

DRAFT

High quality multi-let offices recently refurbished to EPC B with secure income from the Secretary of State and VP PLC



# Ailsa House

Turnberry Park, Leeds, LS27 7LE



## Investment Summary

- **Multi-let office investment** located on Turnberry Park which is a 1 minute drive from the M62 - M621 interchange.
- **Established business park location.**
- **Recently refurbished** to an EPC B.
- **High quality modern office accommodation** with flexible floor plates.
- **Providing a total of 26,625 sq ft** of offices over 3 storeys.
- **Let to 2 tenants** with 59% of rent from the Secretary of State for Housing, Communities, and Local Government, who have recently renewed their lease.
- **Rent passing of £291,990 pa**, which equates to a low rent of £13.19 psf on the let accommodation.
- **WAULT of 4.92 years** (without breaks).
- **Opportunity to let** the vacant office suite on the second floor totalling 4,486 sq ft. Letting the vacant offices at an ERV of £13.50 psf would increase the rental income to £352,486 pa.

- **Freehold.**

### PROPOSAL

Offers for the freehold interest are invited in excess of £2,750,000 which equates to a net initial yield of 9.98%, assuming purchaser's costs of 6.41%, and a capital value of £103 psf.

Upon letting of the vacant office suite this would result in a fully let net reversionary yield of 12.04%.

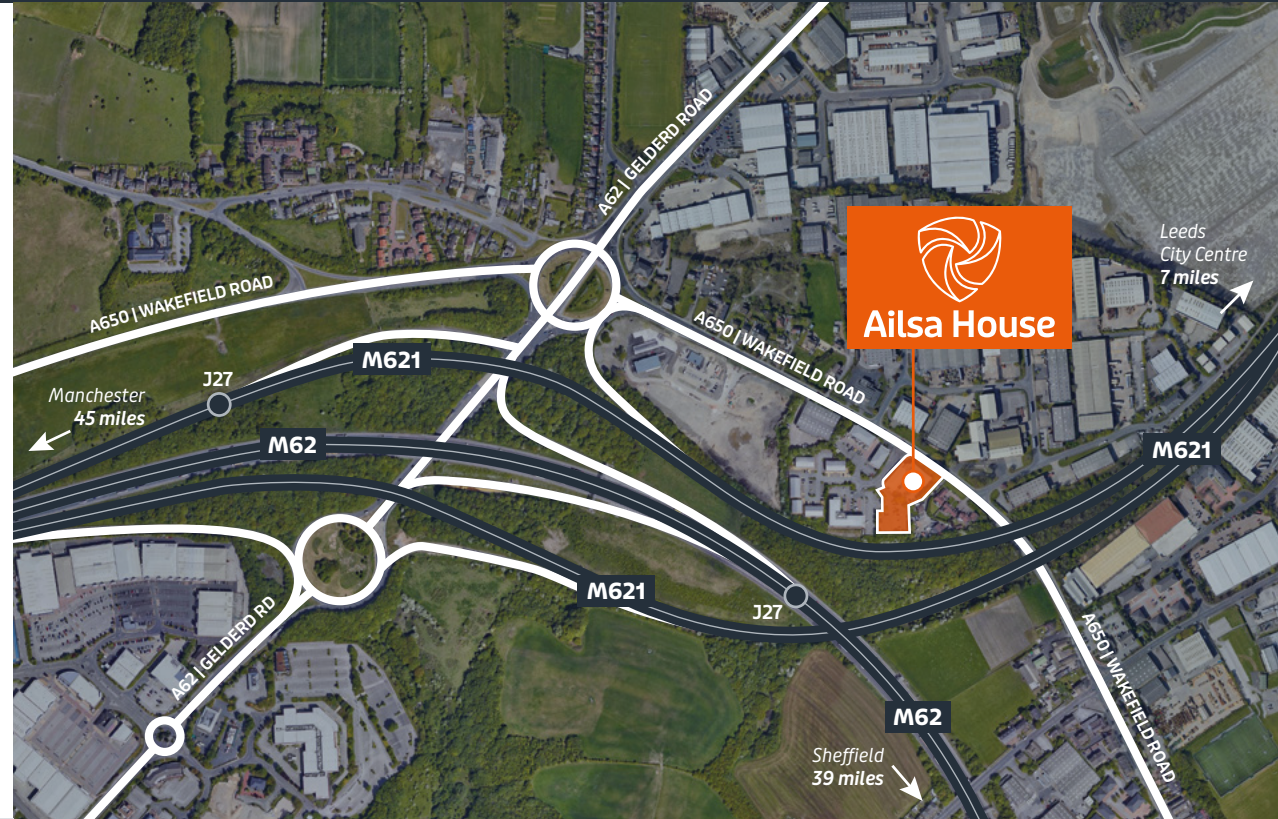
## Location

Leeds is the largest metropolitan area in Yorkshire approximately 170 miles to the north of London, situated on the M1 and M62 motorways providing access to the northwest, the midlands and the south.

The city is home to 5 universities and is the fastest growing in the UK, with a population in the Leeds City Region of 3 million and a workforce of 1.37 million. The City Region has an economy of £64.6 billion, 38% of which is generated by the financial and business services. Major occupiers in Leeds include Capita, Leeds City Council, Asda, BT Group, Direct Line, Lloyds Banking Group, British Gas, GFKL Lowell Group, BskyB, William Hill Group, Deloitte, HSBC, Npower and Yorkshire Building Society.

## Situation

Ailsa House is prominently located off the A650 to the front of Turnberry Park, adjacent to J27 of the M62 and the start of the M621 which links into Leeds City Centre approximately 7 miles to the north.



## Communication

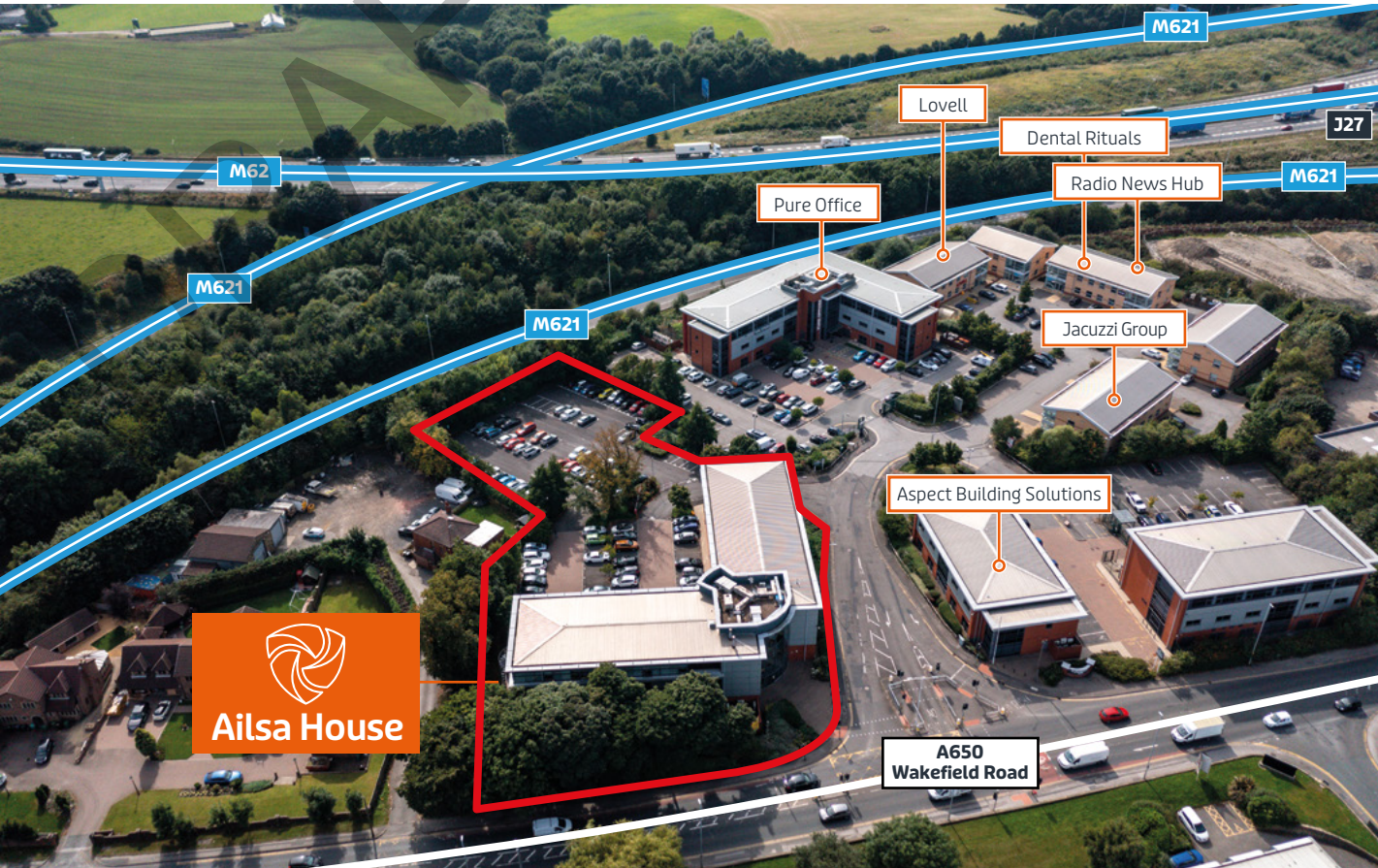
### Road

	Distance	Duration
Leeds City Centre	7 miles	11 mins
Sheffield	39 miles	48 mins
Manchester	45 miles	60 mins
Liverpool	74 miles	84 mins
Birmingham	121 miles	120 mins

### Rail

Leeds Railway Station is situated 5.5 miles north of the subject property and is an 8-minute drive via the M621. The station is one of the busiest stations in the north of England servicing 34 million passengers each year.

	Frequency	Quickest Duration
Sheffield	60 mins	40 mins
Manchester Victoria	30 mins	50 mins
Birmingham New St	60 mins	111 mins
London Kings Cross	60 mins	135 mins



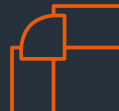







## Description

Ailsa House forms part of the estate developed by Landmark comprising 4 office buildings in total. There are a further 5 office buildings to the rear of the estate which were delivered by Turnberry Business Homes.

The building provides 26,625 sq ft of modern office accommodation arranged over ground, first and second floors, each split into two wings. It sits on a site area of 1.50 acres

## Specification

 VRF air conditioning	 Two 8 person passenger lifts
 Open plan floor plates arranged over two wings and a central core	 Glazed atrium
 Raised floors	 Suspended ceilings with LED lighting
 WC and kitchen facilities on each floor	 119 parking spaces (1:225)

## Refurbishment Programme

The whole building has undergone a significant refurbishment programme including new VRF and LED lighting and has achieved an EPC B.



## Tenure

Freehold.

## Tenancy

Demise	Tenant	D&B Rating	Floor Area (sq ft) (NIA)	Rent pa	Rent psf	Lease Start	Next Rent Review	Lease Expiry	Security of Tenure (Yes/No)	Comments
GF (E&W)	The Secretary of State for Housing Communities and Local Government	01	9,230	£125,000	£13.54	23/04/2024		22/04/2029	Y	Current service charge cap of £83,970 (RPI linked)
FF (East)	VP PLC	5A2	4,160	£54,015	£12.98	04/03/2019	04/03/2025	04/03/2030	Y	Current service charge cap of £43,011 (RPI linked)
FF (West)	VP PLC	5A2	4,965	£64,675	£13.03	04/03/2019	04/03/2025	04/03/2030	Y	Current service charge cap of £51,499 (RPI linked)
SF (East)	The Secretary of State for Housing Communities and Local Government	01	3,784	£48,300	£12.76	23/04/2024		22/04/2029	Y	Current service charge cap of £37,064 (RPI linked)
SF (West)	Vacant		4,486							
<b>TOTALS</b>			<b>26,625</b>	<b>£291,925</b>	<b>£13.19</b>		<b>WAULT</b>	<b>4.92</b>		

## Covenant

### Secretary of State for Housing, Communities and Local Government.

Undoubted covenant from a central government department. Used as an administration function by the MOJ.

### VP PLC

VP PLC operate in the Infrastructure, Construction, Housebuilding and Energy sectors, with over 2,750 employees. Ailsa House is occupied by their Groundforce UK division, a market leading rental and design provider for excavation support systems and specialist products to the water and construction industries, and which has delivered

market leading performance and strong year-on-years growth.

	2024	2023	2022
Turnover	£368,691,000	£371,519,000	£350,915,000
Net Assets	£153,020,000	£174,932,000	£166,585,000
Profit	(£5,291,000)*	£23,101,000	£25,535,000

\*The loss was as a result of restructuring costs and the writing off of £27.7 million of intangible assets against the Brandon Hire Station division.



## Occupational Market

The OOT office stock is focussed around business parks along the motorway network to the south and east of the city. Notable out of town office parks include Thorpe Park, White Rose Office Park, Capital Park, Leeds Valley Park, Kirkstall Forge, and Turnberry Park.

The vacancy rate for the Leeds office market sits at 6.2% which represents a slight decrease from the start of the year. The OOT office market has had a strong quarter with 112,893 sq ft of take up which is 54% above the 5 years average of 77,280 sq ft. The Out of Town market is typified by transactions of sub 10,000 sq ft for which Ailsa House is well suited.

The average rent passing at Ailsa House of £13.19 psf represents a significant discount to prime OOT rents which are currently at £25 psf.

## EPC

B - 47

## Service Charge

The current service charge budget is £6.40 psf, which includes a reception service.

## Dataroom

Access to the Dataroom is available upon request.

## VAT

It is anticipated that the transaction will be treated as a TOGC.

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