

PRIME MULTI-LET TRADE PARK INVESTMENT OPPORTUNITY



BRACKNELL

TRADE CITY

WESTERN ROAD, BRACKNELL RG12 1RE

A joint venture between



Property
Advisers



INVESTMENT SUMMARY

- Prime multi-let trade counter investment opportunity in the centre of Bracknell offered on a part pre-let basis with Practical Completion due in May 2016
- Prominent road side site in a busy and established trade and commercial location
- The property comprises 59,201 sq ft (5,500 sq m) of trade warehouses in 12 occupational units
- Being constructed to a high specification, with 6.5 metres eaves heights and electric loading doors
- Freehold
- Projected total rental of £686,000 per annum
- Over 72% under offer
- Anchored by UK Power Reserve Limited (D&B 4A1 rated, 35.6% of floor area) for 25 years term certain
- Nearby trade occupiers include PTS, Wickes, Howdens and Screwfix
- Offers are sought in excess of **£11.75 million** subject to contract and exclusive of VAT. A purchase at this price would reflect a **net initial yield of 5.5%** having allowed for purchasers costs of 5.8%
- For further information, please contact

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*The above photographs show the subject property under construction
All images are from similar existing buildings of a similar specification*

LOCATION

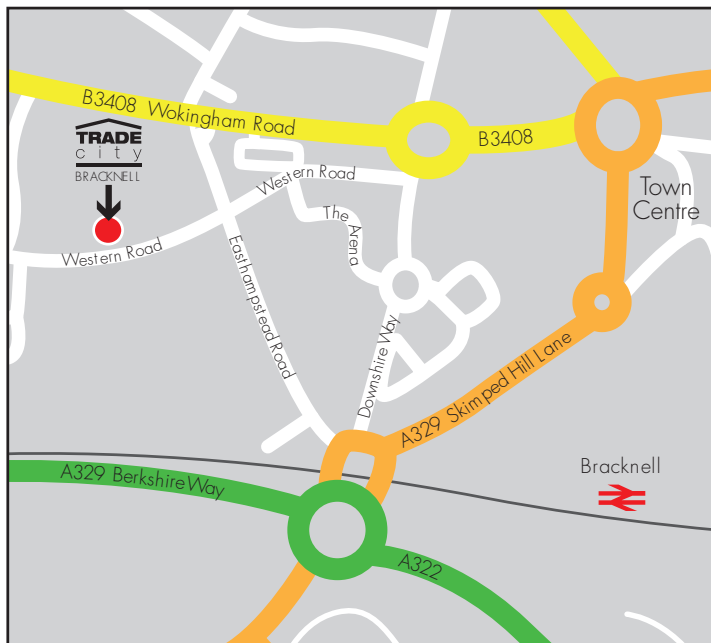
Trade City Bracknell is located on Western Road, just off the A329 and in the centre of the town's commercial district. Western Road is an established trade counter location with occupiers including Build Centre, Brandon Hire, Howdens, Wickes, Screwfix, City Plumbing, Tile Giant and Toolstation.

Bracknell is located in the county of Berkshire. It is situated 11 miles east of Reading, nine miles south west of Windsor and 32 miles west of Central London. The town is located at the end of the A329(M) road and benefits from the excellent road communication links, with easy access to the M4 (junction 10) and M3 (junction 3) motorways.

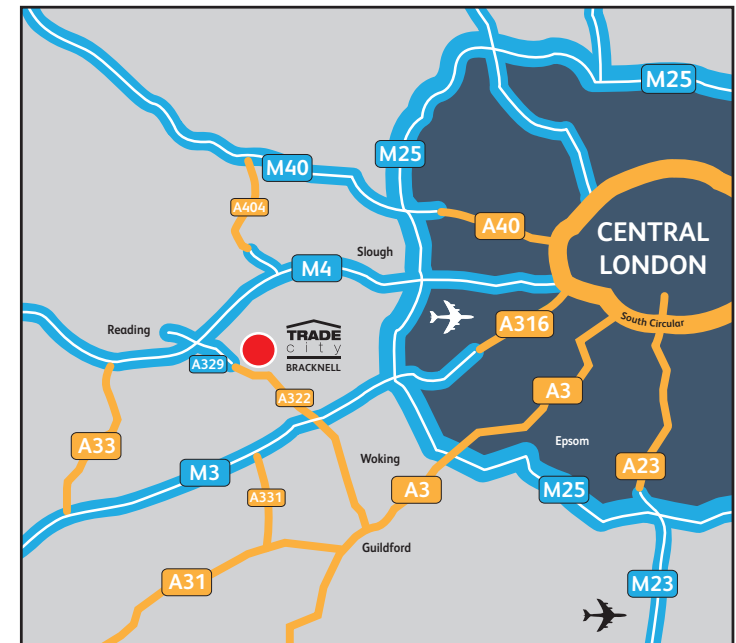
Bracknell has long established itself as one of the prime areas for industrial and warehouses in West London with its excellent road communications to the M4, M3 and M25 motorway infrastructure.

Bracknell rail station is located within a 10 minute walk from Trade City and provides access to London Waterloo in 58 minutes and London Paddington in 56 minutes via Reading. Trade City is located 21.5 miles west of Heathrow International Airport which is accessed via the M3 and M25 motorways.

Bracknell has historically been seen as an attractive area for large multinational companies typical of the Thames Valley and M4 corridor which currently include Waitrose, Fujitsu, Cable & Wireless, Johnson & Johnson, 3M, Panasonic, Dell and Hewlett Packard.



0.5 miles to Bracknell Town Centre	21.5 miles to Heathrow Airport
4.5 miles to M4 Junction 10	5 miles to M3 Junction 3



SITUATION

The property will occupy a prominent site approximately 0.6 miles from Bracknell town centre. It is located at the busy roundabout to the south which connects the A329, A3095 and A322 roads together.

The property is situated within an established trade park and commands a prominent position within the location. Wickes is located to the south east, Homebase to the east and Halfords/Screwfix to the west.

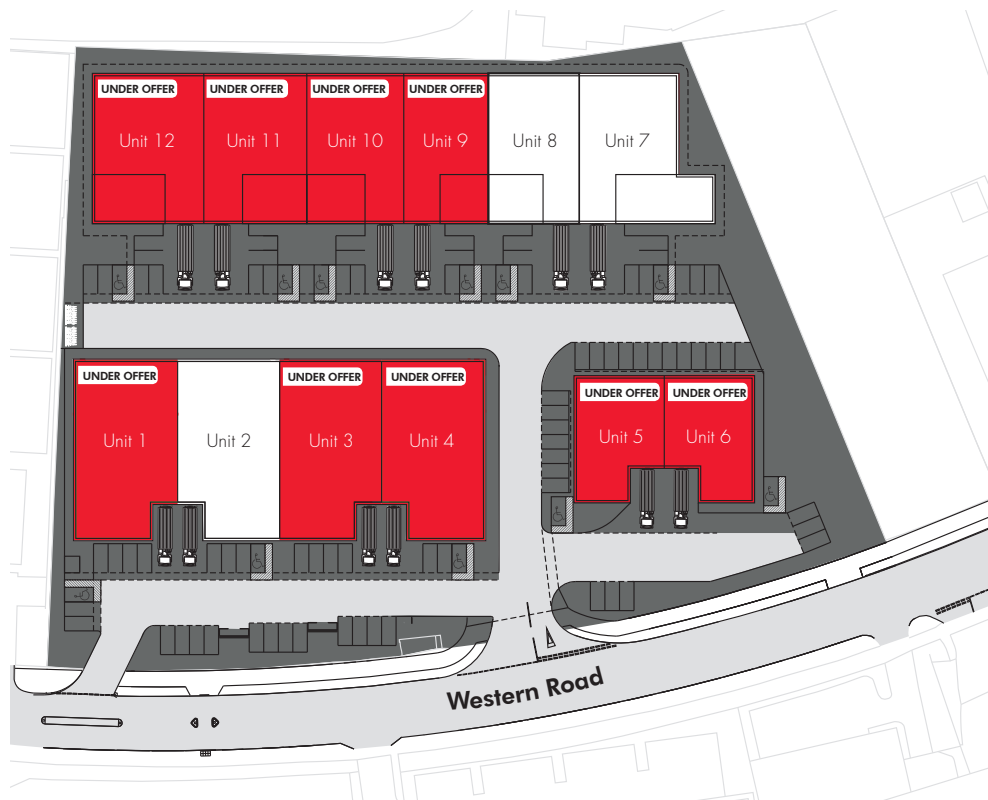


The completed building photographs are of another completed Kier development of a similar specification

DESCRIPTION

The scheme is under construction, with practical completion in May 2016, and consists of twelve warehouse and industrial units, which benefit from the following:

- Steel portal frame construction
- Clear internal height - min 6.5m
- Cladding of insulated steel
- Electric loading doors
- Excellent car parking ratio - 92 spaces
- Landscaped environment
- Electric loading doors
- High quality exterior finish



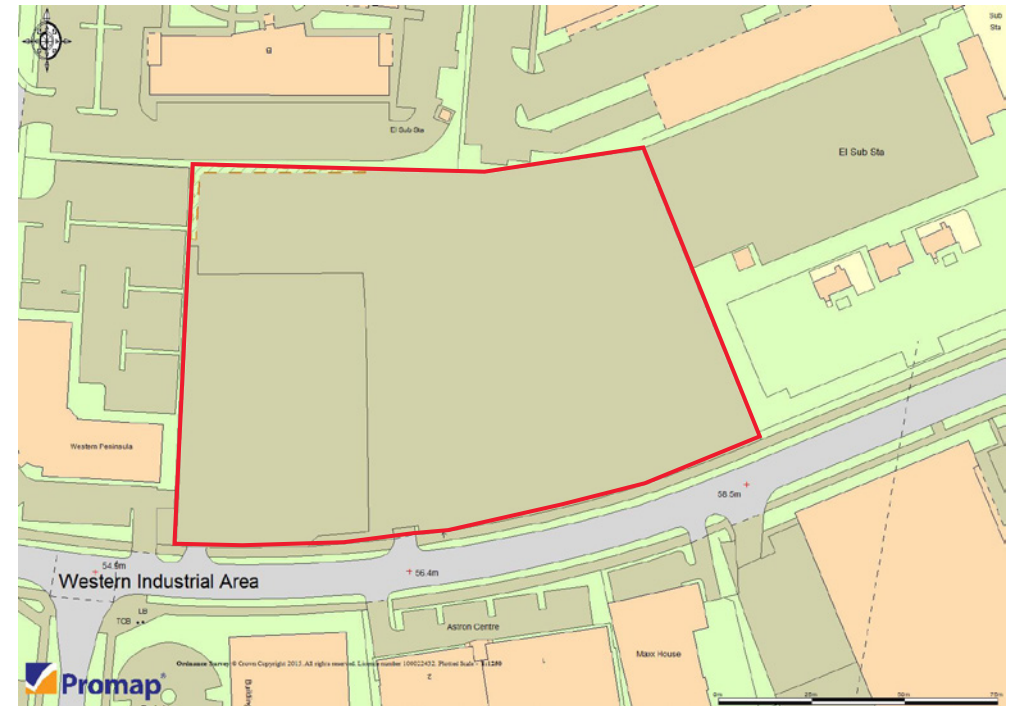
SITE

The site has an area of approximately 1.1703 hectares (2.89 acres).

The Vendor has carried out environmental and geotechnical investigations, and the reports conclude that there is minimal contamination in the ground. The site has a history of industrial uses.

PLANNING

Planning permission was granted in March 2015 for the erection of units for B1, B2 and B8 use including trade counters and mezzanine floors.





The above image relates to Trade City, Easthampstead Road

DEVELOPER

The developer is Kier Trade City LLP, a joint venture between Kier Developments Limited and Investec.

The main contractor is Ashe Construction who is responsible for delivering the completed scheme, with Practical Completion due in May 2016. Third party rights will be obtained for the benefit of the tenants and the funder relating to the performance of the contractor, architect and other consultants and major subcontractors.

DEVELOPMENT AGREEMENT

The developer will provide a guarantee to:

- a) Top up any rent free periods on pre-let units
- b) Provide rent and rates for a period of 12 months from Practical Completion and estate service charge for 6 months from Practical Completion on vacant units

TENURE & SERVICE CHARGE

The property is held freehold.

A service charge will be levied across the estate, on a fair and proportionate basis. Matthews & Goodman has set up an indicative service charge and estate management structure. Further information is available upon request.

PROPOSED TENANCIES & ACCOMMODATION

The property is 72.45% under offer. All leases have been agreed on Fully Repairing and Insuring terms and are protected under the Landlord & Tenant Act 1954.

	Tenant	Floor Area Sq Ft (Sq m) GEA	Lease		Rent Review Cycle	Rent		Comments
			Term	Break		£ Per annum	£ Per Sq Ft	
1	Under offer to a D&B 4A1 rated company	5,298 (492.2)	10	n/a	5yr upwards	66,338	12.5	12 months incentive package
2	Vacant	5,170 (480.3)	n/a	n/a	n/a	0	12.50	
3	Himalaya Carpets Limited	5,170 (480.3)	10	n/a	5yr upwards OMV	67,171	13.00	12 months incentive package
4	Al Murad DIY Limited	5,298 (492.2)	10	5	5yr upwards OMV	68,848	13.00	12 months incentive package
5	Edmundson Electrical Limited t/a Edmundson Plumbing	3,014 (280)	10	n/a	5yr upwards OMV	37,675	12.50	12 months incentive package
6	Cambrian Decorators Supplies (CDS) t/a The Colour Centre	3,014 (280)	10	n/a	5yr upwards OMV	37,675	12.50	12 months incentive package 6 months rental deposit
7	Vacant	6,426 (597)	n/a	n/a	5yr upwards OMV	0	12.00	
8	Vacant	4,714 (437.9)	n/a	n/a	5yr upwards OMV	0	12.00	
9-12	UK Power Reserve Limited	21,097 (1,960)	25	n/a	5yr upwards CPI	221,508	10.50	3 months incentive package
Total		59,201 (5,500)				499,215		

Note: The EPC ratings will not be assessed until after practical completion, but shell units of this nature would be expected to have a B rating. The floor areas of units 7-12 include rentable mezzanine space (details will be provided on request).

TENANT PROFILE

UK Power Reserve Limited

Company No: 7385282 D&B – 4A1 (35.6% of floor area)

UK Power Reserve (UKPR) is the UK's leading independent developer and operator of power generation founded in 2010. UKPR own, maintain and operate a portfolio of 100+ MW of flexible power plants, acting as a standing reserve and ensuring security of supply. In addition to this they provide consultancy to other industry participants to support their own asset bases. UKPR currently owns 14 independent power plants across England and Wales and it is actively developing new generation sites. UKPR generates revenues from the National Grid by generating energy capability and in the running of the independent power plants.



Edmundson Electrical Limited t/a Edmundson Plumbing

Company No: 02667012 D&B – 5A1

With a turnover in excess of £1 billion, Edmundson Electrical Limited is an electrical goods supplier located across the UK in 250 locations including 243 stores. It supplies electrical supplies to private contractors and engineers as well as institutional industries and local authorities.



Al Murad DIY Limited

Company No: 02635086 D&B – 3A1

An independent tile and natural stone distributor and retailer, with 46 directly operated branches and 30 franchises located throughout the UK.



Himalaya Carpets Limited

Company No: 01439620 D&B – 3A1

A family run business founded in 1975 which sells and distributes carpets and rugs from four existing branches.



Cambrian Decorators Supplies (CDS) Limited

Company No: 00629568 D&B – 1A2

A privately owned supplier and retailer of paint and decorating materials, currently trading from seven outlets.



PROJECTED RENTALS

Lettings have been in the range £10.50 to £13.00 per sq ft. Assuming that Units 7 & 8 vacant units are let at a headline rent of £12.00 per sq ft and Unit 2 at £12.50 per sq ft, the total projected rental is approximately £686,000 per annum when fully let and income producing.

VAT

The property is elected for VAT and it is anticipated that the transaction will be treated as a Transfer of a Going Concern (TOGC).

PROPOSAL

We are instructed to seek offers in excess of **£11.75 million** subject to contract and exclusive of VAT for our client's freehold interest. A purchase at this price would reflect a **net initial yield of 5.5%** having allowed for purchasers costs of 5.8%.

FURTHER INFORMATION

For further details, please contact the developer's sole agent:



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Matthews & Goodman LLP gives notice that:

These particulars are set out as a general outline only for the guidance of intending purchasers or lessees, and do not constitute any part of an offer or contract. Details are given without any responsibility, and any intending purchasers, lessees or third parties should not rely on them as statements or representations of fact, but must satisfy themselves by inspection or otherwise as to the correctness of each of them. No person in the employment of Matthews & Goodman LLP has any authority to make any representation or warranty whatever in relation to this property. Purchase prices, rents or other prices quoted are correct at the date of publication and, unless otherwise stated, exclusive of VAT. Intending purchasers and lessees must satisfy themselves independently as to the incidence of VAT in respect of any transaction relating to this property. November 2015.