INVESTMENT SUMMARY

• An opportunity to acquire an office investment in Keighley
• Three storey office building totalling 26,932 sq.ft with 104 car parking spaces
• The current rent passing is £383,000 per annum reflecting £14.22 sq.ft and the 104 car spaces inclusive.
• The building is let to Kone Plc on a 25 year lease from 1st September 2003. The original break clause in year 15 has just been removed and therefore a term certain of 11 years remains on the lease.
• Freehold
• Kone PLC have a Dun & Bradstreet rating of SA1
• The office is used as Kone’s main training centre and operations centre.
• The property is located next to the main Kone PLC factory in Keighley which Kone PLC own freehold.

We are instructed to seek offers in excess of £5,000,000 (Five million pounds) subject to contract and exclusive of VAT. A purchase at this level reflects an attractive Net Initial Yield of 7.20%, assuming purchaser’s costs of 6.59%.
LOCATION

The property is situated in the town of Keighley, which is situated between Bradford and Skipton. The asset is close to the main A629 and A650 which are main access points in and out of the town. Keighley train station is 0.6 miles away.

Worth Bridge Road is situated off Dalton Lane, which in turn links to A6035 and A629, the main routes through Keighley. The main cities of Bradford (9 miles) and Leeds (20 miles) are within a short drive.
The property comprises a self-contained office building and was completed in 2003. The building extends 26,932 sq ft providing raised floors, suspended ceilings with recessed lighting and comfort cooling. The building benefits from 104 car parking spaces.

The office is used as Kone’s main training centre and operations centre. The property is located adjacent to the main Kone factory in Keighley which Kone own freehold.
SPECIFICATION

The office building is finished to a high standard and comprises the following specification:

- Three-storey converted office building;
- Brick and glazed elevations with decorative stonework;
- Suspended ceiling with integral LG7 lighting;
- Full access raised floors;
- Male and female toilets on each floor; and
- 104 dedicated car parking spaces.

The building houses KONE’s service/call centre covering Europe, an elevator and escalator training centre, and some administrative functions. It is the hub for KONE maintenance of elevators, escalators and building doors in the U.K. Training for both elevator and escalator service personnel are also located in the building.
ACCOMMODATION

We have been provided with the following net internal area. The property was measured in accordance with the RICS Code of Measuring Practice 6th Edition.

At completion, the agreed floor area between the developer’s and tenant’s surveyors was 26,932 sq.ft. IPMS measurements are available on request.
TENURE

The property is Freehold.

TENANCY

The building is let to Kone Plc on a 25 year lease from 1st September 2003. The original break clause in year 15 has been removed and therefore a term certain of 11 years remains on the lease. The current rent free period will be deducted from the agreed sale price on completion. The current rent passing is £383,000 per annum which equates to a rent of £14.22 psf (assuming the 104 car spaces are inclusive).

The rent is subject to 5 yearly upward only rent reviews (next rent review is September 2018).

The rent review assumptions are:

i) A lease period of 15 years

ii) The property is situated in whichever of the following gives the best rent

a) Centre 27 Business Park, Gelderd Road (A62), Birstall, Leeds

b) Lawnswood Park, Redvers Close, off Ring Road, West Park (A6120), Lawnswood Leeds

COVENANT INFORMATION

KONE PLC

KONE are a global leader in the lift and escalator industry, KONE provides lifts, escalators and automatic building doors, as well as solutions for maintenance and modernisation. In 2016, KONE had annual net sales of EUR 8.9 billion, and at the end of the year over 52,000 employees. KONE class B shares are listed on the Nasdaq Helsinki Ltd. in Finland

KONE has been operating in Great Britain for nearly 40 years. With its head office in Chertsey, Surrey, KONE serves customers from regional offices across the country with its team of 1,900 employees.

Kone PLC have a Dun & Bradstreet rating of 5A1

www.kone.co.uk

KONE PLC (01372978) has a ‘Very Low Risk’ Experian Delphi score of 100/100 and summarised accounts are provided below:

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<thead>
<tr>
<th></th>
<th>28 Feb 2016</th>
<th>28 Feb 2015</th>
<th>28 Feb 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover</td>
<td>£258,818,000</td>
<td>£226,329,000</td>
<td>£221,863,000</td>
</tr>
<tr>
<td>Profit before Tax</td>
<td>£53,408,000</td>
<td>£18,264,000</td>
<td>£12,827,000</td>
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<tr>
<td>Net Worth</td>
<td>£131,965,000</td>
<td>£81,902,000</td>
<td>£66,695,000</td>
</tr>
</tbody>
</table>
**EPC**

An Energy Performance Certificate (EPC) is available upon request.

**VAT**

The property has been elected for VAT, therefore VAT will be payable on the purchase price. It is anticipated the transaction will be treated as a Transfer of a Going Concern (TOGC).

**PROPOSAL**

We are instructed to seek offers in excess of £5,000,000 (Five million pounds) subject to contract and exclusive of VAT. A purchase at this level reflects an attractive Net Initial Yield of 7.20%, assuming purchaser’s costs of 6.59%.

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**FURTHER INFORMATION**

For further information or to arrange a viewing please contact.

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