



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

Prepared by: The Asset Management Team – December 2022

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

## Portfolio Assets – Quarterly Update Chesterford Research Park

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

### Property Statistics

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

### Vacant units

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

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

### Valuation

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

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

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

#### Top 10 Tenants by Rent

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

#### Rent Paid

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



Skyway House Parsonage Road Takeley

**QUARTERLY REPORT – June 2022**

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



Skyway House Parsonage Road Takeley

**QUARTERLY REPORT – SEPTEMBER 2022**

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



1 Deer Park Road Fairways Business Park Livingston

**QUARTERLY REPORT – JUNE 2022**

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



# 1 Deer Park Road Fairways Business Park Livingston

## QUARTERLY REPORT – SEPTEMBER 2022

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



**QUARTERLY REPORT – JUNE 2022**

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

**QUARTERLY REPORT – SEPTEMBER 2022**

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

**QUARTERLY REPORT – JUNE 2022**

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

**QUARTERLY REPORT – SEPTEMBER 2022**

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

### QUARTERLY REPORT – JUNE 2022

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

### QUARTERLY REPORT – SEPTEMBER 2022

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

## Agreed Acquisitions

### HEADQUARTERS AND WAREHOUSE, TEWKESBURY

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



Completion is expected in early 2023

## Asset Valuation

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

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

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

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



# Future Asset Acquisitions

## Stane Retail Park 2 Phase 2

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

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

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



## Financing

The Portfolio is financed from three sources

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

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

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

# Risks

## Likelihood Scores

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

## Impact Scores

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

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			

### 21-IB-01 LONG TERM BORROWING

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

### 21-IB-02 INTEREST RATES

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

### 21-IB-03 TENANT DEFAULT

<b>Tenants default on rental payments either short term or because of business failure</b>	Owner	Original Likelihood	Original Impact	Original Score	Current Controls	
	AW	2	4	8	• Additional financial due diligence undertaken ahead of all purchases	
		Current Likelihood	Current Impact	Current Score	Further Action	
		1	3	3	• Continuous monitoring of tenants both financial information and news channels	
		Target Likelihood	Target Impact	Target Score	Action owner	Planned Completion date
1	4	4	AW	31.03.2023		

#### Progress Update (September 2022)

- Tenants passed the viability test and no adverse financial reports this quarter

### 21-IB-04 BUILDING LOSS

<b>Loss of building due to fire/flood leading to no rent being received for duration of the repair/reinstatement</b>	Owner	Original Likelihood	Original Impact	Original Score	Current Controls	
	AW	1	4	4	• UDC fully insures the building and recharges the tenant • Copies of fire safety procedures/test etc. held by agent	
		Current Likelihood	Current Impact	Current Score	Further Action	
		1	4	4	• Monitor procedures as part of the inspection process	
		Target Likelihood	Target Impact	Target Score	Action owner	Planned Completion date
1	4	4	AW	31.03.2023		

#### Progress Update (September 2022)

- Discussions with all tenants on fire etc. safety. Inspections check for issues and ensure maintenance repairs etc. are undertaken

## 21-IB-05 REPUTATION

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

### Progress Update (May 2022)

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

## Summary

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

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

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

### Portfolio Summary – Committed

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

**Portfolio Yield – 5.21%**

### Portfolio Summary – Option

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

**Total Yield including option – 5.22%**

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