

AKEMAN BUSINESS PARK

72-82 AKEMAN STREET, TRING
HERTFORDSHIRE, HP23 6AF

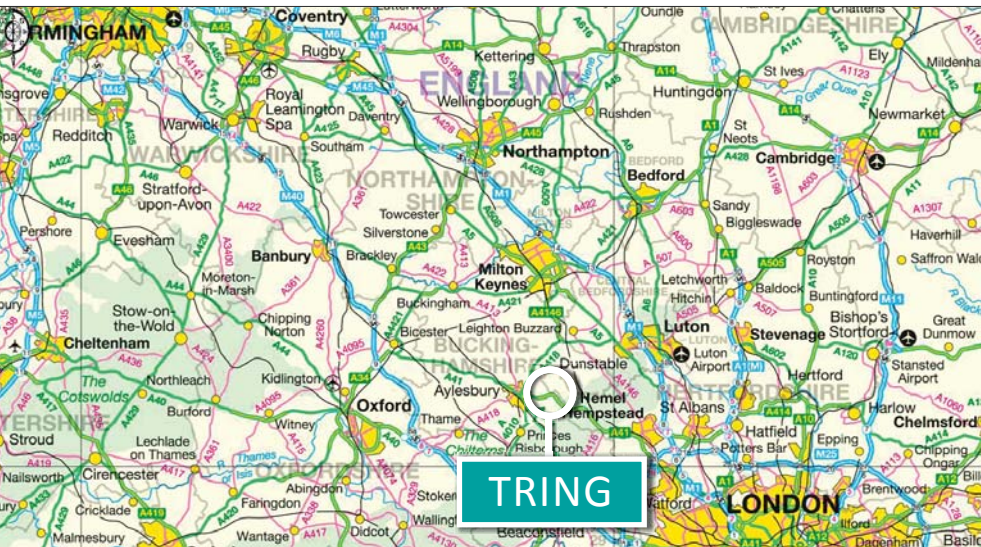


FREEHOLD BUSINESS PARK WITH REDEVELOPMENT POTENTIAL



INVESTMENT SUMMARY

- Located centrally within Tring, an attractive market town 30 miles north-west of London
- Tring may potentially be a major beneficiary of the Cross Rail and HS2 infrastructure proposals
- Established business park of circa 3,824 sq m (41,159 sq ft) with 132 occupational units
- Producing £330,702pa (gross) and £217,350.12pa (net)
- Income risk spread over a number of occupiers including Oakman Inns & Restaurants and Rennie Grove Hospice Care charity
- Considerable active management potential
- Potential for redevelopment, including residential, on a 1.389 acre site with existing high buildings
- Offers in the region of **£2,300,000** to show a purchaser a gross **initial yield of 13.59%**, and a net initial yield of 8.93% allowing for 5.8% acquisition costs, and £55.88 per sq ft capital cost



LOCATION

Tring lies 30 miles north-west of London on the Hertfordshire/Buckinghamshire borders, some six miles south-east of Aylesbury. It comprises an attractive small market town with a population of circa 13,300. The town is situated in the Chiltern Hills, where the ancient Icknield Way crosses paths with the Roman Road Akeman Street. The town is located immediately to the east of the A41 dual carriageway, the nearest motorway access comprises the M25 some 12 miles south (Junction 20), and the M1 motorway (Junction 11) at Luton/Dunstable via the B489.

Regular rail services are available from the Town's station to London (Euston) and Watford. Detailed consideration has been given to an extension to the London Cross Rail Route from Old Oak Common in the west of London, via Watford Junction, to Tring, and thereon to Milton Keynes which would improve connectivity substantially. The Route Utilisation Study has recommended an extension as far as Tring as a standalone scheme, with the case strengthened if the HS2 scheme proceeds.

A consultation is under way and the outcome of this is expected from the Department of Transport in December 2014.

The Rothschild Family purchased Tring Mansion in 1872, and proceeded to transform the town, providing employment, housing and social welfare. Their influence is still evident within the conservation of areas such as the "Tring Triangle" in the town centre, and 300 acres of Parkland managed by the Woodland Trust. The mansion now forms an Arts Educational School, and the Walter Rothschild Zoological Museum is located on Akeman Street within the town. In addition to these educational establishments, Tring is home to Champneys College, West Hertfordshire College and the Berkshire, Buckinghamshire and Oxford Wildlife Trust. Major employers within the town include Hertfordshire County Council, Pfizer Healthcare Ltd, Co-Operative Group, Royal Mail, H E Stringer Flavours and and the Herts Community NHS Trust.

SITUATION

Akeman Street is located a short distance to the south of Tring High Street, and comprises a predominantly residential area, though in addition to the Akeman Business Park, there is a warehouse which also lies on the west side of the street and immediately to the north of the subject property. The Akeman Business Park has its primary frontage to Akeman Street, with a secondary access point off Langdon Street to the rear.



DESCRIPTION

The Akeman Business Park is located on a site close to the town centre of Tring, which gradually slopes upward from Akeman Street to Langdon Road to the rear, and which comprises circa 0.56 ha (1.389 acres). In conjunction with the property, overflow parking is held short term on a leasehold basis, accessed through the site, and hatched on the site plan.

The property has an extensive frontage to Akeman Street of approximately 63.9m (210 feet), with a frontage to Langdon Street at the rear of circa 6.4m (21 feet).

The buildings on site are a mix of commercial premises providing various sizes and types of accommodation for office, industrial and storage uses. There is a central access road or tarmacadam, and a variety of yard areas. In total there are 118 car spaces, of which 70 lie in the overflow car parking area.





The main components are summarised as follows:

The “Honours Building” at 72-80 Akeman Street

This comprises a detached part three, part four storey building, predominantly of brick construction with concrete floors and staircases which until the late 1970's was the cinema for the town. The upper floors are predominantly office suites, a number of which have been refurbished to provide double glazed and carpeted accommodation with suspended grid ceilings and fluorescent lighting. The ground floor level is predominantly used by the Rennie Grove Hospice Care Charity as a depository and processing area for stock to be sold in their retail outlets. Maxet House, a two storey office building links into the rear of the Honours Building.

81 and 82 Akeman Street

This comprises a period (formerly residential) building of brick construction with sash windows and tiled roofs. The ground floor provides five serviced office units (SG1 to SG5) with six more at first floor (SF1 to SF6). The rear extension, 81 Akeman Street dates from the 1960's and provides six first floor offices (SF7 to SF12) over six undercroft car spaces. At ground floor is a reception, and two units, (SG6 and SG7).

Yard buildings (Northern Terrace)

This comprises a mix of seven units, primarily of brick and timber construction under pitched roofs, which are generally fitted with suspended ceilings with recessed lighting, electric storage heaters and perimeter trunking.

Yard buildings (Central section)

This building is two storey, dating from circa late 1960's / early 1970's of frame construction with concrete, cladding and glazed elevations with industrial/distribution/garage units at ground level and a first floor accessed off three external staircases, subdivided into studios and offices off a central corridor.

Open fronted timber barn

To the west of the site is an open fronted timber framed barn of five bays, through which the overflow car parking area is accessed.

ACCOMMODATION

In total the property is subdivided into 132 occupational units (excluding the barn) as follows:

Honours Building (denoted HG, HF, HS and HT) - 55 units

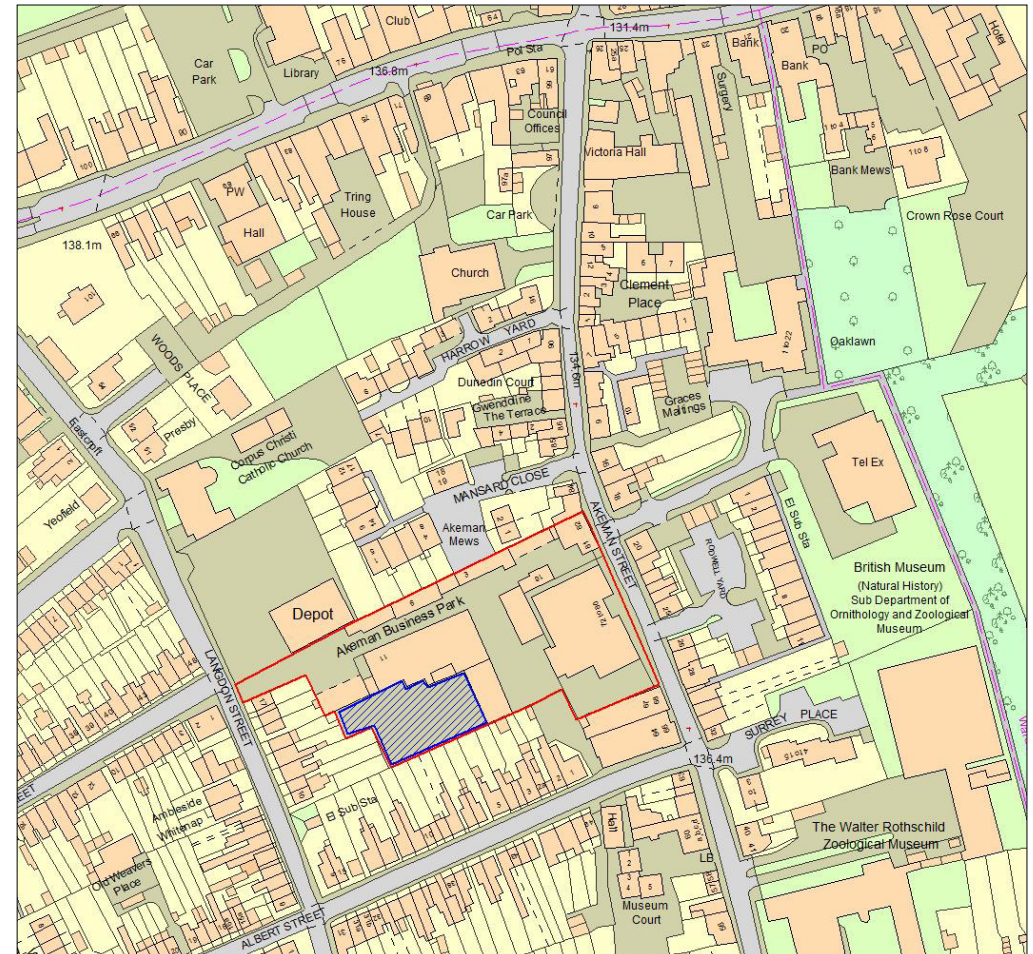
81/82 Akeman Street (denoted SG or SF) - 19 units

Yard buildings (denoted YG or YF) - 52 units

Stores (denoted S1-S6) - 6 former cargo containers.

Our clients advise that the gross internal areas provided are as summarised below:

Building and Floor	GIA sq m	GIA sq ft
Honours Building		
<i>Ground floor</i>	676	7,268
<i>First Floor</i>	617	6,641
<i>Second Floor</i>	672	7,235
<i>Third Floor</i>	50	539
Subtotal	2,015	21,683
<i>Side and rear extensions to Honours Building (YG 34-35 and Maxet House)</i>	299	3,225
<i>81 & 82 Akeman Street (Serviced Offices)</i>	269	2,895
<i>Yard Buildings</i>	1,241	13,356
Total GIA	3,824	41,159



TENURE

Freehold. The hatched area denotes the element held on a new 15 year lease on a stepped basis commencing at £10,000 pa. There after the rent will be (Yr 2) £11,000 (Yr 3) £12,000 (Yr 4) £13,000 and (Yr 5) £14,500 pa. Subsequent rent reviews are subject to CPI indexation. Whilst only accessible through the site, the owners benefit from a right of way from the Langdon Road access.

TENANCIES

The property is let in accordance with the schedule below, providing a gross income of £330,702 pa. Allowing for the running costs of the business (including non-recoverable rates, electricity use and service charge), the property produces a net figure of £227,350.12 pa.

Deducting the rent paid for the excess parking area, net income from the property for the year to 25th November 2015 is £217,350.12 pa.

Tenant	Unit No.	Unit Area in sq ft	Gross Annual Rent	Expiry Date	Deposit Held	Review Date	Monthly Licence or Lease	Car Park Spaces	Electricity recharged	Landlord's Annual Service Charge Recovery	Landlords Rates Costs 2014-2015	Comments
Agility Marketing Ltd	HS23	540	£5,460.00	31st March 2015	£583.00	31st March 2015	Monthly Licence	0	Yes	£945.00	£0.00	
Akeman Solutions Ltd	Virtual Office	N/A	£350.40	31st August 2015	Nil		Service Agreement	0	N/A	£0.00	£0.00	
Andrew Ainsworth Golf Academy	HS14 & HS19	1024	£8,436.48	31st August 2015	Nil		12 month licence	1	Yes	£2,319.84	£0.00	
Anton Jeffes	PC6	168	£1,946.88	31st August 2015	£200.00		Monthly Licence	0	No	£0.00	£0.00	
Atelier Architecture & Design	SF2	130	£3,893.76	31st August 2014	£312.00		Monthly Licence	0	No	£0.00	-£859.58	
Big Day	HF1 to HF9	4542	£24,499.92		Nil		Monthly licence	6	Yes	£2,638.80	£0.00	Holding Over
Blair Electrical	YG14, YG15 & YG16	1000	£5,040.00	31st August 2015	£333.33		6 Monthly Licence	0	Yes	£1,750.00	£0.00	
Blair Electrical	YG17, YG18 & YG19	739	£3,960.00	31st August 2015	Nil		6 Monthly Licence	0	Yes	£0.00	£0.00	
Brian Evans	SG6	120	£1,168.08	31st August 2015	Nil		Monthly Licence	0	No	£0.00	-£6,711.75	
Brian Evans	SG7	220	£5,029.44	31st August 2015	Nil		Monthly Licence	0	No	£0.00		
BSEC	SG1 - SG5 & SF3 & SF4	1035	£23,776.80	Holding over	Nil		Monthly Licence	0	No	£0.00		
Chris Kew	YF5	80	£561.60	31st August 2015	Nil		Monthly Licence	0	No	£0.00	-£197.82	
DG Electronics	YG33	400	£2,271.36	31st August 2015	£175.00		Annual	0	Yes	£0.00	£0.00	
David Gainford	YF18	90	£520.00	31st December 2015	Nil		Monthly Licence	0	No	£0.00	-£223.73	

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Doctor Silver	YG6 & YG7 Office 2	120	£3,240.00	20th January 2015	£270.00	1st January 2015	Monthly Licence	0	No	£210.00	-£741.83	
DPMS	Virtual Office		£350.40	31st August 2015			Monthly Licence	0	No	£0.00	£0.00	
Electronic Audio Systems	PC5	168	£1,946.88	31st August 2015	£156.00		Monthly Licence	0	No	£0.00	£0.00	
Extreme Energy	YF12	198	£2,400.00	31st July 2015				0	No	£0.00	£0.00	
Falcon Taxis	SF5	110	£2,496.00	8th January 2016	£200.00		One year licence	0	No	£0.00	-£624.08	
Tim Harrison	YG3	161	£480.00		Nil		n/a	0	No	£0.00	£0.00	Licence awaiting signature
Tim Harrison	YG4	737	£1,800.00		Nil		n/a	0	Yes	£0.00	-£847.80	Licence awaiting signature
Herts PAT Testing	PC1	168	£1,946.88	31st August 2015	Nil		Monthly Licence	0	No	£0.00	£0.00	
Hospice Lottery	HS15 to HS18, HS20 to HS22 & HS24	2280	£15,960.00	29th October 2015	Nil		3yr Lease	4	Yes	£3,921.60	£0.00	Rates exempt charity. Renewal pending
Innocent Web Design	SF7	150	£3,780.00	31st August 2015	Nil	1st August 2015	Monthly Licence	0	No	£0.00	-£446.22	
Rennie Grove Hospice Care	HG1, HG2 & HG3 (HG11, HG12, HG13, HG14 for rates purposes)	4084	£30,786.96	Holding over	Nil		5yr Lease	3	Yes	£8,637.84	£0.00	Rates exempt charity. Renewal on new 5 year lease with TOB at Yr 3 pending
Rennie Grove Hospice Care	HG4, 5, 6, 7 & 10			Holding over	Nil		5yr Lease	4		£0.00	£0.00	Rates exempt charity. Renewal on new 5 year lease with TOB at Yr 3 pending
Rennie Grove Hospice Care	HG8 & HG9			Holding over	Nil		Lease	2		£0.00	£0.00	Rates exempt charity. Renewal on new 5 year lease with TOB at Yr 3 pending
Janet Miller t/a The Clinic	HF19, HF20 & HF21	540	£4,437.60	31st August 2015	£450.00		Monthly Licence	1	Yes	£1,000.92	£0.00	
Kayes Interiors & The Blindman	YG5	737	£4,542.72	31st August 2015	£350.00		Monthly Licence	0	No	£0.00	-£1,742.70	

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(Laurence) Hodge	HF17	137	£1,013.40	31st August 2015	Nil		Monthly Licence	0	No	£442.56	£0.00	
Lillygate Developments Tring Ltd	Virtual Office		£354.00	31st December 2014	Nil					£0.00	£0.00	
Lloyd Donnelly Solicitors	HT1	560	£3,600.00	31st November 2015	£300.00		Monthly Licence		Yes	£980.04	£0.00	
Lyndsay Bower t/a LT Accountancy	HF16	117	£3,893.76	31st August 2015	£312.00	1st August 2015	Monthly Licence	0	No	£117.00	-£306.15	
May Interiors	HF10	225	£962.16	31st August 2014	£55.00		Monthly Licence	0	Yes	£221.76	£0.00	
Mackenzie Electrical	HF13 & HF14	485	£4,449.12	31st August 2014	£356.50		Monthly Licence	0	Yes	£828.00	£0.00	
(Mrs) Sheila De Rosa	YF14 & YF15	210	£1,248.00	31st August 2015	Nil	1st August 2015	Monthly Licence	0	Yes	£367.44	£0.00	
Mr & Mrs Litvinoff	YF3	60	£780.00	16th January 2016	£65.00	16th January 2015	Monthly Licence	0	No	£0.00	-£148.37	
Mutual Creation Ltd & Adam Hollier Photography	SF7	150	£3,780.00	18th January 2016	£315.00	1st December 2015	Monthly Licence	0	No	£0.00	-£894.90	
Oakman Inns & Restaurants Ltd	HS1-HS13	3,500	£25,000.00	4th June 2024	Nil	5th June 2019	10 yr Lease	7	Yes	£6,201.96	£0.00	10 yr lease. No tenant breaks
Oakman Inns	PC4	168	£1,872.00	31st August 2014	Nil				No	£0.00	£0.00	
Oakman Inns	PC3	168	£1,872.00	31st August 2015	£150.00	31st August 2015	Monthly Licence	0	No	£0.00	£0.00	
Paul Crudge	HF12	232	£2,280.00	30th June 2015	£190.00	1st June 2015	Monthly Licence		Yes	£0.00	£0.00	
PoshPaws	YG2	140	£2,079.96	31st August 2015	Nil	31st August 2015	Monthly Licence	0	Yes	£0.00	£0.00	
PoshPaws	YG5G	153	£624.00	31st August 2015	Nil	31st August 2015	Monthly Licence	0	No	£0.00	£0.00	
Quest Accounting	YF4	770	£3,999.96	Holding over	Nil			0	Yes	£600.00	£0.00	Holding over
Quest Accounting	YF2	825	£4,800.00	Holding over	Nil				Yes	£808.44	£0.00	Holding Over
RG Parrott	YG34	453	£6,500.04	Holding over	Nil			0	Yes	£627.96	£0.00	Holding Over

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RM Facilities	YG1	1173	£5,719.92	31st August 2015	£458.33	31st August 2015	Monthly Licence	0	Yes	£0.00	£0.00	
RPM Power Tools	YF22-YF24	405	£4,400.00	24th October 2015	£370.00	September 2015	Monthly Licence	0	No	£0.00	£0.00	
RPM Power Tools	YG12	160	£780.00	31st October 2015	£65.00	1st October 2015	Monthly Licence	0	No	£0.00	-£221.37	
RPM Power Tools	YF21		£900.00				Monthly Licence	0	No	£0.00	£0.00	
Riverlake Software	YF13	40	£499.20	31st August 2015	£40.00	31st August 2015	Monthly Licence	0	No	£0.00	£0.00	
Mick Sargent t/a MAS Software Solutioins	YG6 & YG7 Office 1	112	£3,000.00	31st December 2014	£250.00	1st December 2014	Monthly Licence	0	No	£196.80	-£588.75	
Scott Quaite	HF22		£1,690.08	31st August 2015	£150.00	31st August 2015	6 monthly licence	0	No	£0.00	-£268.47	
Simon Halling Estates Ltd	YG6 & YG7 Office 4	176	£5,100.00	31st August 2015	£425.00	31st August 2015	Monthly Licence	0	No	£338.64	-£1,095.08	
Stylish Shutters Limited	PC2	168	£1,946.88	31st August 2015	£150.00	31st August 2015	Monthly Licence	0	No	£0.00	£0.00	
TAXMATTERS	SF8	150	£3,900.00	30th June 2015	£325.00	1st June 2015	Monthly Licence	0	No	£0.00	-£894.90	
Technique Resolutions	HF18	90	£648.96	31st August 2015	Nil	31st August 2015	N/A	0	No	£0.00	-£153.08	
Telecom Training	YF9,YF10 & YF11	560	£9,734.40	31st August 2015	£583.00	31st August 2015	Monthly Licence	0	No	£0.00	-£1,954.65	
Webopps	SF10	150	£3,569.28	31st August 2015	Nil	31st August 2015	Quarterly	0	No	£0.00	-£930.23	
Tring Counselling Services	SF1	90	£1,800.00	31st October 2014	£150.00	Stepped rent	1 Year	0	No	£0.00	-£588.75	
Tring Counselling Services	SF6	140	£2,880.00	31st January 2015	£240.00	Stepped rent	1 Year	0	No	£0.00	-£847.80	
Tring MOT	YG24,YG25 & YG26	2160	£17,589.80	Lease Pending	Nil			12	Yes	£0.00	£0.00	Holding Over
Tring MOT	YG32	332	£1,896.96	Lease Pending	Nil	Pending Lease	lease	0	No	£0.00	£0.00	Holding Over
UK Martial Arts	YG20,YG21,YG22 & YG23	1620	£6,5480.04	30th October 2016	Nil	1st October 2016	5yr Lease	0	Yes	£3,078.00	£0.00	

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UK Martial Arts	YG27 to YG31	850	£6,500.04	30th October 2016	Nil	30th October 2016		0	No	£1,487.52	£0.00	
Velox UK Ltd	SF9	150	£2,400.00				Monthly Licence	0	No	£0.00	-£1,493.32	
Velox UK Ltd	SF11 & SF12	335	£7,488.00	31st August 2015	£325.00	31st August 2015	Monthly Licence	0	No	£0.00	-£2,120.00	
Wheeler Carrington	YF8	75	£883.92	31st August 2015	£65.00	31st August 2015		0	No	£0.00	-£233.15	
Zing Marketing	YF16 & YF17 & YF19	640	£13,200.00	3 Year Lease Pending	£1,100.00		3yr Lease	0	No	£0.00	-£1,660.28	
Site Office	YG10,11 & 13	460	£0.00					0		£0.00	-£2,307.90	
Vacant Units												
	SF5	110	£0.00							£0.00	£0.00	
	HF11	71	£0.00							£0.00	£0.00	
	HT1	560	£0.00							£0.00	-£2,143.05	
	YG6 & YG7, Office 3	99	£0.00							£0.00	£0.00	
	YG12	160	£0.00							£0.00	£0.00	Interest at circa £3,360pa
Meter Room and Store	YF6		£0.00							£0.00	£0.00	
Management Office	YF7	1080	£0.00							£0.00	-£2,543.40	
Meeting Room	YF20	290	£0.00							£0.00	£0.00	
Total Service Charge Cost										-£103,752.72	£0.00	
Irrecoverable Electricity Charge									-£6,297.30	£0.00	£0.00	
		Totals:	£330,702.00						-£6,297.30	-£66,032.60	-£31,021.98	Net Income £227,350.12



IRRECOVERABLES

Void rates payable by the landlord are currently £31,021.98 pa.

The annual service charge is currently £103,752.72 pa of which £37,720.12 pa is recovered from occupiers, giving a £66,616.64 shortfall.

There is an electricity recharge on site and of a total annual consumption of £37,633.04, some £17,959.49 is recovered from tenants directly, and £13,376.25 through service charge in respect of common parts. This leaves a shortfall of £6,297.30pa.

TENANT COVENANT STATUS

The income has a very good spread of risk across a number of occupiers who are predominantly small businesses, each with a modest rental liability. We have obtained accounts information for the two tenants with the largest rental liabilities:

Rennie Grove Hospice Care is a charity who provide a 24/7 planned and responsive hospice at home nursing service for patients with life-limiting illness across the Chilterns area of Buckinghamshire and in north west Hertfordshire, as well as Day Hospice Care in the Dacorum, St Albans and Harpenden districts of Hertfordshire. In the year to 31 March 2014 they recorded an income of £6,994,008 and Funds carried forward of £5,146,449.

Oakman Inns and Restaurants Ltd is an expanding and award winning chain of restaurants. Incorporated in 2005

it now has a portfolio of eight properties. Accounts for the year end 31 March 2013 record a turnover of £10,862,000, pre-tax loss of (£1,989,000), and Net Worth of £3,031,000.

PROPOSAL

Our clients are seeking offers in the region of £2,300,000 subject to contract and exclusive of VAT, to show a purchaser a gross yield of 13.59%, and net initial yield of 8.93% after 5.8% purchasers costs, and equating to a low capital cost of £55.88 per sq ft, and £1,656,000 per acre.

EPC RATINGS

EPC ratings have been obtained on the buildings within the business park and these are detailed within the dataroom.

FURTHER INFORMATION

Further information is available within the dataroom, accessible at www.jllakeman.co.uk

For other enquiries please contact the joint agents:



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