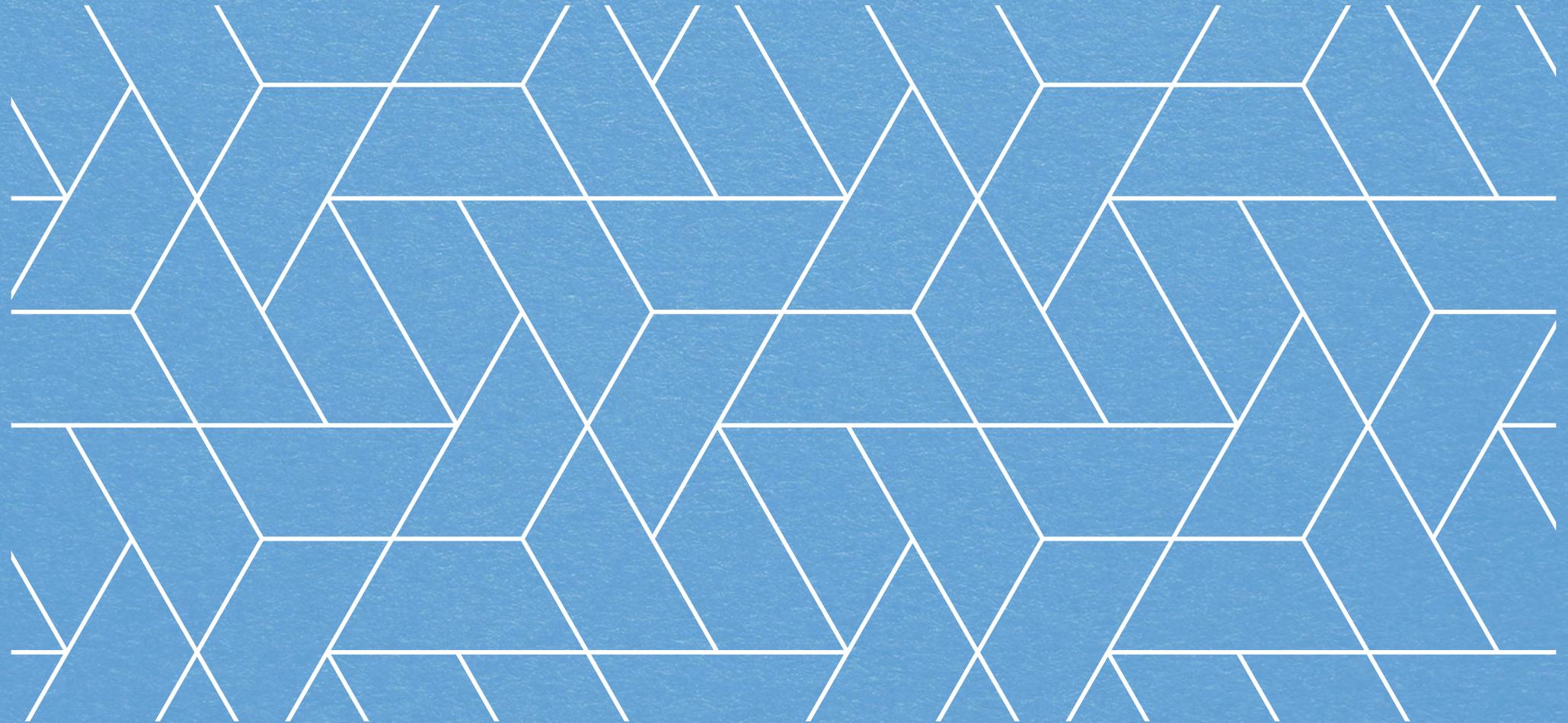


LILY HILL

BRACKNELL

Lily Hill Road
RG12 2SJ



Unique South East Freehold Office Investment
and Development Opportunity

 **AURUM**
Real Estate

INVESTMENT SUMMARY

Bracknell is an established south east office centre located within the heart of the Thames Valley.

- Unique Freehold South East office investment situated on a 3 acre site within the 56 acre Lily Hill Park on the edge of Bracknell town centre, a 5 minute drive from Bracknell Railway Station.
- Freehold.
- The office accommodation is arranged across two buildings; one a period conversion and the other an L-shaped stand-alone office building.
- Currently arranged to provide 2,828.5 sq m (30,446 sq ft GIA) of total accommodation across the two buildings.
- Benefitting from 102 car parking spaces, providing an excellent parking ratio of 1:261 sq ft.
- The vendor will provide a two-year rent, rates and service charge guarantee on the vacant space (3,941 sq ft) providing an additional net £90,165 per annum.
- Total net rent received of £550,624 per annum, with a potential reversionary rent of £587,507 per annum.
- Provides an excellent opportunity for either continued asset management of the existing, or extensive redevelopment and alternative uses subject to obtaining the necessary consents.
- We are instructed to seek offers in excess of £6,425,000 (Six Million, Four Hundred and Twenty Five Thousand Pounds) for the freehold interest, subject to contract and exclusive of VAT.

Assuming purchaser's costs of 6.80%, a purchase at this level would reflect:

Net Initial Yield:	8.02%
Reversionary Yield:	8.56%
Capital Value NIA:	£239 per sq ft
Capital Value GIA:	£211 per sq ft



BRACKNELL REGENERATION

Bracknell town centre has recently undergone a major £240 million regeneration, now branded as 'The Lexicon'.

The regeneration has improved the town centre and its amenities significantly, further enhancing Bracknell's business and local community.

The Lexicon provides 580,000 sq ft of retail and leisure accommodation which includes the following anchor retailers:



Various restaurant operators including:



Further information can be found at thelexiconbracknell.com



Lily Hill House / Lily Hill Court



SITUATION

Lily Hill House and Lily Hill Court are situated in a strategic Thames Valley commercial location.

The property benefits from being set in approximately 56 acres of restored heritage parkland and gardens, creating an enviable and accessible working environment.

The property is situated approximately 2 miles (3 km) to the east of Bracknell town centre and 3 miles (5 km) to the west of Ascot via the A329.

Access to the property is via Lily Hill Road which runs around the northern perimeter of Lily Hill Park. There is public car parking to the north east of the property for visitors to the gardens and Bracknell Lawn Tennis Club is directly to the south west of the site.



DESCRIPTION

The office accommodation at Lily Hill is arranged across two buildings; one a period office conversion (Lily Hill House), and the other (Lily Hill Court) an L-shaped stand-alone office building.

Lily Hill House

An attractive period office building arranged over three floors, with modern rear extension of circa 10,000 sq ft added in 2007.

The property now comprises an attractive balance of period and modern architecture with the character offices, benefiting from high ceilings and decorative plaster work, balanced against the more recent open plan contemporary office accommodation.

Exterior Glass Entrances



Lily Hill House / Lily Hill Court



Lily Hill Court

An L-shaped stand-alone office building built in 1990 and arranged over two floors. The property is of steel frame construction with brick elevations.

Originally designed as open plan office floors, the flexible accommodation is currently arranged in a range of corporate styles with varying levels of cellular and open plan accommodation.

Specification includes:

- Feature double height reception
- Two 8 person lifts
- Part 4 pipe fan coil air conditioning/comfort cooled
- Part suspended ceilings with integral LG7 lighting
- Part raised floors/part perimeter trunking
- Conference and meeting room facilities
- WC's to all floors
- Shower facilities and bike storage
- 102 car parking spaces (1:261 sq ft)



Lily Hill House Meeting Space

Originally constructed in the early 19th century as a family home within 300 acres of what was once part of Windsor Forest.



ACCOMMODATION

26,605 sq ft of office space over two buildings.

The buildings are currently arranged to provide a net internal area of 2,471.69 sq m (26,605 sq ft) but provide 2,828.5 sq m (30,446 sq ft) of gross internal area, therefore providing scope to create further net lettable area should that be desired in the future.

We have been provided with the following gross internal areas:

Lily Hill House	Sq m	Sq ft
Second	99.0	1,066
First	816.0	8,783
Ground	819.9	8,825
Atrium Reception	80.3	864
TOTALS	1,815.2	19,538

Lily Hill Court	Sq m	Sq ft
First	496.7	5,347
Ground	492.2	5,298
Reception	24.4	263
TOTALS	1,013.3	10,908



Lily Hill Court Kitchen



Lily Hill Court Floor Space

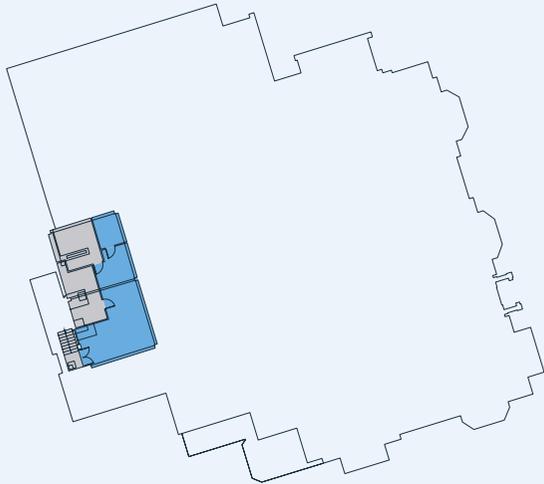


FLOOR PLANS

Lily Hill House

Basement

497 sq ft / 46.2 sq m



Ground

9,689 sq ft / 900.2 sq m



First

8,783 sq ft / 816.0 sq m



Second

1,066 sq ft / 99.0 sq m



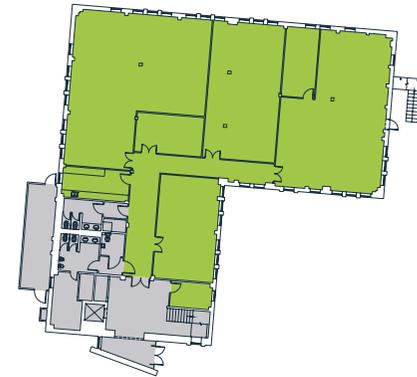
■ Floor (Lily Hill House) ■ Floor (Lily Hill Court) ■ Core ■ Reception

Lily Hill House / Lily Hill Court

Lily Hill Court

Ground

5,561 sq ft / 516.6 sq m



First

5,347 sq ft / 496.7 sq m



For indicative purposes only. Not to scale.



SITE AREA

The total site area is approximately 3.04 acres.



Lily Hill House Meeting Space



Lily Hill House Meeting Space



Lily Hill House / Lily Hill Court

SCHEDULE OF TENANCIES

The accommodation is let as managed workspace on a mix of short term leases to 16 different occupiers that each pay a combined rent, rates and facilities charge.

Further information and a schedule of the current tenancies is available on request

WAULT to lease expiries of 2.5 years and 1.9 years to breaks.

Despite the short WAULT, there is a strong track record of tenant retention at the property and through the 16 different occupiers, excellent diversification of income to minimise the potential risk of future income loss should any of the individual tenants vacate.

Gross Rent & Facilities Charge Collected	£922,405.16
Less Rates Payable by Landlord	(£9,359.47)
Less Cost of Facilities	(£362,421.00)
Net Receipts	£550,624.69

MARKET COMMENTARY

Occupational Market

Bracknell is one of the leading Thames Valley Office markets and has a diverse range of occupiers. The town has excellent transport links and low occupational costs compared to surrounding South East office locations which attracts occupiers to the market there.

Supply

The town has seen the supply of office accommodation fall significantly as a result of permitted development right for offices to residential use. At least 12 offices removed in Bracknell since July 2016 alone.

Bracknell Rents

Prime headline rents in Bracknell now stand at approximately £28.00 per sq ft.

The town's rental discount and amenity offering compared with nearby competing towns has been a key driver in the increased occupational activity over the last 2 years:



Bracknell Recent Letting Transactions

Date	Property	Area (sq ft)	Tenant	Lease Term	Rent (£/sf)
Feb-2018	Columbia	1,600	Lucas Systems	3 years	£25.00
Mar-2018	5 Arlington Square	32,964	Lloyds Register	10 years	£23.85
May-2018	The Capitol Building	9,371	TekTronix	10 years	£25.00
Sep-2018	The Courtyard	1,674	BlueCat Networks	5 years	£27.75
Oct-2018	Greenwood	3,835	Arlo Technologies	5 years	£25.00
Jan-2019	1 Arlington Square	8,400	eTeach	10 years	£28.00

South East Office Investment Market

Office investment in the South East performed strongly in 2018, with total investment volumes reaching £2.6bn.

Investor sentiment in the South East continues to remain strong, with prime yields standing at 5.00% NIY.

There is continued demand for investments providing active asset management opportunities and investors are particularly attracted to those markets benefiting from major regeneration and infrastructure improvements, such as Bracknell.

The table below highlights recent investment transactions in the Thames Valley, South East and Bracknell in particular:

Date	Property	Tenant	Size (sq ft)	Price	Rent (£/sf)	Yield (%)	Cap Val (£/sf)
Aug-2018	Assurant House, Windsor	Multi-Let	11,875	£7,050,000	£37.10	6.25%	£633
Jun-2018	3 Arlington Square, Bracknell	Multi-Let	67,976	£22,650,000	£25.00	6.25%	£336
May-2018	Admiral House, Windsor	Multi-Let	8,739	£4,000,000	£25.90	5.66%	£458
Jan-2018	3 Queens Road, Reading	Multi-Let	15,445	£6,270,000	£24.36	6.00%	£433
Nov-2017	Columbia Centre, Bracknell	Multi-Let	54,788	£14,700,000	£20.51	5.65%	£271
Nov-2017	One Station Square, Bracknell	Multi-Let	42,425	£12,000,000	£20.89	6.92%	£283

One Station Square, Bracknell



TENURE

The property and surrounding land are held Freehold.

VALUE ADDED TAX

The property is not VAT elected and therefore no VAT will be payable on the purchase.

PROPOSAL

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Assuming purchaser's costs of 6.80%, a purchase at this level would reflect:

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CONTACT

For further information or to arrange a viewing please contact the sole agent.

Robert Cannock

+44 (0)20 7318 5963

robert@aurumrealestate.co.uk

David Caine

+44 (0)20 7318 5965

davidc@aurumrealestate.co.uk

