



UNITS 3100, 3120, 3140, 3160 AND 3180 PARK SQUARE, **BIRMINGHAM BUSINESS PARK** B37 7YN



A COURTYARD OFFICE SCHEME CONSISTING OF FIVE MULTI LET OFFICE BUILDINGS WITH ASSET MANAGEMENT POTENTIAL

INVESTMENT SUMMARY

- Birmingham Business Park is the West Midlands' premier business park located 12 miles east of Birmingham City Centre close to Birmingham International Airport, the NEC, the M42 and the M6
- Demand for office accommodation along the M42 corridor has seen office take-up increase to above pre-recessionary levels
- Corporate occupiers include Arup, Kier, Siemens, Fujitsu, Rolls Royce and Jaguar Land Rover. In the last 12-18 months there have been a number of significant lettings on Birmingham Business Park to National Grid, Interserve and Changan Automotive of China
- The location offers unrivalled connectivity with 75% of the UK's main commercial centres within 2 hours drive-time
- As part of HS2, the Government is proposing a major new railway station in close proximity to Birmingham Business Park. Known as the Birmingham Interchange, it will provide high speed links to Leeds and Manchester in the north, London in the south and to Europe via HS1.
- Park Square comprises a high quality office campus built in the early 1990s. There are five buildings totalling 66,304 sq ft set in an attractive landscaped environment with an excellent car parking ratio of 1:177 sq ft.
- Freehold
- Multi-let to 9 tenants producing a total income of £807,112 p.a (excluding rent, rates and s/c guarantees) equating to a low average rent of £15.60 psf overall
- Proven reversion within the campus with lettings completed at headline rents of £18.50 psf, post refurb within the last 12 months
- 69% of the income secured against covenants with a Credit Safe risk rating of either Very low or low risk
- AWULT of 6.83 years to expiry and 3.54 years to break options
- Approx. 23% of the space is vacant (15,060 sq ft)
- Opportunity to add value through further upgrading and letting of the vacant space together with implementing forthcoming rent reviews
- Quoting offers in excess of **£10,700,000**, reflecting a **NIY of 9.50%** (assuming standard purchasers costs of 6.7%) and a low capital value of £161 psf. This includes a 12 month rent, rates and s/c guarantee on the two vacant suites
- Reversionary to 10.33% upon implementing rent reviews



LOCATION

The park is located 8 miles east of Birmingham City Centre, 1 mile north of the National Exhibition Centre and 2 miles to the north east of Birmingham International Airport and train station. The M42 motorway runs adjacent to the park and there is easy access to both Junctions 6 & 7 of the M42 plus Junction 4 of the M6.

The NEC, Birmingham International Airport and Birmingham International Railway Station are all within 10 minutes' drive of the park. Birmingham International Railway Station is approximately 1 mile to the west of the park and provides regular services to Coventry, Manchester and Glasgow as well as a direct service to London Euston with over 4 trains per hour and a fastest rail journey time of 80 minutes.

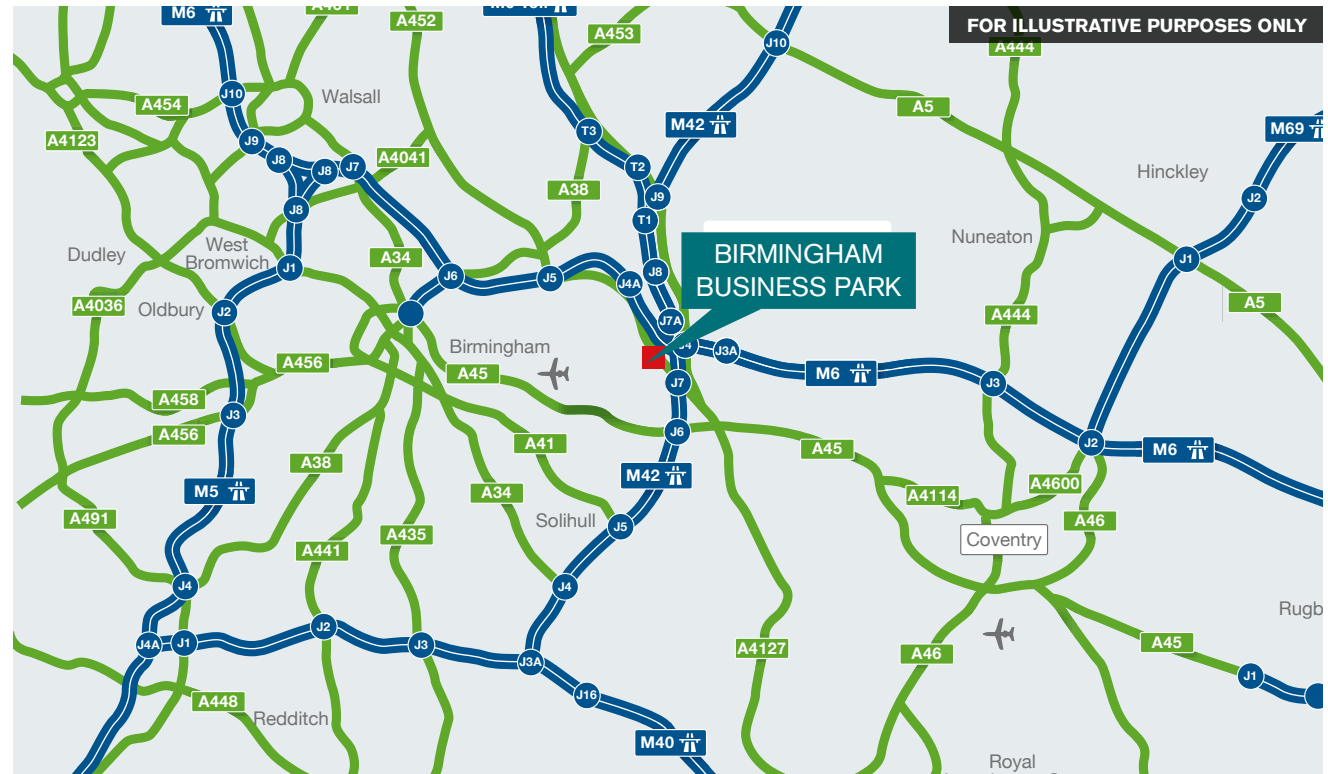
Birmingham International Airport lies adjacent to the railway station and has been voted the best UK business airport four times in the last six years. It currently operates direct scheduled flights to over 40 destinations in Europe, North America and Asia. The extension of the runway at Birmingham International Airport, which completed in early 2014, now connects Birmingham directly to numerous global transport hubs including the west coast of the USA and to China.

BIRMINGHAM & M42 CORRIDOR

Birmingham is the UK's second largest city, the commercial centre for the West Midlands and the UK's largest regional centre by both economy and population. The wider West Midland's conurbation has an estimated population of 2.4 million and Birmingham has the largest financial and services sector outside London.

The M42 corridor is undergoing a resurgence of interest from occupiers and has seen office takeup increase to above pre-recessionary levels. It is home to a significant number of corporate occupiers including Arup, Kier, Oracle, Siemens, Fujitsu, Rolls Royce and Jaguar Land Rover, additionally it has seen a number of standout transactions in the last 12 to 18 months, including significant lettings to Changan Automotive of China, Interserve and National Grid.

The location offers unrivalled connectivity with 75% of the UK's main commercial centres within 2 hours drivetime. Birmingham International train station, airport and a proposed HS2 interchange are all within 2 miles of Birmingham Business Park.



BIRMINGHAM BUSINESS PARK

The Park is located 8 miles east of Birmingham City Centre, 1 mile north of the National Exhibition Centre and 2 miles to the north east of Birmingham International Airport and train station. The M42 motorway runs adjacent to the park and there is easy access to both Junctions 6 & 7 of the M42 plus Junction 4 of the M6.

The first phases of the park were originally developed in the late 1980s and now extend to over 148 acres of previously greenfield land. It offers a high quality, mixed-use environment which is home to over 100 occupiers employing over 5,000 people. Rolls-Royce and Changan Automotive have recently moved to the business park. The largest occupier is Rolls Royce's subsidiary, Controls and Data Services, which has recently constructed a new R&D and manufacturing facility. Other key occupiers include Beiersdorf, Fujitsu, IMI Kynoch and West Midlands Police.

PARK COMMUNICATIONS



- Motorway access from Junction 4 of the M6 and Junctions 6 and 7 of the M42
- 119 miles north west of London
- 97 miles north east of Bristol
- 94 miles south of Manchester



3 bus services serving the campus which provide a regular service to Birmingham city centre as well as the airport and train station.



Birmingham International train station is located approximately 2 miles south of the park. The fastest train service to London Euston is 73 minutes.



The proposed HS2 station will be located approximately 1 mile from Birmingham Business Park.



Birmingham International Airport is located directly south west of the park and provides direct flights to over 140 destinations and currently handles in excess of 9 million passengers per annum.





DESCRIPTION

Park Square comprises a courtyard of five self-contained office buildings totalling 66,304 sq ft of accommodation which offer the flexibility to be let as a whole or on a floor-by-floor basis such that they can serve a wide range of occupier requirements.

The buildings were constructed in the early 1990s and are of steel frame construction with brick cladding under a pitched slate roof.

There has been a programme of rolling refurbishment on the vacant space which has now been let. There is approx 15,060 sq ft remaining which is vacant and comprising of two suites, which could be further sub-divided.

The internal specification includes:

- Fully accessible raised floors
- Aluminium framed double glazed windows
- Suspended ceilings with recessed Category II lighting
- Air conditioning throughout
- Gas fired central heating
- 6/8 person (630 kg) passenger lifts
- Male and female WCs on all floors with disabled WC facilities on the ground floors

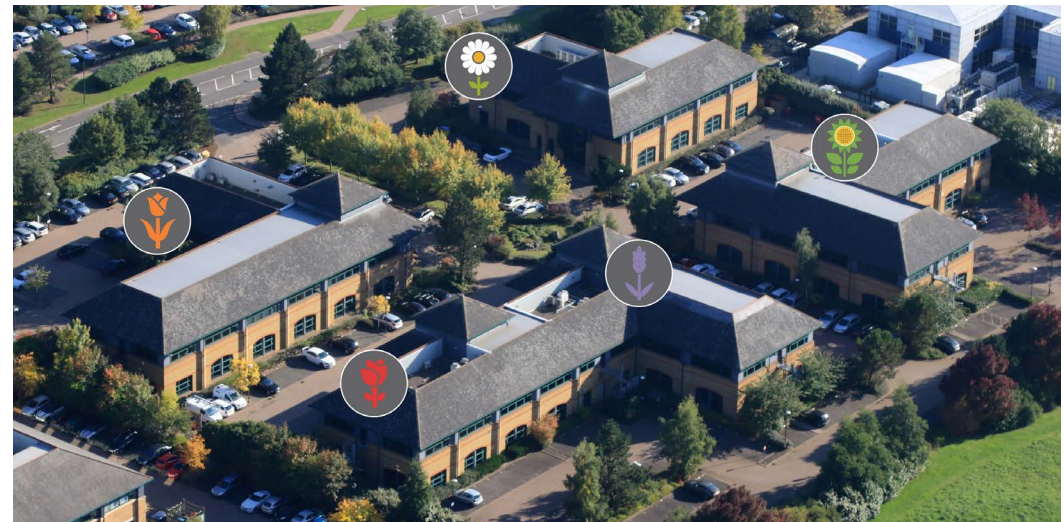
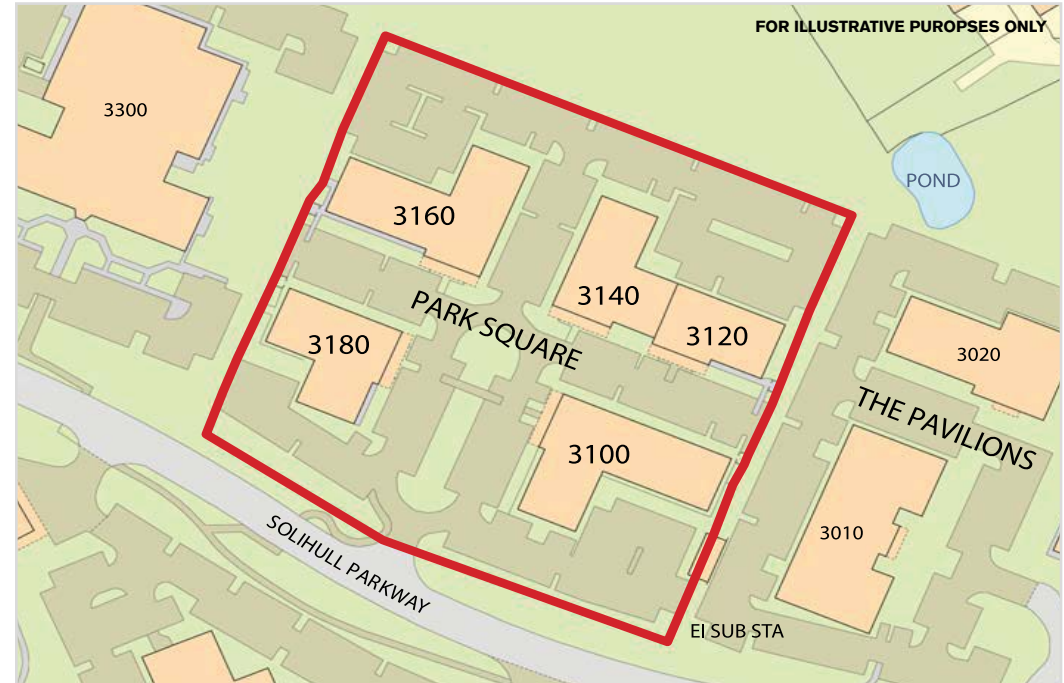
Externally, there are 375 on-site designated car parking spaces providing an excellent overall ratio of 1:177 sq ft.

ACCOMMODATION

Building	Floor	NIA (sq ft)	NIA (sq m)
Tulip Building (3100)	Ground	8,866	823.67
	First	9,261	860.37
Rose Building (3120)	Ground	3,772	350.43
	First (South)	1,402	130.25
	First (North)	2,700	250.84
Lavender Building (3140)	Ground	5,830	541.62
	First	6,194	575.44
Sunflower Building (3160)	Ground (Right)	3,647	338.81
	Ground (Left)	4,181	388.42
	First	8,482	778.00
Daisy Building (3180)	Ground & First	11,969	1,111.95
Total NIA		66,304	6,159.79

TENURE

The property is held freehold.



TENANCIES

Park Square is currently let to 9 tenants on FRI terms, providing a AWULT of 6.83 years to expiries and 3.54 years to breaks.

The vendor will provide a 12 month, rent (£18.50 psf), rates and service charge guarantee on the vacant accommodation. On the date of completion, the vendor will top up any outstanding rent free periods.

The service charge budget for year end 2015 was £351,460 (£5.32 psf). For the year ending 31/12/2016 the budget is £381,620 (£5.78 psf).

Property	Tenant	Lease Start	Term	Lease End	Break Option	Review	Rent (£ pa)	Rent (£ psf)	Floor Area (sq ft)	Comments	ERV (£ psf)	Total ERV (£ p.a.)
Tulip Building 3100 Ground Floor	Vacant						£164,021	£18.50	8,866	Landlord will provide a rates, rent and service charge guarantee	£18.50	£164,021
Tulip Building 3100 First Floor	Imtech Inviron Ltd	26/03/2011	10 Years	25/03/2021	n/a	26/03/2016 5 yrly	£129,654	£14.00	9,261	Rent review under negotiation	£15.50	£143,546
Rose Building 3120 Ground Floor	IPS - Integrated Project Services Ltd	01/03/2016	10 Years	28/02/2026	On 01/03/2021 Tenant 6mths notice	01/03/2021 5 yrly	£61,413	£16.28	3,772	Lease states rent commencement date as 1st December 2016. Half rent for six months at £30,706.50p.a. then full rent commencement from 01.06.2017 at £61,413 p.a	£18.50	£69,782
Rose Building 3120 First Floor South	Speedclad Ltd	07/03/2016	5 Years	06/03/2021	On 06/03/2019 Tenant 6mths notice	No further reviews	£23,463	£16.74	1,402	Six months rent free, rent commencement 07.09.2016 at £23,463 p.a	£18.50	£25,937
Rose Building 3120 First Floor North	Geodis Wilson UK Ltd	23/01/2015	10 Years	22/01/2025	On 23/01/2020 Tenant 6mths notice	23/01/2020 5 yrly	£41,928	£15.53	2,700	One year rent free, one year at half rent of £20,964 p.a. then full rent from 24.01.2017 at £41,928 p.a	£18.50	£49,950
Lavender Building 3140 Ground Floor	Mitsubishi Electric Europe BV	10/09/2014	10 Years	09/09/2024	On 10/09/2019 Tenant 9mths notice	10/09/2019 5 yrly	£90,365	£15.50	5,830		£18.50	£107,855
Lavender Building 3140 First Floor	Vacant						£114,589	£18.50	6,194	Landlord will provide a rates, rent and service charge guarantee	£18.50	£114,589
Sunflower Building 3160 Ground Floor Right	G Forces Web Management Ltd	14/06/2016	5 Years	13/06/2021	n/a	No further reviews	£67,470	£18.50	3,647	Reburbished. Two years at half rent of £33,735 p.a. then full rent from 14.06.2018 at £67,470 p.a. Lease includes 20 car spaces. (13 included within £67,470.70 p.a, 7 spaces separately licenced at £2,450 p.a. detailed below)	£18.50	£67,470
7 Car Parking spaces	G Forces Web Management Ltd	14/06/2016	5 Years	13/06/2021	n/a		£2,450			£350 per space per annum, as specified within lease of premises		£2,450
15 Car parking spaces	G Forces Web Management Ltd	14/06/2016	5 Years	13/06/2021	Anytime after 14/06/2017 Mutual 1 months notice	No further reviews	£5,250			£350 per space per annum. Separate licence that can be terminated anytime after 14/06/2017 by either party on 1 months notice		£5,250
Sunflower Building 3160 Ground Floor Left	Penna PLC	21/12/2010	10 Years	20/12/2020		21/12/2015	£59,906	£14.33	4,181	Rent review under negotiation	£15.50	£64,806
Sunflower Building 3160 First Floor	Cunningham Lindsey United Kingdom	19/01/2012	10 Years	18/01/2022	19/01/2017 Tenant 12mths notice	19/01/2017 5 yrly	£118,748	£14.00	8,482		£18.50	£156,917
Daisy Building 3180	Canon (UK) Ltd	06/05/2016	10 Years	05/05/2026	06/05/2021 & 06/05/2024 Tenant 6 months notice	06/05/2021 5 yrly	£206,465	£17.25	11,969	Refurbished. One years rent free, rent commencement 06.05.2017 at £206,465 p.a	£17.25	£206,465
Total							£1,085,722	£15.60	66,304			£1,179,037



COVENANT INFORMATION

Imtech Inviron Ltd (04956673)

Imtech Inviron Ltd is a technical service provider with expertise in engineering services, technical facilities management and systems integration. Imtech employs over 2500 employees and has been trading for over 20 years. www.imtech.co.uk

Imtech Inviron Ltd represents 16% of the total income and is rated 'B – Low Risk' by Creditsafe.

Year to Date	Turnover	Pre-Tax Profit	Shareholders Funds
31/12/2014	£100,774,000	-\$5,350,000	£12,914,000
31/12/2013	£141,034,000	£3,027,000	£17,119,000
31/12/2012	£139,057,000	£4,779,000	£16,500,000

Integrated Project Services Ltd (IPS) (03830878)

IPS Ltd is a full-service engineering firm dedicated to helping clients succeed with capital projects and improve operations. IPS specialises in complex facilities in hi-tech and highly regulated industries. IPS has over 750 professionals worldwide with offices in Brazil, UK, India and China. www.ipsdb.com

IPS Ltd represents 8% of the total income and is rated 'A – Very Low Risk' by Creditsafe.

Year to Date	Turnover	Pre-Tax Profit	Shareholders Funds
31/08/2015	-	-	£1,400,970
31/08/2014	-	-	£1,303,480
31/08/2013	-	-	£731,537

Speedclad Limited (06492516)

Speedclad Limited, established in 2008 with a national coverage across the UK, is a specialist façade contractor providing cost effective façade solutions, delivering large-scale cladding and curtain walling projects. www.speedclad.co.uk

Speedclad Limited represents 3% of the total income and is rated 'B – Low Risk' by Creditsafe.

Year to Date	Turnover	Pre-Tax Profit	Shareholders Funds
31/01/2016	-	-	£634,672
31/01/2015	-	-	£395,883
31/01/2014	-	-	£240,100

Geodis Wilson UK Limited (00621547)

Geodis Wilson, founded in 1904, is one of the World's largest freight management companies specialising in supply chain solutions for the delivery of cargo by sea and air. Geodis Wilson has direct presence in 67 countries and a global network spanning 120 countries, with 709 employees and 21 offices in the UK alone. www.geodis.co.uk

Geodis Wilson UK Limited represents 5% of the total income and is rated 'C – Moderate Risk' by Creditsafe.

Year to Date	Turnover	Pre-Tax Profit	Shareholders Funds
31/12/2015	£85,423,000	-\$590,000	£2,545,000
31/12/2014	£90,474,000	-\$1,514,000	£199,000
31/12/2013	£88,686,000	-\$1,445,000	£1,599,000

Mitsubishi Electric Europe B.V. (FC019156)

Mitsubishi Electric is one of the world's leading names in the manufacturing and sales of electrical and electronic products and systems. Mitsubishi Electric started operating in Europe 40 years ago and in 1996 Mitsubishi Electric Europe B.V. was formed as a wholly owned subsidiary of Mitsubishi Electric Corporation (Japan). Globally the company boasts 124,305 employees in 44 countries across the world. www.mitsubishielectric.com

Mitsubishi Electric Europe B.V. represents 11% of the total income and is rated 'A – Very Low Risk' by Creditsafe.

Year to Date	Turnover	Pre-Tax Profit	Shareholders Funds
31/03/2015	£1,763,754,200	£22,999,929	£168,401,373
31/03/2014	£1,643,002,073	£15,368,557	£169,403,017
31/03/2013	£1,930,769,593	£22,196,482	£165,065,965

G Forces Web Management Limited (03863609)

G Forces was established in 1999 and is run by six actively involved directors helping to deliver the most effective digital strategies for leading vehicle retailer groups and manufacturers. G Forces have 3 offices in the UK and 5 in total globally. www.gforces.co.uk

G Forces Web Management Limited represents 9% of the total income and is rated 'A – Very Low Risk' by Creditsafe.

Year to Date	Turnover	Pre-Tax Profit	Shareholders Funds
31/10/2015	£22,378,572	£1,672,878	£5,466,613
31/10/2014	£20,803,164	£1,525,021	£3,895,380
31/10/2013	£15,111,738	£1,147,749	£2,305,693

TENANTS COVENANT RISK RATING

Penna PLC (01918150)

Penna Plc specialises in global HR services which includes 60% of the FTSE 100 companies as well as some of the highest profile public sector bodies. www.penna.com

Penna PLC represents 7% of the total income and is rated 'A – Very Low Risk' by Creditsafe.

Year to Date	Turnover	Pre-Tax Profit	Shareholders Funds
31/03/2015	£79,128,068	£3,167,055	£2,445,528
31/03/2014	£67,858,200	£206,232	£2,381,610
31/03/2013	£65,602,858	£1,476,513	£3,841,034

Cunningham Lindsey United Kingdom (00159031)

Cunningham Lindsey, which was established over 100 years ago, is a leading global claims management and loss adjusting company with over 6,000 staff in over 600 global offices. Cunningham Lindsey specialise in a wide range of industries including power, environmental, cyber & technology, construction and engineering and mining. www.cunninghamlindsey.com

Cunningham Lindsey represents 15% of the total income and is rated 'A – Very Low Risk' by Creditsafe.

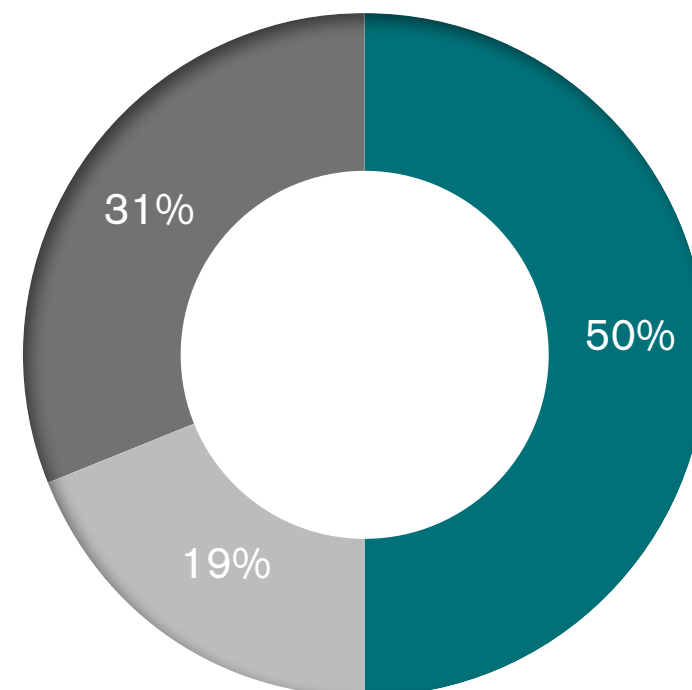
Year to Date	Turnover	Pre-Tax Profit	Shareholders Funds
31/12/2015	£82,921,000	£672,000	£37,995,000
31/12/2014	£98,298,000	£10,209,000	£32,907,000
31/12/2013	£96,918,000	£10,155,000	£36,806,000

Canon (UK) Ltd (01264300)

Canon is a world-leading provider of imaging and information technology solutions for the home and office environments. Canon (UK) Ltd is the UK marketing and sales operation for the global economy and was established a presence in the UK in 1976. In the UK and Ireland, Canon employs over 2,000 people in various locations such as Surrey (Head office), Birmingham, Livingston (Scotland) and Belfast. www.canon.co.uk

Canon (UK) Ltd represents 26% of the total income and is rated 'C – Moderate Risk' by Creditsafe.

Year to Date	Turnover	Pre-Tax Profit	Shareholders Funds
31/12/2014	£363,219,000	£12,279,000	£-12,404,000
31/12/2013	£340,709,000	£7,288,000	£77,752,000
31/12/2012	£264,619,000	£18,183,000	£82,348,000



- CREDIT SAFE RATING A - VERY LOW RISK
- CREDIT SAFE RATING B - LOW RISK
- CREDIT SAFE RATING C - MODERATE RISK

BIRMINGHAM BUSINESS PARK OCCUPATIONAL COMMENTARY

The M42 corridor market has proved to be exceptionally buoyant over the past 36 months, with annual take-up levels now exceeding pre-recessionary levels. Total take-up in 2015 was estimated to be above 450,000 sq ft (c. 45% above the 5 year average) with Birmingham Business Park accounting for a significant proportion of the total, the most notable being Changan Automotive acquiring (as an owner occupier) 80,000 sq ft for their own phased occupation. In total, the park has achieved over 270,000 sq ft of take-up since 2014.

There is almost no supply of New Grade A office space now available in the M42 Corridor and no speculative development proposed.

Recent transactions on Birmingham Business Park include:

Completion Date	Address	Tenant	Size (Sq Ft)	Term Years (Breaks)	Rent (£ psf)
Jul-16	2920 Trident Court, Birmingham Business Park	Confidential	26,498	confidential	£21.00
Jun-16	3160 Park Square, Birmingham Business Park	G Force Event Management	3,647	5 yrs	£18.50
Jun-16	2460 Regents court Birmingham Business Park	Lanes Plc	4,892	10 yrs (5 yrs)	£17.25
May-16	2670 Kings Court, GF, Birmingham Business Park, Solihull	Sartorius	3,243	10 yrs (5 yrs)	£17.50
May-16	3180 Park Square, Birmingham Business Park	Canon UK	11,969	10 yrs (5 yrs)	£17.25
Apr-16	Compton House, 2300 The Crescent, Birmingham Business Park	Uniper	32,692	Confidential	Confidential
Apr-16	6240 Bishops Court, GF, Birmingham Business Park, Solihull	Mitie	3,894	10 yrs (5 yrs)	£18.30
Mar-16	Part first floor 3120 Park Square, Birmingham Business Park	Speedclad	1,402	5 yrs (3 yrs)	£16.74
Mar-16	Part ground floor 3120 Park Square, Birmingham Business Park	IPS	3,772	10 yrs (5 yrs)	£16.28
Feb-16	2020 The Crescent, Birmingham Business Park	Marel	6,638	10 yrs	£20.00

■ All Park Square lettings

ASSET MANAGEMENT OPPORTUNITIES

- Top headline rents of £21.00 psf in Birmingham Business Park was achieved in July 2016
- 31% of Park Square (20,790 sq ft) has been let in the last 18 months
- The most recent letting to G Forces Web in June this year concluded at a headline rent of £18.50 psf
- Opportunity to further refurbish and let both Lavender Building (first floor) and Tulip Building (ground floor) to help increase rental income
- Enhance rental income through pursuing forthcoming rent reviews
- Opportunity to improve the overall AWULT through engaging with existing tenants and pursuing re-gears where possible
- Potential to exploit roof/void space



Image of vacant first floor (Lavender building)

EPC

All EPC certificates are available upon request.

VAT

The property is elevated for VAT. However it is anticipated that the sale of the property will be treated as a Transfer of Going Concern (TOGC).

CAPITAL ALLOWANCES

The benefit of any unclaimed capital allowances could be made available to the purchaser. Further information is available upon request.

PROPOSAL

We are instructed to seek offers in excess of **£10,700,000 (TEN MILLION SEVEN HUNDRED THOUSAND POUNDS)**, reflecting a **net initial yield of 9.50%** (assuming standard purchasers costs of 6.7%) which includes a 12 month rent, rates and service charge guarantee on the vacant space. The price reflects a low capital value of only £161 psf and the following yield profile:

NIY: **9.50%**

Reversionary yield: **10.33%**



CONTACT

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