



THORP ARCH TRADING ESTATE

WETHERBY LS23 7FW



INVESTMENT SUMMARY

- Established mixed-use business park
- Located within 2 miles of Junctions 45 and 46 A1(M)
- Well configured unit totalling 13,213 sq m (142,256 sq ft) on a 7 acre site (45% site cover)
- Limited supply of large industrial units within the vicinity
- Future asset management angles
- Let to Capita Business Services Ltd, a **5A1 covenant**, until August 2022
- Attractive **net initial yield of 16.49%**
- Seeking offers in excess of **£2,350,000** reflecting a low capital value of **£16.52 psf**

LOCATION

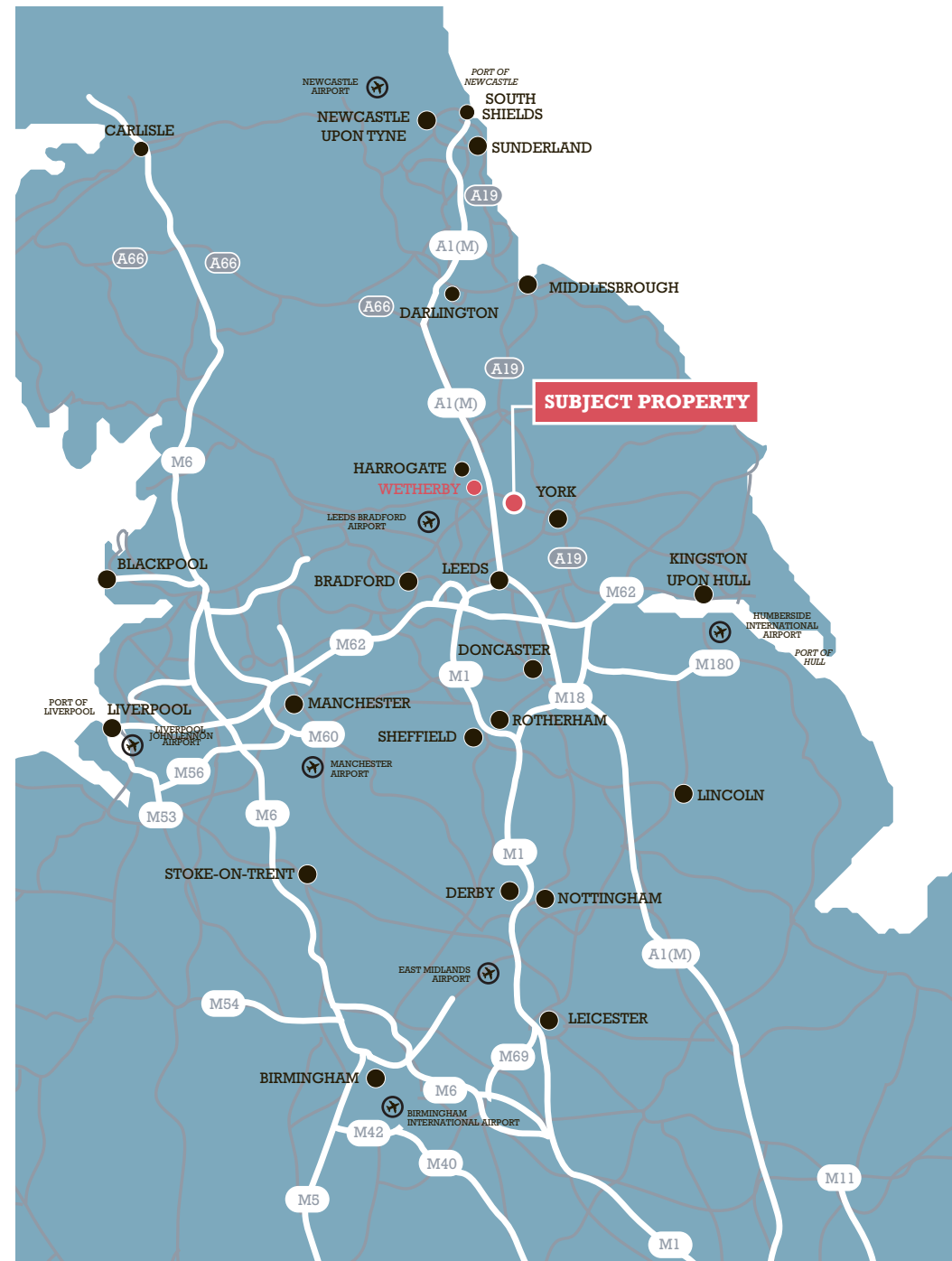
Thorp Arch Trading Estate is located to the north east of Leeds City Centre, approximately 4 miles south east of Wetherby Town Centre. The Estate is within 2 miles of the A1 (M), providing excellent access to the M1 and M62 motorways. Connections to the European markets are provided by the Humber ports 50 miles to the east and Leeds Bradford International Airport, which is within a 30 minute drive.

SITUATION

Thorp Arch Trading Estate is an established mixed-use business park which has provided an environment for businesses large and small for approximately 50 years and is home to a broad spectrum of both national and international concerns. The Estate accommodates over 100 businesses that operate in the industrial, office, warehousing and retail sectors. Tenants on the Estate include The British Library, Laing O'Rourke, Mawson Engineering, Avacta, Cell Beam, Select Plant Hire, DFS, Keller Geotechnique and Moores Furniture Group.

The Estate further benefits from its own retail park (Thorp Arch Retail Park) where tenants include DFS, Homeworld, Land of Leather, Bensons Beds and United Carpets.

Thorp Arch comprises 185,800 sq m (2 million sq ft) of business space employing over 2,500 people.





DESCRIPTION

The property comprises an industrial building of steel portal frame construction, with brickwork elevations at lower level and coated profile metal cladding above. The original building was constructed in the 1970s and comprises the front office and warehouse/factory sections with the high-bay warehouse element being constructed in the 1980s. The warehouse comprises two main areas with the high-bay area having a minimum eaves height of 10.5m (34ft) and a dedicated canopied loading area to the south. The warehouse benefits from six dock level loading doors and a further two roller shutter doors.

The warehouse and offices have been refurbished by the sub-tenant to include two new dock levellers and associated doors to the high-bay warehouse, additional racking to the high-bay area and the renewal of the existing heating and cooling system and general decoration to the office block.

The total site area is approximately 7 acres providing a site coverage of 45%. The property has a large yard area to the north, which is currently being utilised as goods in/out directly to the high-bay warehouse via the dock levellers, with the option to provide additional car parking should it be desired.

Within the tenant's demise is the grassed area to the north of the property comprising approximately 1.4 acres, which has an area of hardstanding to the eastern boundary.



Estate Plan Key

- 1. The British Library
- 2. Moores Furniture Group
- 3. Thorp Arch Retail Park
 - a) DFS
 - b) Homeworld
 - c) Power Electrical Superstore
 - d) Salisbury
 - e) Furniture Express
 - f) Land of Leather
 - g) Benson Beds
 - h) United Carpets
- 4. Cell Beam
- 5. DFS (Warehouse)
- 6. Eddie Brown Tours Group
- 7. Laing O'Rourke
- 8. Mawson Engineering
- 9. Keller Geotechnique
- 10. Bosch Servicing
- 11. Select Plant Hire
- 12. Avacta
- 13. Yorkshire Holiday Homes
- 14. Event Prop Hire
- 15. Wharfedale Property Management Ltd
- 16. Rocom
- 17. TUS
- 18. Moathouse Square (21 Starter Units)
- 19. Etail
- 20. Plant & Site Services Ltd
- 21. Taste Cuisine

A1(M): 2 miles

Thorp Arch Trading Estate



Motorway Distances (Journey Times)

A1(M)	2 miles (5 mins)
M1	10 miles (10 mins)
M62	15 miles (15 mins)

SUBJECT PROPERTY

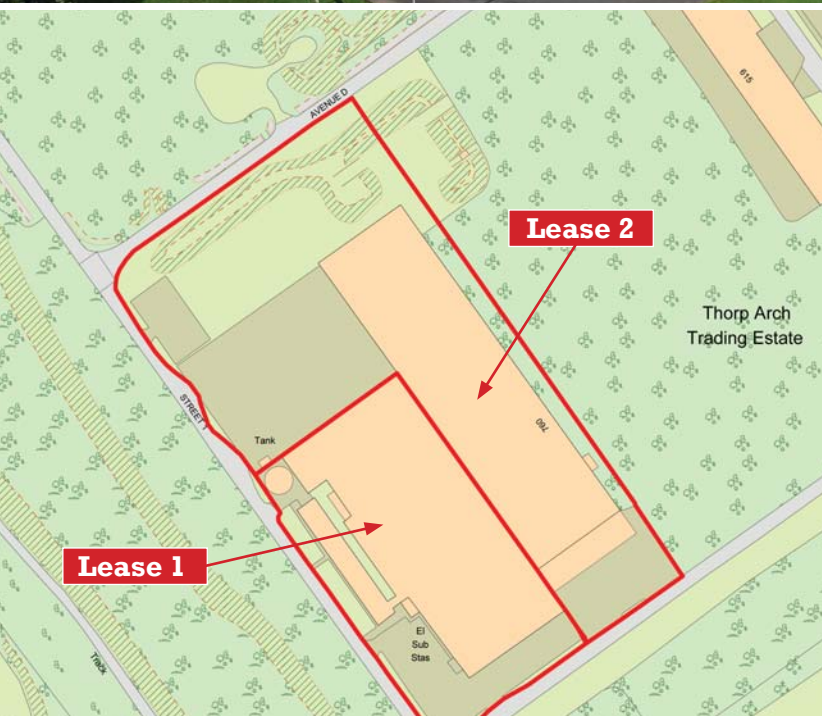


ACCOMMODATION

The property comprises the following approximate gross internal areas:-

Description	Area Sq m	Area Sq ft
Front Office Building	1,002.40	(10,790)
Warehouse/Factory	5,793.80	(62,366)
High-bay Warehouse	6,422.17	(69,130)
Total	13,218.37	(142,286)





TENURE

The subject property is held long leasehold for a term expiring in 2135 (123 years unexpired). The current ground rent is £45,565 per annum, which is subject to review on 21 April 2014 and five yearly thereafter. The rent review is to 10% of the Estimated Rental Value or 10% of the rent passing, whichever is the higher.

TENANCY

The property was originally let on two leases to Two-Ten Communications Limited, however, Two-Ten Communications was purchased in 2006 by Capita Business Services Limited. Both leases have been assigned to Capita Business Services Limited.

Lease 1

The original office building and warehouse/factory area is let for a term of 15 years from 6 August 2007, expiring on 5 August 2022, subject to a tenant's break option on 6 August 2017. The current rent is £234,438 per annum (£34.50 per sq m/£3.20 per sq ft) and is subject to 5 yearly rent reviews.

Lease 2

The high-bay warehouse is held on a co-terminus lease as set out above. The current rent is £221,216 per annum (£34.50 per sq m/£3.20 per sq ft).

The total gross rental income from the property is therefore £455,654 per annum, which, after deducting the current ground rent, produces a net income of £410,089 per annum.

Capita Business Services Limited has sublet both elements to Lindam Limited with effect from 19 January 2011, expiring on 1 August 2017, on terms mirroring the head lease. Lindam Limited is currently paying the passing rent and the subleases are contracted outside the Landlord & Tenant Act 1954.



COVENANT INFORMATION

Capita Business Services Limited (02299747)

Year Ending	Turnover £'000s	Pre-Tax Profits £'000s	Total Assets Less Current Liabilities £'000s
31/12/2011	885,084	215,107	714,597
31/12/2010	941,434	203,038	650,041
31/12/2009	1,017,280	225,528	287,191

Capita is the UK's leading provider of business process outsourcing – the long term contracting out of business process – and business transformation services. They have a D&B rating of 5A 1.

Lindam Limited (02256862)

Year Ending	Turnover £'000s	Pre-Tax Profits £'000s	Total Assets Less Current Liabilities £'000s
31/12/2010	22,153	1,656	5,070
31/12/2009	20,494	2,021	3,897
31/12/2008	15,946	229	2,885

Lindam Limited was established over 20 years ago and is Europe's leading child home safety brand, In January 2010, Lindam was acquired by Munchkin Inc, the Californian based designer and manufacturer of innovative infant and toddler products. They have a D&B rating of 2A 1.



ASSET MANAGEMENT OPPORTUNITIES

Lindam Ltd merged together a number of holdings in Harrogate prior to relocating to the subject property and have undertaken an extensive fit-out and refurbishment programme. In order to protect their capital expenditure, we understand that Lindam would have sought a longer term certain had it been available and consequently we believe there may be an opportunity to re-gear the lease via discussions between Lindam and Capita.

We believe there is potential to explore further redevelopment of the 1.4 acres of expansion land to the north of the property currently demised to the tenant, subject to negotiation and the necessary planning consents.

Longer term, we believe the property could be broken up to provide flexibility in a mix of sized units to suit occupier demand at the time.

VAT

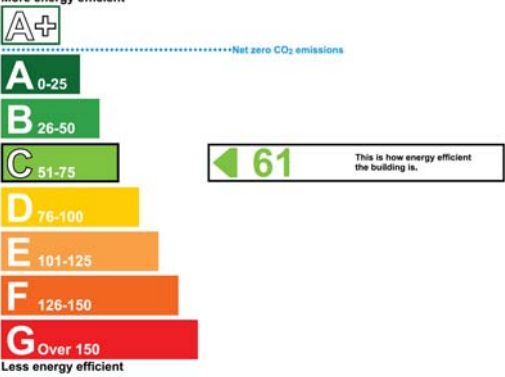
The property has been elected for VAT. It is intended that the sale will be undertaken as a TOGC.

PROPOSAL

We are instructed to seek offers in excess of **£2,350,000** for our client's long leasehold interest in the property reflecting an attractive **Net Initial Yield of 16.49%**.

This reflects a low overall **capital value of £16.52 per sq ft.**

ENERGY PERFORMANCE CERTIFICATE

Energy Performance Certificate		HM Government
Non-Domestic Building		
Lindam Group Ltd Unit 760, Street 1 Thorp Arch Estate WETHERBY LS23 7FW	Certificate Reference Number: 0250-0232-3029-4300-4096	
This certificate shows the energy rating of this building. It indicates the energy efficiency of the building fabric and the heating, ventilation, cooling and lighting systems. The rating is compared to two benchmarks for this type of building: one appropriate for new buildings and one appropriate for existing buildings. There is more advice on how to interpret this information on the Government's website www.communities.gov.uk/epbd .		
Energy Performance Asset Rating		
More energy efficient		
		
This is how energy efficient the building is.		
Less energy efficient		
Technical Information		Benchmarks
Main heating fuel: Grid Supplied Electricity		Buildings similar to this one could have ratings as follows:
Building environment: Air Conditioning		25 If newly built
Total useful floor area (m ²): 12243		67 If typical of the existing stock
Building complexity (NOS level): 3		
Building emission rate (kgCO ₂ /m ²): 34.78		

FURTHER INFORMATION

For further information or to arrange a viewing, please contact:-

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Subject to Contract. Exclusive of VAT. October 2012