

MULTI-LET OFFICE INVESTMENT WITH VALUE ADDING OPPORTUNITIES



Livingston, EH54 6GA

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ALMONDVALE BUSINESS PARK



INVESTMENT SUMMARY

Multi-let office investment opportunity in the town of Livingston

Prominent office building located in the well-established Almondvale Business Park extending to 30,670 sq ft (2,849.34 sq m)

Let to Bellway Homes, Nexperia UK Ltd and Energy Assets with an unexpired term of 8.27 years to expiry and 4.08 years to break

The building has been pro-actively managed and benefits from re-based rents. The total current passing rent of £269,472 per annum representing a low average rate of £9.50 per sq ft

Asset management opportunities through letting vacant space and negotiating with existing tenants

Heritable tenure (Scottish equivalent of English Freehold)

Offers in excess of **£2,250,000** are sought for our client's heritable interest in the property. A purchase at this level would provide the following yield profile:

Net Initial Yield	10.48%*
Equivalent Yield	9.55%
Reversionary Yield	12.23%

This equates to a low cap rate per sq ft of £73 assuming purchaser's costs at 5.87%.

*Triple net position following the deduction of vacant rates and service charge.



LOCATION

Livingston is one of Scotland's strongest towns and is the largest in West Lothian. It is located within the central belt of Scotland, approximately 11 miles west of Edinburgh and 32 miles east of Glasgow.

Livingston was developed in the 1970s as one of Scotland's first New Towns and currently has a resident population of approximately 56,500 and a catchment, including the remainder of West Lothian, of 2,000,000 within a 45 minute drive time. It is the administrative centre for West Lothian, home to the Council Headquarters, High Court, Police Headquarters and West Lothian College Campus.

The town has been one of Scotland's success stories, attracting a number of international organisations including Glenmorangie, W L Gore, Hewlett Packard, BSKyB, Bausch & Lomb and Intelligent Finance.

Livingston also benefits from extensive retail and leisure facilities including Almondvale Shopping Centre and Retail Park, Livingston Designer Outlet and the town centre.



Livingston has 2 train stations with regular services to Edinburgh, Glasgow and beyond. The town straddles the M8 motorway which joins the 2 largest cities in Scotland as well as providing access to the M74 south.

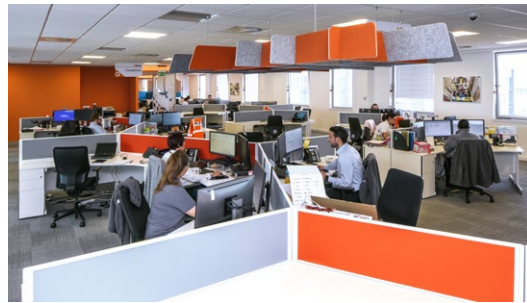
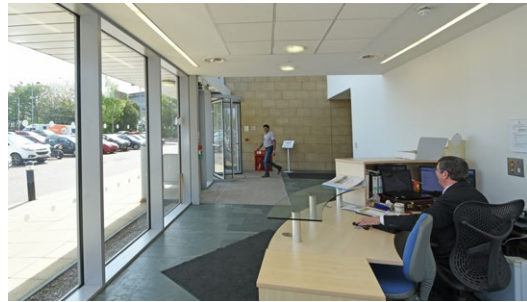
Edinburgh Airport lies some 8 miles to the east and provides excellent access to Europe, the Middle East and America. In 2016 it carried 12.4million passengers over 188 routes to 130 destinations. It is Scotland's largest airport and the 6th largest in the UK.

The town centre is one of the most successful in Scotland with a covered shopping mall known as the Almondvale Centre providing over 550,000 sq ft of retail space in over 250 shops and a McArthur Glen outlet complex. More recent developments in the town centre include leisure and retail park developments as well as a civic centre.

SITUATION

The property lies in the heart of Almondvale Business Park within walking distance of the town centre. Amenity onsite is excellent with a Starbucks Drive Thru, Marston's Inn, The Chain Runner Restaurant and Pure Gym all within close proximity to the property. The park is fully developed with other occupiers including Scottish Building Standards Agency, The Schools Inspectorate and GE Energy.





DESCRIPTION

The property comprises a modern, attractive office building arranged over ground, first and second floors with a central core and double height atrium. Internally, the offices specification includes the following:

Modern office building constructed in 2006;

Modern, double height reception;

Open plan office accommodation with a floor to ceiling height of 2.70m;

Suspended ceilings with modern integrated lighting;

VRV (Variable Air Volume) aircon system;

Raised access flooring with height of 150mm;

Double glazing;

Male, female and disabled WC facilities on every floor;

2 passenger lifts.

The property is situated within a generous site and has 111 car parking spaces which provides an excellent parking ratio of 1:276 sq ft.

EPC Rating

The property has an EPC Rating of 'D+'.

ACCOMMODATION

The subjects have been measured in accordance with the RICS Code of Measuring Practice (6th Edition) and the Net Internal Areas (NIA) are as follows:

Description	Area (sq ft)	Area (sq m)
Part Ground	2,304	214.05
Part Ground	7,389	686.46
Part First	4,590	426.43
Part First	5,690	528.62
Second	10,697	993.78
Total	30,670	2,849.34



SITE

A site plan is outlined below. We estimate the total site area to be approximately 1.22 acres (0.49 hectares), areas measured from promap.



TENURE

Heritable (Scottish equivalent of Freehold).



TENANCY INFORMATION

Tenant	D&B Rating	Unit	Size (sq.ft)	Cars	Rent per annum (£/psf)	Lease Start	Lease Expiry	Next Review	Break	Void Service Charge (£/psf)	Vacant Rates Payable (£/psf)	MRV (£/psf)	Comments
Vacant	N/A	Part Ground	2,304		£0.00 (£0.00)					£11,059.20 (£4.80)	£8,812.80 (£3.83)	£21,888.00 (£9.50)	
Bellway Homes Limited	5A1	Part Ground	7,389	30	£70,195.50 (£9.50)	05/03/2018	04/03/2028	05/03/2023	05/03/2023			£70,195.50 (£9.50)	12 month rent free period from 05/03/2018 to be topped up by the vendor.
Nexperia UK Ltd	5A1	Part first	4,590	16	£43,600.00 (£9.50)	06/10/2014	05/10/2019					£43,600.00 (£9.50)	
Energy Assets Ltd	4A1	Part first	5,690		£54,055.00 (£9.50)	01/02/2018	31/01/2028	01/02/2023	31/01/2023			£54,055.00 (£9.50)	Rent free period of 9 months from 1 February 2018 until 31 October 2018, to be topped up by the vendor. Energy Assets have the option to either terminate their entire lease of either (i) part first floor and second floor, (ii) the second floor or (iii) part first floor. If they exercise their option to terminate the lease in respect of the part first floor only the rent will reduce to £101,621.50 per annum and their car parking space allocation will reduce to 45 spaces. If they exercise their option to terminate the lease in respect of the second floor only the rent will reduce to £54,055.00 per annum and their car parking space allocation will reduce to 20 spaces.
Energy Assets Ltd	4A1	Second	10,697	65	£101,621.50 (£9.50)	31/05/2011	31/01/2028	01/02/2023	31/01/2023			£101,621.50 (£9.50)	
Total			30,670	111	£269,472.00							£291,365.00 (£9.50)	
Net Rent					£249,600.00*								

*Triple net position following the deduction of vacant rates and service charge.

WAULT - The property has a WAULT of 8.27 years to expiry and 4.08 years to breaks.



COVENANT INFORMATION

Bellway Homes Limited – D&B Rating 5A1

Bellway Homes are a UK residential property developer. Bellway started as a family company 70 years ago, and over time has expanded to be a well-established house builder. They currently employ over 2,000 staff and have 19 office divisions throughout the UK.

Nexperia UK Limited - D&B Rating 5A1

Nexperia is a dedicated global leader in Discretes, Logic and MOSFETs devices. Originally part of Philips, they became a business unit of NXP before becoming an independent company in the beginning of 2017. They have over 11,000 employees based across Asia, Europe and the US.

Energy Assets Limited - D&B Rating 4A1

Energy Assets are an independent metering business that deliver metering services, data supply, analytics and utility network services. They work alongside major energy suppliers and partner with some of the country's biggest brands and well known public sector organisations. They have 7 offices located throughout the UK and are currently expanding.



VALUE ADD OPPORTUNITIES

Increase income by letting the vacant suite.

Improve unexpired term by negotiating lease extensions and re-gears at up and coming lease events.

SERVICE CHARGE

The service charge budget is currently running at £4.80 per sq ft.

VAT

VAT will be applicable to the sale of the property, which we anticipate will be undertaken by way of a Transfer of a Going Concern (TOGC).

PROPOSAL

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FURTHER INFORMATION

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