

JAYS CLOSE VIABLES BUSINESS PARK, BASINGSTOKE, HAMPSHIRE, RG22 4BS



Long Leasehold Industrial Investment Sale

ASW
Ashworth Sibal Welch
CHARTERED SURVEYORS
020 7534 0990

INVESTMENT CONSIDERATIONS

- Prime industrial/warehouse location.
- Only 28% site cover on secure site
- 33,742 sq ft completely refurbished warehouse post rent review.
- 25% office content.
- Let off only £6.89 psf to Meggitt Properties Plc.
- Opportunity to re-gear the head lease with Basingstoke and Dean Borough Council.
- Reversionary, ERV £7.50 psf
- Offers in excess of £2,750,000 (Two Million Seven Hundred and Fifty Thousand Pounds) subject to contract and exclusive of VAT.
- Net initial yield of 6.40%, a reversionary yield of 7.0% and an equivalent yield of 6.82%.

LOCATION & COMMUNICATION

Basingstoke is located within north east Hampshire, approximately 79kms (49 miles) south west of Central London and 47kms (31 miles) to the north east of Southampton. Reading lies approximately 32kms (20 miles) to the north.

Basingstoke has a district population of approximately 153,000 people and has a catchment population which is ranked eighth in the top 100 PROMIS (PMA) centres on the Affluence Indicator. The unemployment rate within the town (April 2005 - TTWA) stands at 1% against the UK average of 2.4%.

Major employers within the town include the Automobile Association, Lansing Linde, Sony, Albright and ITT Industries.



Jays Close, VIABLES BUSINESS PARK, Basingstoke, Hampshire, RG22 4BS

ITT Industries

DeLaRue

M3

JPMorgan

SONY

adidas

MEGGITT

MOTOROLA

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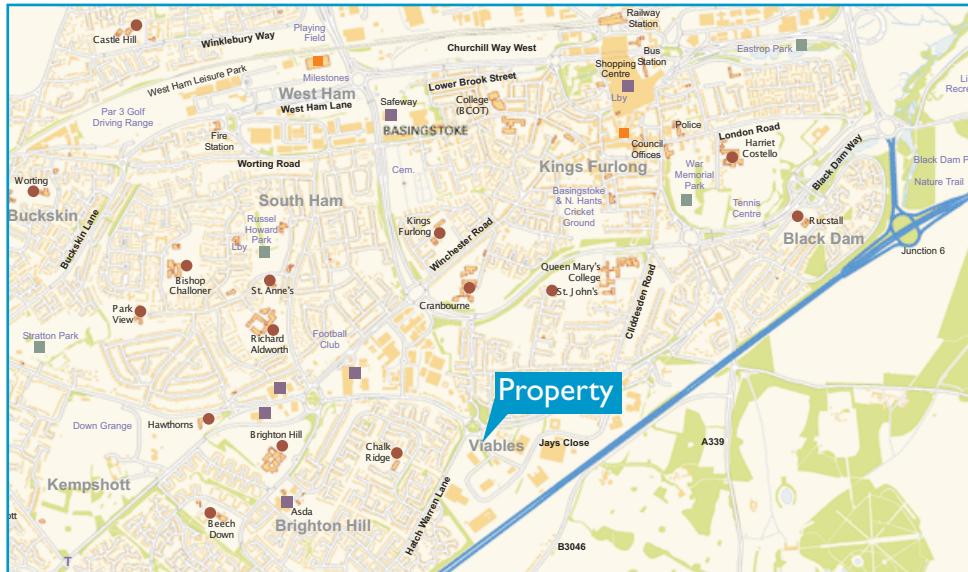
SITUATION

Viabes Business Park is accessed via Junction 6 of the M3 and is signposted from the motorway junction. Viabes Business Park is one of the established business space locations within Basingstoke and backs onto the M3 motorway. The Park is made up of a mixture of high technology occupiers, offices and traditional industries. Jays Close is accessed off Grove Road via a mini roundabout. The unit is prominently located fronting Jays Close, adjacent to a sports field, which in turn is immediately to the west of Motorola's headquarters.

Occupiers on Viabes Business Park include: Motorola, Sony, Fujitsu, Fibrenet, De la Rue, Taylor Made and ITT Industries.

Other major industrial locations within Basingstoke are the Houndmills Industrial Area to the north west of the town centre and Daneshill located to the north east of the town centre. Both locations are less accessible from the M3.

The property was, until October 2005, previously occupied by Motorola UK, the property is within 100 metres of their UK Headquarters on Jays Close.



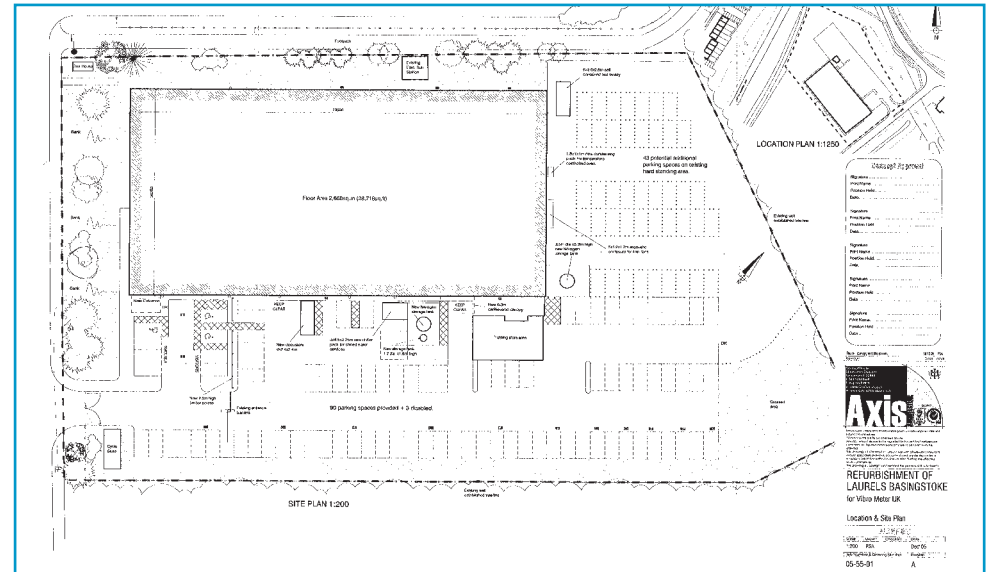
BASINGSTOKE INDUSTRIAL MARKET

Average take up over the past five years has been 245,000 sq ft per annum. The highest demand is in the size ranging from 25 – 50,000 sq ft which has accounted for 31% of total take up over the past five years (source: Promis).

Average completions over the past five years have been 177,000 sq ft.

Demand for new space has been reasonably strong; at Antura, Brixton PLC's scheme at Daneshill, rents of £8.25 - £8.50 psf have been achieved for units with a 20% office content. On another Brixton scheme, Lutyens, rents of £7.50 - £8.00 have been achieved depending on office content. In May 2004, J Sainsbury took the Caballero unit (112,000 sq ft) at Knights Park on Houndmills Industrial Estate at £8.00 psf.

Currently Canmoor have a new multi let scheme called Hatch Industrial Park, funded by British Airways Pension Fund, measuring approximately 130,000 sq ft in 11 units where the developer has one unit under offer at £8.30 psf. The units have an office content of approximately 10%. The developer has good interest in several of the larger units (20,000 – 30,000 sq ft). see www.canmoor.com for details of the scheme.



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DESCRIPTION

The property comprises a detached headquarters production facility originally built in the mid-80s, occupying a self contained secure site with frontage to Jays Close. The unit is constructed around a steel portal frame with insulated profiled metal cladding with a minimum clear height of 6 m (19 ft 4 ins) to the underside of the steel haunch.

In March 2006, Meggitt Properties PLC assigned the lease from Motorola. The building has been completely refurbished both internally and externally, including new roof, new elevations, windows, heating system to the offices and the car park resurfaced. The approximate cost being £4m. The Landlord's specification is now as follows:



Industrial

- Two roller shutter doors each providing a clear opening of 3.5m x 3.5m (11 ft 6 ins x 11 ft 6 ins).
- Secure self contained yard.
- 136 on site parking spaces (parking ratio 1:248 sq ft)
- Eaves height to under side of haunch – 6 metres (c. 19 feet)

Offices

- VRV air conditioning and heating
- Perimeter trunking.
- Carpeted concrete floors.
- Double glazed aluminium windows.
- Male, female and disabled WCs.
- LG 3 recessed lighting set in a suspended ceiling.

SITE

The site extends to approximately 1.336 hectares (2.8 acres) representing a site coverage of only 28%.

ACCOMMODATION

The unit provides, on a gross internal basis, the following accommodation:-

FLOOR	USE	AREA SQ M	AREA SQ FT
Ground and 1st Floor	Offices	403.20	4,341
	Offices	403.20	4,341
Mezzanine	Staff Canteen	162.25	1,746
Ground	Warehouse	2,166.44	23,314
TOTAL		3,135.29	33,742

TENURE

Long Leasehold for a term of 125 years from 6 December 1985 (104 years unexpired) subject to five yearly upward only rent reviews. The current Head Rent is £46,500 pa. The head lease rent review assumes 20% of the "rack rental value".

OCCUPATIONAL LEASE

The Property was originally let on an FRI lease subject to 5 yearly rent reviews, for a term of 15 years from 2nd June 2000, expiring 1st June 2015 at an annual rent of £232,500 per annum (£6.89 psf). A reversionary lease has been granted from 1st June 2015 until 12th March 2021, subject to a tenant only break clause operable on 12th March 2016, (next rent review 13th March 2016) on 6 months notice without penalty.

Effectively, the property is let for a further 14.5 years subject to a break clause in the 10th year to Meggitt Properties PLC. The next rent review is due on 13th March 2011.

The Net rent receivable is £186,000 pa.



ESTIMATED RENTAL VALUE

Based upon recent market activity, we are of the opinion the current net ERV is £214,750 pa £80.73 per m² (£7.50 psf).

PLANNING

The head lease provides for Class II, Class III and Class X of the Used Classes Order 1972.

TENANT PROFILE

Meggitt Plc is a quoted company on the London Stock Market and forms part of the Footsie 250 Group of companies. For the year ended 31 December 2005, the Group's turnover was £616 million, (2004 - £476 million). Pre-tax profits for 2005 was £116 million (2004 - £90 million). Shareholders Funds equate to approximately £497 million.

The company has three divisions, Aerospace, Defence Systems and Electronics. Details of the company and its financial records are available on their web site – www.meggitt.com.

Meggitt Properties PLC, the tenant, is a wholly owned subsidiary of Meggitt PLC. The company is an intermediate holding company engaged in the design and manufacture of aerospace, electronic and industrial system components. The Group operate in 30 countries worldwide.

The latest available Accounts for Meggitt Properties PLC are for the year ended 31 December 2005 which show a Pre-tax profit of £16.8 million and Net Worth of £79.93 million. The company has a Dun and Bradstreet rating of 5A1.

VAT

Our clients have elected to waive their exemption to VAT and, as such, VAT will be payable on the purchase price.

PROPOSAL

We are instructed to seek offers in excess of £2,750,000 (Two Million Seven Hundred and Fifty Thousand Pounds) subject to contract and exclusive of VAT. This reflects a net initial yield, after 5.7625% purchaser's costs, of 6.40%, a reversionary yield in March 2011 of 7.0% and an equivalent yield of 6.82%

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Subject to Contract and Exclusive of VAT

Misrepresentation notice: Ashworth Sibal Welch for themselves and for the owners of the above property whose agent they are, give notice that:-

- The particulars are set out as a general outline only for guidance of intending occupiers and do not constitute nor constitute part of an offer or contract.
- All descriptions, dimensions, references to condition and necessary permissions for use and occupation and other details are given in good faith and are believed to be correct but any incoming occupier should not rely on them as statements or representations of fact and must satisfy themselves by inspection or otherwise as to the correctness of each of them.
- No person in the employment of Ashworth Sibal Welch has the authority to make or give any representations or warranty whatsoever in relation to this property or the particulars, nor enter into any contract relating to the property on behalf of Ashworth Sibal Welch nor any contract on behalf of the lessors.
- No responsibility can be accepted for any expenses incurred by intending occupiers in inspecting properties which have been let or withdrawn.