



STRATEGY IN ACTION

RADLETT

Parkbury Industrial Estate comprises modern units of varying sizes between 4,000 sq ft and 74,000 sq ft, strategically located alongside the M25 and close to the M1.

STRATEGY IN ACTION

NORTHAMPTON

800 Pavilion Drive is a 51,000 sq ft office building located on Northampton Business Park with 223 car parking spaces on a site of two acres.

● Industrial

● Office

● Retail

ENHANCING VALUE AND INCOME

We continually look to capture rental growth, thereby enhancing income, and where possible look to create value through restructuring leases. In some instances, if we believe a position has been maximised, we will look to recycle capital for better uses.

RADLETT

We have seen good demand for units on the estate over the year, with continued rental growth and units letting on average within two months of becoming vacant.

During the year we surrendered a lease of a unit securing a full dilapidations payment from the outgoing occupier. We then re-let the unit in its existing condition securing a minimum five-year term at an initial rent of £0.1 million per annum, 34% ahead of the previous passing rent and 13% ahead of ERV. The adjoining unit, which became vacant on a lease expiry, was pre-let on an Agreement to Lease prior to being refurbished, securing a minimum five-year term at an initial rent of £0.1 million per annum, 43% ahead of the previous passing rent and 9% ahead of ERV. The refurbishment was fully covered by the dilapidations claim.

Furthermore, two leases were renewed, one for ten years and the other for five, at a combined rent of £0.3 million per annum, 39% ahead of the previous passing rent and 10% ahead of ERV. One rent review was settled, increasing the passing rent by 42% to £0.1 million per annum, 10% ahead of ERV.



SOUTH EAST MULTI-LET INDUSTRIAL ESTATE

NUMBER OF OCCUPIERS

20

SQUARE FEET

336,700

INCREASE IN ERV

8.0%



NORTHAMPTON



In 2013 we put in place a ten-year lease at 800 Pavilion Drive with a break option in 2018. Recognising our ongoing relationship with the occupier we were confident that they would not action the break clause in 2018. We held the asset during this period capturing the upside as the regional office market recovered.

By waiting for the break to pass and securing a five-year term certain, we were able to capture a 54% valuation uplift relative to the valuation prior to the break notice. The sale, to a local authority purchaser, was completed at a 13% premium to the preceding valuation.

EAST MIDLANDS OFFICE

NUMBER OF OCCUPIERS

1

SQUARE FEET

51,000



Portfolio value

