



SOUTH EAST OFFICE & RESIDENTIAL INVESTMENT OPPORTUNITY
WITH SIGNIFICANT REVERSIONARY POTENTIAL





Opportunity to acquire a mixed-use development, comprising a Grade A multi-let Office and 12 Residential apartments within one of the leading commercial centres in the Thames Valley.

Investment Summary

- Bracknell is one of the leading commercial centres in the Thames Valley, strategically located between the M4 and M40, and only 19 miles from Heathrow Airport.
- Prominently situated adjacent to Arlington Square (Bracknell's prime office pitch) and **situated within an area witnessing major regeneration** (Bracknell's £240m town centre redevelopment, The Lexicon).
- Opportunity to acquire a mixed-use development comprising a **multi-let Office and 12 Residential apartments**.
- **Constructed in 2004**, the **Office** comprises a Grade A self-contained building totalling **32,793 sq ft (NIA)**, arranged over ground and two upper floors, with an **excellent car parking ratio of 1:304 sq ft**.
- **Multi-let to four tenants**, generating a **total passing rent of £398,325 p.a.**, equating to a **low average rent of £16.74 psf** on let space. Prime headline office rents in Bracknell town centre currently stand at £24.50 psf, thereby offering excellent reversionary potential.
- **AWULT of 3.0 years to expiries** and 0.7 years to breaks.
- The **Residential** component comprises **12 x 2 bedroom apartments** (currently vacant) totalling **10,672 sq ft NSA (18,041 sq ft GIA)**, with 18 car parking spaces.
- **Various asset management opportunities** exist, to include letting the vacant office space, re-gearing leases and benefiting from uplifts at rent review. Furthermore, there is the opportunity to re-let or dispose the Residential apartments individually or as a block sale.
- Freehold.
- Offers are sought in excess **£7,950,000 (Seven Million, Nine Hundred and Fifty Thousand Pounds)**. This figure has been determined by apportioning **£4,925,000 to the Office**, representing an **attractive net initial yield of 7.6%** (after usual purchaser costs) and a **low capital value of £150 psf** and **£3,025,000 (£283 psf)** to the **12 Residential apartments**.

Subject to Contract and exclusive of VAT.





Location

Bracknell is an established commercial centre in the Thames Valley strategically located between the M4 and M40, and only 19 miles from Heathrow Airport.

The town benefits from excellent transport communications, and coupled with its ability to attract a skilled labour force, has consistently attracted occupiers. The recent £240m town centre redevelopment, The Lexicon, compliments Bracknell's resurgence as a key Thames Valley office market.

Bracknell Regeneration

Bracknell is transforming into an exciting and vibrant destination for all commercial, leisure, retail and residential requirements following the completion of the **£240m town centre redevelopment**, The Lexicon, in September 2017.

The scheme, officially named 'The Lexicon' provides **580,000 sq ft of new retail and leisure accommodation**, up to **1,000 new homes**, **3,800 car parking spaces** and **areas of landscaped public space**.

The regenerated centre which covers **36 hectares (90 acres)**, provides one of the best amenity offerings in the Thames Valley as well as catering for the needs of local businesses and contributing to the success of the local economy.

Occupiers of note include:

Cineworld - 12-screen Cinema

Marks & Spencer - 80,000 sq ft

Fenwick - 80,000 sq ft

Primark - 45,000 sq ft

H&M - 26,000 sq ft

Leisure operators include: Nando's, Zizzi, Carluccio's, Gourmet Burger Kitchen, Las Iguanas, Wagamama and Pizza Express.



Situation

Origin is prominently situated adjacent to Arlington Square, Bracknell's prime office pitch, and is positioned on the main ring road, providing easy access to the A329(M), which is only 2 miles away.

Bracknell's landmark new £240m redevelopment, The Lexicon, is within a short walk of the property and as a result is well positioned to benefit from the latest new town centre amenities on offer.



Origin, Western Road, Bracknell, RG12 1US

Communications

Road

Bracknell benefits from excellent road connections, being strategically located between the M4 and the M3. Junction 10 of the M4 is 5 miles to the North West, whilst Junction 3 of the M3 is 6 miles to the south east. The A329(M) and A322 both provide direct dual-carriageway access to each motorway, and are easily reached from the town centre. Further, the M25 Motorway is 12 miles to the east.

Rail

Bracknell mainline station is well connected, providing a regular direct service to London Waterloo in a fastest journey time of 60 minutes. Reading station can also be reached directly in 17 minutes, providing direct onward links to Heathrow Airport and Central London from 2019, in conjunction with Crossrail. Bracknell station has now been upgraded with platforms to allow longer 10-car trains.

Air

London Heathrow Airport is 19 miles to the east of Bracknell and can be reached easily by road, via the M4. Further, London Gatwick can be reached via the M25 and is located 45 miles to the south east.



From Bracknell (Miles)

M4 (J.10)	5
M3 (J.13)	6
Maidenhead	10
Reading	12
Staines	13
Central London	33



From Bracknell (Minutes)

Reading	17
Staines	26
Richmond	41
Clapham Junction	50
London Waterloo	60
London Paddington	70



From Bracknell (Miles)

Farnborough	11
Heathrow	19
Gatwick	45
Luton	48
Stansted	82
London City	83

Description

The Property comprises a mixed-use development, providing a Grade A multi-let Office and 12 Residential apartments.

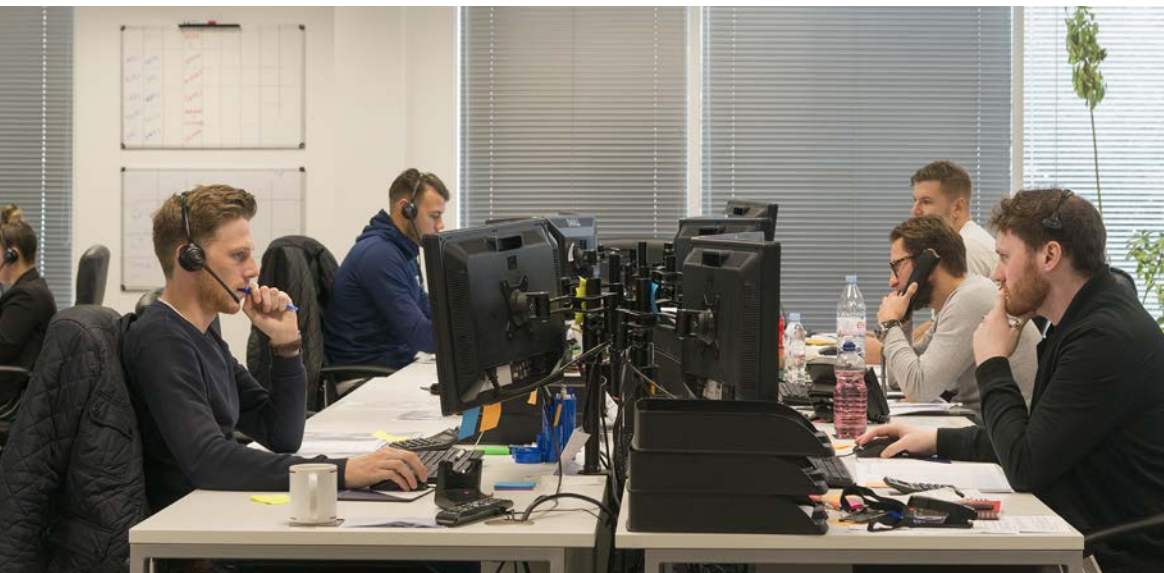
The **Office (Origin)** comprises a highly specified self-contained headquarters building **constructed in 2004** totalling **32,793 sq ft NIA**. The building is arranged over the ground and two upper floors around an impressive double height atrium overlooking a secluded landscaped environment.

Internally, the office floors provide modern, open plan and flexible office accommodation, benefitting from the following high quality specification:

- Four Pipe fan air-conditioning
- Fully accessible raised floors with 150mm clear void
- Suspended ceilings with Category 2 lighting
- Two x 10 person passenger lifts
- Shower facilities
- Male and Female WC's on each floor

The Office benefits from approximately **108 car parking spaces**, providing an **exceptional town centre ratio of 1:304 sq ft**.

The **Residential** component comprises **12 x 2 bedroom residential apartments** (currently vacant) totalling **10,672 sq ft NSA (18,041 sq ft GIA)**, providing 18 car parking spaces.



Accommodation

The property has been measured in accordance with the RICS Code of Measuring Practice (6th Edition) to provide the following approximate floor areas:

Floor	sq ft	sq m
Office*		
Second Floor	11,498	1,068.2
First Floor	10,818	1,005.0
Ground Floor	10,477	973.3
Sub-total	32,793	3,046.5

The reception is approximately 850 sq ft.

Residential**			EPC
Apartment 1	916	85.1	C (77)
Apartment 2	861	80.0	C (78)
Apartment 3	916	85.1	B (83)
Apartment 4	860	79.9	B (83)
Apartment 5	914	84.9	C (79)
Apartment 6	865	80.4	C (79)
Apartment 7	858	79.7	C (80)
Apartment 8	918	85.3	C (76)
Apartment 9	863	80.2	B (83)
Apartment 10	918	85.3	B (82)
Apartment 11	862	80.1	C (79)
Apartment 12	921	85.6	C (78)
Sub-total	10,672	991.6	
Total	43,465	4,038.1	

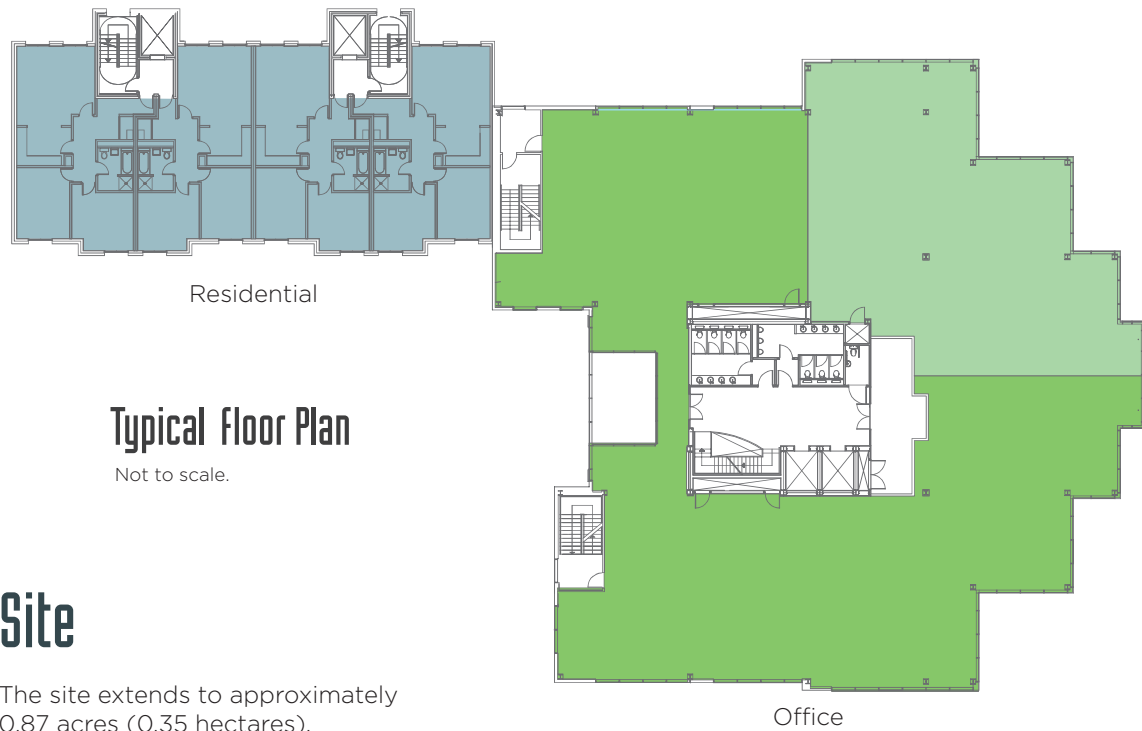
* Office areas (NIA).

** Residential areas (NSA) / 18,041 sq ft GIA / 1,676 sq m GIA.
IPMS areas available on request.

Tenure

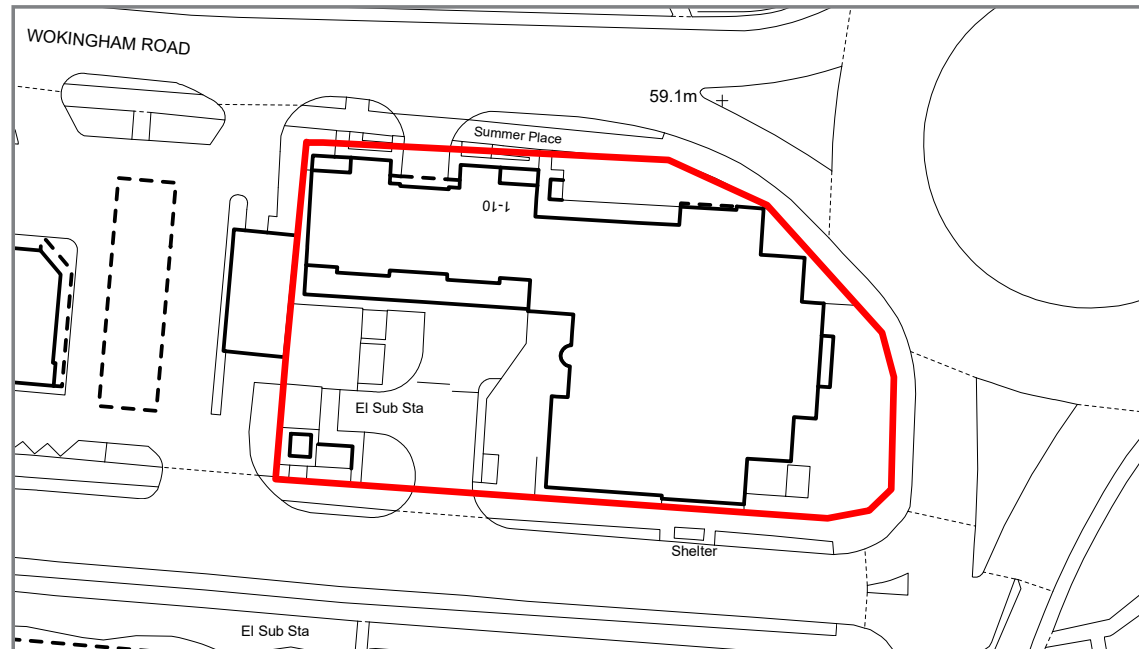
Freehold.

Origin, Western Road, Bracknell, RG12 1US



Site

The site extends to approximately 0.87 acres (0.35 hectares).



For indicative purposes only.

Tenancy

The Office is **multi-let to four tenants** in accordance with the tenancy schedule below, on effective FR & I leases. The **current passing rent is £398,325 p.a.**, equating to a **low average rent of £16.74 psf** on let space. The **AWULT** of the property is **3.0 years to expiries** and 0.7 years to breaks.

Demise	Tenant	Area (sq ft) NIA	Lease Start	Lease Expiry	Break Option	Passing Rent (p.a.)	Passing Rent (psf)	Comments
Office								
Second Floor	Alexander Mann Solutions Ltd	11,498	01/12/2015	30/11/2020	01/12/2018	£199,461	£17.35	37 car parking spaces. S/C cap of c. £7.33 psf + RPI.
Part First Floor	VACANT	1,658						6 car parking spaces.
Part First Floor	Besins Healthcare SA	3,239	01/05/2016	30/09/2020	30/09/2018*	£65,900	£20.35	12 car parking spaces. *Notice to break has been served. S/C cap of c. £7.38 psf. + RPI. Rent deposit of £39,540.
Part First Floor	Besins Healthcare SA	2,680	01/10/2015	30/09/2020	30/09/2018*	£44,812	£16.72	9 car parking spaces. *Notice to break has been served. S/C cap of c. £7.17 psf + RPI. Rent deposit of £26,906.
Part First Floor	DigitalML Ltd	3,241	26/06/2014	25/06/2024	26/06/2019	£41,652	£12.85	10 car parking spaces. Rent review on 25/06/2019. S/C cap of c. £7.15 psf + CPI.
Part Ground Floor	Technet IT Recruitment Ltd	3,132	30/06/2015	29/06/2020	29/06/2018	£46,500	£14.85	6 months half rent if break not activated. 10 car parking spaces. S/C cap of c. £7.47 psf + RPI.
Part Ground Floor	VACANT	7,345						24 car parking spaces.
Sub-total		32,793				£398,325	£16.74 (on let space)	
Residential								
Apartments 1-12 Summer Place, Wokingham Road	VACANT	10,672						
Total		43,465				£398,325		

Service Charge

The Service Charge budget for the year ending 30/06/2018 is £321,166.
Further information is available on request.

Covenant



Alexander Mann Solutions Ltd

Alexander Mann Solutions Ltd (Company No. 02073305), founded in 1996 by Rosaleen Blair, is a leading provider of talent acquisition and management services. With over 3,500 employees around the world, the company is uniquely positioned to provide solutions across the entire talent lifecycle – from strategic workforce planning and employer branding, to assessment and employee engagement. Alexander Mann Solutions Ltd serves some of the world's leading brands in more than 80 countries and 30 languages.

Alexander Mann Solutions Ltd is rated **5A 1 by Dun & Bradstreet**.

	31-Dec 2016	31-Dec 2015	31-Dec 2014
Sales Turnover	£123,632,000	£725,318,000	£669,247,000
Profit Before Taxes	£24,799,000	£19,214,000	£20,028,000
Tangible Net Worth	£56,795,000	£36,844,000	£49,269,000
Net Current Assets (Liab.)	£53,296,000	£34,048,000	£47,297,000



DigitalML Ltd

DigitalML Ltd (Company No. 04013647) is a pioneer in the API Product management space with its unique focus on enabling collaboration between Business and IT. Founded in the UK in 2000, DigitalML Ltd now operate in Germany and North America.

DigitalML Ltd is rated **2A 1 by Dun & Bradstreet**.

	31-Dec 2016	31-Dec 2015	31-Dec 2014
Tangible Net Worth	£2,933,618	£3,213,522	£2,579,181
Net Current Assets (Liab.)	£2,891,332	£1,657,572	£2,507,118



Technet IT Recruitment Ltd

Technet IT Recruitment Ltd (Company No. 04142465) is a specialist technical recruitment agency in the UK. Set up in 2001, the company offers a range of business services including but not limited to permanent recruitment, contract recruitment and specialist search and selection. This is undertaken across their UK office network, which include London, Milton Keynes and Cheltenham.

Technet IT Recruitment Ltd is rated **F 3 by Dun & Bradstreet**.

	31-Dec 2016	31-Oct 2015	31-Oct 2014
Tangible Net Worth	£24,676	£137,347	£214,440
Net Current Assets (Liab.)	£63,451	£107,231	£204,605

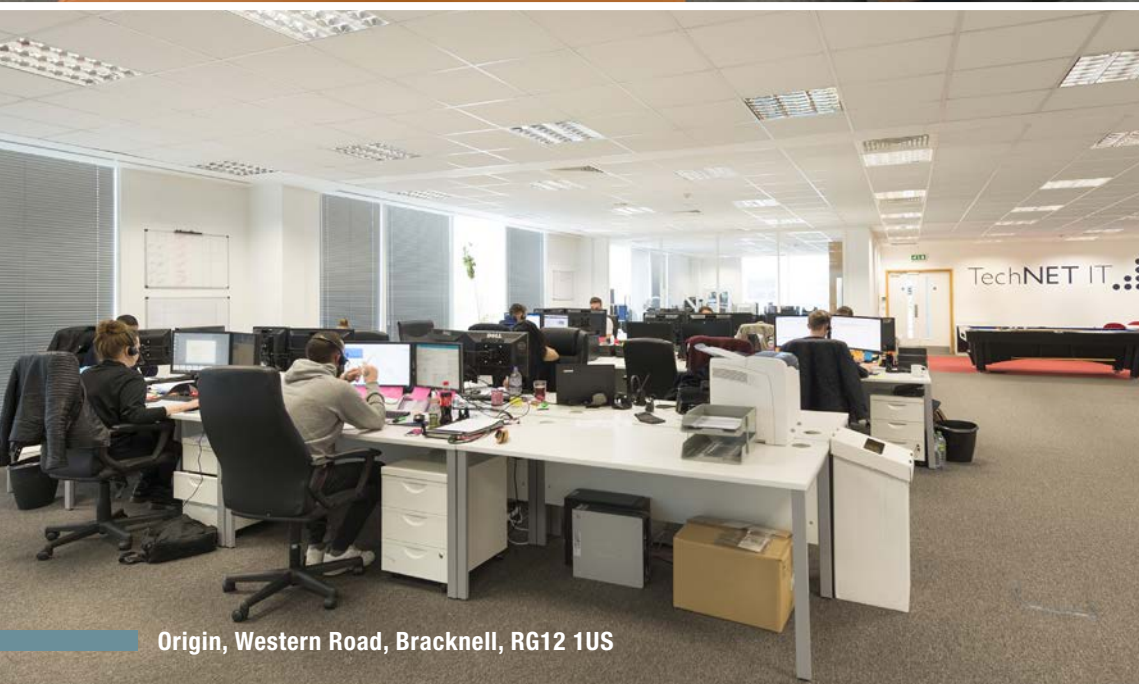


Besins Healthcare SA

Besins Healthcare SA (Company No. BE0473343667) is a pharmaceutical company, developing drugs for the well-being of men and women worldwide. Founded in 1885 in Paris, with headquarters now in Bangkok, Besins Healthcare SA provide a range of products through subsidiaries and partners to over 90 countries.

Besins Healthcare SA is rated **5A 1 by Dun & Bradstreet**.

	31-Dec 2016	31-Dec 2015	31-Dec 2014
Sales Turnover	£2,774,540	£3,479,352	£7,795,771
Profit (Loss) Before Taxes	(£2,225,909)	£58,038,205	£120,977,288
Tangible Net Worth	£51,299,110	£88,482,433	£80,865,139



Bracknell Occupational Market

Bracknell is one of the **leading commercial centres within the Thames Valley**, with a total stock of approximately 3.7 million sq ft. The town has attracted a significant **number of high-profile companies** from a variety of sectors, many of whom have located their UK and European headquarters in the town including Dell, Hewlett-Packard, Fujitsu, Waitrose, Panasonic, Johnson & Johnson and Honeywell.

Take-up for 2017 was 195,000 sq ft, more than double the total achieved in 2016 and exceeding both the 5 and 10-year take up average. 87% of total take-up involved new to refurbished Grade A space with Grade B accounting for 13%.

Supply

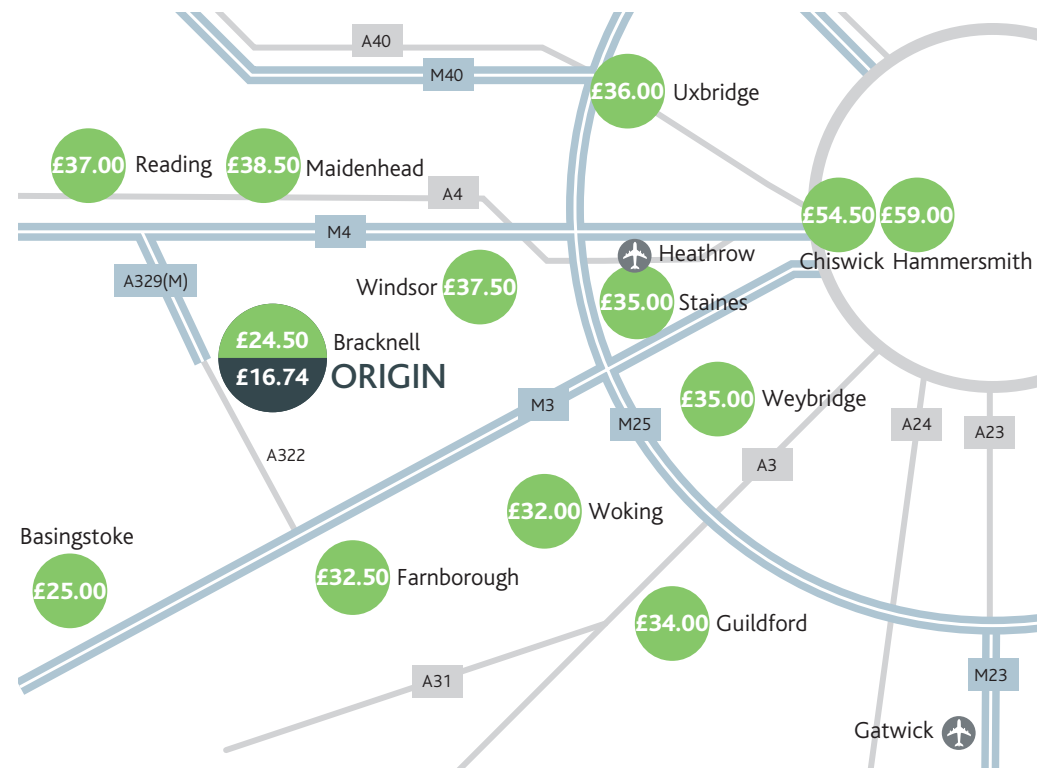
Bracknell has historically suffered from an oversupply of office accommodation. However, supply has steadily fallen since 2010 (1,300,000 sq ft) and now stands at approximately 426,000 sq ft. The conversion of a number of office schemes to residential use via Permitted Development Rights has led to the erosion of office space in Bracknell, which we expect will drive rental growth.

Prime Rents

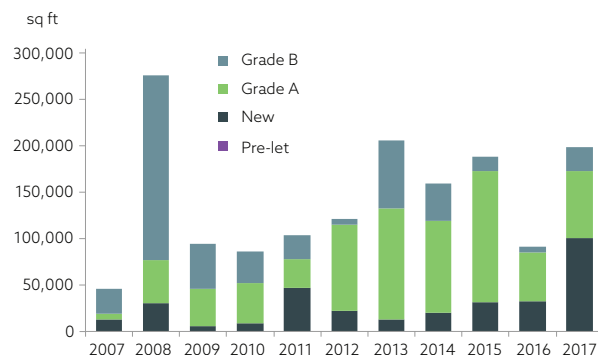
Prime rents in the town centre now stand at £24.50 psf, still notably below their historic peak and at a notable discount to surrounding commercial towns, including Reading, Maidenhead, Staines and Woking.

As such, Knight Frank predicts that rents will breach £30.00 psf over the next 36 months, particularly following the recent £240m town centre development, The Lexicon, which will greatly enhance the town's wider amenity offer to occupiers.

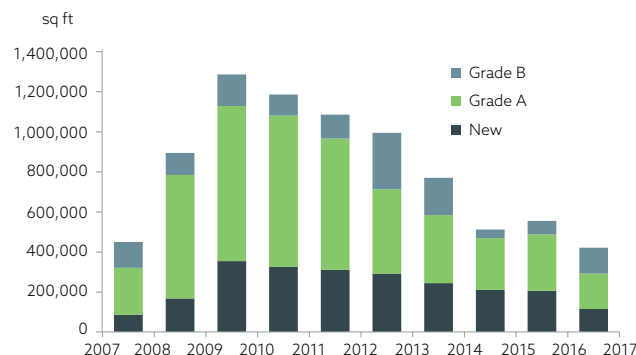
Prime Rental Comparisons



Bracknell Annual Take-up



Bracknell Availability



Investment Market

Office investment in the South East performed strongly in 2017, with total investment volumes reaching £3.7bn, 70% higher than the 10-year average. Investor sentiment in the South East continues to remain strong, with **prime yields standing at 5.00% NIY**, still well short of the 2007 peak of 4.75% and up to 200 bps softer than Central London. There is continued demand for investments providing active asset management opportunities and investors are particularly attracted to those markets benefitting from major regeneration and infrastructure improvements, such as Bracknell.

Recent comparable office investment transactions:

Transaction Date	Property	Town	Tenant	Term Certain	Price	Price (psf)	NIY	Purchaser
On Market	3 Arlington Square	Bracknell	Multi-Let	3.4 yrs	£21.80 M	£324	6.50%	-
Jan 2018	Ashley Park House	Walton-on-Thames	Multi-Let	1.0 yrs	£10.25 M	£361	7.00%	Private Investor
Nov 2017	Columbia Centre	Bracknell	Multi-Let	3.1 yrs	£14.70 M	£271	5.60%	CLS Holdings Plc
Nov 2017	One Station Square	Bracknell	Multi-Let	5.7 yrs	£12.00 M	£277	6.92%	Standard Life Investments
Nov 2017	2 Arlington Square	Bracknell	Regus	8.1 yrs	£25.50 M	£288	6.50%	Private Investor
Aug 2017	1 Arlington Square	Bracknell	Multi-Let	4.4 yrs	£22.10 M	£261	6.60%	London Capital
Aug 2017	Phoenix House	Reading	Multi-Let	1.7 yrs	£20.93 M	£405	6.24%	Fidelity
Jul 2017	Pinnacle	Reading	Multi-Let	2.0 yrs	£13.45 M	£322	6.75%	Standard Life Investments
Feb 2017	First Point	Gatwick	Multi-Let	4.2 yrs	£18.30 M	£295	7.29%	Gatwick Airport



Residential

In recent years, **Bracknell has become popular amongst residential buyers** looking to purchase reasonably priced homes in a well-connected location in the heart of Berkshire.

Bracknell, which borders Ascot to the east and Windsor to the north east, offers good transport connections to the South East, high quality schools, wide range of amenities and services, with attractive countryside in close proximity.

Demand for new homes in Bracknell has outstripped supply in the town centre with a limited number of new schemes coming forward.

Prime residential capital values now stand at approximately £450 psf, with rents for a prime new two bedroom apartment likely to achieve between £1,200-£1,250 pcm.

Bracknell has enjoyed sustained house price growth which is expected to be extended further following the completion of The Lexicon.





EPC

The property has an EPC rating of E (123).

VAT

We understand that the property will be treated as a Transfer of a Going Concern (TOGC) for VAT purposes.

DATA ROOM

A data room is available upon request.

PROPOSAL

Offers are sought in excess **£7,950,000 (Seven Million, Nine Hundred and Fifty Thousand Pounds)**. This figure has been determined by apportioning **£4,925,000 to the Office**, representing an **attractive net initial yield of 7.6%** (after usual purchaser costs) and a **low capital value of £150 psf** and **£3,025,000 (£283 psf)** to the **12 Residential apartments**.

Subject to Contract and exclusive of VAT.

Further information

For further information or to arrange an inspection, please contact the following:

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