BUILDINGS 260 & 270
BARTLEY WOOD BUSINESS PARK, HOOK, RG27 9UP

South East Office Refurbishment/Redevelopment Opportunity
Rare opportunity to acquire two headquarter office buildings on a large site in a well established location with various asset management opportunities

Buildings 260 & 270 provide modern office accommodation over ground, first and second floors totalling 122,968 sq ft (NIA)

Hook is an affluent area in Hampshire and part of the well-established Blackwater Valley office market

The Park is less than 1 mile from the M3 (Junction 5) via the B3349 and within 700 metres of Hook Railway Station

Site area of approximately 5.6 acres (2.3 hectares)

658 car parking spaces, providing an excellent ratio of 1:186 sq ft

Various asset management opportunities which include a comprehensive refurbishment of the existing office accommodation, residential redevelopment potential via permitted development rights, or redevelopment (subject to planning consent)

Permitted development approved for the conversion to 122 residential units, subject to the necessary requirements of the Thames Basin Heaths Special Protection Area

Potential to build new units over the car park (subject to planning consent)

The purchaser may seek to benefit from the previous tenant’s dilapidation obligations, estimated at £2.3m

Freehold

Offers are invited in excess of £9,000,000 (Nine Million Pounds), subject to contract and exclusive of VAT. This equates to a low capital value of £73 per sq ft, assuming purchaser’s costs of 6.70%
Hook is strategically located in northern Hampshire and benefits from strong road communications as it is located adjacent to Junction 5 of the M3 motorway. Junction 12 of the M25 is also easily accessible 21 miles to the north east, with junction 11 of the M4 approximately 13 miles to the north via the A33. These communications provide easy access to surrounding towns such as Basingstoke (approximately 7 miles west), Southampton (36 miles south west) and London (43 miles north east). Three airports are easily accessible from Hook with Heathrow being 28 miles north east of the town, Southampton 34 miles to the south west and Gatwick 54 miles to the south east. Rail connections are provided by Hook station which offers links to the national rail network. The station offers services to Southampton, the south west and London Waterloo to the north east with approximate journey times of 1 hour.
SITUATION

Buildings 260 & 270 occupy a prominent position on the established Bartley Wood Business Park fronting Bartley Way and Griffin Way South (B3349), which serves as the main access road through the Park. Bartley Wood Business Park is situated to the south of Hook town centre, in the heart of the Blackwater Valley. The Park is less than 1 mile from the M3 (Junction 5) via the B3349 and within 700 metres of Hook Railway Station. The town centre is within walking distance from the Park providing access to the retail amenities.

The Park was originally developed by Crest Nicholson in 1990 and is now an established headquarters location comprising 14 office buildings totalling 600,000 sq ft on 43 acres of mature and attractive parkland. Bartley Wood Business Park has continued to attract a variety of multi-national occupiers.

A number of office to residential conversions have been undertaken on the park; these include Providence House and Europa House. The park is adjacent to the new Bartley Square Bellway development, which further underpins the mixed-use nature of the immediate surrounds.

DESCRIPTION

The subject property comprises two good quality offices buildings, constructed in 1999 to a high specification and are both of steel frame with brick clad elevations and a pitched slate roof. The buildings form a U-shape over ground and two upper floors totalling 122,968 sq ft. Inside, the units offer open plan flexible accommodation which can be divided. Both units benefit from an eye-catching double height reception area and offer the following specification:

- Air conditioning
- Category II lighting
- Suspended ceilings
- Fully accessible raised floors
- 2 x person passenger lifts
- Male, female and disabled WCs
- Shower facilities
- Restaurant (Building 270)
- Double height reception of 6.87m
- Floor to ceiling height of 3.45m to slab

The property benefits from 658 car parking spaces, at basement and surface level. This equates to an excellent ratio of 1.186 sq ft.
SITE

The property sits within a site area of 5.6 acres (2.3 hectares).

ACCOMMODATION

Building 260

<table>
<thead>
<tr>
<th>Floor</th>
<th>Use</th>
<th>Area NIA (sq ft)</th>
<th>Area NIA (sq m)</th>
<th>Area GIA (sq ft)</th>
<th>Area GIA (sq m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basement</td>
<td>Storage</td>
<td>728</td>
<td>68</td>
<td>1,284</td>
<td>119</td>
</tr>
<tr>
<td>Ground</td>
<td>Reception</td>
<td>1,116</td>
<td>104</td>
<td>18,990</td>
<td>1,764</td>
</tr>
<tr>
<td>Ground</td>
<td>Office</td>
<td>15,699</td>
<td>1,458</td>
<td>18,972</td>
<td>1,763</td>
</tr>
<tr>
<td>First</td>
<td>Office</td>
<td>15,538</td>
<td>1,444</td>
<td>18,148</td>
<td>1,686</td>
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<tr>
<td>Second</td>
<td>Office</td>
<td>16,427</td>
<td>1,526</td>
<td>18,972</td>
<td>1,763</td>
</tr>
<tr>
<td>Roof</td>
<td>Plant</td>
<td>-</td>
<td>-</td>
<td>4,761</td>
<td>442</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>49,508</td>
<td>4,599</td>
<td>62,155</td>
<td>5,774</td>
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</table>

Building 270

<table>
<thead>
<tr>
<th>Floor</th>
<th>Use</th>
<th>Area NIA (sq ft)</th>
<th>Area NIA (sq m)</th>
<th>Area GIA (sq ft)</th>
<th>Area GIA (sq m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basement</td>
<td>Storage</td>
<td>TBC</td>
<td>TBC</td>
<td>1,117</td>
<td>104</td>
</tr>
<tr>
<td>Ground</td>
<td>Reception</td>
<td>1,296</td>
<td>120</td>
<td>27,846</td>
<td>2,587</td>
</tr>
<tr>
<td>Ground</td>
<td>Office</td>
<td>23,790</td>
<td>2,210</td>
<td>26,795</td>
<td>2,489</td>
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<td>First</td>
<td>Office</td>
<td>23,635</td>
<td>2,196</td>
<td>24,739</td>
<td>2,298</td>
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<tr>
<td>Second</td>
<td>Office</td>
<td>24,739</td>
<td>2,298</td>
<td>24,739</td>
<td>2,298</td>
</tr>
<tr>
<td>Roof</td>
<td>Plant</td>
<td>-</td>
<td>-</td>
<td>6,862</td>
<td>638</td>
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<tr>
<td>Total</td>
<td></td>
<td>73,460</td>
<td>6,825</td>
<td>87,359</td>
<td>8,116</td>
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</table>

Combined Total

| Total   |           | 122,968         | 11,424          | 149,514          | 13,890          |
**TENURE**

The property is held Freehold.

**TENANCY**

The buildings will be sold with the benefit of vacant possession.


The purchaser may seek to benefit from the previous tenant’s dilapidation obligations estimated at £2.3m. The schedule of dilapidations and leases can be found in the data room.

The vendor has a rate saving scheme programmed to commence on site in Building 260 as at 7th February 2020.

**OFFICE REFURBISHMENT**

The two self-contained office buildings comprise 122,968 sq ft (NIA) and benefit from an excellent location and car parking ratio; we therefore consider the buildings to offer strong refurbishment / reletting prospects.

**Commercial Asset Management**

The location and the layout of the property also offers potential for alternative uses including, care home, hotel, industrial or residential, subject to securing all necessary planning consents. The property benefits from Permitted Development rights to convert the office accommodation (B1a) to residential (C3) to provide 122 units, subject to the necessary requirements of the Thames Basin Heaths Special Protection Area. Further information can be found below.
RESIDENTIAL DEVELOPMENT

Prior approval has been granted under Permitted Development Rights to convert the ground, first and second floors from offices (B1a) to residential (C3), subject to providing the relevant SANG land. See section below for further information.

The consent provides 122 one and two-bedroom apartments. This scheme comprises a NSA of 75,132 sq ft. Any residential conversion is subject to the fulfilment of the Thames Basin Heaths Special Protection Area requirements under Regulations 73-76 of the Habitats Regulations.

Further information can be provided upon request.

FURTHER DEVELOPMENT POTENTIAL

There is potential to increase the massing of the existing Permitted Development consent through converting the attic space to provide an additional 32 units, subject to planning. In addition there is potential to add additional new build residential units over the car park to provide further units, subject to planning.

ACCOMMODATION BREAKDOWN

<table>
<thead>
<tr>
<th>Description</th>
<th>Units</th>
<th>NSA (sq ft)</th>
<th>Planning</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office to Residential</td>
<td>122</td>
<td>75,132</td>
<td>Yes, subject to SPA requirements</td>
</tr>
<tr>
<td>Attic Space</td>
<td>32</td>
<td>9,863</td>
<td>No</td>
</tr>
<tr>
<td>Total</td>
<td>154</td>
<td>84,995</td>
<td></td>
</tr>
</tbody>
</table>

RESIDENTIAL COMPARABLES

<table>
<thead>
<tr>
<th>Address</th>
<th>Beds</th>
<th>Sq m</th>
<th>£ psf</th>
<th>Status</th>
<th>Sale Date</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bartley Square, Station Road, Hook</td>
<td>1</td>
<td>58.6</td>
<td>£215,000</td>
<td>Sold</td>
<td>Nov-19</td>
<td>New Purpose Built Flats</td>
</tr>
<tr>
<td>45 Willow House, Carter Court, Hook</td>
<td>2</td>
<td>64.0</td>
<td>£240,000</td>
<td>Sold</td>
<td>Mar-19</td>
<td>New Purpose Built Flats</td>
</tr>
<tr>
<td>104 Providence House, Bartley Way, Hook</td>
<td>1</td>
<td>33.0</td>
<td>£160,000</td>
<td>Sold</td>
<td>Mar-19</td>
<td>New PD Conversion</td>
</tr>
<tr>
<td>87 Providence House, Bartley Way, Hook</td>
<td>2</td>
<td>69.0</td>
<td>£235,000</td>
<td>Sold</td>
<td>Mar-19</td>
<td>New PD Conversion</td>
</tr>
<tr>
<td>14 Willow House, Carter Court, Hook</td>
<td>1</td>
<td>47.0</td>
<td>£200,000</td>
<td>Sold</td>
<td>Mar-19</td>
<td>New Purpose Built Flats</td>
</tr>
<tr>
<td>45 Providence House, Bartley Way, Hook</td>
<td>2</td>
<td>68.0</td>
<td>£250,000</td>
<td>Sold</td>
<td>Oct-18</td>
<td>New PD Conversion</td>
</tr>
<tr>
<td>14 Providence House, Bartley Way, Hook</td>
<td>1</td>
<td>47.0</td>
<td>£184,950</td>
<td>Sold</td>
<td>Jul-18</td>
<td>New PD Conversion</td>
</tr>
</tbody>
</table>
As part of the Thames Basin Heaths Special Protection Area requirements, an option to buy a parcel of land adjacent to the property has been agreed by the vendor in order to implement permitted development. A Suitable Alternative Natural Greenspace (SANG) planning application, supported by Natural England, was submitted but refused on the 22.54 acres/9.125 hectares of land to accommodate SANG use for such developments. An appeal is being considered by the vendor and the land owner. The benefit of the option will be passed to the purchaser with an agreed price of £100,000 per acre. We believe there would be spare capacity for other residential developments locally which also require SANG. Further information can be provided upon request.
M3 CORRIDOR/BLACKWATER VALLEY OCCUPATIONAL MARKET

Hook, along with Aldershot, Farnborough, Frimley, Fleet and Camberley, forms part of the Blackwater Valley office market. The Blackwater office market accounts for 18% of the total office stock on the M3 motorway and is widely recognised as a hi-tech hub. The majority of office accommodation is dominated by out of town business park stock, with no established town centre business districts in any of the aforementioned towns.

Occupier demand has proved to be relatively diverse with several aerospace and technology companies locating their global businesses across the Blackwater Valley, such as Siemens, SCS and IBM. Bartley Wood Business Park is recognised as an attractive occupier destination due to its strategic position with excellent communications by road, rail and air, good parking ratios and proximity to amenities. Serco’s recent commitment to a lease extension at Serco House represents a major endorsement for the park.

Total supply across the Blackwater office market totals c.650,000 sq ft providing an overall vacancy rate of 10% and a Grade A vacancy rate of c.2%, with very little speculative development in the pipeline.

Prime headline rents in Hook represent a significant discount to the competing sub-markets on the M3 corridor, currently at £28.00psf as achieved at Farnborough Business Park.

Buildings 260 & 270 provide an opportunity to refurbish and re-let, with prime rents in Hook currently at £22.50 per sq ft.

The map illustrates the current Grade A rents in the South East markets.
Despite more than 12 months of ongoing political and economic uncertainty, there has been encouraging levels of transactional volumes over the course of 2019 across the Greater London and South East office markets, which is expected to continue into 2020. Investor sentiment continues to remain strong, with considerable demand from both domestic and overseas investors for property providing active asset management opportunities and offices which benefit from good transport connectivity. As such, prime yields in the South East currently stand at 5.00% NIY, offering an attractive discount to the fixed income markets, Central London and prime industrial yields.

This increased appetite has been reinforced by a robust occupational market, underpinned by a supply and demand imbalance. Constrained development pipeline coupled with the impact of PDR conversions continues to characterise the occupational markets which in turn has resulted in positive rental growth prospects in the short to medium term. All of which has created an attractive climate for investors to capitalise on.

### OFFICE COMPARABLES

<table>
<thead>
<tr>
<th>Date</th>
<th>Address</th>
<th>Purchase Price</th>
<th>Capital Value (psf)</th>
<th>Area (sq ft)</th>
<th>Tenancy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under offer</td>
<td>Buildings A&amp;B, St Georges Business Park, Weybridge</td>
<td>Quoting £12.06m</td>
<td>£225</td>
<td>53,623</td>
<td>Multi-let (50% vacant)</td>
</tr>
<tr>
<td>Dec 2019</td>
<td>Liongate, Ladymead, Guildford</td>
<td>£10.00m</td>
<td>£235</td>
<td>42,548</td>
<td>Vacant</td>
</tr>
<tr>
<td>Jun 2019</td>
<td>Quadrant, Redhill</td>
<td>£6.25m</td>
<td>£211</td>
<td>29,500</td>
<td>Vacant</td>
</tr>
<tr>
<td>May 2019</td>
<td>Atlantic House, Reading</td>
<td>£8.25m</td>
<td>£213</td>
<td>38,577</td>
<td>Vacant</td>
</tr>
<tr>
<td>Apr 2019</td>
<td>Windsor Dials, Windsor</td>
<td>£25.25m</td>
<td>£368</td>
<td>68,669</td>
<td>Vacant</td>
</tr>
<tr>
<td>Dec 2018</td>
<td>45 Grosvenor Road, St Albans</td>
<td>£19.00m</td>
<td>£305</td>
<td>62,251</td>
<td>Vacant</td>
</tr>
<tr>
<td>Nov 2018</td>
<td>51 Belmont Road, Uxbridge</td>
<td>£3.38m</td>
<td>£266</td>
<td>12,704</td>
<td>Vacant</td>
</tr>
</tbody>
</table>
The property is elected for VAT.

**ESTATE CHARGE**

The Park’s landscaping is owned and managed by Bartley Wood Management Services Ltd and there is an estate charge. The projected annual contribution for Buildings 260 & 270 for the year ending 31st March 2020 is £6,000 which equates to £0.05 per sq ft payable quarterly in advance.

**EPC**

Building 260 has an EPC rating of D - 95
Building 270 has an EPC rating of D - 85

A copy of the certificates is available on request.

**RATEABLE VALUE**

Building 260 - £588,832*
Building 270 - £832,742*

* Estimated rateable value
CAPITAL ALLOWANCES

Further information is available on request.

DATA ROOM

Access will be provided to a data room on request.

PROPOSAL

We are instructed to seek offers in excess of £9,000,000 (Nine Million Pounds) subject to contract and exclusive of VAT.

A purchase at this level reflects a low capital value of £73.00 per sq ft, assuming purchaser’s costs of 6.70%.

FURTHER INFORMATION

Should you require further information or wish to view the property please contact either:

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Avison Young Reference: 15456
January 2020