

# AIRPORT OFFICE INVESTMENT

Essex House & Eaton House, Proctor Way, Luton, LU2 9PE



**Jessop  
&co**

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- **Long leasehold office investment**
- **Located at London Luton Airport, the UK's fifth busiest airport**
- **Two detached office buildings extending to 6,176 sq ft (573.99 sq m) with 37 car parking spaces**
- **Site area of 0.59 acres (0.23 ha)**
- **Essex House is let to Sixt Car Rental, Twinjet Aircraft Sales & Oryx Jet producing £53,688 per annum**
- **Eaton House available to let**
- **Opportunity to re-structure existing leases and let the vacant Eaton House**
- **Estimated Rental Value of £95,188 per annum (£69,108 per annum after deducting ground rents)**
- **Offers in the region of £800,000 to show a net initial yield of 8.25% when fully let**

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## **Location**

Luton is a major conurbation located 32 miles north of London. Luton and Dunstable form one of the largest employment centres in the region. Bedford is situated 20 miles to the north, Stevenage 15 miles to the east and Milton Keynes 14 miles to the north-west. The M1 motorway runs to the west of the town with the main junctions being 10 and 11.

Luton Airport Parkway station provide services to London St Pancras International, Bedford and the south coast. London Luton Airport is accessed directly from Airport Way (A1081) and is approximately 2 miles north-east of junction 10 of the M1 Motorway.

A new direct air-rail transit system will link Luton Airport Parkway Station with London Luton Airport and is scheduled to open in 2022. This will allow travel between London St Pancras and London Luton Airport in just 30 minutes.

London Luton Airport is the UK's fifth busiest airport with a current capacity of 18 million passengers per annum and it is the intention to increase this capacity to 32 million passengers per annum by 2041. This will be achieved through the construction of a second terminal and associated infrastructure including a new access road (further details are available on request).

## **Situation**

Proctor Way is located just off Percival Way which is the main commercial road serving London Luton Airport with nearby occupiers including, Tui, Signature Flight Support and Gulfstream.

## **Description**

Essex House and Eaton House comprise two detached two storey office buildings constructed in the early 1990's.

Each building is of brick construction under a pitched tiled roof. The office accommodation is arranged on ground and first floors with male and female toilets, disable toilets, together with kitchen facilities being located in the common part areas of each building. Each of the floors have suspended ceilings with recessed lighting, solid floors with carpet, double glazed sash windows with demountable partitioning erected to provide a range of open plan or private offices/ meeting or training rooms. Eaton House has a combination of electric heating panels and air-conditioning whilst the main source of heating in Essex House is through air-conditioning.

## **Accommodation**

From measurements taken on site we calculate that the property provides the following approximate accommodation, measured in accordance with the RICS International Property Measurement Standards (IPMS): Office Buildings:-

## Essex House

|                                 | Use    | Sq Metres     | Sq Feet      |
|---------------------------------|--------|---------------|--------------|
| Ground                          | Office | 144.15        | 1,551        |
| First                           | Office | 144.10        | 1,550        |
| <b>Total Net Internal Area:</b> |        | <b>288.25</b> | <b>3,101</b> |

## Eaton House

| Floor                           | Use    | Sq Metres     | Sq Feet      |
|---------------------------------|--------|---------------|--------------|
| Ground                          | Office | 142.78        | 1,537        |
| First                           | Office | 142.96        | 1,538        |
| <b>Total Net Internal Area:</b> |        | <b>285.74</b> | <b>3,075</b> |

## Tenure

### Essex House

The property is held on lease from Luton International Airport Ltd (now London Luton Airport Operations Ltd) for a term expiring on 23<sup>rd</sup> June 2114 at a current ground rent of £12,370 per annum which is subject to review every five years. The lease has 93 years unexpired.

There are 14 demised car parking spaces and the permitted user is limited to airport related activities.

### Eaton House

The property is held on lease from Luton International Airport Ltd (now London Luton Airport Operations Ltd) or a term expiring on 1<sup>st</sup> December 2114 at a current ground rent of £12,750 per annum which is subject to review every five years. The lease has 93.5 years unexpired.

There are 12 demised car parking spaces and the permitted user is limited to airport related activities.

### Car Park

The property is held on lease from Luton International Airport Ltd (now London Luton Airport Operations Ltd) for a term expiring on 1<sup>st</sup> December 2114 at a current ground rent of £960 per annum which is subject to review every five years. The lease has 93.5 years unexpired.

There are 11 demised car parking spaces.

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## **Tenancies**

### **Essex House**

Part ground floor extending to 855 sq ft is let to Sixt Rent A Car Ltd for a term of two years from 3<sup>rd</sup> December 2019 at a current rent of £24,366 per annum. There are 12 demised car parking spaces within the car park to Eaton House and a further 11 subject to a separate agreement.

The remainder of the ground floor, extending to 696 sq ft is let to Twinjet Aircraft Sales (UK) Ltd for a term of five years from 1<sup>st</sup> November 2020 at a rent of £8,478 per annum. There are 4 demised car parking spaces.

Part first floor extending to 772 sq ft is let to Oryx Jet Ltd for a term of five years from 1<sup>st</sup> November 2020 at a current rent of £10,422 per annum. There are 7 demised car parking spaces.

The remainder of the first floor extending to 772 sq ft is let to Oryx Jet Aircraft Management Ltd for a term of five years from 1<sup>st</sup> November 2020 at a current rent of £10,422 per annum.

The total income receivable is £53,688 per annum.

### **Eaton House**

This property is current vacant and has a rental value in the order of £41,500 per annum.

We estimate that both properties could generate a combined gross income of £95,188 per annum and a net income of £69,108 per annum after deducting ground rents.

The leases provide for a service charge to cover the maintenance of common part areas and exclude the security of tenure provisions on the Landlord & Tenant Act 1954 (as amended).

## **Energy Performance Certificates**

Essex House: E (110)

Eaton House: E (113)

## **VAT**

VAT is payable although we would expect the transaction to be treated as a Transfer of a Going Concern (TOGC).

## Proposal

We are instructed to seek offers in the region of £800,000 to show a purchaser a net initial yield of 8.19% upon the letting of Eaton House.

## Further Information

For further information, please contact:

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The Vendors give notice that:

(1) These particulars are given and any statement about the property is made without responsibility on the part of Vendor and do not constitute the whole or any part of an offer or contract.

(2) Any description, dimension, distance or area given or any reference made to condition, working order or availability of services or facilities, fixtures or fittings, any guarantee or warranty or statutory or any other permission, approval or reference to suitability for use or occupation, photograph, plan, drawing, aspect or financial or investment information or tenancy and title details or any other information set out in these particulars or otherwise provided shall not be relied on as statements or representations of fact or at all and any prospective buyer or tenant must satisfy themselves by inspection or otherwise as to the accuracy of all information or suitability of the property.

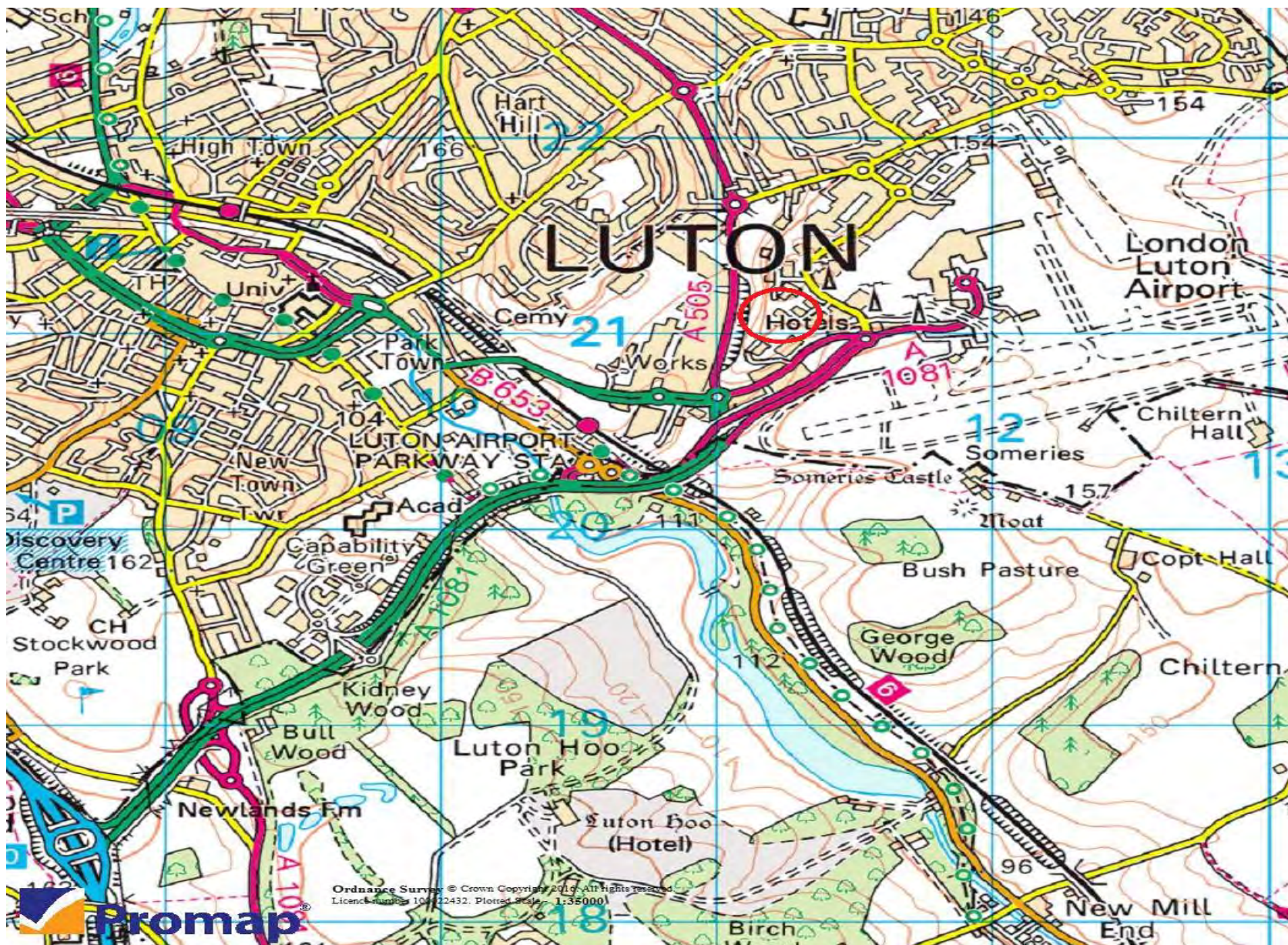
(3) No employee of Vendor has any authority to make or give any representation or warranty arising from these particulars or otherwise or enter into any contract whatsoever in relation to the property in respect of any prospective purchase or letting including in respect of any re-sale potential or value or at all.

(4) Price or rent may be subject to VAT and any prospective buyer must satisfy themselves concerning the correct VAT position.

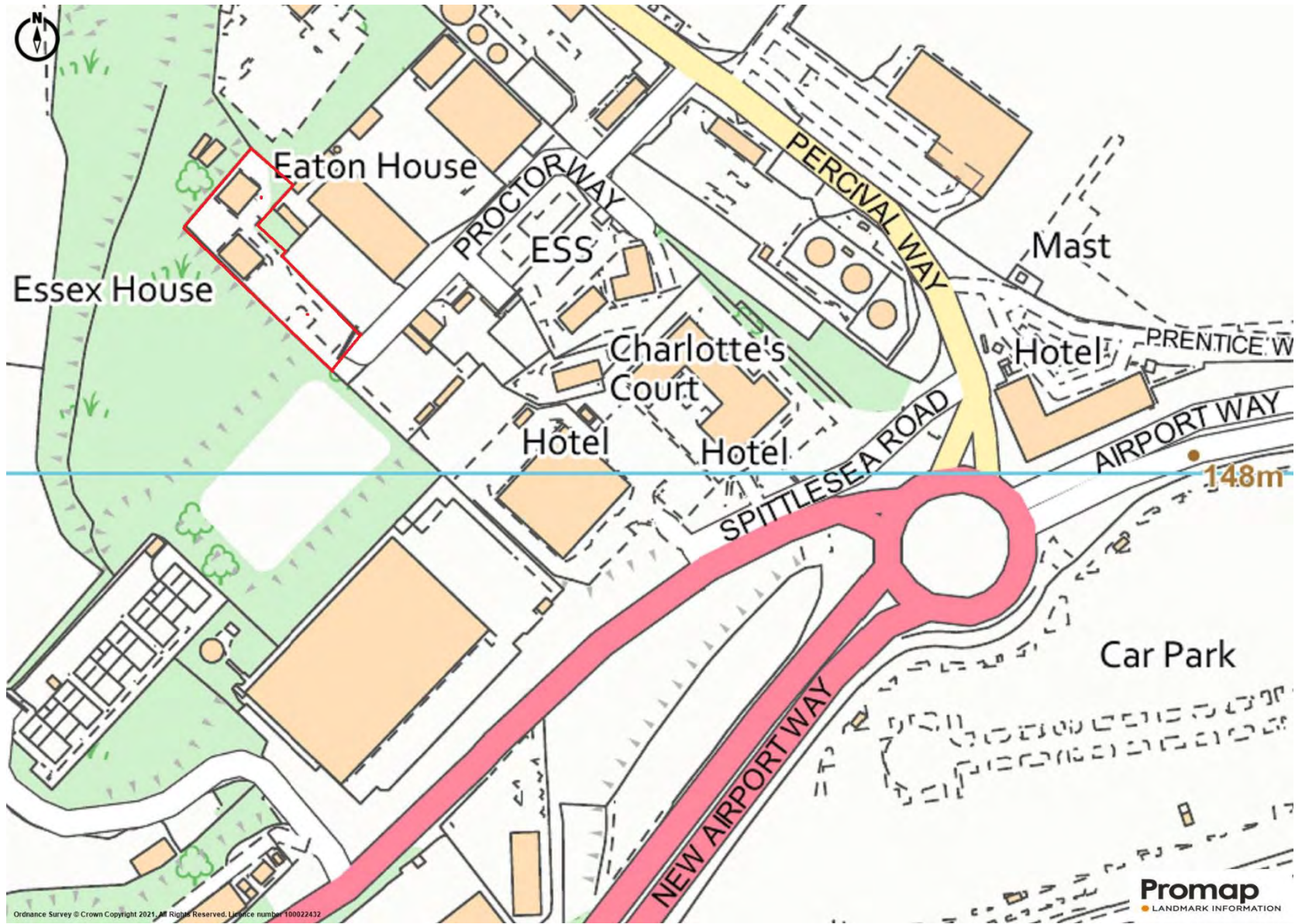
(5) Except in respect of death or personal injury caused by the negligence of Vendor, the Vendor will not be liable, whether in negligence or otherwise howsoever, for any loss arising from the use of these particulars or any information provided in respect of the property save to the extent that any statement or information has been made or given fraudulently by the Vendor. June 2021.



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