



Freehold  
Data Centre  
Investment

**Atos Origin**

2 Shepherd's Spring Lane, Andover, Hampshire,  
SP10 1DL

[gva.co.uk/investment/andover](https://gva.co.uk/investment/andover)



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# Investment Summary

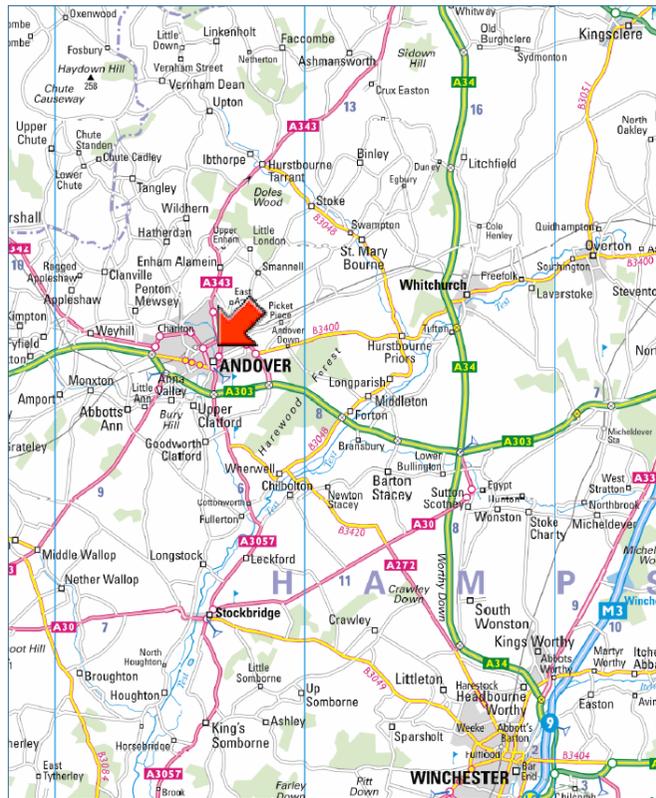
- A highly specified, purpose built, 2 storey computer data centre providing approximately 58,020 sq ft (5,390 sq m) GIA with fitted and operational data halls of 23,594 sq ft (2,192 sq m).
- Accessible location off the A303 which provides direct access to the M3 approximately 11 miles (17.7 km) to the east.
- Tier III specification with dual feeds from the Andover East primary substation.
- Reserved authorisation for 10 MVA of power while the supply from the primary substation is rated up to 14 MVA.
- Planning permission has been granted for a 35,000 sq ft (3,252 sq m) extension which will not exceed the 14 MVA rating.
- Let to the undoubted covenant of Atos Origin IT Services UK Limited and guaranteed by Atos Origin UK Holdings Limited.
- New FRI lease from the 30th June 2011 expiring on the 30th June 2030 providing an unexpired term of 19 years.
- The current rent passing is £509,133 per annum (£8.76 psf) and will increase to £1,700,000 per annum (£29.30 psf) on the 24th June 2015. From the 24th June 2016 the rent will increase on each anniversary in line with the RPI index subject to a collar of 2.5% and a cap of 5% .
- The vendor will top up the passing rent to £1,700,000 per annum until the 24th June 2015.
- Freehold.
- Offers are sought in excess of **£24,720,000 (Twenty Four Million Seven Hundred and Twenty Thousand Pounds)** subject to contract and exclusive of VAT. A purchase at this level would reflect a net initial yield of **6.5%** after deducting purchaser's costs of 5.8%.

- The property is held in an Isle of Man registered SPV and therefore shares in the company could be acquired to reduce transactional costs.

## Location

Andover is located in Hampshire, approximately 68 miles south west of Central London, 21 miles west of Basingstoke and 19 miles north-west of Southampton.

The Andover Data Centre is situated on the north side of Andover town centre on the west side of Shepherd's Spring Lane near its junction with New Street and the Enham Arch

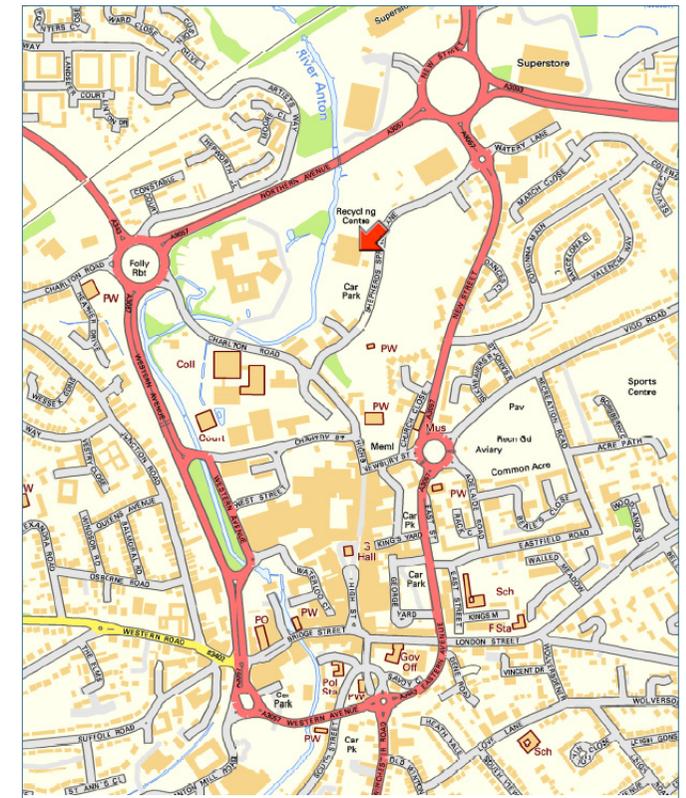


Roundabout, 1 mile north of the A303. The A303 is within 11 miles of Junction 8 of M3 and 48 miles of the M25.

A large office complex occupied by Lloyds TSB and Scottish Widows is situated on the opposite side of the River Anton. There is a Tesco Superstore and various other retailers nearby including Homebase, Focus, Halfords, Carpetright, Pets at Home and Rosebys.

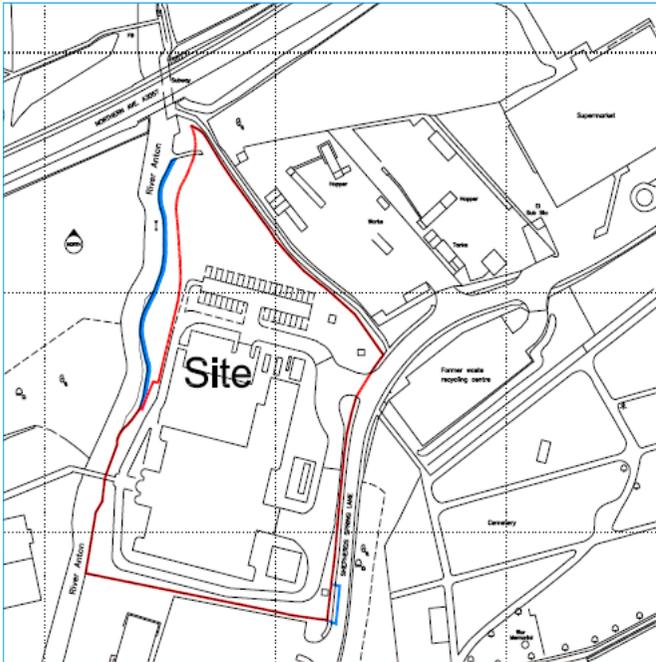
Andover railway station is within walking distance and provides a direct line to London Waterloo with a fastest journey time of 67 minutes.

Access to air travel is excellent with both Southampton and London Heathrow in close proximity.



## Description

The facility comprises a highly specified, two storey computer data centre of 58,020 ft<sup>2</sup> (5,390 m<sup>2</sup>) GIA with two adjoining energy centres of 8,170 ft<sup>2</sup> (759 m<sup>2</sup>) GIA and 1,540 ft<sup>2</sup> (143 m<sup>2</sup>) GIA set in a secure 3.5 acre (1.44 hectares) compound and benefits from fitted and operational data hall space of 23,594 ft<sup>2</sup> (2,192 m<sup>2</sup>) NIA with scope to develop additional data hall space of 20,800 ft<sup>2</sup> (1,932 m<sup>2</sup>); and ancillary office/meeting/build space with parking for 57 cars.



## Background

The Andover data centre was originally developed by the Trustees Savings Bank (TSB) for its own data processing needs. It was occupied by the bank until 1996 when it was then let to the Sema Group, who became Schlumberger

Sema in 2001 and a subsidiary of the current occupier, Atos Origin in January 2004. It is one of Atos Origin's strategic UK facilities.

## Specification

The property was fully fitted by TSB as a high availability data centre and has, over the years, been continually maintained and upgraded to meet modern IT demands. This is very much proven by the fact that the current infrastructure is capable of achieving a Tier III classification (and List-X security rating) being the current classification target for data centres being constructed today. A detailed report has been undertaken by mechanical & electrical engineers, Hurley Palmer Flatt and is available to prospective buyers.

## Construction

The building is of a steel frame construction clad in full height insulated metal panels on three elevations with a combination of tinted glass curtain walling and panelling to the office and reception areas on the western elevation. It has a flat roof with a concrete slab finish.

## Electrical Systems

- Dual dedicated 11 kV feeds to site from the Andover East primary substation
- Two interconnected metering ring main units (RMU) supply two customer 11 kV A & B switchboards
- Reserved authorisation of for 10 MVA while the supply from the primary sub station is rated up to 14 MVA
- 5# 2 MVA transformers (and 3# 2 MVA step-ups)
- 5# Generators (1,250 kVA, 1,500 kVA, and 3 x 1,750 kVA). There is space for 2 further sets.
- 33,000 gallon capacity banded fuel tanks (7 day operation)
- 2# LV Switchboards

- 9 UPS Modules - 600 KVA per Module with 15 minute battery autonomy
- General design load to cabinets 1,200 W/m<sup>2</sup> (achieving 2,500 W/m<sup>2</sup> in one hall) via A & B feeds from PDUs

## Mechanical Systems

- 2# free cooling air cooled chillers rated at 730 kW each
- 4# water cooled chillers rated at 294 kW each with matching adiabatic air coolers on the roof.
- 12# DX units with matching roof mounted air coolers
- Various DX units with split cooling coils and matching roof mounted air coolers
- CRAC units installed in all data halls
- AHU plants provide fresh air and positive pressure to all data halls and other areas.
- Goods (5,000 kg) and passenger (8 person) lifts installed

## Other Systems

- BMS monitors and controls the environment, fire detection, access security and power
- Water leak detection installed
- Optical fire detection system
- Inergen gas fire suppression
- PIR lighting detection
- Full range of security systems installed

## Communications

Connectivity is provided by BT, Cable & Wireless, Global Crossing and others.

## Accommodation

The property provides the following net internal floor areas:

Accommodation	Area	
	Sq ft	Sq m
Ground Floor	29,110	2,704
First Floor	28,970	2,686
<b>Total</b>	<b>58,020</b>	<b>5,390</b>

In addition to the above there are two external energy centres totalling 9,710 sq ft (902 sq m).

## Planning & Development

Planning permission was granted in December 1987 for the construction of a computer centre which was subsequently built.

Planning permission was granted on 22.7.2010 for development of a new 35,500 ft<sup>2</sup> (3,252 m<sup>2</sup>) GIA building adjacent to the existing building to provide 20,800 ft<sup>2</sup> (1,932 m<sup>2</sup>) of net technical data space and associated plant rooms, using the recently constructed Energy Centre for the primary power source and back-up generators. Power cables have already been laid to the site capable of carrying 14 MVA to both RMUs in order to facilitate the new data hall. The scheme can be viewed on Test Valley District Council's web-site under application no 10/00944.

There is additional plant space both at ground level and on the roof of the main building and the external energy centres.

## Tenure

Freehold

## Tenancy

The property is let as a fully fitted data centre to Atos Origin IT Services UK Limited with a surety from Atos Origin UK Holdings Ltd on a full repairing and insuring lease from the 30th June 2011 to expire on the 30th June 2030. The lease is granted outside the Landlord and Tenant Act 1954.

The current rent passing is £509,133 per annum (£8.76 psf) and this will increase to £1,700,000 per annum (£29.30 psf) on the 24th June 2015. From the 24th June 2016 the rent will increase on each anniversary in line with the RPI index subject to a collar of 2.5% and a cap of 5%.

The Lessor has agreed to grant the lessee two options to extend the lease on the same terms, each for a term of 5 years.

The Vendor will top up the passing rent to £1,700,000 per annum until the 24th June 2015.

## Covenant

Atos Origin is a leading international Information Technology (IT) services company, providing Hi Tech Transitional Services, Consulting, Systems Integration and Managed Services to deliver business outcomes globally.

Atos Origin employs approximately 48,000 people and is the world wide information technology partner for the Olympic Games and has a client base of international companies across all sectors. Atos Origin is quoted on the Paris Eurolist Market and trades as Atos Origin, Atos Worldwide and Atos Consulting.

We understand that the ultimate parent company Atos is merging with Siemens which is widely regarded as creating the largest European IT provider and will substantially increase the size of the UK business.

We set out below the last 3 years' accounts for the tenant:

Atos Origin IT Services UK Limited (01245534)			
Year to Date	Turnover	Pre-Tax Profit	Shareholders Funds
31/12/2010	£751,197,000	£29,038,000	£1,311,327,000
31/12/2009	£780,650,000	£28,980,000	£1,353,245,000
31/12/2008	£710,222,000	£94,870,000	£328,586,000

For further information: [www.uk.atosorigin.com/eu-uk](http://www.uk.atosorigin.com/eu-uk)

## VAT

The property has been elected for VAT.

## Proposal

Offers are sought in excess of **£24,720,000 (Twenty Four Million Seven Hundred and Twenty Thousand Pounds)** subject to contract and exclusive of VAT. A purchase at this level would reflect a net initial yield of **6.5%** after deducting purchaser's costs of 5.8%.

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## Investment Market Commentary

The investment market continues to benefit from a strong level of demand for secure, long let properties with an element of fixed performance in the lease.

There have been very few examples of fitted data centre transactions with the 3 most recent deals taking place in 2007 being listed below:

Property	Size ( Sq ft )	Tenant	Unexpired Term Years	Price	NIY %	Comments
Bedford, Manton Park	22,604	Marsh	11	£13.45m	5.7%	Annual 3% pa fixed uplifts
Milton Keynes, Linford Wood	24,500	Unisys	19	£21.95m	5.38%	Annual 2% pa fixed uplifts
Thurrock, Lakeside Distribution Centre	122,540	Fujitsu	10 (term certain)	£40.6m	5.86%	Annual RPI increases with a collar of 2% and a cap of 5%

As a further measure of comparison we list below the most recent distribution unit comparables with circa 20 years unexpired which have transacted since April 2011.

Property	Size ( Sq ft )	Tenant	Unexpired Term Years	Price	NIY %	Comments
Glasgow, Inchinnan	541,962	Rolls Royce plc	17	£51.7m	6.6%	Annually paid 1.5% pa fixed uplifts
Colnbrook, Lakeside Industrial Estate	121,909	Exel Europe Ltd	19.25	£24.0m	5.85%	Fixed increases
Liverpool, Liverpool International Business Park	622,600	B & M Retail Ltd	20	£34.88m	6.85%	Fixed increases in years 5 and 10
Enfield, Tesco Stores	160,000	Tesco Stores Ltd	20	£21.525m	5.62%	Fixed increases

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Leeds LS1 2HL

**Liverpool**

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**Manchester**

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**Newcastle**

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08449 02 03 04

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