



**SILBURY COURT**  
SILBURY BOULEVARD  
MILTON KEYNES, MK9 2AF

REVERSIONARY MULTI LET OFFICE INVESTMENT WITH ASSET  
MANAGEMENT OPPORTUNITIES AND FUTURE ALTERNATIVE USE POTENTIAL





## INVESTMENT SUMMARY

- Milton Keynes is one of the largest towns in the south east. Situated at the centre of the UK's growth corridor, running between Oxford and Cambridge, it is forecasted to be one of the fastest growing urban areas in the UK over the next decade
- Silbury Court is a multi-let office building positioned in the heart of the central business district. It fronts Silbury Boulevard and is within a few minutes' walk of the main retail pitch
- Milton Keynes Central railway station is within 10 minutes' walk, providing frequent access to London Euston in 30 minutes
- The property comprises 78,545 sq ft of offices over ground, first, second and third floors and has recently benefitted from a rolling refurbishment programme
- Multi let to 16 tenants with a WAULT to break of 3.57 years and 6.30 years to expiry
- The property has a low vacancy rate of 6%
- Passing rent of £1,107,537 pa, equating to a low overall rent of £14.10 psf
- There have been six lettings in the building within the last 12 months, at rents ranging from £15.00 psf - £17.43 psf
- Potential for alternative uses subject to the necessary consents
- Freehold
- Offers in excess of **£12,950,000 (TWELVE MILLION NINE HUNDRED AND FIFTY THOUSAND POUNDS)**, being subject to contract and exclusive of VAT
- A purchase at this level reflects a **net initial yield of 8.01%**, allowing for purchasers costs of 6.72%
- The price reflects a **low capital value of £165 psf**





## LOCATION

Milton Keynes is one of the largest towns in the South East of England. In recent years it has become one of the leading commercial, retail, leisure and distribution centres.

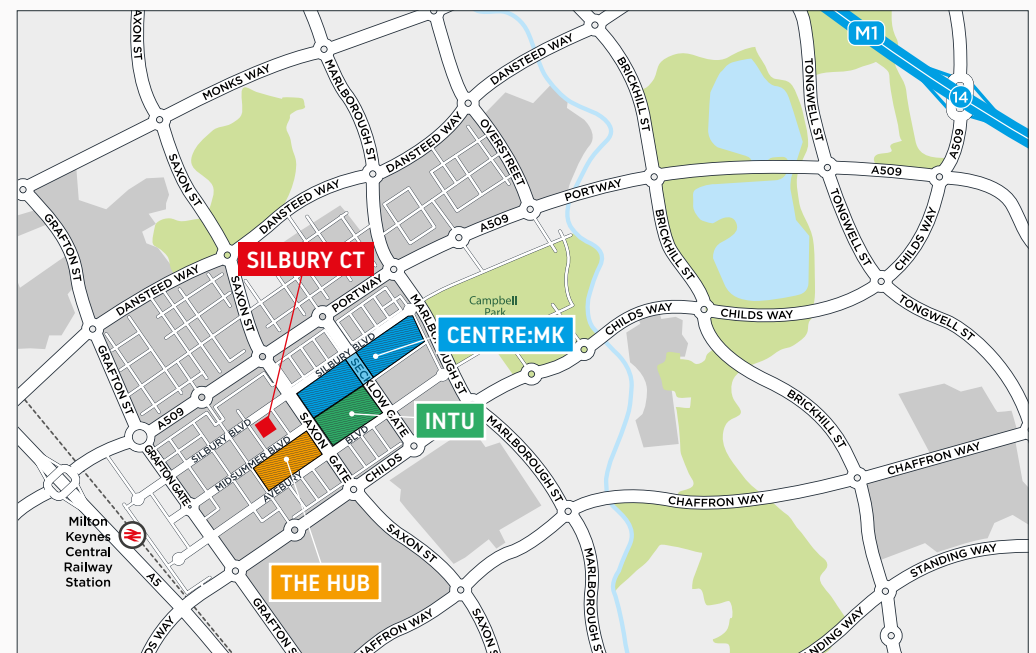
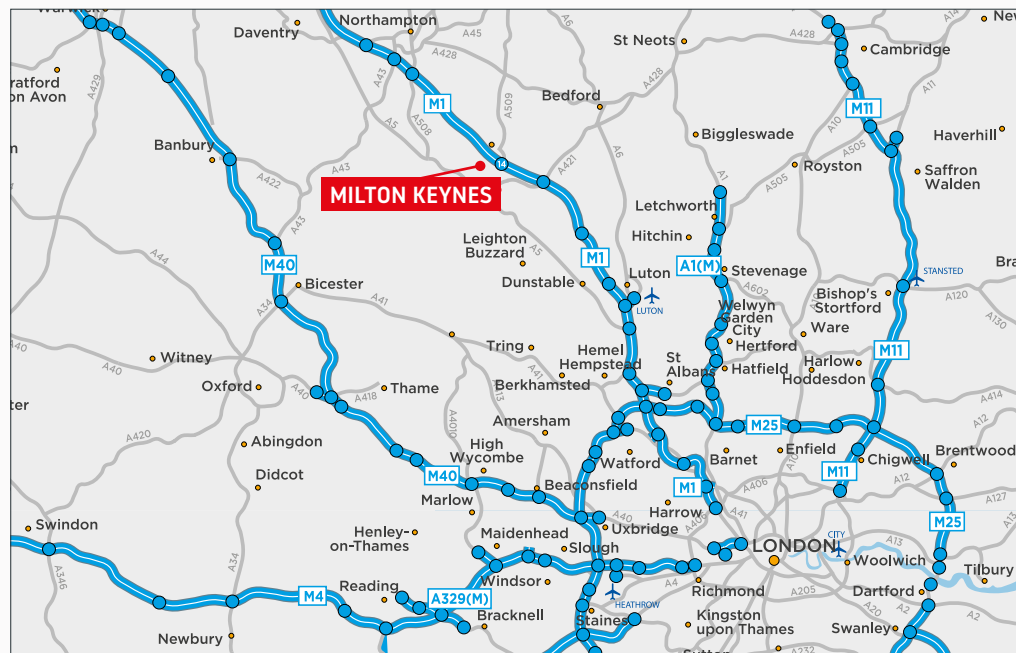
The town has a resident population of over 200,000 which is projected to exceed 300,000 in the next fifteen years, making it one of the fastest growing towns in the UK.

Over £1 billion of private investment has been committed to Milton Keynes in the last decade, transforming the town's skyline with new architecture and developing infrastructure which has provided a base for continuing economic growth.

The strength of the location has attracted a range of occupiers to the town such as Network Rail, Mercedes Benz, Coca-Cola, Suzuki, Home Retail Group and Amazon.

## SITUATION

The property is in a prominent position on Silbury Boulevard, mid-way between Milton Keynes railway station and The Centre:MK, Milton Keynes main shopping centre. The Centre includes retailers such as Apple, M&S, Debenhams and John Lewis. Restaurants include Wagamamas, Pizza Express, Yo Sushi and Byron Hamburgers. Intu Shopping Centre is also adjacent to The Centre:MK.







SILBURY CT

centre.mk  
MILTON KEYNES

intu

SILBURY BOULEVARD

MIDSUMMER BOULEVARD

ALEBURY BOULEVARD

KPMG

Handelsbanken

Travelodge

bp

Deloitte

Santander

Argos

National Rail

Morrisons  
Since 1899



LONDON EUSTON 30 MINUTES

BIRMINGHAM 55 MINUTES



## COMMUNICATIONS



Milton Keynes is strategically located to benefit from excellent road connections. It is situated adjacent to Junction 14 of the M1 Motorway and the A5 trunk road.

LOCATION	DISTANCE	JOURNEY TIME
M1 Motorway (J14)	2 miles	6 mins
M25 Motorway (J64)	34 miles	37 mins
Central London	54 miles	1 hr 30 mins
Birmingham	71 miles	1 hr 15 mins
Cambridge	46 miles	1 hr 7 mins
Oxford	41 miles	1 hr 5 mins



Milton Keynes Central Station, offers a wide range of direct destinations.

LOCATION	JOURNEY TIME
Northampton	15 mins
Coventry	29 mins
London Euston	30 mins
Birmingham New Street	55 mins
Manchester Picadilly	1 hr 38 mins



All London Airports are located within an hour and a half drive of Silbury Court with London Luton only a 35 minutes drive.

LOCATION	DISTANCE	JOURNEY TIME
London Luton	25 miles	35 mins
London Heathrow	50 miles	1 hr 10 mins
London Gatwick	90 miles	1 hr 30 mins





## DESCRIPTION

Silbury Court is a prominent office building constructed in the 1990s and arranged over ground, first, second and third floors. The property is arranged as three elements comprising an east and west wing connected by a central building, with a courtyard to the front.

There are 93 surface level car parking spaces to the rear of the site which is within the freehold demise. There is additional public parking at the front of the property.

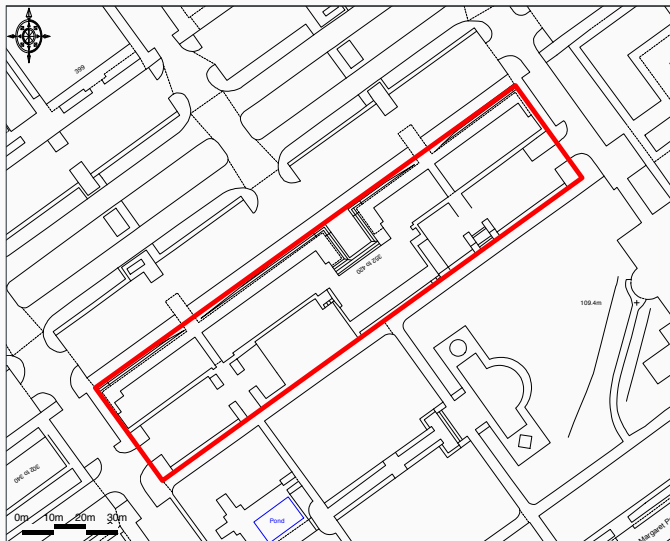
In 2016/2017 a comprehensive rolling refurbishment took place including a complete strip back and refurbishment to all WCs, both east and west core's and the reception, together with lift cars, in the west wing.

## TENURE

Freehold.

## EPC

The property has a rating of D88.



# ACCOMMODATION & TENANCY

Silbury Court has highly flexible floorplates which are designed to appeal to a vast spectrum of occupiers. The property is let to 16 tenants in accordance with the tenancy schedule below, producing a total rent of £1,107,537 pa (including vendor top ups), with a WAULT to expiry of 6.30 years and 3.57 years to break options.

TENANT	UNIT	CREDIT SAFE RATING	AREA (SQ FT)	PARKING SPACES	LEASE START	LEASE EXPIRY	INSIDE/ OUTSIDE ACT	NEXT RENT REVIEW	BREAK	BREAK (LL/T)	BREAK NOTICE	RENT (EPA)	RENT (EPSF)	COMMENTS
Woodfines LLP	352, Ground Floor	● 74	2,739	4	17-Dec-13	16-Dec-23	Inside	17-Dec-18	17-Dec-18	Tenant	6 Mths	£38,220	£13.95	
Blue Arrow Limited	354, Ground Floor	● 75	1,552	1	27-May-16	26-May-26	Inside	27-May-21	26-May-21	Tenant	6 Mths	£31,000	£19.97	
Woodfines LLP	356, First Floor	● 74	4,436	6	17-Dec-13	16-Dec-23	Inside	17-Dec-18	17-Dec-18	Tenant	6 Mths	£53,280	£12.01	
Edimax Technology (UK) Ltd	358, First Floor	● 56	1,278	1	25-Dec-14	24-Dec-19	Outside					£11,638	£9.11	
Smart Moves Recruitment Ltd	360 & 362, First Floor	● 45	2,464	2	11-Jan-16	10-Jan-21	Outside					£37,044	£15.03	
Cartwright King Ltd	364, First Floor	-	952	1	30-May-17	29-May-23	Outside	30-May-20	30-May-20	Tenant	6 Mths	£13,804	£14.50	Two months rent free if break not actioned. £6.50psf s/c cap
W3 Partnership Ltd	366, First Floor	● 96	746	2	04-Sep-17	03-Sep-22	Outside		03-Sep-20	Tenant	6 Mths	£13,000	£17.43	Rent passing at £12,436pa to 03-Sept-18 (vendor to top up)
QMetric Group Ltd	368-378, (Whole) Second Floor	● 73	10,104	12	01-Mar-14	28-Feb-19	Outside					£125,000	£12.37	
Quality Personnel Services Ltd	380, Third Floor	● 87	4,426	5	25-Dec-10	24-Dec-24	Inside	24-Dec-22	24-Dec-22	Tenant	6 Mths	£57,550	£13.00	
Everyday Loans Ltd	382A, Third Floor	● 87	1,810	2	(Contracts exchanged. See comments)	(Contracts exchanged. See comments)	Inside		Pending			£28,960	£16.00	Contracts exchanged with Everyday Loans Ltd: 10 year lease, 5 year break at £16psf (£28,960pa - to be confirmed on measurement). Upward only rent review on fifth anniversary of the term. Half rent year 1 (vendor to top up) + further half rent for 8 months if break not exercised. Subject to separation works creating four suites - 382A, 382B, 382C & 382D. Target date for completion is 13-Jul-18. The long stop date is 17-Nov-18
Vacant	382B, Third Floor	-	1,300	5								£20,800	£16.00	Vendor to provide a 12 mths rent (£16psf), rates & service charge guarantee
Vacant	382C, Third Floor	-	1,050	3								£16,800	£16.00	Vendor to provide a 12 mths rent (£16psf), rates & service charge guarantee
Vacant	382D, Third Floor	-	820	2								£13,120	£16.00	Vendor to provide a 12 mths rent (£16psf), rates & service charge guarantee
Peter McGill & Maeve McGill T/A First Choice	390, Ground Floor	-	1,980	2	25-Dec-11	24-Dec-21	Inside					£33,660	£17.00	
The Institute of Acoustics Ltd	406 Ground Floor	● 96	3,105	3	(Contracts exchanged. See comments)	(Contracts exchanged. See comments)	Outside	Pending	Pending			£54,810	£17.65	Contracts exchanged with The Institute of Acoustics Ltd: 10 year lease (5 year break), open market review at year 5. Completion of the lease subject to landlord fit out works. Target lease completion early July 2018. Year 1: £37,584pa (with 6 mths RF), Year 2: £42,282, Year 3: £46,980, Year 4: £51,678, Year 5: £54,810 (vendor to top up)
Manpower plc	404 Ground Floor	● 36	1,656	-	05-May-09	04-May-19	Inside					£24,000	£14.49	
Franklins Solicitors LLP	402 Ground Floor	● 62	3,783	3	31-Dec-17	30-Dec-27	Inside	31-Dec-22				£66,205	£17.50	14 mths rent free from lease commencement date (vendor to top up). Tenant break option if LL develops courtyard
Mercer & Hole (M G Joy, P O Webster, P A Maberly, G Farnes)	First Floor D 4	● 47	8,163	7	04-Jul-08	03-Jul-28	Inside	04-Jul-23	04-Jul-24	Tenant	6 Mths	£114,285	£14.00	Passing rent of £113,373pa until commencement of reversionary lease (04-Jul-18) then £57,143pa increasing to £114,285pa on 04-Jul-19 (vendor to top up). Tenant break option if the landlord develops the courtyard
Franklins Solicitors LLP	First Floor C 5	● 62	3,790	3	31-Dec-17	30-Dec-27	Inside	31-Dec-22				£53,060	£14.00	12 mths rent free from lease commencement date (vendor to top up). Tenant break option if the landlord develops the courtyard
NM Mortgages Ltd	416 & 414A, Second Floor	● 95	9,476	12	14-May-18	13-May-28	Inside	14-May-23	13-May-21 13-May-24	Tenant	6 Mths	£125,609	£13.26	Gross rent is £144,509 (£15.25 psf), however landlord pays for 30 car park permits being £18,900pa (£630x30), which has been deducted off the gross rent. The total cost over the period of the lease is capped at £22,500pa. Guarantor: Notemachine Holdings Ltd. 9mths rent free. 6mth rent penalty on year 3 break + 3 months rent free if year 6 break not actioned.
Vacant	414B, Second Floor	-	789	2								£12,624	£16.00	Vendor to provide a 12 month rent (£16psf), rates & service charge guarantee
Vacant	414C, Second Floor	-	832	2								£13,312	£16.00	Vendor to provide a 12 month rent (£16psf), rates & service charge guarantee
QMetric Group Ltd	Third Floor D 8	● 73	7,490	8	01-Mar-11	28-Feb-19	Outside					£95,000	£12.68	
505 Games Ltd	Third Floor C 9	● 83	3,804	4	02-Jan-16	01-Jan-26	Inside	02-Jan-21	02-Jan-21	Tenant	6 Mths	£53,256	£14.00	
505 Games Ltd	Car Parking space	-	-	1	04-May-17	03-May-18	Outside					£1,500		Mutual rolling break option on 14 days notice
<b>TOTAL</b>			<b>78,545</b>	<b>93</b>								<b>£1,107,537</b>	<b>£14.10</b>	

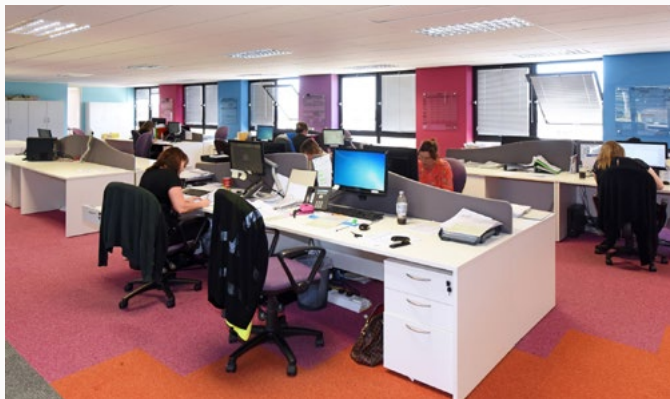
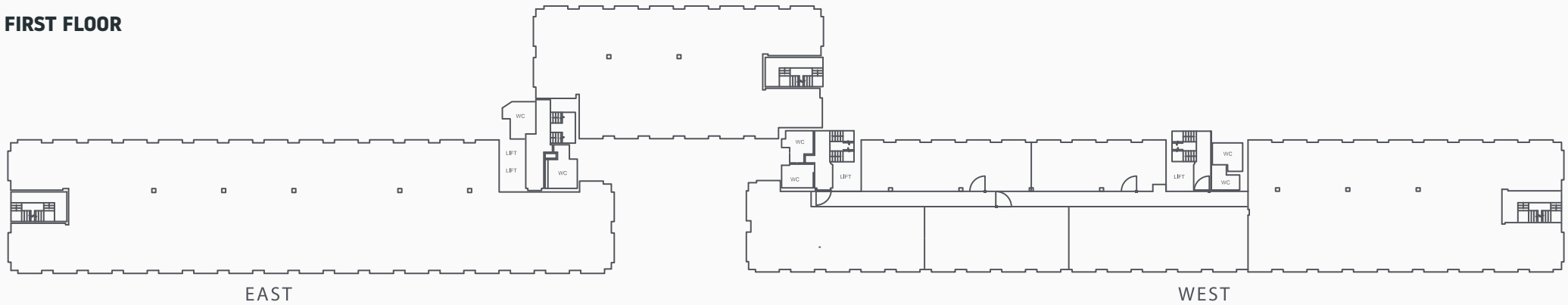






# TYPICAL FLOORPLAN

## FIRST FLOOR



## SERVICE CHARGE

The current service charge budget for the year ending 24-Mar-18 was £358,850 equating to £4.57 psf.

## VAT

It is envisaged that the property will be treated as a Transfer of a Going Concern for VAT purposes.









# MILTON KEYNES – A CITY OF GROWTH

Since receiving new town designation in 1967, Milton Keynes has consistently been ranked at the top of the economic benchmarking surveys. At the core of its success has been its prime location, sitting between London, Birmingham, Oxford and Cambridge. Its close proximity to these major cities and its excellent connectivity has attracted many leading companies to base themselves in the city, drawn by its progressive layout and wide pool of skilled labour.

## KEY FACTS

- The city has experienced greater economic growth than any other UK town or City over the past 10 years with an 18% increase in jobs during this period.
- Milton Keynes has an unrivalled number of UK headquarters for a city of its size, with 75% of business based in the city having their HQ's there.
- Population growth of 20.2% over the past 12 years, well ahead of the average of 8.9% for England.
- In 2017, the town was the second fastest growing in the UK by GDV growth (1st in 2015).
- £1bn of investment has been committed over the past decade.
- Milton Keynes has the fourth highest number of business start ups in the UK.
- Recently ranked as the second best place to work in the UK.
- Milton Keynes is a young and dynamic city with 48% of the population under 35 years old compared to 37% nationally.

The city's future growth is being driven by RegenerationMK, a government body which is providing a £500m programme of investment in housing, public space and access to skills and employment. This has included the first phase of a new £130m rail link into London Marylebone which completed in October 2015 with phase two scheduled for completion in March 2019.

World class occupiers located in Milton Keynes include:



## ATTRACTING KEY GROWTH SECTORS:

A new index aimed at identifying the UK's most active tech innovation cities was launched in Q3 2017 by The Open Data Institute and Digital Catapult.

The UK Tech Innovation Index unsurprisingly identified London, Edinburgh and Manchester as the three most tech innovative cities, whilst Cambridge (6th), Milton Keynes (8th) and Oxford (9th) were all placed in the top 10 positions.

The index is intended to inform private and public decision makers when making investment and growth decisions.

### Financial & Business Services

- Milton Keynes is fast-becoming 'the' address for ambitious companies in the financial and business services sector.
- Wide access to a skilled workforce is helped by local college and university schemes, many of whom partner with local businesses.
- Key educational centres include The Open University (headquartered in Milton Keynes), Cranfield University's world famous School of Management as well as other leading Universities in London, Oxford, Cambridge, Warwick and Birmingham.
- High quality but low cost – companies are increasingly attracted to Milton Keynes due to the low total occupational costs compared to London, Oxford, Cambridge and Birmingham.

### IT, Software, Electronics & Communications

- Milton Keynes is a technological hotspot, attracting a strong digital cluster of people and companies from around the world.
- Leading infrastructure investment - the town was the first in the UK to offer superfast broadband, it was an early pioneer of 4G and is currently trialling driverless cars.
- MK:Smart is a £16m partner project between businesses and education aimed at boosting economic growth.

### Advanced Manufacturing

- The City is a powerhouse of British manufacturing from motorsport to soft drinks.
- The collaborative environment allows innovative local firms to partner alongside global giants on next generation technologies.
- World leading names include Red Bull Racing, Honda F1, Prodrive, AG Barr and Coca-Cola.





# OCCUPATIONAL MARKET OVERVIEW

## MILTON KEYNES OFFICE MARKET

- The M1 office market has been a strong performer over the past 12 months – occupational demand has been resilient and the robust fundamentals have continued to attract leading occupiers to the region.
- Certain locations including Hemel Hempstead, Northampton and Birmingham, have seen stock levels diminish, which has led to rental growth.
- In Milton Keynes, supply across all grades of accommodation has been steadily declining over the past five years.

## HEADLINE RENTS ACROSS THE M1 OFFICE MARKETS

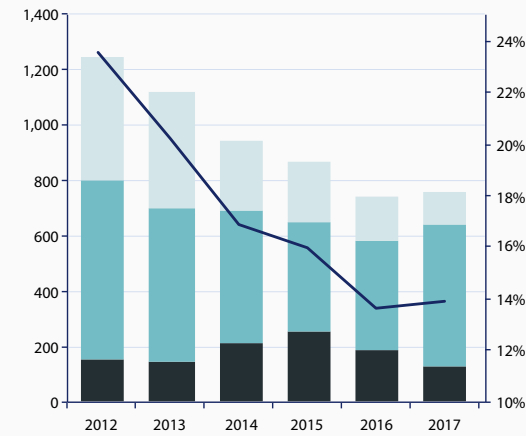


## RECENT OCCUPATIONAL TRANSACTIONS

ADDRESS	SIZE (SQ FT)	FLOOR	DATE	RENT
Fortuna House, 651 South Fifth Street	2,499	2nd & 3rd	16-Mar-18	£16.00
Fortuna House, 651 South Fifth Street	2,695	Ground & 1st	21-Jan-18	£16.00
249 Silbury Blvd	8,057	1st	02-Sep-17	£18.23
Altius House, 1 North Fourth St	5,366	1st	01-Sep-17	£20.53
2 Exchange Square	3,398	Ground & 2nd	12-Jul-17	£20.09
Witan Court, Witan Gate	2,050	1st	06-Jun-17	£15.00

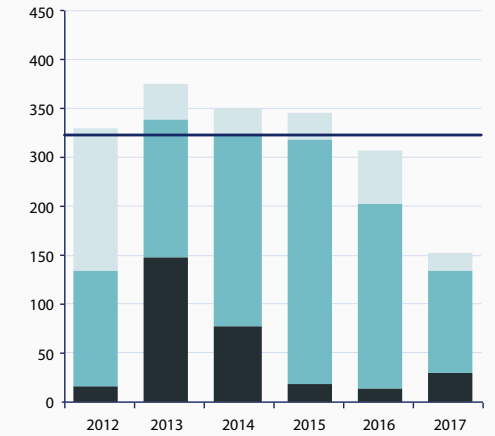
## MK OFFICE SUPPLY (000'S SQ FT)

- Grade A
- Grade B refurbished
- Grade B unrefurbished
- Availability rate



## MK OFFICE TAKE UP (000'S SQ FT)

- Grade A
- Grade B refurbished
- Grade B unrefurbished
- 10 yr average





## SOUTH EAST OFFICE INVESTMENT MARKET

Investment volumes in the regional office market remain resilient as a result of the robust fundamentals, improving occupational backdrop and prospects for rental growth. The sector remains a target for both domestic institutions and property companies while overseas buyers have also recognised the relative attractiveness of regional investment.

The strong competition has put downward pressure on yields across all segments of the market and the prime yield stands at c. 5.0%-5.5%. Well located, multi-let properties with asset management potential can therefore offer a significant return premium for investors.

### RECENT INVESTMENT TRANSACTIONS

ADDRESS	TENANT	TERM CERTAIN	PRICE (£M)	PRICE (PSF)	INITIAL YIELD	DATE
Radius 51 Clarendon Road, Watford	Multi-let	2.2 yrs	£14.80	£359	5.1%	04-Apr-18
Kingsgate 74/78 Marketfield Road High Street, Redhill	Multi-let	6.9 yrs	£10.65	£248	7.6%	06-Feb-18
Riverside House Riverside Walk, Windsor	Multi-let	4.3 yrs	£15.89	£611	5.3%	18-Jan-18
Clarion House Norreys Drive, Maidenhead	Multi-let	5.1 yrs	£10.25	£308	6.2%	19-Dec-17
One Station Square, Bracknell	Multi-let	5.7 yrs	£12.00	£277	6.9%	24-Nov-17
Broadlands Buisness Campus Langhurst Wood Road, Horsham	Multi-let	3.5 yrs	£17.70	£113	5.5%	15-Nov-17
Columbia, Station Road, Bracknell	Multi-let	3.1 yrs	£14.70	£270	5.6%	10-Nov-17
Abbey Gate, 57/75 Kings Road, Reading	Multi-let	3.8 yrs	£14.83	£259	7.8%	12-Aug-17
Pinnacle, 20 Tudor Road, Reading	Multi-let	2.0 yrs	£13.45	£322	6.7%	01-Jul-17
400-475 The Boulevard, Capability Green, Luton	Multi-let	4.8 yrs	£19.99	£216	7.5%	20-Jun-17

## ALTERNATIVE USE POTENTIAL

Milton Keynes has an increasingly popular, vibrant and growing residential market offering. As a result it is attracting the London workforce seeking to benefit from the pricing differential and excellent transport links. The town has an extensive retail and leisure provision which adds another dimension in terms of its appeal to prospective inhabitants.

Residential values in the town centre are currently £400 - £420 psf and this underpins the subject property's value given its conversion potential.



# PROPOSAL

Offers in excess of **£12,950,000 (TWELVE MILLION NINE HUNDRED AND FIFTY THOUSAND POUNDS)**, subject to contract and exclusive of VAT.

A purchase at this level would reflect a **net initial yield of 8.01%**, after allowing for purchaser's costs of 6.72%.

The price also represents a **low capital value of £165 psf**.

## FURTHER INFORMATION

For further information, please do not hesitate to contact one of the below.

Inspections are strictly by appointment only.



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