



MODERN FLEXIBLE OFFICE INVESTMENT
3-5 Huxley Close, Park Farm, Wellingborough, NN8 6AB

MK2
REAL ESTATE

MODERN OFFICE INVESTMENT

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INVESTMENT SUMMARY

- > Opportunity to acquire the **freehold interest** of modern flexible out of town office building,
- > Let to IHS Global Limited until December 2022, a very secure tenant who have been in occupation for 13 years.
- > Located on an established business park in the East Midlands, with excellent road connections.
- > Grade A office accommodation extending to 10,138 sq ft over ground and two upper floors.
- > **Low Passing rent of £132,000** per annum equating to £13.03 psf with anticipated reversionary potential of **£141,778 per annum equating to £14.00 psf.**
- > Offers in excess of **£1,525,000 (One Million Five Hundred and Twenty Five Thousand Pounds)** subject to contract and exclusive of VAT.
- > A purchase at this level reflects a **NIY of 8.16%** and a **reversionary yield of 8.76%** assuming purchases costs of 6.13%.



IHS Markit™



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LOCATION

Wellingborough is one of the largest towns within the county of Northamptonshire and has a population of 75,356 (Census 2011). Wellingborough forms part of the east midlands and is one of the regions urban centres and has excellent access to the M1, A1 and M6 serving the wider national motorway network.

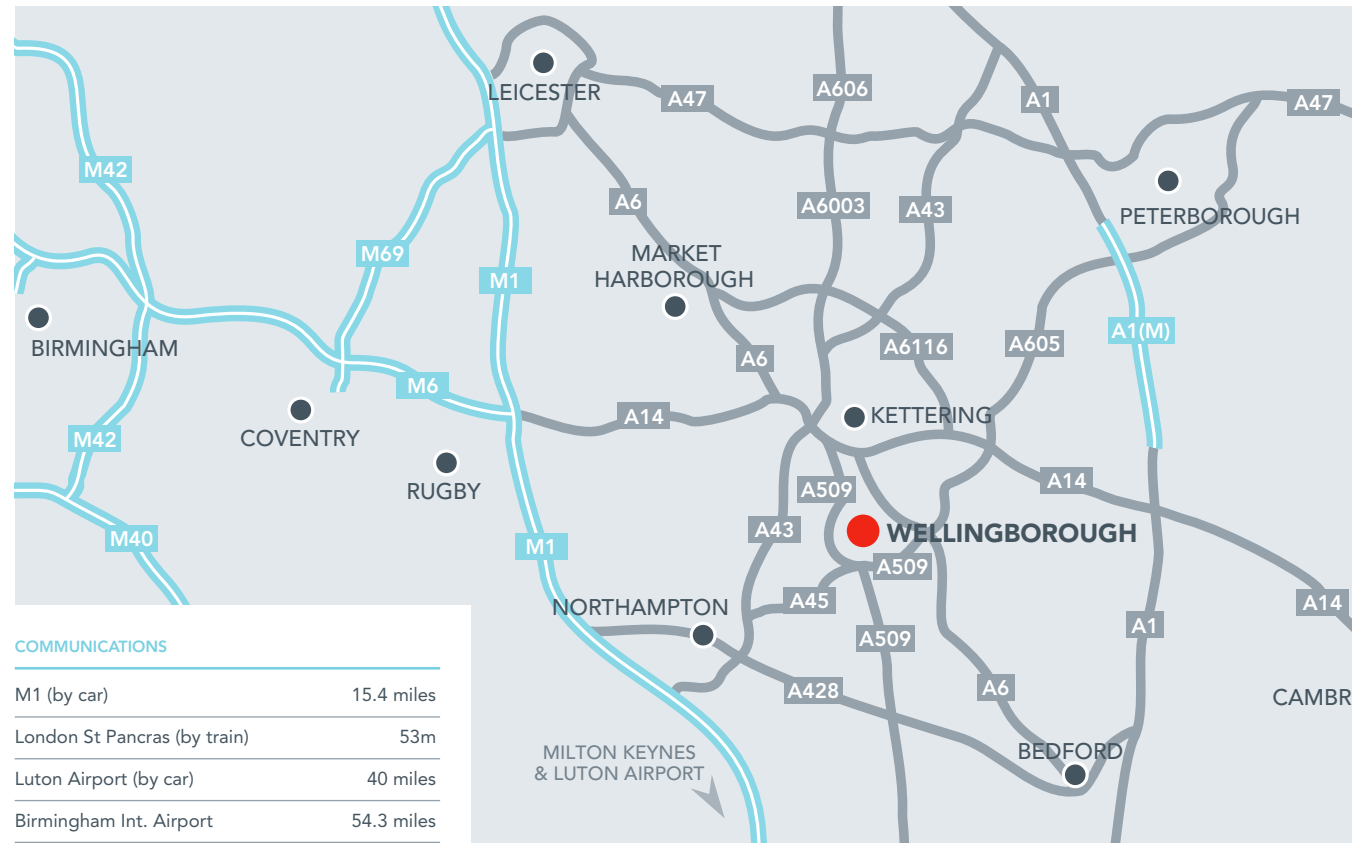
Wellingborough is approximately 11 miles north east of Northampton, 21 miles north of Milton Keynes, 60 miles south east of Birmingham and 70 miles north of London. The town has a large commuter population as it is located on the Midland Main Line railway providing a direct line to London with journey times of 53 minutes.

DISTANCES

Northampton Town Centre	11 miles
Milton Keynes Town Centre	21 miles
Birmingham City Centre	60 miles
London City Centre	77 miles

COMMUNICATIONS

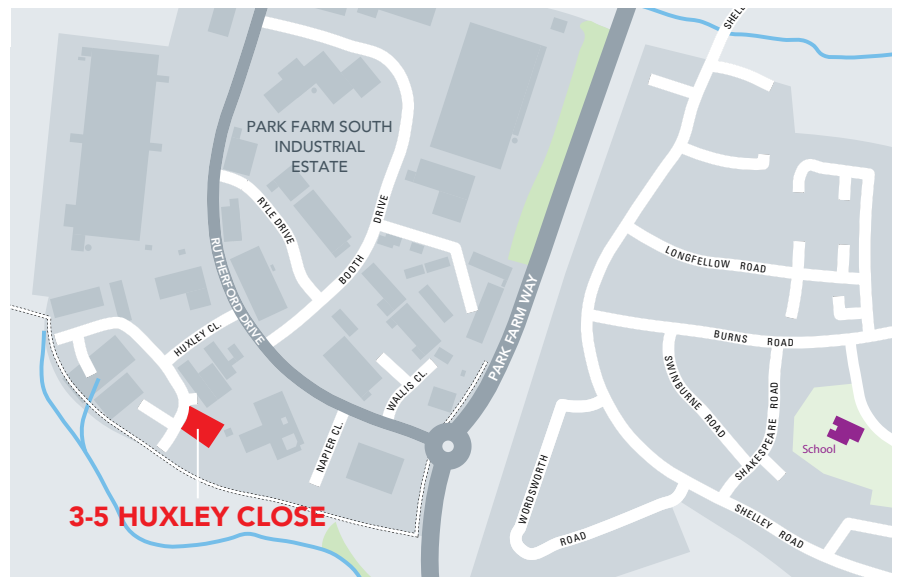
M1 (by car)	15.4 miles
London St Pancras (by train)	53m
Luton Airport (by car)	40 miles
Birmingham Int. Airport	54.3 miles



SITUATION

The property is located on Park Farm Industrial Estate, an established business park comprising office and Industrial accommodation. The business park benefits from onsite leisure facilities including Bannatyne Health and Fitness Club and is bound by residential to the east and farm land to the west and south. Wellingborough has attracted a number of established businesses due to its excellent transport links including Yusen Logistics, DHL, House of Fraser and Booker Cash and Carry.

Access to the property is via the A509 which orbits the town and provides access to Kettering in the North. The A45 is approximately 2 miles south of the property and is the main commuter link between Northampton and Wellingborough. The A14 is approximately 8 miles north and provides access to Cambridge in the east and both the M1 and M6 in the west. Wellingborough town centre is located approximately 2.5 miles east of the property via Hardwick Road and Wellingborough railway station is located a further 1.5 miles east via the B573.



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DESCRIPTION

The property was constructed in 2005 and comprises of a modern office building arranged over ground and two upper floors. The specification includes;

- > Full height reception area.
- > Aluminium double-glazing.
- > Cat III Lighting.
- > CCTV.
- > Raised carpeted flooring.
- > Passenger lift.
- > Male and Female WC's at each floor.
- > Shower facilities.
- > Gas central heating.
- > Air conditioning throughout.
- > Open plan.

Externally the property benefits from a secure fenced tarmacadam car park to the rear and front of the building providing 50 parking spaces equating to a generous parking ratio of 1:202 sq ft. The site is secured by a metal plastic coated fencing incorporating full height security gates to the rear car park.

The property has been measured in accordance with the RICS Code of Measuring Practice (6th Edition) providing a Net Internal Area as follows:

ACCOMMODATION	SQ M	SQ FT
Ground	329.48	3,546
First Floor	306.19	3,296
Second Floor	306.19	3,296
Total	941.85	10,138

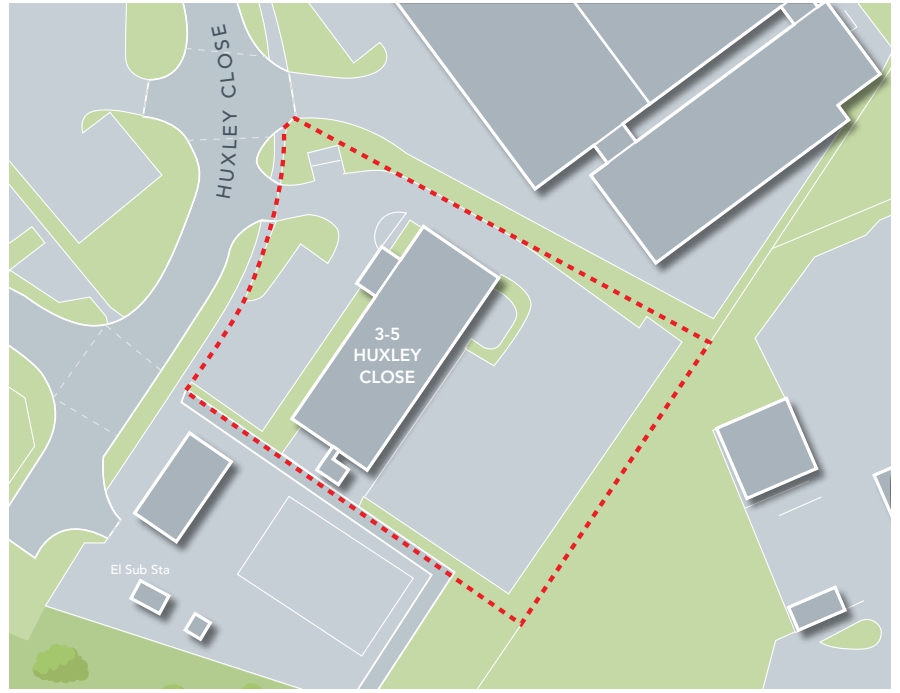
Adopting International Property Measuring Standards 3 (IPMS3) the building provides the following floor area:

ACCOMMODATION	SQ M	SQ FT
Ground	285.57	3,074
First Floor	308.20	3,317
Second Floor	308.20	3,3176
Total	901.91	9,708

We estimate the total site area to be approximately 0.69 acres (0.270 hectares).

TENURE

The property is held freehold.



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TENANCY

The property is let in its entirety to IHS Global Limited (company No. 00788737), for a term of 5 years from the 1st of December 2017 at a passing rent of £132,000 per annum. The lease contains a tenant break on the 1st of December 2020. Providing approximately 2 years and 4 months to break and 4 years 4 months to lease expiry. The tenant has been in occupation of the property since its construction in 2005.

COVENANT



	30/11/2016	30/11/2015
Turnover	323,910,000	293,554,407
Pre-tax Profit	47,847,000	17,610,251
Net Worth	619,769,000	328,494,311

IHS Markit are a leading market researcher who provide analytics across various industries which impact global economies. Their clients operate within finance, business and the public sectors. IHS Global were incorporated in 1986 and now operate as a subsidiary of IHS Incorporated. IHS Incorporated are a global business with registered offices worldwide and are headquartered in London.

**ASSET
MANAGEMENT
OPPORTUNITIES**

The property provides the opportunity to re-let to multiple occupiers on a floor by floor basis or alternatively re-configure to provide serviced office accommodation. The passing rent of £13.03 psf is below market rent of circa £14.00 psf creating reversionary potential of £141,778 pa.



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NORTHAMPTONSHIRE OFFICE MARKET

Northamptonshire is one of the East Midlands key economic drivers and supports a range of occupiers from the business, financial and service sectors, including Shoosmiths, Barclaycard and iPSL. The county has benefitted from the automotive sector with major employers in the region including the Mercedes-Benz Formula One team and GE Precision Engineering, thus providing opportunity for new business creation in the region.

The last few years has seen a combination of healthy occupier demand and a decrease in stock, causing vacancy rates to continue to fall. Q1 and Q2 of 2018 has seen record investment transactions within the county with the disposal of two of the largest single asset offices in the region completing.

Headline rents in the region include;

ADDRESS	DATE	FLOOR AREA (SQ FT)	RENT PSF (£)
Unit 12, Kettering Venture Park, Kettering	20/11/2017	1,143	£13.77
Unit 16-18, Bedford Road, Northampton	01/09/2017	1,812	£14.90
Suite 5, 900 Pavilion Drive, Northampton	30/09/2017	8,612	£14.51
House, Cedar Drive, Kettering	10/02/2017	2,076	£15.41

Strong rental growth and limited supply has encouraged investors in the area with recent deals including;

ADDRESS	DATE	FLOOR AREA (SQ FT)	SALE PRICE (£)	NIY (%)
Princess Court, 26-36 York Road & 1-15 Lower Brown Street, Leicester, LE1 5TU	12/05/2018	22,302	£4,385,000	6.21
Elder House, Elder Gate, Milton Keynes	30/05/2017	72,860	£11,000,000	8.33
Phoenix House, Elder Gate, Milton Keynes	01/03/2017	75,465	£11,400,000	7.25



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EPC RATINGS

The property has an EPC rating of **D82**.
A copy of the certificate is available upon request.

VAT

VAT is payable on the purchase price and subject to qualification we anticipate the sale will be treated as a TOGC.

PROPOSAL

Offers are invited in excess of **£1,525,000 (One Million Five Hundred and Twenty Five Thousand Pounds)** subject to contract and exclusive of VAT.

A purchase at this level reflects the following attractive yield profile:

3-5 HUXLEY CLOSE, PARK FARM, WELLINGBOROUGH

Net Initial Yield	8.16%
Reversionary Yield	8.76%
Capital Value per sq ft	£150.58

Based on normal acquisition costs of 6.13%



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FURTHER INFORMATION

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