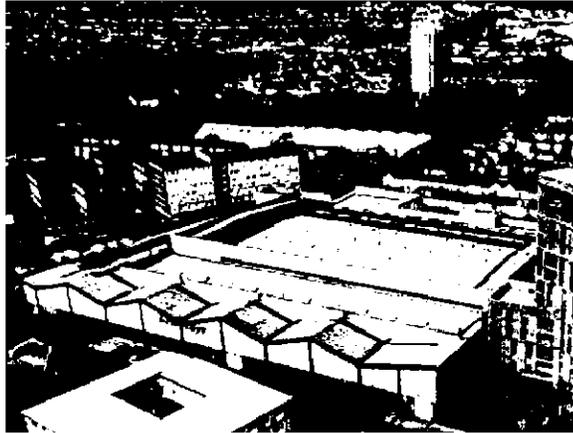


EPC: B

Key Facts

Property Type	Retail/Whse/Distribution
Tenure	Freehold
Area	63,636 sq ft
Tenant	Morrisons.
WAULT (WAUTC) Years	23.30 (13.30)
Current Rent Per Annum	£1,553,887 (£24.42 per sq ft)
Quoting Price	£20,075,000 (£315.47 per sq ft)
Quoting Price NIY %	7.25
Date to Market	March 2023
Vendor	Aviva
Purchaser	MDSR Investments Limited
Status Date	December 2023
Status	Exchanged as part of a portfolio - estimated split yield of approx. 7.25%. Estimated EY 8.03%.
Comments	5 yearly RPI -linked rent reviews, cap and collar of 2.5% - 4.0% per annum, compounded.

Sainsbury's, 287a High Street, Sutton, SM1 1LD



Property Description

Site area of 3.72 acres (1.50 ha).

450 car parking spaces (1:210 sq ft).



EPC: A

Key Facts

Property Type	Supermarket
Tenure	Freehold
Area	94,404 sq ft
Tenant	Sainsbury's.
WAULT (WAUTC) Years	18.40 (-)
Current Rent Per Annum	£3,155,241 (£33.42 per sq ft)
Quoting Price	£53,725,000 (£569.10 per sq ft)
Quoting Price NIY %	5.50
Date to Market	March 2023
Vendor	Aviva
Purchaser	MDSR Investments Limited
Sale Price NIY %	6.50
Status Date	December 2023
Status	Exchanged as a portfolio - estimated split yield of approx. 5.25%. Estimated EY 5.72%.
Comments	5 yearly RPI-linked rent reviews with col and cap 1% and 4% pa, compounded. Next rent review in August 2026. At quote price, anticipated running yield of 5.72% at next review in August 2026.

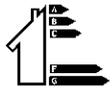
Morrisons, South Row, Elder Gate, Milton Keynes, MK9 1DL



Property Description

Site area of 3.31 acres (1.4 ha).

470 car parking spaces (1:171 sq ft).



EPC: D

Key Facts

Property Type	Supermarket
Tenure	Freehold
Area	80,324 sq ft
Tenant	Morrisons
WAULT (WAUTC) Years	26.80 (-)
Current Rent Per Annum	£2,043,641 (£25.44 per sq ft)
Quoting Price	£28,350,000 (£352.95 per sq ft)
Quoting Price NIY %	6.75
Date to Market	March 2023
Vendor	Aviva
Purchaser	MDSR Investments Limited
Status Date	December 2023
Status	Exchanged as part of a portfolio – estimated split yield of approx. 8.75%. Estimated EY 12.45%.
Comments	5-yearly RPI-linked rent reviews with col and cap of 1% and 4% pa, compounded. Running yield of approx 7.83% at next rent review in January 2025.

Morrisons, Church Street, Hunslet, Leeds, LS10 2AP

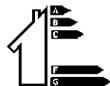


Property Description

Site area of 6.6 acres (2.67 hectares).

500 car parking spaces (1:160 sq ft).

On-site petrol filling station.



EPC: C

Key Facts

Property Type	Retail Warehouse
Tenure	Long Leasehold
Area	80,212 sq ft
Tenant	Morrisons.
WAULT (WAUTC) Years	16.40 (-)
Current Rent Per Annum	£1,693,245 (£21.11 per sq ft)
Quoting Price	£26,670,000 (£332.49 per sq ft)
Quoting Price NIY %	7.00
Date to Market	June 2023
Vendor	Aviva
Status Date	November 2023
Status	Under Offer
Comments	Index-linked income profile with 5-yearly RPI linked rent reviews (collar and cap of 0 – 4% per annum compounded). Topped up to next rent review. Under offer north of 7.50% + which reflects an EY of 7.66%.

Project Sparta, Waitrose & Partners, Asset Portfolio



06666

Property Description

- Hythe. 34,404 sq ft. £19.50 psf. £670,878 pa. NIY 6.00%. Quoting Price £10,480,000.
- Chipping Sudbury. 32,414 sq ft. £19.50 psf. £632,073 pa. NIY 6.00%. Quoting Price £9,870,000.
- East Cowes. 28,434 sq ft. £18.00 psf. £505,886 pa. NIY 6.15%. Quoting Price £7,710,000.
- Exeter. 35,175 sq ft. £21.00 psf. £738,675 pa. NIY 5.85%. Quoting Price £11,830,000.
- Harpenden. 29,787 sq ft. £23.00 psf. £679,512 pa. NIY 5.85% Quoting Price £10,890,000.
- Longfield. 28,196 sq ft. £19.00 psf. £530,437 pa. NIY 6.15%. Quoting Price £8,090,000.
- Norwich. 51,355 sq ft. £18.50 psf. £910,634 pa. NIY 6.15%. Quoting Price £13,870,000.
- Richmond. 38,576 sq ft. £28.50 psf. £1,021,290 pa. NIY 5.00%. Quoting Price £19,140,000.
- Romsey. 34,555 sq ft. £20.50 psf. £702,412 pa. NIY 5.85%. Quoting Price £11,250,000.
- Welwyn Garden City. 45,076 sq ft. £21.50 psf. £969,134 pa. NIY 6.00%. Quoting Price £15,130,000.
- Wokingham. 42,005 sq ft. £22.00 psf. £924,110 pa. NIY 5.85%. Quoting Price £14,800,000.

Key Facts

Property Type	Foodstore
Tenure	Freehold
Area	399,977 sq ft - 36,362 sq ft (average)
Tenant	Waitrose.
WAULT	20 (-)
Current Rent PA	£8,285,041 (£20.71)
Quoting Price	£133,000,000 (£332.52 psf)
Quoting Yield %	5.83
Date to Market	September 2023
Vendor	John Lewis and Partners
Status Date	November 2023
Status	Under Offer
Comments	Each lease has 5-yearly CPI linked rent reviews. Annual collar and cap of 1% and 4%. Available on portfolio or individual basis.

Sainsbury's, 566 London Road, North Cheam, SM3 9AA



Property Description

Site area of 8 acres (3.24 ha)

571 car parking spaces. Ratio of 1:192 sq ft.



EPC: C

Key Facts

Property Type	Supermarket
Tenure	Freehold
Area	109,944 sq ft
Tenant	Sainsbury's.
WAULT (WAUTC) Years	15.50 (-)
Current Rent Per Annum	£4,703,927 (£37.20 per sq ft)
Quoting Price	£80,000,000 (£727.64 per sq ft)
Quoting Yield %	5.5%
Date to Market	September 2023
Vendor	Lothbury
Status Date	November 2023
Status	Under Offer (to Dyson 6.50 % NIY going to 6.82% in 2024)
Comments	Annual upward only rent reviews in line with RPI subject to attractive and rare col and cap 2% and 5%. NIY anticipated to grow to 5.78% in March 2024. Reportedly under offer for a price lower than quoting price. EY reflects 7.05% based on offer

CBRE

Sainsbury's, 97-131 High Road, Chadwell Heath, RM6 6PB

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Property Description

3.58 acres (1.45 ha)

301 car parking spaces (1:177 sq ft)

Class E planning.



EPC: B

Key Facts

Property Type	Supermarket
Tenure	Freehold
Area	53,410 sq ft
Tenant	Sainsbury's.
WAULT (WAUTC) Years	15.00 (-)
Current Rent Per Annum	£1,000,000 (£18.72 per sq ft)
Quoting Price	£17,850,000 (£334.21 per sq ft)
Quoting Price NIY %	5.25
Date to Market	September 2023
Vendor	Shell Pension Trust
Status Date	November 2023
Status	Under Offer at 5.25%
Comments	5 yearly CPI uplift (3% pa). Recently re-gearred leases, with new 15-year term from 12 September 2023! External canopy of 1,274 sq ft. Second round bids late Oct. Reportedly under offer around quoting price. EY reflects 5.66% based on interest.

CBRE

Sainsbury's, Wilmslow Road, Fallowfield, Manchester, M14 6SS



Property Description

Site area of 5.2 acres (2.10 hectares).

240 car parking spaces.

Open A1 planning consent including food.



EPC: D

Key Facts

Property Type	Retail Warehouse
Tenure	Freehold
Area	71,005 sq ft
Tenant	Sainsbury's. Subject to annual RPI-linked reviews, with cap and collar of 3-5% p.a.
WAULT (WAUTC) Years	15.25 (-)
Current Rent Per Annum	£2,376,361 (£33.47 per sq ft)
Quoting Price	£37,080,000 (£522.22 per sq ft)
Quoting Price NIY %	6.00
Date to Market	June 2023
Vendor	Lothbury
Status Date	December 2023
Status	Under Offer at 7% NIY
Comments	Vendor top-up to September 2023 rent review. Interest was being drawn in late July at around 6.0% following selective marketing. Interest is now reportedly lower. EY 6.65% based on interest.

Lidl, Chester Road, Stanley, DH9 0TJ



Property Description

Site area of 2.88 acres (1.65 hectares).

119 car parking spaces.

Open A1 planning consent including food.

Key Facts

Property Type	Supermarket
Tenure	Freehold
Area	20,451 sq ft
Tenant	Lidl
WAULT (WAUTC) Years	25.00 (15.00)
Current Rent Per Annum	£275,645 (£13.48 per sq ft)
Quoting Price	£5,382,500 (£263.19 per sq ft)
Quoting Price NIY %	5.00
Date to Market	April 2023
Status Date	November 2023
Status	Available
Comments	Reportedly, interest at 5.50% NIY. New development and construction has not been completed.

Tesco, Yarrow Road, Poole, BH12 4NX



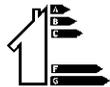
Property Description

9.86 acres (3.99 hectares)

Petrol filling station.

599 car parking spaces (1:173 sq ft).

Omni channel facilities.



EPC: C

Key Facts

Property Type	Supermarket
Tenure	Long Leasehold
Area	103,323 sq ft
Tenant	Tesco
WAULT (WAUTC) Years	7.50 (-)
Current Rent Per Annum	£3,666,888 (£33.22 per sq ft)
Quoting Price	£50,000,000 (£483.92 per sq ft)
Quoting Price NIY %	6.87
Date to Market	September 2023
Vendor	Lothbury
Status Date	December 2023
Status	Available
Comments	Subject to annual increases in line with RPI subject to a collar and cap of 0% and 4%. NIY anticipated to grow to 7.14% assuming RPI reaches the cap of 4% pa. Quoting price reflects an EY of 4.68%

Tesco, 30 Meadow Place Road, Edinburgh, EH12 7UQ

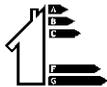


Property Description

8.78 acres (3.55 ha)

Petrol filling station. 508 car parking spaces (1:252 sqft)

Omni channel facilities



EPC: E

Key Facts

Property Type	Supermarket
Tenure	Long Leasehold
Area	128,157 sq ft
Tenant	Tesco
WAULT (WAUTC) Years	7.50 (-)
Current Rent Per Annum	£3,563,276 (£29.76 per sq ft)
Quoting Price	£49,000,000 (£382.34 per sq ft)
Quoting Price NIY %	6.81
Date to Market	September 2023
Vendor	Lothbury
Status Date	December 2023
Status	Available
Comments	Annual upward only rent reviews in line with RPI subject to col and cap of 0% and 4%. NIY anticipated to grow to 7.08% in March 2024 assuming RPI reaches cap of 4% pa. Quoting price reflects an EY of 5.21%

Tesco, Cherry Holt Road, Bourne, PE10 9LS



Property Description

Site area 5.7 acres (2.3 acres).

318 car parking spaces (1:153 sq ft).



EPC: B

Key Facts

Property Type	Retail Warehouse
Tenure	Freehold
Area	48,332 sq ft
Tenant	Tesco. Annual RPI linked rent reviews (0% and 4% collar and cap).
WAULT (WAUTC) Years	15.50 (-)
Current Rent Per Annum	£1,358,743 (£28.11 per sq ft) from April 2024. Rent is being topped-up to 2024 rent review.
Quoting Price	£20,200,000 (£417.94 per sq ft)
Quoting Price NIY %	6.30
Date to Market	September 2023
Vendor	L&G
Status Date	November 2023
Status	Withdrawn
Comments	Running Yield 2025 6.49%, 2030 7.52%, 2035 8.72% - Running Yields based on average RPI forecasts of 3% per annum. NIY anticipated to grow to 7.14% assuming RPI reaches the cap of 4% pa. Withdrawn due to pricing not meeting vendors expectations.

CBRE

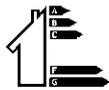
Tesco, Sowerby Street, Sowerby Bridge, Halifax, HX6 3BN



Property Description

Site area of 5.1 acres.

254 car parking spaces (1:160).



EPC: C

Key Facts

Property Type	Supermarket
Tenure	Long leasehold 999 years
Area	40,725 sq ft
Tenant	Tesco. Annual RPI linked rent reviews (0% and 5% collar and cap).
WAULT (WAUTC) Years	11
Current Rent Per Annum	£.343,145 (£32.98 per sq ft)
Quoting Price	£17,970,000 (£441.25 per sq ft)
Quoting Price NIY %	7.00%
Date to Market	September 2023
Vendor	Blackrock
Status Date	December 2023
Status	Available
Comments	No bids so far however interest has been between 7.25% - 7.50% NIY.

Tesco, Lysander Road, Stoke-on-Trent, ST3 7WB



Property Description

Site area of 8.70 acres (3.52 ha).

488 car parking spaces (1:167 sq ft).



EPC: D

Key Facts

Property Type	Supermarket
Tenure	Long Leasehold
Area	81,288 sq ft
Tenant	Tesco
WAULT (WAUTC) Years	11.10 (-)
Current Rent Per Annum	£2,788,948 (£34.31 per sq ft)
Quoting Price	£36,000,000 (£442.87 per sq ft)
Quoting Price NIY %	7.26
Date to Market	April 2023
Vendor	L&G
Status Date	December 2023
Status	Available
Comments	Lease subject to annual RPI linked reviews (col and cap of 0% and 4% per annum). Next rent review is in December 2023. Recently relaunched to the market after being withdrawn. Quoting price reflects an EY of 6.45%

RETAIL
WAREHOUSES

B&M, Golf Road, Mablethorpe, LN12 1FP



Property Description

Newly constructed.

1.30 acres (0.53 ha).

60 car parking spaces.

Key Facts

Property Type	Retail/Whse/Distribution
Tenure	Freehold
Area	14,000 sq ft
Tenant	B&M Retail Ltd
Current Rent Per Annum	£189,000 (£13.50 per sq ft)
Quoting Price	£2,900,000 (£207.14 per sq ft)
Date to Market	October 2023
Status Date	December 2023
Status	Available
Comments	New 15-year lease to B&M Retail. Open market reviews on fifth and tenth year, subject to a cap equivalent to 112% of the passing rent. Fully repairing and insuring lease.

Portrack Retail Park, Holme House Road, Stockton-on-Tees, TS18 2SB

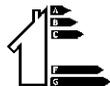


Property Description

Site area of 8.35 acres (3.38 hectares).

272 car parking spaces (1:240 sq ft).

Class E non-food, restricted to bulky goods, planning consent. Unit 3 is Class B8 planning consent.



EPC: B

Key Facts

Property Type	Retail Warehouse
Tenure	Freehold
Area	65,235 sq ft
Tenant	Howdens, United Carpets, Tile Mountain, One Gym and Michael O'Connor Furniture.
WAULT (WAUTC) Years	10.20 (8.40)
Current Rent Per Annum	£505,950 (£7.76 per sq ft)
Quoting Price	£6,775,000 (£103.86 per sq ft)
Quoting Price NIY %	7.00
Date to Market	June 2023
Vendor	UK Land Investments
Purchaser	Overseas Investor
Sale Price	£6,350,000
Sale Price NIY %	7.50
Status Date	September 2023
Status	Sold

The Pipeworks, Swadlincote, Derbyshire, DE11 9AA



Property Description

6.52 acres.

Comprises retail park with 8 units, 5-screen Odeon cinema, 3 detached F&B units, a pub (sold off) and vet practice (sold off).

Key Facts

Property Type	Retail Warehouse
Tenure	Freehold
Area	68,958 sq ft
Tenant	Home Bargains, Iceland, JYSK, Jollyes, Odeon, Snap Fitness, Prezzo, Sue Ryder, Costa, Subway, Starbucks.
WAULT	9.86 (9.2)
Current Rent PA	£934,112 (£13.55)
Quoting Price	£11,300,000 (£163.87)
Quoting NIY %	7.50
Vendor	CBRE IM
Date to Market	November 2023
Status Date	November 2023
Status	Available
Comments	Aldi adjacent to the scheme freehold but held on a separate long leasehold interest.

Silk Bridge Retail Park, 1 Edgware Road, London, NW9 7EZ



Property Description

Site area of 2.82 acres (1.14 ha).

129 car parking spaces.

Key Facts

Property Type	Retail Warehouse
Tenure	Freehold
Area	43,336 sq ft
Tenant	Halfords, Pets at Home, Wickes.
WAULT (WAUTC) Years	10.80 (-)
Current Rent Per Annum	£995,850 (£22.98 per sq ft)
Quoting Price	£17,000,000 (£392.28 per sq ft)
Quoting Price NIY %	5.50
Date to Market	October 2023
Vendor	Lothbury
Status Date	November 2023
Status	Available
Comments	Wickes rent review is subject to col and cap of 1% and 3% per annum compounded. 2023 review outstanding - there will be a minimum rental increase that will increase the running yield to a minimum of 5.62%.

Gastons Wood Retail Park, Reading Road, Basingstoke, RG24 8TW



Property Description

Site area 9.3 acres (3.76 hectares).

Three ground level car parks serving 444 car parking space. Ratio 1:269 sq ft.

Class E part food planning consent.

Key Facts

Property Type	Retail Warehouse
Tenure	Freehold
Area	119,597 sq ft
Tenant	The Range, Lidl, Dunelm, Go Outdoors
WAULT (WAUTC) Years	11.80 (10.10)
Current Rent Per Annum	£1,580,702 (£13.22 per sq ft)
Quoting Price	£23,690,000 (£198.08 per sq ft)
Quoting Price NIY %	6.25
Date to Market	September 2023
Vendor	Corum Property Fund
Status Date	November 2023
Status	Withdrawn
Comments	Range has 5 yearly fixed compound rental increases 2% pa. Next review in December in 2025. Lidl has fixed rent review uplifts. Next uplift is in September 2028. Received bids in October with best bid reported to be 6.75% - Withdrawn from the market.

Bridge Park, London Road, East Grinstead, RH19 1LB

Page 106



Property Description

Site area of 2.58 acres.

95 car parking spaces (1:279 sq ft).

Key Facts

Property Type	Retail Warehouse
Tenure	Freehold
Area	26,505 sq ft
Tenant	Wickes and Pets at Home.
WAULT (WAUTC) Years	15.60 (-)
Current Rent Per Annum	£514,018 (£19.39 per sq ft)
Quoting Price	£8,000,000 (£301.83 per sq ft)
Quoting Price NIY %	6.00
Date to Market	October 2023
Vendor	Palace Capital
Status Date	December 2023
Status	Under Offer
Comments	Wickes agreed 15-year reversionary lease, unbroken lease term of c. 19 years. Bids reported to have happened 31/10/2023. Expected to be in the region of 6.25%-6.50%.

Halford, 165-179 Windmill Road, Croydon, CR0 2XT



Property Description

Purpose built for Halfords

32 space car park 1:258 sq ft

Key Facts

Property Type	Retail Warehouse
Tenure	Long Leasehold
Area	8,244 sq ft
Tenant	Halfords
WAULT (WAUTC) Years	8.5 UXT (-)
Current Rent Per Annum	£237,067 (£28.76 per sq ft)
Quoting Price	-
Quoting Price NIY %	-
Date to Market	October 2023
Vendor	Private
Status Date	December 2023
Status	Under Offer
Comments	Under offer at £3,400,000 reflecting 8.07% NIY / 7.08% EY

INDUSTRIAL DISTRIBUTION

General Electric, Stafford, ST16 1WS

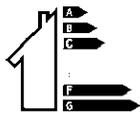


Property Description

The property is on a 9.98 acre site providing a site cover of 23%.

Next review in 10/2027, 5 yearly reviews, RPI linked collar 2% - 4% cap.

The last review was in 2022.



EPC: B

Key Facts

Property Type	Warehouse/Distribution
Tenure	Freehold
Area	179,631 sq ft
Tenant	Let to General Electric Energy UK Limited. Guarantee from General Electric Company
WAULT (WAUTC) Years	13.50
Current Rent Per Annum	£1,817,270 (£10.12 per sq ft)
Quoting Price	£28,370,000 (£157.93 per sq ft)
Quoting Price NIY %	6.00
Date to Market	September 2023
Vendor	L&G
Purchaser	-
Sale Price	Under Offer
Sale Price NIY %	Under Offer
Status Date	December 2023
Status	Under Offer

Morrisons Bridgwater, TA6 4FG



Property Description

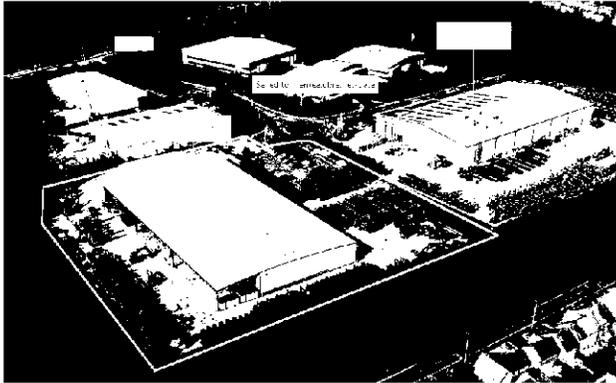
The property is situated on a 59 acres site providing density of 30%.



Key Facts

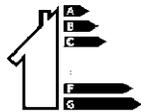
Property Type	Warehouse/Distribution
Tenure	Freehold
Area	777,722 sq ft
Tenant	Let to WM Morrison Supermarkets Limited
WAULT (WAUTC) Years	15.80
Current Rent Per Annum	£4,209,465 (£5.41 per sq ft)
Quoting Price	£63,000,000 (£81 per sq ft)
Quoting Price NIY %	6.26
Date to Market	September 2023
Vendor	Aviva
Purchaser	-
Sale Price	-
Sale Price NIY %	-
Status Date	December 2023
Status	Available

Unit 4, Monkton Business Park, South Tyneside, NE31 2JZ



Property Description

Prime, long income industrial unit let to market leading global brand (16.2% site coverage)



EPC: B

Key Facts

Property Type	Warehouse/Distribution
Tenure	Freehold
Area	33,023 sq ft
Tenant	Hitachi
WAULT (WAUTC) Years	20
Current Rent Per Annum	£310,500
Quoting Price	£6,000,000
Quoting Price NIY %	4.85
Date to Market	October 2023
Vendor	-
Purchaser	-
Sale Price	-
Sale Price NIY %	-
Status Date	-
Status	Current interest mid-high 5%

Next Distribution, Lincolnshire way, Doncaster, DN3 3FF



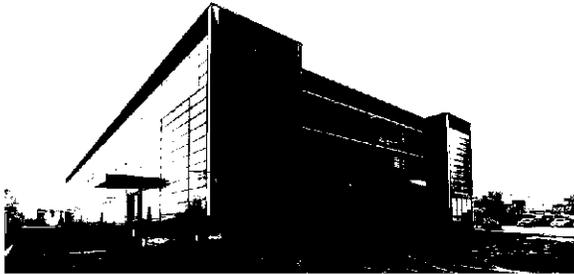
Property Description

Next have 2 distribution centres on this site.

Key Facts

Property Type	Warehouse/Distribution
Tenure	Freehold
Area	263,806 sq ft
Tenant	Next plc
WAULT (WAUTC) Years	13.50
Current Rent Per Annum	£1,416,765 (£5.37 per sq ft)
Quoting Price	£21,223,045 (£80 per sq ft)
Quoting Price NIY %	6.25
Date to Market	September 2023
Vendor	Blackrock
Purchaser	-
Sale Price	-
Sale Price NIY %	-
Status Date	November 2023
Status	Under Offer at quote price

The Hill Company, Rainham, RM13 8GJ



Property Description

RPI linked rent reviews, subject to cap and collar of 2%-4% pa, 5 yearly.

Key Facts

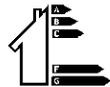
Property Type	Warehouse/Distribution
Tenure	Freehold
Area	45,664 sq ft
Tenant	Let to The Hill Company Limited (upon completion of the sale).
WAULT (WAUTC) Years	25.00
Current Rent Per Annum	£833,368 (£18.25 per sq ft)
Quoting Price	£13,100,000 (£286.88 per sq ft)
Quoting Price NIY %	5.70
Date to Market	September 2023
Vendor	The Hill Company
Purchaser	-
Sale Price	Under Offer
Sale Price NIY %	c. 6.00
Status Date	December 2023
Status	Under Offer

Downing Street Industrial Estate, Charlton Place, Manchester, M12 6HH



Property Description

Downing Street Industrial Estate occupies an extremely prominent gateway site, immediately off the Mancunian Way, which forms part of Manchester's inner ring road.

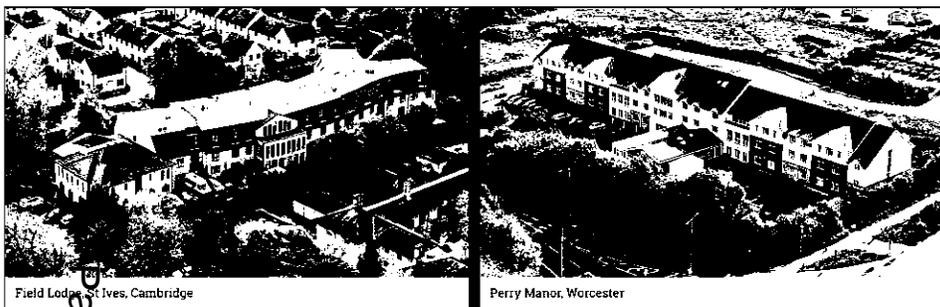


EPC: C/D

Key Facts	
Property Type	Multi-Let Estates
Tenure	Freehold
Area	74,520 sq ft
Tenant	Fully let to 5 tenants, including Royal Mail, Speedy Asset Services and KCOM Group Ltd.
WAULT (WAUTC) Years	3.5 (1.6)
Current Rent Per Annum	£501,614 (£6.73 per sq ft)
Quoting Price	£11,000,000 (£147.61 per sq ft)
Quoting Price NIY %	4.27
Date to Market	October 2023
Vendor	CBRE
Status Date	November 2023
Status	Available
Comments	Located within 1-mile of Manchester City Centre. Scope for redevelopment to create a high density, residential mixed use scheme (subject to planning).

CARE HOMES,
HEALTHCARE
& NURSERIES

Project Darwin, Field Lodge (Cambridge) & Perry Manor (Worcester)



Field Lodge, Ives, Cambridge

Perry Manor, Worcester

Page 116

Property Description

Project Darwin - two index-linked Care UK to be sold on a topped up basis.

Average occupancy of 86.7% (Sept 23).

Field Lodge – 72 beds

Perry Manor – 82 beds

Topped up rent to total £2,105,541
(£13,672 /bed)



EPC: B

Key Facts

Property Type	Care Home
Tenure	Freehold
Tenure Comment	Annual RPI reviews cap & collar (1% - 5%) Field Lodge. (1% - 4%) Perry Manor
Area	154 total beds
Tenant	Care UK Community Partnership Ltd
WAULT (WAUTC) Years	24.3
Current Rent Per Annum	£2,032,421
Quoting Price	£34,300,00
Quoting Price NIY %	5.75%
Date to Market	September 2023
Vendor	-
Purchaser	-
Sale Price	-
Sale NIY %	-
Status Date	September 2023
Status	Available
Comments	Field Lodge: Next review 08/02/2024 Perry Manor: Next review 09/04/2024

CBRE

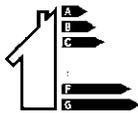
Bright Horizons, 359 Lower Richmond Road, Richmond, TW9 4NZ



Property Description

Property is let to Bright Horizons Family Solutions Ltd until August 2037 (break 2032).

Lease assigned from Kidsunlimited LTD in June 2023



EPC: C

Key Facts

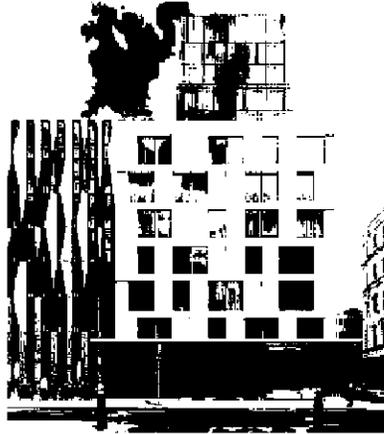
Property Type	Nursery
Tenure	Freehold
Tenure Comment	5 Yearly RPI compounded reviews cap & collar (2% - 5%)
Area	5,187 sq ft (NIA)
Tenant	Bright Horizons Family Solutions Limited
WAULT (WAUTC) Years	13 (9)
Current Rent Per Annum	£123,739 per annum (£23.86 per sq ft)
Quoting Price	£2,000,000
Quoting Price NIY %	5.82%
Date to Market	-
Vendor	-
Purchaser	-
Sale Price	-
Sale NIY %	-
Status Date	November 2023
Status	Under Offer
Comments	Under offer but interested party trying to renegotiate

CBRE

HOTELS

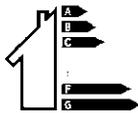
Motel-One London Tower Hill , 24-26 Minories, EC3N 1BQ

Page 119



Property Description

The hotel is the only trading Motel One in London and is composed of a modern built high-rise tower with 291 rooms of 16 sqm spread across 15 floors. The property also features a lounge/restaurant area on the ground floor as well as the reception.



EPC: A

Key Facts

Property Type	Hotel
Tenure	Freehold
Tenure Comment	5-yearly RPI cap and collar (2% - 5%). Next review October 2024
Area	291 beds
Tenant	Motel One UK Limited
WAULT (WAUTC) Years	24
Current Rent Per Annum	£2,777,164 (£9,544 per bed)
Quoting Price	£65,000,000 (£223,367 per bed)
Quoting Price NIY %	4.89
Date to Market	September 2023
Vendor	
Purchaser	
Sale Price	
Sale NIY %	
Status Date	September 2023
Status	Available
Comments	Quoting price based on topped up rent of £3,394,342 (October 2024 review).

CBRE

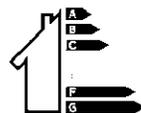
Premier Inn, West Way, Botley, Oxford, OX2 0JF

Page 120

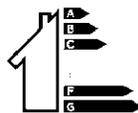


Property Description

70% Premier Inn and 30% Co-op retail. Co-op has an unexpired term of 22 years. All bedrooms are ensuite and provided across floors 1 to 6 and the 1st floor restaurant provides 111 covers. Premier Inn have the right to 75 car parking spaces in the Block B upper and lower ground car park and access to the remaining 185 spaces on a first come first served basis.



EPC: B
(Hotel)



EPC: D
(Co-op)

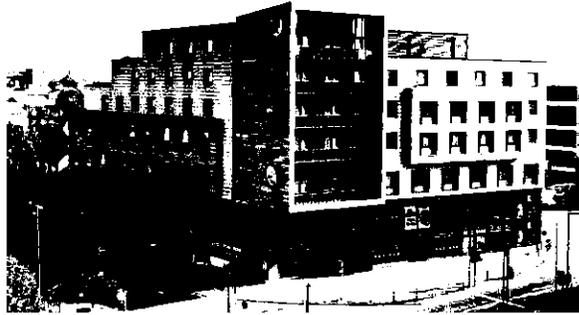
Key Facts

Property Type	Hotel
Tenure	Virtual Freehold – 999 Long Leasehold
Tenure Comment	Whitbread – 5-yearly CPI cap and collar (0%- 4%) Co-op – 5-yearly fixed 2.5%
Area	123 Beds
Tenant	Premier Inn t/a Whitbread Group PLC The Midcounties Co-operative Limited
WAULT (WAUTC) Years	23 (-)
Current Rent Per Annum	£1,095,204 (total rent) (£6,300 per bed)
Quoting Price	£22,000,000 (£ per bed)
Quoting Price NIY %	4.65%
Date to Market	May 2023
Vendor	-
Purchaser	-
Status Date	September 2023
Status	Under-offer
Comments	Rumoured to be under offer at c.5.25% Running yield 5.33% (January 2026). Progressing slowly.

CBRE

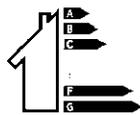
Premier Inn, High Fisher Gate, Doncaster, DN1 1QZ

Page 121



Property Description

Prime purpose-built 138-bedroom hotel and restaurant/bar with ancillary retail and leisure accommodation.



EPC: B

Key Facts

Property Type	Hotel
Tenure	Freehold
Tenure Comment	5-yearly CPI annually compounded cap and collar (0% - 4%)
Area	138 Beds
Tenant	Premier Inn t/a Whitbread
WAULT (WAUTC) Years	18.8 (-)
Current Rent Per Annum	£763,689 (£430 per bed)
Quoting Price	£13,630,000 (£ per bed)
Quoting Price NIY %	5.25%
Date to Market	May 2023
Vendor	-
Status Date	September 2023
Status	Available
Comments	Running yield in July 2023 5.74%

Travelodge, Garrick Parade, Lord Street, Southport, PR8 1RN



Property Description

Travelodge hotel arranged over part ground and six upper floors, along with two ground floor commercial units with Papa Johns and Anytime Fitness.

The front part of the property comprises a Grade II listed building incorporating 17 rooms. A modern 6-storey element to the rear constructed in 2014 accommodates the majority of the rooms.



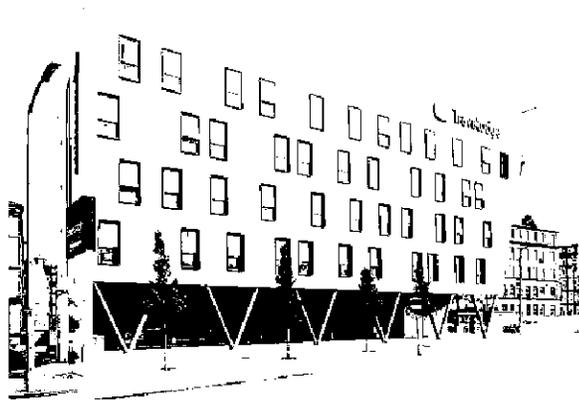
EPC: B (Fitness) / C (Hotel + Papa Johns)

Key Facts

Property Type	Hotel and Retail
Tenure	Long leasehold – 125 years
Tenure Comment	Ground rent 5-yearly RPI cap and collar (2% - 5%). Travelodge – 5 yearly uncapped RPI after March 2024.
Area	101 beds
Tenant	Travelodge Hotels
WAULT (WAUTC) Years	15.75 (Travelodge)
Current Rent Per Annum	
Quoting Price	£4,162,000
Quoting Price NIY %	8.50%
Date to Market	August 2023
Vendor	-
Status Date	September 2023
Status	Available
Comments	11% minimum Net Reversionary Yield in 2024

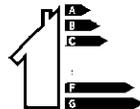
Travelodge Bradford Central, 2 Valley Road, Bradford, BD1 4AF

Page 123



Property Description

The subject property comprises a 69-bedroom Travelodge hotel arranged over part ground, first, second, third and fourth floors. The hotel is designed to the Travelodge brand specification. The hotel benefits from 28 on site car parking spaces. There is a retail unit on the ground floor which has been 'sold off' on a long lease



EPC: B

Key Facts

Property Type	Hotel
Tenure	LLH – 239 yrs remaining, ground rent £53,010.87 per annum and is revied annually to RPI 2% collar.
Tenure Comment	5-yearly uncapped RPI Next review March 2027
Area	69 Beds
Tenant	Travelodge Hotels Limited
WAULT (WAUTC) Years	14 (-)
Current Rent Per Annum	£306,391.14 (£4,440.45 per bed)
Quoting Price	£2,975,000 (£43,115.94 per bed)
Quoting Price NIY %	8.00%
Date to Market	March 2023
Status Date	June 2023
Status	Available
Comments	Price chip from March £3.39m (7.00%)

Premier Inn Southampton West Quay, Harbour Parade, Southampton, SO15 1BA

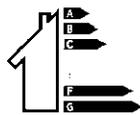
Page 124



Property Description

Purpose-built 155-bedroom hotel and restaurant/bar with ancillary retail.

Cladding issues were resolved prior to completion of sale.



EPC: B

Key Facts

Property Type	Hotel
Tenure	
Tenure Comment	
Area	155 beds
Tenant	Premier Inn t/a Whitbread
WAULT (WAUTC) Years	18 yrs UXT
Vendor	-
Purchaser	Aviva
Sale Price	15,900,000
Sale NIY %	5.75%
Status Date	November 2023
Status	Sold
Comments	Was regearod to push out the term and move from RPI to CPI index. Regear shows 5.25%

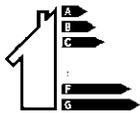
Premier Inn Tottenham

Page 125



Property Description

Walking distance to Tottenham Hale Train Station and Tottenham Hale Underground Station.



EPC: A

Key Facts

Property Type	Hotel
Tenure	
Tenure Comment	5-yearly CPI with 1% - 4% collar and cap.
Area	96 beds
Tenant	Whitbread
WAULT (WAUTC) Years	13 UXT
Current Rent Per Annum	£600,000
Date to Market	September 2023
Vendor	L&G
Quoting Price	£10,700,000 (£111,458 per bed)
Quoting NIY %	5.25%
Status Date	October 2023
Status	Available
Comments	

PORTFOLIOS

Premier Inn Portfolio



Property Description

Portfolio of 5 hotel:
 Premier Inn Chippenham
 Premier Inn Harlow
 Premier Inn Norwich
 Premier Inn Weston Super Mare
 Premier Inn Worcester

Key Facts

Property Type	5 Hotels
Tenure	
Tenure Comment	
Area	
Tenant	Whitbread Plc
WAULT	13 UXT – Tenant has 2 x 15-year extensions
Current Rent Per Annum	
Quoting Price	
Quoting NIY %	6.00%
Vendor	Aviva
Purchaser	
Status Date	September 2023
Status	Available
Comment	Pricing is confidential Estimated yield goes to 6.8% at review in 3 years.

Travelodge Portfolio



Property Description

32 Hotels for sale across the UK let to Travelodge Hotels Ltd.

Key Facts

Property Type	32 Hotels
Tenure	Freehold and Leasehold
Tenant	Travelodge Hotels Ltd
WAULT (WAUTC) Years	25.9 yrs
Quoting Price	Offers invited
Quoting Price NIY %	n/a
Date to Market	September 2023
Vendor	LXi REIT
Purchaser	
Status Date	November 2023
Status	Under offer
Comments	Understand this has gone under offer at £210m with an addition 34 hotels included within the deal.

STUDENT ACCOMMODATION

Project Duo Viking House and 179 High Street, Lincoln

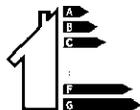


Property Description

Viking House - 270 rooms of which 15 are studio apartments.

179 High Street – 310 rooms of which 19 are studio bedrooms.

Both completed between 2019 – 2021.



EPC: B

Key Facts

Property Type	Student Accommodation
Tenure	Freehold
Tenure Comment	Annual RPI (2% - 5%) cap and collar
Area571	571 Beds
Tenant	
WAULT (WAUTC) Years	18.8 and 18.2 both with break option 1 year prior
Current Rent Per Annum	£1,985,352 (£3,477 per bed)
Quoting Price	£40,615,000 (£71,130 per bed)
Quoting Price NIY %	4.75%
Date to Market	April 2023
Vendor	-
Purchaser	-
Sale Price	-
Sale NIY %	-
Status Date	September 2023
Status	Under-offer
Comments	Chipped to reflect softer pricing

PUBS

Chantry Chichester, South Street, Chichester, PO19 1ES

Page 132



Property Description

Public house with 3:30am licence in the centre of Chichester - 350 venue capacity. 7,568 sq ft property arranged as a ground floor pub with offices over first & second floors & parking for 6 cars.

Key Facts

Property Type	Bar/Tavern/Nightclub
Tenure	Freehold
Area	7,568 sq ft
Tenant	Entirely let to Slug and Lettuce Company Ltd, guaranteed by Stonegate Pub Company Ltd
WAULT (WAUTC) Years	21.00 (21.00)
Current Rent Per Annum	£189,947 (£25.10 per sq ft)
Sale Price	Confidential
Sale Price NIY %	Confidential
Quoting Price	£2,400,000 (£317.12 per sq ft)
Quoting Price NIY %	7.74
Date to Market	August 2023
Status Date	November 2023
Status	Sold
Comments	First and second floor offices are self-contained with separate access

Yates, York, Church Lane, York, YO1 9QT



Property Description

The property comprises a substantial, converted warehouse of red brick construction under a double pitch tile roof. It extends over four levels with a smaller two storey section of similar construction and an infill glazed conservatory to the front.

Key Facts

Property Type	Pub
Tenure	Freehold
Area	15,150 sq ft
Tenant	The property is let on a FR&I lease to Hops Pub Company limited guaranteed by Stonegate Pub Company Limited
WAULT (WAUTC) Years	15.50 (15.50)
Current Rent Per Annum	£373,744 (£24.67 per sq ft)
Sale Price	Confidential
Sale Price NIY %	Confidential
Quoting Price	£3,900,000 (£257.43 per sq ft)
Quoting Price NIY %	9.00
Status Date	November 2023
Status	Sold
Comments	Subject to annual RPI-linked rent increases, with a collar and cap of 2% & 4%

The Burlington, 29 Burlington Street, Chesterfield, S40

Page 134



Property Description

29-31 Burlington Street is a Public House arranged over ground and first floors. The property is located in Chesterfields town centre and is prominently situated at the junction of Burlington Street and Church Way.

Key Facts

Property Type	Pub
Tenure	Freehold
Area	7,000 sq ft
Tenant	Entirely let to Hops Pub Company Limited with a guarantee from Stonegate Pub Company Limited, Barley Pub Company Limited and Town & City Pub Group Limited
WAULT (WAUTC) Years	21.00 (21.00)
Current Rent Per Annum	£106,625 (£13.96 per sq ft)
Vendor	BlackRock Group Limited
Sale Price	£998,548 (£142.65 per sq ft)
Sale Price NIY %	10.00
Status Date	September 2023
Status	Sold
Comments	Annual CPI Rental increases subject to a minimum of 1% and maximum of 4%

Prince of Wales, 1 Railway Street, Chatham, ME4



Property Description

Town centre Public House arranged on the ground, first and second floors with a managers flat on the third attic floor. The property benefits from loading to the rear of the property.

Key Facts

Property Type	Pub
Tenure	Freehold
Area	9,842 sq ft
Tenant	Let to Barley Pub Company Limited with a guarantee from Stonegate Pub Company Limited, Hops Pub Company Limited and Town & City Pub Group Limited
WAULT (WAUTC) Years	21.00 (21.00)
Current Rent Per Annum	£100,163 (£10.18 per sq ft)
Vendor	BlackRock Group Limited
Sale Price	£938,031 (£95.31 per sq ft)
Sale Price NIY %	10.00
Status Date	September 2023
Status	Sold
Comments	Annual CPI Rental increases subject to a minimum of 1% and maximum of 4%

The Station, 36 High Street, Eastleigh, SO50

Page 136



Property Description

Public House arranged over ground and first floors. The property benefits from loading to the rear via Wells Road.

Key Facts

Property Type	Pub
Tenure	Freehold
Area	7,639 sq ft
Tenant	Let to Barley Pub Company Limited) with a guarantee from Stonegate Pub Company Limited, Hops Pub Company Limited and Town & City Pub Group Limited
WAULT (WAUTC) Years	21.00 (21.00)
Current Rent Per Annum	£59,236 (£7.75 per sq ft)
Vendor	BlackRock Group Limited
Sale Price	£554,748 (£72.62 per sq ft)
Sale Price NIY %	10.00
Status Date	September 2023
Status	Sold
Comments	Annual CPI Rental increases subject to a minimum of 1% and maximum of 4%

The Crafty Scholar, 33-37 Church Street, Lancaster, LA1 1LP



Property Description

Public House arranged over ground, first and second floors. Located within Lancaster city centre on the pedestrianised Church Street.

Key Facts

Property Type	Pub
Tenure	Long Leasehold
Area	9,324 sq ft
Tenant	Let to Barley Pub Company Limited with a guarantee from Stonegate Pub Company Limited
WAULT (WAUTC) Years	21.00 (21.00)
Current Rent Per Annum	£94,778 (£10.16 per sq ft)
Vendor	BlackRock Group Limited
Sale Price	£887,601 (£95.20 per sq ft)
Sale Price NIY %	10.00
Status Date	September 2023
Status	Sold
Comments	Annual CPI Rental increases subject to a minimum of 1% and maximum of 4%

Prince of Wales, 14 New Market Street, Chorley, PR7 1DB

Page 138



Property Description

Public House arranged over the ground, basement, first and second floors. The property benefits from loading to the rear.

Key Facts

Property Type	Pub
Tenure	Freehold
Area	3,875 sq ft
Tenant	Let to Stonegate Pub Company Limited
WAULT (WAUTC) Years	21.00 (21.00)
Current Rent Per Annum	£88,772 (£22.91 per sq ft)
Vendor	BlackRock Group Limited
Sale Price	£831,354 (£214.54 per sq ft)
Sale Price NIY %	10.00
Status Date	September 2023
Status	Sold
Comments	Annual CPI rent increases subject to a min of 1% and max 4%

The Goudhurst Inn, Cranbrook Road, Cranbrook, TN17 1DX



Property Description

Freehold public house in Cranbrook, Kent. Substantial building arranged as a gastro pub/restaurant with 4 boutique rooms, totalling 4,995 sq ft with large, dedicated customer car park.

Key Facts

Property Type	Pub
Tenure	Freehold
Area	4,995 sq ft
Tenant	Entirely let to The Goudhurst Pub Company Ltd and Warwick Balfour Capital LLP
WAULT (WAUTC) Years	27.00 (27.00)
Current Rent Per Annum	£70,940 (£14.20 per sq ft)
Quoting Price	£850,000 (£170.17 per sq ft)
Date to Market	August 2023
Status Date	November 2023
Status	Under Offer
Comments	Annual RPI-linked rent increases (2% / 5%) and an upward only Open Market Value review in year 5

The Tickled Trout, Lower Road, Maidstone, ME15 0PE

Page 140



Property Description

Historic Grade II listed Gastro Pub with 6 rooms. Dedicated customer car park and extensive beer garden.

Key Facts	
Property Type	Pub
Tenure	Freehold
Area	5,063 sq ft
Tenant	Entirely let to The Tickled Trout Pub Co Ltd and Warwick Balfour Capital LLP Lease is guaranteed by Hush Heath Hospitality Ltd
WAULT (WAUTC) Years	27.00 (27.00)
Current Rent Per Annum	£97,630 (£19.28 per sq ft)
Quoting Price	£1,050,000 (£207.39 per sq ft)
Quoting Price NIY %	8.79
Date to Market	August 2023
Status Date	November 2023
Status	Under Offer
Comments	Annual RPI-linked rent increases (2% / 5%) and an upward only Open Market Value review in year 5. The next review is in June 2024 where the rent is expected to rise to £102,512 per annum based on a maximum 5% uplift

The Wheatsheaf, 2 Upper Tooting Road, London, SW17 7TS



Property Description

Freehold public house arranged over four levels extending to 13,202. Ground, basement and part first floor let to Urban Pubs & Bars Limited. Seven apartments located at first and second floor level with separate residential access from Trinity Road.

Key Facts

Property Type	Pub
Tenure	Freehold
Area	13,202 sq ft
Tenant	The ground, basement and part first floor are let to Urban Pubs & Bars. The manager's flat is let at £13,426 per annum on a separate lease
WAULT (WAUTC) Years	32.00 (32.00)
Quoting Price	£6,500,000 (£492.35 per sq ft)
Quoting Price NIY %	5.47
Status Date	December 2023
Status	Available
Comments	Subject to RPI annual rent review with a collar of 1% and a cap of 4%

Cosy Club, 45-51 London Street, Norwich, NR2 1AG

Page 142



Property Description

Grade II listed property built in 1925, located in Norwich. The premises are arranged over basement, ground, first and second floors.

Key Facts

Property Type	Pub
Tenure	Freehold
Area	8,408 sq ft
Tenant	The asset is entirely let on a FR&I lease to Loungers UK
WAULT (WAUTC) Years	21.00 (15.00)
Current Rent Per Annum	£175,000 (£20.81 per sq ft)
Quoting Price	£2,740,000 (£325.88 per sq ft)
Quoting Price NIY %	6.00
Status Date	December 2023
Status	Available
Comments	The lease is subject to five yearly open market rent reviews

Stapylton Arms, 80 High Street, Middlesbrough, TS6 9DY



Property Description

The property comprises a substantial public house with bar servery, lounge, kitchen, storage and WCs on the ground floor. There is a beer and spirit store at basement level while the first floor comprises a self-contained managers flat.

Key Facts

Property Type	Pub
Tenure	Freehold
Tenant	The property is let on a FR&I lease to Stonegate Pub Company Limited
WAULT (WAUTC) Years	20.50 (20.50)
Current Rent Per Annum	£100,173
Quoting Price	£995,000
Quoting Price NIY %	9.50
Status Date	December 2023
Status	Available
Comments	Subject to annual RPI-linked rent reviews, with a collar and cap of 2% & 4%

The Eel Pie, 9-11 Church Street, Twickenham, 9-11 Church Street, Twickenham, TW1 3NJ

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Property Description

The Eel Pie occupies a prominent corner position arranged over ground, basement and two upper floors with rendered and exposed brick elevations.

Key Facts

Property Type	Pub
Tenure	Freehold
Area	6,749 sq ft
Tenant	Hall & Woodhouse Limited
WAULT (WAUTC) Years	27.00 (27.00)
Current Rent Per Annum	£175,000 (£25.93 per sq ft)
Quoting Price	£3,870,000 (£573.42 per sq ft)
Quoting Price NIY %	4.25
Status Date	December 2023
Status	Available
Comments	RPI linked rent review with a collar of 1% and a cap of 4% dated 6th February 2025 and every fifth anniversary thereafter

PORTFOLIOS

Project Capital - portfolio of 11 pubs, Garratt Lane, London, SW18 4ED

Page 146



Property Description

11 substantial freehold properties located across London with very low rents. Well-invested public houses each situated on corner sites, comprising a total floor area of more than 55,657 sq ft (5,170.67 sq m).

Key Facts

Property Type	Pub
Tenure	Freehold
Area	55,657 sq ft
Tenant	All properties are to be let on new leases to Stonegate Pub Company Limited
WAULT (WAUTC) Years	25.00 (25.00)
Current Rent Per Annum	£865,000 (£15.54 per sq ft)
Quoting Price	£16,060,000 (£288.55 per sq ft)
Quoting Price NIY %	5.00
Date to Market	June 2023
Status Date	December 2023
Status	Available
Comments	Rents £75-100k. Clerkenwell, Islington, but also Enfield, Wandsworth, Keston. No movement on price

The Landmark Portfolio

The Portfolio

Five exceptional public houses located in major towns and cities across the UK



Property Description

Portfolio of 5 pubs:

Pitcher & Piano – Nottingham

Pitcher & Piano – York

Pitcher & Piano – Winchester

Pitcher & Piano – Harrogate

The Coach House – Swansea

Key Facts

Property Type	5 pubs
Tenure	Freehold
Tenure Comment	5-yearly RPI reviews cap and collar (1% - 4%)
Area	35,964 sq ft
Tenant	Marston's PLC
WAULT	26.5 years
Current Rent Per Annum	£922,279
Quoting Price	£14,000,000
Quoting NIY %	6.17%
Vendor	AXA
Purchaser	-
Sale Price	Confidential
Sale Price NIY %	Confidential
Status Date	November 2023
Status	Exchanged
Comment	Sale price reflects a 7.20% NIY but drifts in to 8% at next review in 2024.

PETROLEUM & AUTOMOTIVE

Sandbach, Saxton Cross, CW11 4SP



Property Description

Page 149

Key Facts

Property Type	Petrol filling station
Tenure	Freehold
Tenure comment	-
Area	-
Tenant	Arthur Food Stores Ltd – Guaranteed by The Co Op
WAULT (WAUTC) Years	15
Current Rent Per Annum	£200,000
Quoting Price	Off Market Transaction
Quoting Price NIY %	
Date to Market	June 2022
Vendor	Unity United
Status Date	November 2023
Status	Sold
Comment	£3,400,000 5.57% NIY

Applegreen, Knavesmire Service Station, 20-22 Tadcaster Road, York, YO24 1LQ

Page 150



Property Description

0.2 acre site on prominent corner on the main A1036 2 miles southwest of York City Centre.

Key Facts

Property Type	Petrol Filling Station
Tenure	Freehold
Tenure Comment	5 yearly RPI linked reviews (2-4%)
Area	0.2 acres (1,135 sq ft convenience store inc)
Tenant	Petrogas Group UK limited (Guaranteed by Applegreen PLC.
WAULT (WAUTC) Years	14 (9)
Current Rent Per Annum	£102,000
Quoting Price	£1,480,000
Quoting Price NIY %	6.5%
Date to Market	November 2023
Vendor	-
Sale Price	-
Sale NIY %	-
Status Date	December 2023
Status	Still available
Comments	No interest as of yet.

Applegreen, Hull Road, Hedon, Hull, HU12 8DJ



Property Description

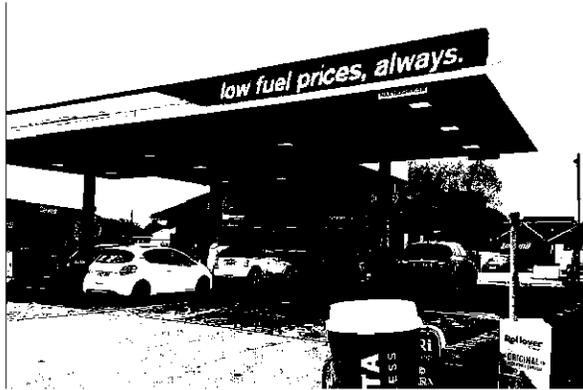
0.7 acre site situated in a busy market town just 5 miles east of Hull. Adjacent to Sainsbury's and Saint Augustines Business Park.

Key Facts

Property Type	Petrol Filling Station
Tenure	Freehold
Tenure Comment	5 yearly RPI linked reviews (2-4%)
Area	0.7 acres (729 sq ft convenience store inc)
Tenant	Petrogas Group UK limited (Guaranteed by Applegreen PLC.
WAULT (WAUTC) Years	14 (9)
Current Rent Per Annum	£120,000
Quoting Price	£1,675,000
Quoting Price NIY %	6.75%
Date to Market	November 2023
Vendor	-
Sale Price	-
Sale NIY %	-
Status Date	December 2023
Status	Still available
Comments	No interest as of yet.

Applegreen, Carlisle Road, Lockerbie, DG11 2DJ

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Property Description

0.41 town centre site, adjacent to the main A74(M) linking the M6 and Carlisle to Glasgow and the highlands of Scotland.

Key Facts

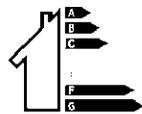
Property Type	Petrol Filling Station
Tenure	Freehold
Tenure Comment	5 yearly RPI linked reviews (2-4%)
Area	0.41 acres (1,216 sq ft convenience store inc)
Tenant	Petrogas Group UK limited (Guaranteed by Applegreen PLC.)
WAULT (WAUTC) Years	14 (9)
Current Rent Per Annum	£90,000
Quoting Price	£1,250,000
Quoting Price NIY %	6.8%
Date to Market	November 2023
Vendor	-
Sale Price	-
Sale NIY %	-
Status Date	December 2023
Status	Still available
Comments	No interest as of yet.

Nissan & Skoda, 2-3 Rennie Drive, Dartford DA1 5FD



Property Description

Site area 2.37 acres (0.96 hectares). The property occupies a prime commercial location less than half a mile from J1A of the M25 motorway, adjoining the Dartford Crossing.



EPC: C



Very Good

Key Facts

Property Type	Car Dealership
Tenure	Freehold
Tenure Comment	5-yearly RPI compounded annually cap and collar (1.5% - 4%)
Area	30,439 sq ft
Tenant	Motorline Holdings Ltd
WAULT (WAUTC) Years	20.12
Current Rent Per Annum	£486,661 (£15.99 per sq ft)
Quoting Price	£8,295,000 (£272.51 per sq ft)
Quoting Price NIY %	5.50%
Date to Market	June 2023
Sale Price	c.£7,600,000 (£249.68 per sq ft)
Sale NIY %	5.99%
Status Date	August 2023
Status	Sold
Comments	Debt buyers were bidding around 6.25%.

BP, 135 Falcondale Road, Westbury-On-Trym, Bristol, BS9 3JL

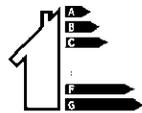
Page 154



Property Description

Purpose built petrol filling station with a convenience store and a car wash on a 0.41 acre site.

Located on A4019 the main carriageway to J17 of the M5.



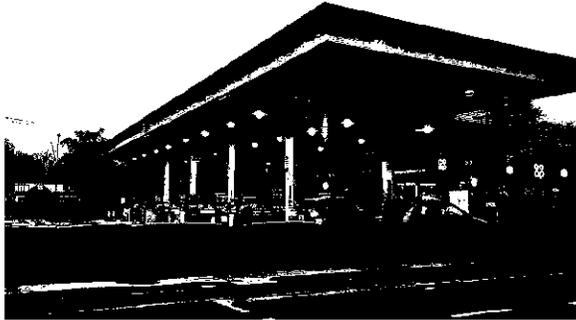
EPC: A

Key Facts

Property Type	Petrol Filling Station
Tenure	Freehold
Tenure Comment	Annual fixed uplift 2%
Area	2,812 sq ft
Tenant	Rochpion Properties guaranteed by Co-Operative Group Ltd. Sub-let to BP Oil UK Limited
WAULT (WAUTC) Years	Expiry in 2027
Current Rent Per Annum	£200,427 (£71.28 per sq ft)
Quoting Price	£2,500,000 (£889.05 per sq ft)
Quoting Price NIY %	7.54%
Date to Market	Summer 2023
Sale Price	-
Sale NIY %	-
Status Date	August 2023
Status	Sold
Comments	Pricing confidential

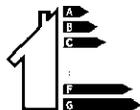
Asda/Co-Op PFS, Millbrook Road, Southampton, SO15 0JU

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Property Description

Modern purpose built petrol filling station and 3,498 sq ft convenience store on a large 0.72 acre site. Prominently located on Millbrook Road West (A33), close to the intersections with the A35 and M271 and 2 miles west of Southampton city centre. Situated immediately adjacent to the Port of Southampton.



EPC: A

Key Facts

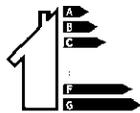
Property Type	Petrol Filling Station
Tenure	Freehold
Tenure Comment	Annual 2% uplifts
Area	3,498 sq ft
Tenant	Co-operative Group
WAULT (WAUTC) Years	4 with tenant option to extend 15 or 20 years
Current Rent Per Annum	£262,202 (££74.96 per sq ft)
Quoting Price	£3,300,000 (£943.40 per sq ft)
Quoting Price NIY %	7.50
Date to Market	Summer 2023
Sale Price	-
Sale NIY %	-
Status Date	August 2023
Status	Sold
Comments	Pricing confidential

Sainsbury's PFS, 141 - 149 Worcester Road, Droitwich, WR9 8AR

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Property Description



EPC: B

Key Facts

Property Type	Petrol Filling Station
Tenure	Freehold
Tenure Comment	5-yearly RPI cap and collar (2% - 4%)
Area	-
Tenant	Co-operative Group
WAULT (WAUTC) Years	11
Current Rent Per Annum	-
Quoting Price	-
Quoting Price NIY %	-
Date to Market	Summer 2023
Sale Price	-
Sale NIY %	-
Status Date	August 2023
Status	Sold
Comments	Pricing confidential

BP & M&S, 30 Falkirk Rd, Linlithgow, Scotland EH49 7PJ



Property Description

BP petrol filling station with M&S Simply Food convenience store. Located next to a Sainsbury's and Aldi.

Key Facts

Property Type	Petrol Filling Station
Tenure	Freehold
Tenure Comment	Annual fixed 2% uplift
Area	10,347 sq ft
Tenant	Motorfuel Limited (Guaranteed by BP Oil Limited)
WAULT (WAUTC) Years	17 (12)
Current Rent Per Annum	£137,843
Quoting Price	£1,850,000
Quoting Price NIY %	7.15
Date to Market	June 2023
Vendor	AXA
Sale Price	-
Sale NIY %	-
Status Date	September 2023
Status	Withdrawn
Comments	Originally launched in June 2023 for £2m equating to 6.5% NIY.

Woolley Edge Motorway Service Area, Wakefield, West Yorkshire, WF4 4LQ



Property Description

Combined north and south site area 30.45 acres (12.32 hectares).

Strategically located situated between J38 and J39 of the M1, with separate facilities serving both northbound and southbound carriages. Brand line-up including Costa, Burger King, WH Smith, M&S Food, Greggs, Travelodge, Gridserve and BP.

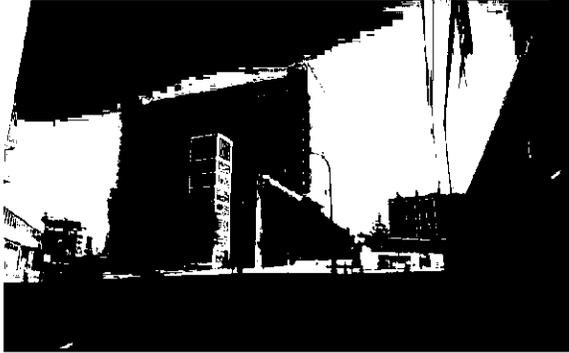
Key Facts

Property Type	Petrol Filling Station
Tenure	
Tenure Comment	CPI + 1% review mechanism with cap and collar (1% - 3%)
Area	22,362 + 42,705 sq ft
Tenant	Moto Hospitality Ltd
WAULT (WAUTC) Years	34.8
Current Rent Per Annum	£2,000,000 (£30.74 per sq ft)
Quoting Price	-
Quoting Price NIY %	-
Date to Market	-
Vendor	Orchard Street
Purchaser	Arbdn
Sale Price	Confidential
Sale NIY %	Confidential
Status Date	Q2 2023
Status	Sold
Comments	

CAR PARKS

NCP, Wellington Street, Sheffield, S1 4HF

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Property Description

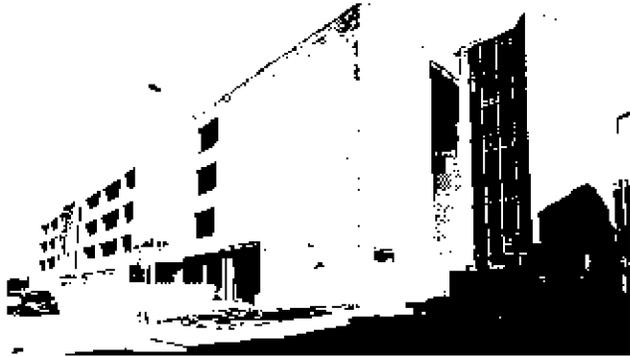
449 space multi-storey car park, located in Sheffield's 'Heart of the City' regeneration area.

The car park underwent a refurbishment/re-clad in 2020 at a cost in excess of £1.5m.

Key Facts

Property Type	Car Park
Tenure	Long Leasehold – 47 years expires 2070
Tenure comment	Annual RPI reviews cap and collar (1.5% - 5%).
Area	449 spaces
Tenant	NCP
WAULT (WAUTC) Years	14
Current Rent Per Annum	£172,703
Quoting Price	£1,625,000
Quoting Price NIY %	10.00%
Date to Market	July 2023
Vendor	
Status Date	September 2023
Status	Sold
Comment	Reversionary yield 10.48% in June 2024.

Q Park, Liverpool Hospital, Epworth Street, L6 1LY



Property Description

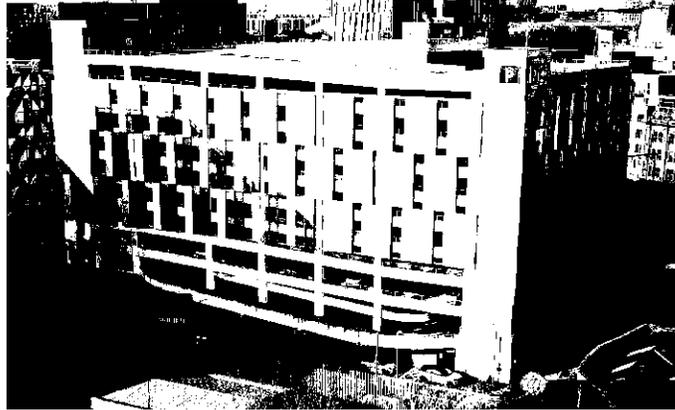
499 space multi-storey car park, located in the vicinity of Royal Liverpool Hospital helping to form an integral part of the hospital's infrastructure.

Key Facts

Property Type	Car Park
Tenure	Long Leasehold – 25 years remaining
Tenure comment	Annual RPI reviews cap and collar (2.5% - 4%).
Area	499 spaces
Tenant	Q Park
WAULT (WAUTC) Years	24.6
Current Rent Per Annum	£806,287 (£1,616 /space)
Quoting Price	£11,195,000
Quoting Price NIY %	6.75%
Date to Market	November 2023
Vendor	
Status Date	November 2023
Status	Available
Comment	Under offer considerably softer than quote

Q Park, First Street, Manchester, M15 4FN

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Property Description

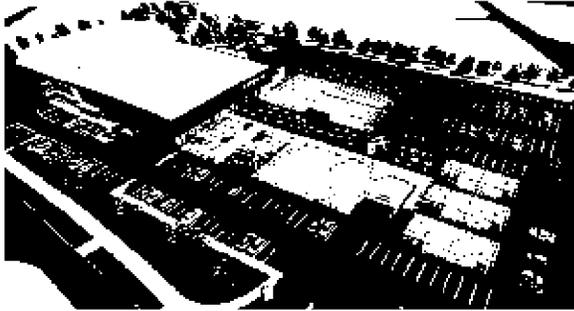
728 space multi-storey car park within a 0.58 acre site.

Key Facts

Property Type	Car Park
Tenure	Long Leasehold
Tenure comment	Annual RPI reviews cap and collar (2% - 4%).
Area	728 spaces
Tenant	Q Park
WAULT (WAUTC) Years	47 UXT
Current Rent Per Annum	£1,276,709 (£1,754 /space)
Quoting Price	£19,135,000 (£26.3 K /space)
Quoting Price NIY %	6.25%
Date to Market	November 2023
Vendor	
Status Date	November 2023
Status	Under Offer
Comment	Under offer considerably softer than quote

LEISURE

David Lloyd, Crick Road, Rugby, CV23 0AB



Property Description

*CGI image

5-acre site.

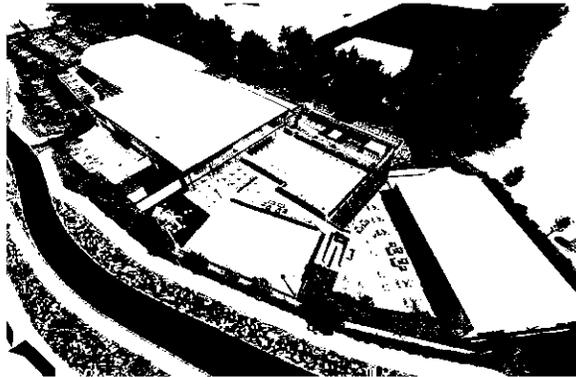
The state-of-the-art facilities will include indoor tennis courts, a 20m indoor swimming pools and a 25m outdoor swimming pool, spa, outdoor paddle tennis courts and an AstroTurf football pitch.

The health club will comprise over 62,592 sq ft of accommodation set in 5 acres with dedicated car parking for 250 spaces.

Key Facts

Property Type	Gym
Tenure	Freehold
Tenure Comment	5-yearly CPI reviews cap and collar (1% - 4%)
Area	62,592 sq ft
Tenant	David Lloyd Leisure Limited
WAULT (WAUTC) Years	30.00
Current Rent Per Annum	£900,000 (£14.37 per sq ft)
Quoting Price	£17,550,000 (£280.39 per sq ft)
Quoting Price NIY %	5.50%
Date to Market	March 2023
Vendor	David Lloyd Leisure Limited
Purchaser	Abrdn UK Property Fund
Sale Price	£17,142,850 (£273.88 per sq ft)
Sale Price NIY	5.30%
Status Date	August 2023
Status	Sold
Comments	

David Lloyd, Marham Park, Marham Parkway, Bury St Edmunds, IP32



Property Description

*CGI image

Forward funding opportunity for a purpose built state of the art racquets health and fitness club comprising 64,045 sq ft set in a 4.89 acre site with 225 dedicated car parking spaces.

Facilities 20m indoor and 25m outdoor swimming pools, 3 tennis courts in aerodrome, indoor spa, spa garden, sports hall, fitness studio, cycling studio, battle box, kids area and restaurant and business lounge.

Key Facts

Property Type	Gym
Tenure	Freehold – Forward Funding
Tenure Comment	Annual CPI reviews cap and collar (1% - 4%)
Area	64,045 sq ft
Tenant	David Lloyd Leisure Limited
WAULT (WAUTC) Years	30
Current Rent Per Annum	£1,000,000 (£15.61 per sq ft)
Quoting Price	£17,700,000 (£276.37 per sq ft)
Quoting Price NIY %	5.50%
Date to Market	August 2023
Vendor	David Lloyd Leisure Limited
Status Date	August 2023
Status	Available
Comments	Interest is north of 6%

David Lloyd Wandsworth Riverside, Smugglers Way, London, SW18 1DG



Property Description

Premium health and fitness club let to David Lloyd leisure on a new 35-year lease sublet to, and operated by, Virgin Active.

Key Facts

Property Type	Gym/Health Club
Tenure	Virtual Freehold
Area	39,886 sq ft
Tenant	David Lloyd Leisure (sublet to Virgin Active)
WAULT (WAUTC) Years	35
Current Rent Per Annum	£665,000
Quoting Price	£11,200,000 (£280.80 per sq ft)
Quoting Price NIY %	5.56
Status Date	December 2023
Status	Available
Comments	Rent reviews are 5-yearly to the Retail Price Index (RPI) subject to an annual collar and cap of 1% and 4% respectively.

Bannatyne, 106 - 108 Belfast Road, Holywood, Belfast, BT18 9QY



Property Description

Set in 3.20 acres with c.200 car parking spaces. The gym has recently been refurbished and has in excess of 3,250 members.

Facilities:

- 20m indoor pool and 5m kids pool
- Spa area with 10 individual relaxation rooms
- Sauna and steam rooms
- 3 fitness studios
- Open plan gym area
- Café and members lounge

Key Facts

Property Type	Gym
Tenure	Freehold
Tenure Comment	Annual CPI reviews cap and collar (1% - 4%)
Area	39,120 sq ft
Tenant	Bannatyne Group Limited
WAULT (WAUTC) Years	28
Current Rent Per Annum	£439,007 (£11.22 per sq ft)
Quoting Price	£5,000,000 (£127.81 per sq ft)
Quoting Price NIY %	8.25%
Date to Market	September 2023
Vendor	
Purchaser	
Status Date	September 2023
Status	Available
Comments	

CINEMAS &
ENTERTAINMENT

Vue Cinema Carlisle, Botchergate, Carlisle, CA1 1QS



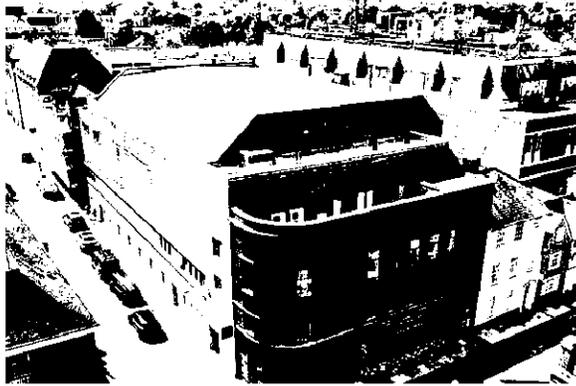
Property Description

7 screen multiplex cinema with 1,597 seats. Located on Botchergate and next to Carlisle railway station.

Key Facts

Property Type	Cinema
Tenure	Freehold
Area	42,635 sq ft
Tenant	Vue Entertainment Limited
WAULT (WAUTC) Years	17.00 (17.00)
Current Rent Per Annum	£500,000 (£11.73 per sq ft)
Quoting Price	£5,860,000 (£137.45 per sq ft)
Quoting Price NIY %	8.00
Date to Market	March 2023
Vendor	Private Investor
Sale Price	£3,800,000 (£89.13 per sq ft)
Sale Price NIY %	12.75
Status Date	November 2023
Status	Sold
Comments	Rent reviews are 5 yearly RPI linked 2-3%.

Everyman Salisbury, Endless Street, Salisbury, SP1 1DP



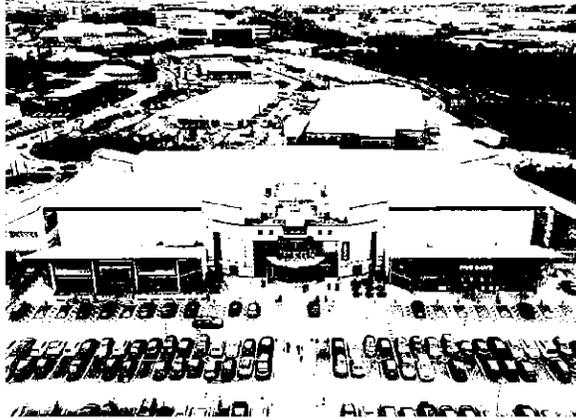
Property Description

A 4 screen cinema and luxury bar/restaurant located in central Salisbury. In June 2023, Everyman opened following a restoration at a cost of approximately £3.5m.

Key Facts

Property Type	Cinema
Tenure	Freehold
Area	23,990 sq ft
Tenant	Everyman Media Ltd
WAULT (WAUTC) Years	25.00 (25.00)
Current Rent Per Annum	£180,000 (£7.50 per sq ft)
Quoting Price	£2,710,000 (£112.96 per sq ft)
Date to Market	June 2023
Sale Price	£2,250,000 (£93.79 per sq ft)
Sale Price NIY %	6.44
Status Date	October 2023
Status	Sold
Comments	Fixed increase at 3% for each of the first 5 years, and then subject to 5-yearly reviews thereafter to the higher of open market rent or RPI (collared and capped at 1% & 3%).

Silverlink Leisure Park, Coast Road, Wallsend, NE28 9ND



Property Description

Purpose-built cinema complex with four adjoining restaurant units. Anchored by nine screen Odeon cinema, other tenants include Five Guys, Pizza Hut, Nando's and Cassia.

Key Facts

Property Type	Leisure
Tenure	Freehold
Area	57,065 sq ft
Tenant	Odeon, Five Guys, Nando's, Pizza Hut & Cassia. Annual RPI cap and collar (1% - 4%)
WAULT (WAUTC) Years	12.40 (11.70)
Current Rent Per Annum	£1,241,104 (£21.75 per sq ft) (topped up)
Quoting Price	£12,925,000 (£226.50 per sq ft)
Quoting Price NIY %	9.00
Vendor	
Purchaser	
Sale Price	£9,900,000
Sale Price NIY %	11.75
Status Date	November 2023
Status	Exchanged
Comment	Understood to have exchanged at 11.75%

Odeon Hastings, Queens Road, Hastings, TN34 1QP



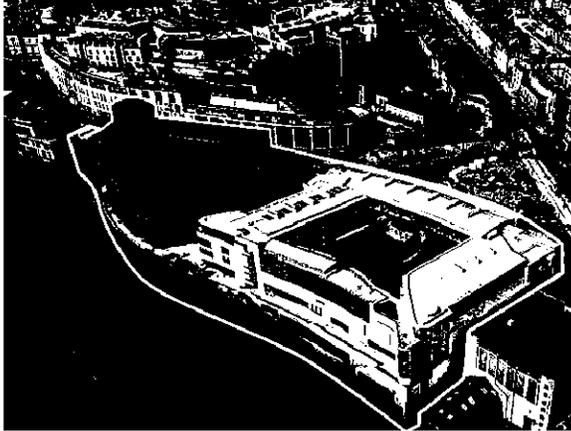
Property Description

Odeon cinema located within a period building in Hastings. The building extends 1,785 sq. m.

Key Facts

Property Type	Cinema
Tenure	Freehold
Area	1,785 sq m
Tenant	ABC Cinemas Limited, guaranteed by Odeon Cinemas Limited
WAULT (WAUTC) Years	15.00 (15.00)
Current Rent Per Annum	£322,141 (£180.44 per sqm)
Sale Price	£2,250,000 (£1,260.27 per sqm)
Sale Price NIY %	13.41%
Status Date	October 2023
Status	Sold
Comments	Annual RPI rental increases to a minimum of 1% and a maximum of 5%.

Omni Edinburgh, Greenside Row, Edinburgh, EH1 3AA



Property Description

Leisure scheme in Edinburgh city centre, comprising modern, purpose-built Cinema, Health Club, Hotel, F&B and Car Park accommodation.

Key Facts

Property Type	Leisure Scheme
Tenure	Freehold
Area	221,354 sq ft
Tenant	Tenants include Q-Park, Nuffield Health, Vue Entertainment Ltd, RW Greenside Place, Edinburgh Street Food Limited.
WAULT (WAUTC) Years	20.80 (20.80)
Quoting Price	£65,000,000 (£293.65 per sq ft)
Quoting Price NIY %	8.00
Status Date	November 2023
Status	Bids received
Comments	Understand bids came in around 9%. Prime asset in terms of quality and location, however, it is overrented with high non-recoverables.

Broad Street Plaza, 1 North Parade, Halifax, HX1 1YQ

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Property Description

Mixed-use leisure development totalling 113,267 sq ft, with a 429 space multi-storage car park.

Key Facts

Property Type	Leisure Park
Tenure	Freehold
Area	113,267 sq ft
Tenant	VUE cinema (25% income), APCOA car park (22% income), NHS (18% income), and Pure Gym (10% income).
WAULT (WAUTC) Years	15.20 (10.00)
Quoting Price	£16,760,000 (£147.97 per sq ft)
Sale Price NIY %	11.00
Status Date	December 2023
Status	Available
Comments	67% of income subject to RPI/fixed increases.

Odeon Cinema, Bradley Mills Road, Huddersfield, HD1 6PG



Property Description

9 screen multiplex cinema extending 77,932 sq ft.

Key Facts

Property Type	Cinema
Tenure	Long Leasehold
Area	77,932 sq ft
Tenant	United cinemas international (uk) limited with Odeon cinemas as guarantor
WAULT (WAUTC) Years	14.80 (14.80)
Current Rent Per Annum	£1,315,401 (£16.88 per sq ft)
Quoting Price	£8,800,000 (£112.92 per sq ft)
Quoting Price NIY %	14.00
Status Date	December 2023
Status	Available
Comments	Rent reviewed annual to RPI with a collar of 1% and a cap of 5%.

GROUND RENTS

ASDA Ground Rent Portfolio



Property Description

A deal is being negotiated for ground leases linked to around 50 sites in the UK. The leases would carry a duration of 50 years with a provision included to allow Asda to assume ownership of the stores for a nominal amount at the end of the term. The ground rent structure would result in Asda paying a relatively low level of rent.

Key Facts

Property Type	Foodstore
Tenure	-
Tenure Comment	-
Area	-
Tenant	ASDA
WAULT (WAUTC) Years	50
Current Rent Per Annum	-
Quoting Price	-
Quoting Price NIY %	-
Date to Market	-
Vendor	TDR Capital
Purchaser	Macquarie
Sale Price	Confidential
Sale NIY %	Confidential
Status Date	December 2023
Status	Under Offer
Comments	Deal rumoured to be in the region of £500m

INCOME STRIPS

The White Rabbit (The Bankfield Inn), Bilston, WV14 0EE



Property Description

Sits within a roadside position on a corner site of approx. 0.41 ha (1.02 acres). Let entirely to Marston's Estates Limited until 2058 (c. 35 years unexpired, no breaks) guaranteed by Marston's PLC.

Key Facts

Property Type	Pub
Tenure	Leasehold
Tenure Comment	Held on a lease from City of Wolverhampton Council for 250 years (244 UXT) Peppercorn ground rent, fixed.
Tenant	Marston's Estates Limited – subject to annual RPI with 1% - 4% collar and cap
WAULT (WAUTC) Years	35 UXT
Current Rent Per Annum	£179,809
Quoting Price	£1,850,000+
Quoting Price %	9.10%
Date to Market	October 2023
Vendor	
Purchaser	
Sale Price	£1,850,000
Sale NIY %	9.10%
Status Date	October 2023
Status	Sold via Auction
Comments	1 bid at £1.8m, however, did not meet the reserve. Second bid was successful at quoting price.

Agenda Item 4

Committee: Investment Board

Date:

Title: Independent Member Recruitment

15 February 2024

Report Author: Adrian Webb, Director of Finance and Corporate Services

Item for decision:

awebb@uttlesford.gov.uk

01799 510421

Summary

1. This report sets out the current position with regards to the Independent Member vacancy on the Investment Board.

Recommendations

2. That Members appoint three councillors to form the interview panel for the vacancy roles.

Financial Implications

3. Costs of the Independent Members are built into the 2024/25 budget and modelled into the new Medium Term Financial Strategy (MTFS).

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. In early 2021 one of the independent persons on the Investment Board resigned.
6. The appointment of the role is a Cabinet function and the process to fill the vacancy will start shortly.
7. Previously the independent person appointed to the Investment Board was interviewed by a panel of three members of the Investment Board and they recommended the appointment to Cabinet.
8. For consistency it is recommended that the same approach is undertaken this time around.
9. It would be reasonable for the panel to agree the candidates for interview with the existing independent person, so that they have some engagement with the process.

10. Attached at Appendix One is the proposed advert for information and to provide the timescale. The advert will be placed on the Council website and promoted via social network channels.

Appendix One



Uttlesford District Council Investment Board Independent Member Remuneration - £550.68 per annum to include expenses

Uttlesford District Council is recruiting an Independent Member for its Investment Board to provide support and challenge as it maintains its asset portfolio.

Central Government funding for local authorities has been reducing for many years. Councils such as Uttlesford are in the position where they need to generate additional income from a variety of sources, including commercial property investment.

In 2017 the Council, through a wholly owned subsidiary, acquired a 50% share in Chesterford Research Park (CRP) in a joint venture partnership with Aviva Life and Pensions. This venture has proved extremely successful with a significant revenue receipt being received by the Council each year (approximately £2.7 million per annum).

Between 2020 and 2022 the Council acquired a further six commercial investments and the Portfolio now has a value of £270 million.

In 2019 the Council established an Investment Board to guide and steer it through its acquisition process and to monitor the performance of its commercial portfolio. The Board is made up of elected councillors. The income raised from existing and future investments will be used to fully support the services currently provided by the Council to its residents.

The Government's position on commercial investments by local authorities has changed and now it is about maintaining and reviewing our assets and recommending sales when it is deemed appropriate to do so.

As an Independent Member of the Investment Board we are looking for people who will add to the strengths of the existing Board members, and support and challenge the Council as it maintains its asset portfolio. Experience of property investment is required, preferably as part of a business background, and probably at board level.

The Board meets formerly four times per annum; however there may also be the need for ad hoc meetings as asset opportunities arise. Typically meetings will be held in-person either at Saffron Walden or Little Canfield, although the Board can meet remotely if necessary.

For an informal discussion please contact Adrian Webb, Strategic Director of Finance, Commercialisation and Corporate Services on 01799 510421 or by email awebb@uttlesford.gov.uk.

Closing date for completed applications is **midday on x**.

Interviews will be held **week beginning x**.

We positively welcome applicants from all sections of the community.



Uttlesford District Council

Commercial Strategy 2024 to 2029

Prepared by:
Commercial Team
Uttlesford District Council
January 2024

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Introduction

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 £65,000 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 the 2024-2029 MTFS has significant and rising shortfalls in funding, despite the commercial portfolio that has been acquired. It is likely that in order to comply with CIPFA guidance on asset performance and review, at least one of the commercial portfolio assets will be identified as suitable for sale, with the receipt being used to reduce the need for future short term borrowing.
4. 2022 was a turbulent year as the country emerged from the pandemic. The first six months saw continued growth within the sector. The change of Prime Minister and Chancellor in September saw a mini-budget that sent shock waves through the whole country and resulted in significant valuation reductions for commercial assets, although some sectors such as Life Sciences continued to outperform the market. The effect of the September 2022 budget has impacted the sector throughout 2023 and this is expected to continue well into 2024.
5. The Council has a commercial asset portfolio for revenue generation purposes, not capital growth. Whilst asset values have declined, the rental income has increased through rent reviews. The quality of the tenants has meant that the Council has not had any default on rental payments, since the assets were acquired. However, the Council has established an investment reserve, with one aim being to mitigate the risk of tenant rent default should that scenario ever arise.
6. This strategy has been developed alongside several corporate strategies including an Ethical Investment Policy which is attached as Appendix One.

Vision

7. The original 2021 Commercial Strategy had a vision of the Council undertaking the investments in order to become self-sufficient and thereby not reliant on Government funding. The changes introduced by Government and CIPFA now makes that vision unachievable. The vision below sets out what is achievable given the constraints under which the Council is working

To generate income to maximise the number and quality of services provided by the Council, whilst following the Government and CIPFA rules including review of potential asset sales.

CIPFA Prudential Code 2021 (the Code), Public Works Loan Board (PWLB) and Minimum Revenue Provision (MRP)

8. 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
 - a) 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’.
 - b) 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.’
9. 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 immediately sell these investments. However, Authorities which have an expected need to borrow should review options for exiting their financial investments for commercial purposes in their annual treasury management or investment strategies. The options should include using the sale proceeds to repay debt or reduce new borrowing requirements. They should not take new borrowing if financial investments for commercial purposes can reasonably be realised instead, based on a financial appraisal which takes account of financial implications and risk reduction benefits. Authorities with commercial property may also invest in the repair, renewal and updating of their existing commercial 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.'

10. Whilst the Code does not require the sale of commercial assets it suggests that commercial investments should, where the local authority has a need to borrow, be subject to an on-going review to consider exit arrangements, taking into account the financial implications and risk implications of doing so.
11. In addition to the requirements of the Prudential Code, the Treasury has also restricted access to the PWLB where councils borrow for yield. Those that do will be unable to undertake new borrowing from the PWLB for any other purpose (such as council house building) in the year that the borrowing is taken out and the following year. This will cause the Council issues in that with Chesterford Research Park there is an almost annual need to invest further as the park develops.
12. 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.
13. The rule changes now do not allow the council to follow its intended strategy of potentially selling assets at the best market opportunity with years remaining on the leases and reinvesting to refresh the portfolio and ensure it remains balanced.

Aims of the Strategy

14. 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, £268,469,231 (£268 million) has been used or allocated.
 - (c) MRP will be applied on an annuity basis over the life of each asset. No MRP will be applied on an asset in the year which it is scheduled to be sold, providing the receipt is used in its entirety to repay debt.
 - (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) The portfolio will be reviewed on a regular basis, by the Investment Board to determine the requirements of the Council and the appropriateness of retaining or selling each asset.
 - (f) The Council will look to maintain the commercial asset portfolio at an investment level of no more than £268 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

15. 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.
16. 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.

Current Portfolio

Chesterford Research Park

17. 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.
18. 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
 - a) 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
 - b) Use of reserves and balances (£10.25m) funds the balance.
19. Since the initial purchase the Council has made additional ongoing loans to Aspire (CRP) Ltd for further development totaling £16,646,000 taking the current investment to £63,896,500.
20. In August 2023 Council approved a request from Aspire (CRP) Ltd for additional borrowing of £21,060,000 to fund the 50% share of the new build that is known as Building 800 and the development of phase 1 of the solar farm. As at December 2023 the drawdown of the first £3,300,000 had taken place and is included in the figure in paragraph 19 above. No payment is due on this loan until 1 April 2025, to

allow for construction and occupation of the new building to take place.

21. Further drawdowns are planned during 2024/25 as Building 800 is delivered. This will be a multi-let, near 60,000 sq ft building, a mix of office and laboratory space. Phase 1 of the solar farm has a total panel area of circa 1,500m² which equates to 3,060 individual PV cells, which are set out in 85 PV tables, with each table consisting of cells in a 9x4 grid formation. The solar farm will then provide electricity to the following buildings

- The Mansion House
- Building 60
- Science Village
- Building 52
- Building 800 (when complete)

22. Plans are also being developed for a similar sized building to Building 800 (to be known as Building 1100/1200).

23. For 2024/25 the income from Chesterford Research Park is expected to be £2,814,950 rising to £4,394,450 by the end of the period. There is also repayment to the Council of staff time whilst undertaking company work on Aspire (CRP) Ltd.

Skyway House, Takeley

24. On 30 June 2020 the Council completed the purchase of Skyway House at Takeley. The tenant is Weston Homes Plc who have signed a 25 year lease with no break clause.



Stane Retail Park, Colchester

25. 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 development saw the construction of two buildings, one for Aldi and the other for B&Q located on an extension to the existing site. Aldi has signed a 25 year lease with a break option at year 20 (2041). B&Q has signed a 15 year lease with no break and a tenant right to renew option.



1 Deer Park Road, Livingston

26. 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. The lease is for 20 years with no break.



27. 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.

28. 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.

Regional Distribution Centre, Chorley

29. On 16 September 2020 the Council completed the purchase of a large logistics

building on Matrix Park, Chorley adjacent to the M6. The tenant is Waitrose Limited who have a 30 year lease with no break option expiring in 2042. Waitrose have fully sub-let to GXO a worldwide distribution company. [GXO Logistics](#)



Distribution Warehouse, Gloucester

30. 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. The lease is for 15 years with break ending in 2037.



Headquarters, Tewkesbury

31. 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. The lease started in May 2023 and is for 35 years with no break and a tenant option to extend for a further 15 years.



Loans to wholly owned subsidiaries

32. 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

Drawdown Date	Amount £	Loan Term	Rate %	Repayment Basis	Loan Interest Receivable 2023/24 £
03/05/2017	47,250,000	50 years	4.0	Interest Only	1,890,000
26/03/2018	223,000	49 years 1 month	4.0	Interest Only	8,920
02/01/2019	2,518,000	48 years 4 months	4.0	Interest Only	100,720
09/06/2020	1,250,000	20 years	4.5	Principal & Interest	96,095
01/07/2020	2,600,000	20 years	4.5	Principal & Interest	199,878
20/08/2019	3,000,000	20 years	4.5	Principal & Interest	230,628
15/03/2021	2,975,500	20 years	4.5	Principal & Interest	228,745
26/08/2021	780,000	20 years	4.5	Principal & Interest	59,963
06/12/2023	3,300,000	50 years	7.5	Interest Only commencing 1/4/2025	0
Total of Loans	63,896,500			Annual payment from Aspire (CRP) Ltd	2,814,950

33. Interest only loans relate to new builds and refurbishment of existing buildings and thereby extending their useful life. Principal and interest loans are where it is for fit out works which have a 20-year life expectancy.

The Investment Fund

34. 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

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

	Capital Investment (exc. Fees)
Completed Investments	
Loan to Aspire (CRP) Ltd	63,896,500
Skyway House, Takeley	20,000,000
1 Deerpark Road, Livingston	4,758,374
Regional Distribution Centre, Chorley	54,608,773
Stane Retail Park – Aldi	27,004,322
Stane Retail Park – B&Q	42,692,000
Distribution Warehouse, Gloucester	37,749,262
	250,709,231
Future Committed Investments	
Loan to Aspire (CRP) Ltd	17,760,000
	17,760,000
Investment Total	268,469,231

35. With the change in the Code and MRP the Portfolio is now complete, and no further assets will be added, although additional investment at Chesterford Research Park will take place.

36. In 2024/25 the portfolio yield for the completed investments is 5.12%. The rental income for the next five years is shown in the following table.

	Annual Rental Income				
	2024/25	2025/26	2026/27	2027/28	2028/29
Completed Investments					
Loan to Aspire (CRP) Ltd	2,814,950	4,394,450	4,394,450	4,394,450	4,394,450
Skyway House, Takeley	1,128,000	1,128,000	1,239,273	1,276,228	1,276,228
1 Deerpark Road, Livingston	391,933	411,321	411,321	411,321	411,321
Regional Distribution Centre, Chorley	2,840,000	2,840,000	2,840,000	3,325,757	3,355,324
Stane Retail Park – Aldi	360,395	360,395	379,279	405,716	405,716
Stane Retail Park – B&Q	1,342,275	1,342,275	1,400,440	1,481,872	1,481,872
Distribution Warehouse, Gloucester	2,293,433	2,293,433	2,293,433	2,581,841	2,581,841
Headquarters, Tewkesbury	1,680,500	1,680,500	1,680,500	1,737,959	1,910,335
	12,851,487	14,450,374	14,638,696	15,615,143	15,817,088
Future Committed Investments					
Loan to Aspire (CRP) Ltd		1,332,000	1,332,000	1,332,000	1,332,000
Investment Total	12,851,487	15,782,374	15,970,696	16,947,143	17,149,088

The Portfolio Moving Forward

37. 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'.
38. 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 some or all of the assets for the longer term.
39. In line with the need to retain the asset for a longer period of time it will now be necessary to set aside some of the income raised each year into a reserve to cover increased risk of business failure, voids and future costs of refurbishment at the end of lease.
40. 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.
41. Regular reviews of all assets in the portfolio will be undertaken to determine the most appropriate point in time for sale. 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. Under the various guidelines within which the commercial portfolio now operates it is likely that, should the evaluation identify a positive cost benefit of selling an asset, the council would be expected to sell. As part of that sale there would be a requirement that the sale receipt is used in its entirety to reduce the level of borrowing.
42. It is likely that in 2024/25 the Council will need to sell an asset or assets to assist the setting of balanced budgets in the coming years.

Funding and Reserves

43. 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.

44. 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.
45. In 2023 as part of the Commercial Strategy a Commercial Asset Reserve (part of the MTFs Reserve) was established to cover costs at the end of the tenancy for each asset. 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 £1,000,000 per annum, from the investment income, will be placed in the reserve.
46. This reserve will grow without being drawn upon for a number of years but will then be heavily used between years 15 and 25 (2037 – 2047) as most of the assets have lease expiry during that time period.

Success and Performance Reporting

47. Success will be primarily measured in the financial return to the Council.
48. A quarterly report is produced for the portfolio which is presented to the Investment Board. 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.
49. As at 31 December 2023 the value of the completed acquisitions is set out below

	Price paid (including future commitments) £	Amount paid as at 31 December 2023 £	Valuation as at 31 December 2023 £
Colchester, Stane RP	27,004,322	26,504,322	27,125,000
Chorley, Waitrose RDC	54,608,773	54,608,773	50,900,000
Livingston, 1 Deer Park Road	4,758,374	4,758,374	4,675,000
Takeley, Skyway House	20,000,000	20,000,000	15,425,000
Gloucester, Amazon	42,692,000	42,278,237	36,300,000
Tewkesbury, MOOG HQ	37,749,262	37,464,079	32,900,000
	186,812,731	185,613,785	167,325,000
Aspire (CRP) Ltd	63,896,500	63,896,500	101,775,000
Total Portfolio	250,709,231	249,510,285	269,100,000

Security, Liquidity and Yield

50. 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 financial institutions, 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).
51. 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.
52. The option to liquidate funds is either by selling the investment (or part thereof) or by refinancing the debt.

Risks

53. 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
- a) Arlingclose as its financial advisers who project managed the funding tender
 - b) Cushman and Wakefield who undertook all of the purchase negotiations and due diligence
 - c) Hogan Lovells for Legal due diligence
- For Aspire (CRP) Ltd the Council has two non-executive directors to serve on the Board and bring independent challenge and support.
54. There are five main risks with regard to the wider portfolio and the new strategy of asset retention which are set out on the following pages.

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.

		4	8	12	16
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			

23-IB-01 LONG TERM BORROWING

The council is unable to secure long term borrowing	Owner	Original Likelihood	Original Impact	Original Score	Current Controls	
	AW	2	4	8	<ul style="list-style-type: none"> Phoenix loan is secured 2 x PWLB loans are secured 	
		Current Likelihood	Current Impact	Current Score	Further Action	
		2	4	8	<ul style="list-style-type: none"> Evaluate sale of one or more assets 	
		Target Likelihood	Target Impact	Target Score	Action owner	Planned Completion date
1	4	4	AW	ongoing		

Progress Update (December 2023)

- No further long term borrowing is planned at the present time

23-IB-02 INTEREST RATES

Interest rates increase leading to a further reduction in net income	Owner	Original Likelihood	Original Impact	Original Score	Current Controls	
	AW	2	4	8	<ul style="list-style-type: none"> Phoenix loan and 2 x PWLB loans are secured 	
		Current Likelihood	Current Impact	Current Score	Further Action	
		3	4	12	<ul style="list-style-type: none"> Evaluate sale of one or more assets Consider additional PWLB loans 	
		Target Likelihood	Target Impact	Target Score	Action owner	Planned Completion date
1	4	4	AW	ongoing		

Progress Update (December 2023)

- Base rate has stayed static for the last 3 months, as therefore has the cost of borrowing. Over the next few of years the investment net contribution will be lower than in previous years, recovering towards the end of the five year period as reflected in the Council's MTFS

23-IB-03 TENANT DEFAULT

Tenants default on rental payments either short term or because of business failure	Owner	Original Likelihood	Original Impact	Original Score	Current Controls	
	AW	2	4	8	<ul style="list-style-type: none"> Additional financial due diligence undertaken ahead of all purchases Monitoring of tenants both financial information and news channels 	
		Current Likelihood	Current Impact	Current Score	Further Action	
		1	3	3		
		Target Likelihood	Target Impact	Target Score	Action owner	Planned Completion date
		1	4	4	AW	ongoing

Progress Update (December 2023)

- Tenants passed the viability test and no adverse financial reports this quarter
- Commercial asset reserve will enable short term rent losses to be covered without detriment to council services

23-IB-04 BUILDING LOSS

Loss of building due to fire/flood leading to no rent being received for duration of the repair/reinstatement	Owner	Original Likelihood	Original Impact	Original Score	Current Controls	
	AW	1	4	4	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Monitor procedures as part of the inspection process 	
		Target Likelihood	Target Impact	Target Score	Action owner	Planned Completion date
		1	4	4	AW	ongoing

Progress Update (December 2023)

- Discussions with all tenants on fire safety etc. Inspections check for issues and ensure maintenance repairs etc. are undertaken
- Commercial asset reserve will enable short term loss in rent to be covered without detriment to council services

23-IB-05 REPUTATION

Actions of tenants affect the reputation of the Council	Owner	Original Likelihood	Original Impact	Original Score	Current Controls	
	AW	1	4	4	<ul style="list-style-type: none"> • Tenants checked as part of initial due diligence • Continuous monitoring of tenants both financial information and news channels 	
		Current Likelihood	Current Impact	Current Score	Further Action	
		1	3	3		
		Target Likelihood	Target Impact	Target Score	Action owner	Planned Completion date
1	3	3	AW	ongoing		

Progress Update (December 2023)

- No adverse or positive news stories this quarter

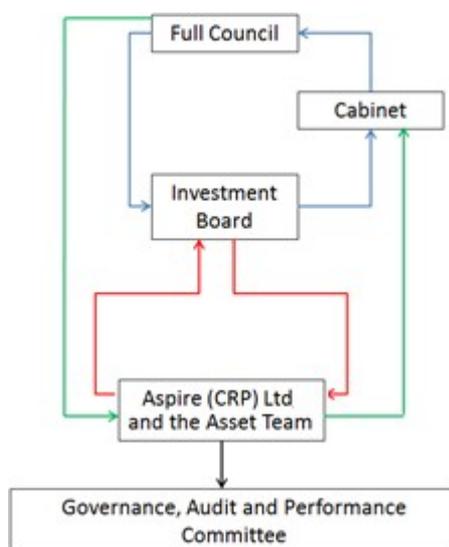
Proportionality

55. The income requirement has arisen as a result of reductions in the Council's finance from central government. Government also restricts the ability of councils to raise income from council tax increases.
56. The Council has established a Commercial Asset Reserve (see para 44) which will be established with the sum of £3 million to cover the risk of investment failure. In addition, the Reserve will increase by £1,000,000 per annum to cover the cost of future refurbishment, void and rent free periods for each of the assets.
57. 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. An annual asset review will be undertaken to help inform this decision.

Capacity, Skills and Culture

Investment Board (IB)

58. 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 the Economy, Chair of the Investment Board and the S151 Officer (or Director of Finance and Revenue and Benefits for Aspire investments) to conclude investments or disposals where authorisation has been given by Full Council.
59. 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.
60. The investment decision making and monitoring process is as set out below



61. 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.

62. 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.

63. 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 paragraphs 60 to 62.
- c) If the authority is for a sale the disposal will be undertaken in accordance with paragraphs 60 to 62.

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

Ethical Investment Policy

1. Introduction

The Ethical Investment Policy aims to ensure that its investments are managed in a productive but socially responsible manner which reflects the mission and values of the Council.

The main principles of the policy are as follows:-

- The Council's Ethical Investment Policy is based on the premise that the Council's choice of where to invest should be in line with its strategic aims and its environmental, social and ethical values.
- The Investment Board, on behalf of Cabinet and Council, will actively monitor and take a view on the ethical position of the Council's investments. In particular, the Board may advise against investment in areas which it considers to be ethically unacceptable. Examples may be environmentally or socially harmful areas and areas of human rights abuse.

This Policy has been developed with the intention of active promotion of investment opportunities which demonstrate policies and practices that are in line with the Commercial Strategy 2021 – 2025. The vision of that Strategy is

'To generate sufficient income to enable the Council to be self-sufficient, in that it generates its own resources from local taxation (Business Rates and Council Tax) and commercial investments thereby removing the reliance on Central Government grants.'

2. Investment of Funds

The Commercial Strategy 2021 - 2025 sets out the objectives for the investment portfolio held by the Council. The appointed asset managers at the Council have responsibility for asset selection in accordance with the Strategy. Approval for acquisition is then via the Investment Board, Cabinet and Full Council.

3. Investment Principles

The Council is committed to investing its funds on a socially responsible basis. The Council believes that to accord with its values when investing its funds, regard must be made to Environmental Social and Governance (ESG) issues. The Council will not knowingly invest directly in businesses whose activities and practices pose a risk of serious harm to individuals or groups, or whose activities are inconsistent with the Council's values.

The Council has identified two sets of principles which accord with its values and aspirations in this area.

The United Nations Principles for Responsible Investment

These six principles have been developed, *inter alia*, to 'better align investors with the broader objectives of society' and are as follows:

- We will incorporate ESG issues into investment analysis and decision-making processes.
- We will be active owners and incorporate ESG issues into our ownership policies and practices.
- We will seek appropriate disclosure on ESG issues by the entities in which we invest.
- We will promote acceptance and implementation of the Principles within the investment industry.
- We will work to enhance our effectiveness in implementing the Principles; and
- We will report on our activities and progress towards implementing the Principles.

The United Nations Global Compact

The Council also supports the ten principles of the United Nations Global Compact, which stem from the acceptance that, as with the Council itself, corporate sustainability starts with a company's value system and a principled approach to the way it operates. This means operating in ways that, at a minimum, meet fundamental responsibilities in the areas of human rights, labour, environment, and anti-corruption. The ten principles are derived from:

- The Universal Declaration of Human Rights.
- The International Labour Organization's Declaration on Fundamental Principles and Rights at Work.
- The Rio Declaration on Environment and Development; and
- United Nations Convention Against Corruption. The ten principles are:
 - Human Rights
 - Businesses should support and respect the protection of internationally proclaimed human rights; and
 - make sure that they are not complicit in human rights abuses.
 - Labour
 - Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
 - the elimination of all forms of forced and compulsory labour.
 - the effective abolition of child labour; and
 - the elimination of discrimination in respect of employment and occupation.
 - Environment
 - Businesses should support a precautionary approach to environmental challenges
 - undertake initiatives to promote greater environmental responsibility; and

- encourage the development and diffusion of environmentally friendly technologies.
- Anti-Corruption
 - Businesses should work against corruption in all its forms, including extortion and bribery.

In managing its investments, the Council therefore expects its assets staff to encourage good behaviour and discourage poor behaviour through the screening of investments (using the principles above or an equivalent framework) and through the direct engagement with the developers and tenants in which they invest. In doing so, they should promote sustainability, good business ethics, good employment practices and the transition to a low carbon economy.

4. Monitoring

To give effect to its commitment to this Policy the Council will:

- Publish the Ethical Investment Policy on its website following its approval by Council.
- Delegate to the Investment Board the responsibility to monitor the operation and the effectiveness of the Policy and provide Council with an annual update.
- Publish on its website a list of the commercial assets owned by the council and the tenants in occupation, along with details of developers and other third parties where the acquisition is subject to a forward funding arrangement.

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

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