



# CHURCHILL HOUSE

26-30 UPPER MARLBOROUGH ROAD, ST ALBANS, AL1 3UU

A PRIME MULTI-LET CITY CENTRE OFFICE INVESTMENT

## INVESTMENT SUMMARY

- St Albans is an **affluent commuter city** located approximately **23 miles north-west of Central London**, benefiting from unrivalled connectivity to the national motorway and railway networks.
- Churchill House occupies a **highly prominent city centre position**, approximately 300m from St Peter's Street and within a 10 minute walk of St Albans City Station.
- Multi-let office building comprising approximately **28,172 sq ft**, arranged over ground and two upper floors, together with a fully glazed double-height reception.
- **123 basement and surface car parking spaces**, providing an exceptional city centre ratio of **1:229 sq ft**.
- **Multi-let to four tenants** providing a WAULT of **3.3 years to lease expiries** and 2.7 years to breaks.
- Passing rent of **£901,350 per annum**, reflecting a low rate of **£32.66 per sq ft**.
- Freehold site totaling 1.05 acres.

## PROPOSAL

We are instructed to seek offers in excess of **£13,250,000**, subject to contract and exclusive of VAT. An offer at this level reflects an **attractive net initial yield of 6.37%** and a low capital value of **£470 per sq ft**, assuming purchaser's costs of 6.72%.



## INVESTMENT HIGHLIGHTS



A RARE OPPORTUNITY TO ACQUIRE A HIGH-QUALITY OFFICE IN ONE OF THE SOUTH EAST'S MOST OCCUPATIONALLY CONSTRAINED MARKETS



AN AFFLUENT COMMUTER CITY WITH UNRIVALLED ROAD AND RAIL CONNECTIVITY



A HIGHLY PROMINENT CITY CENTRE POSITION, WITH EXTENSIVE AMENITY NEARBY



PASSING RENT OF £32.66 PER SQ FT, REFLECTS A 15% DISCOUNT TO PRIME HEADLINE RENTS WHICH HAVE RECENTLY ACHIEVED £38.50 PER SQ FT

## SPREAD EX

ASSIGNMENT OF PART FIRST FLOOR (7,750 SQ FT) UNDER-OFFER TO SPREAD EX LTD, FURTHER DEMONSTRATING THE TENANT'S COMMITMENT TO THE BUILDING AS ITS UK HEADQUARTERS



72% CONTRACTED INCOME WILL BE SECURED AGAINST SPREAD EX LTD (5A1)



EXCEPTIONAL CITY CENTRE CAR PARKING RATIO OF 1:229 SQ FT



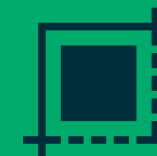
EPC 'B' RATING



PRIME HEADLINE RENTS ANTICIPATED TO EXCEED £40.00 PER SQ FT WITHIN THE NEXT 12 MONTHS



FORTHCOMING LEASE EVENTS AND ACTIVE ASSET ENHANCEMENT OPPORTUNITIES TO DRIVE RENTAL AND INVESTMENT PERFORMANCE



POTENTIAL TO INCREASE MASSING AND / OR REDEVELOP, SUBJECT TO SECURING ALL NECESSARY PLANNING CONSENTS

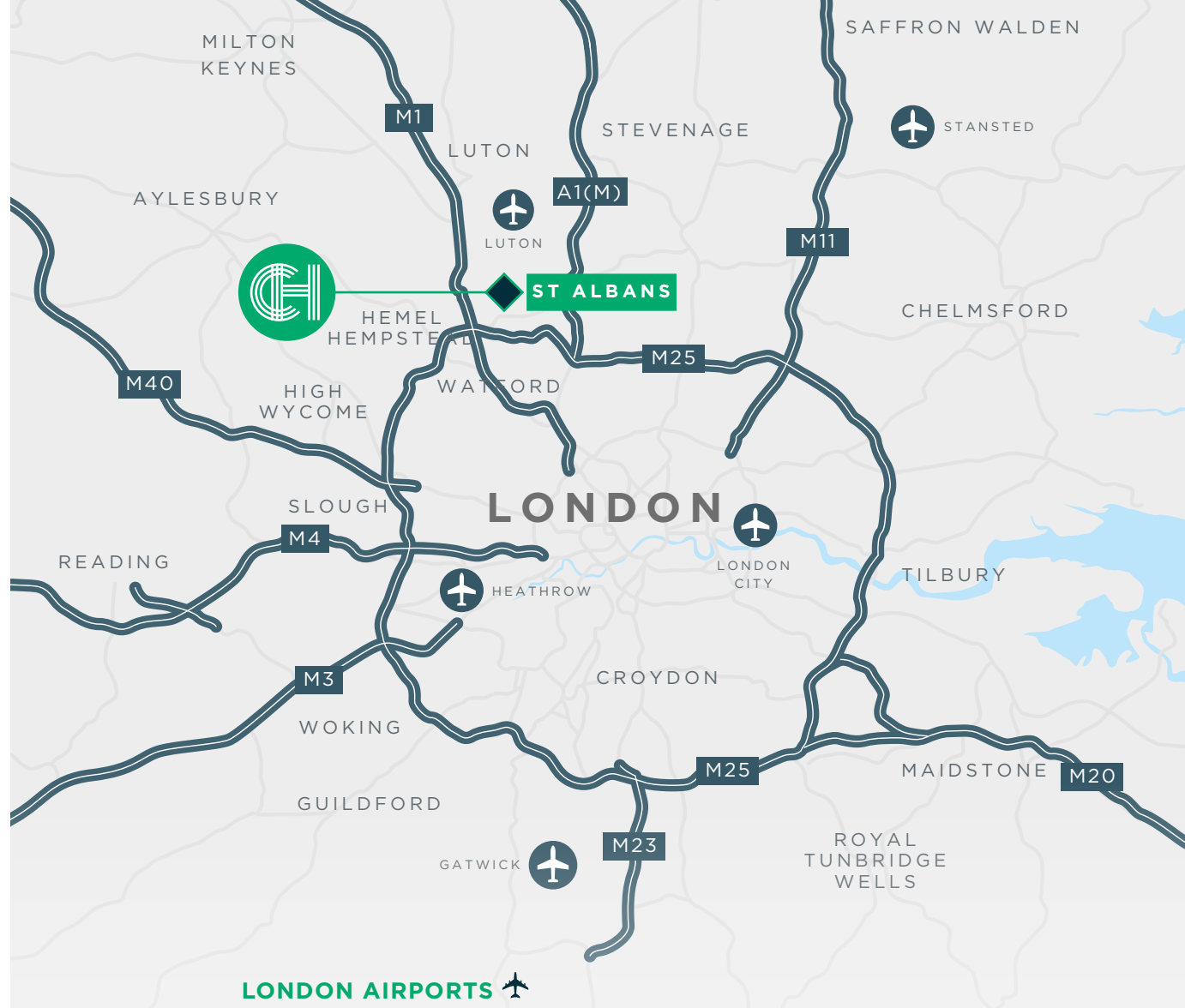
## LOCATION & CONNECTIVITY

St Albans is an affluent commuter city located in the county of Hertfordshire, approximately 23 miles north-west of Central London, 9 miles north of Watford and 6 miles east of Hemel Hempstead.

It is strategically located between Junctions 7 and 8 of the M1 Motorway, Junction 22 of the M25 Motorway and Junction 3 of the A1, thereby providing exceptional connectivity to the national road network.

Thameslink railway services operate from St Albans City station to Bedford (via Luton Airport Parkway) to the north and Brighton (via London St Pancras International, City Thameslink and London Gatwick Airport) to the south. In addition, London North Western services provide direct access to Watford Junction from St Albans Abbey Station.

All of London's key airports are easily accessible within approximately one hour either by road or public transport.



### BY ROAD

LOCATION	DISTANCE
Hemel Hempstead	6 miles
Watford	9 miles
Central London	23 miles
Milton Keynes	32 miles
Cambridge	48 miles

### BY RAIL

LOCATION	TIME
Luton Airport Parkway	11 minutes
Watford	17 minutes
St Pancras International	22 minutes
City Thameslink	29 minutes
Bedford	40 minutes
Gatwick Airport	68 minutes

### LONDON AIRPORTS

LOCATION	DISTANCE
Luton	12 miles
Heathrow	26 miles
London City	31 miles
Stansted	34 miles

St Albans is a highly desirable city in which to live owing to its transport connectivity, high-quality housing stock, extensive amenity and access to plentiful green space. As at June 2021, average house prices within the District stood at over £600,000, compared to the South East average of £510,000. (Source: HM Land Registry / Rightmove)



LUTON AIRPORT  
PARKWAY  
(11 MINS)

CIVIC CENTRE

10 BRICKET ROAD  
DEVELOPMENT

CITY CENTRE  
OPPORTUNITY SITE

VERULAM  
POINT

ST ALBANS  
CITY

VICTORIA  
SQUARE



ST PANCRAS  
INTERNATIONAL  
(22 MINS)



BRICKET ROAD

UPPER MARLBOROUGH ROAD

10 MINS

VICTORIA STREET

ST PETER'S STREET

ALBAN  
ARENA

3 MINS

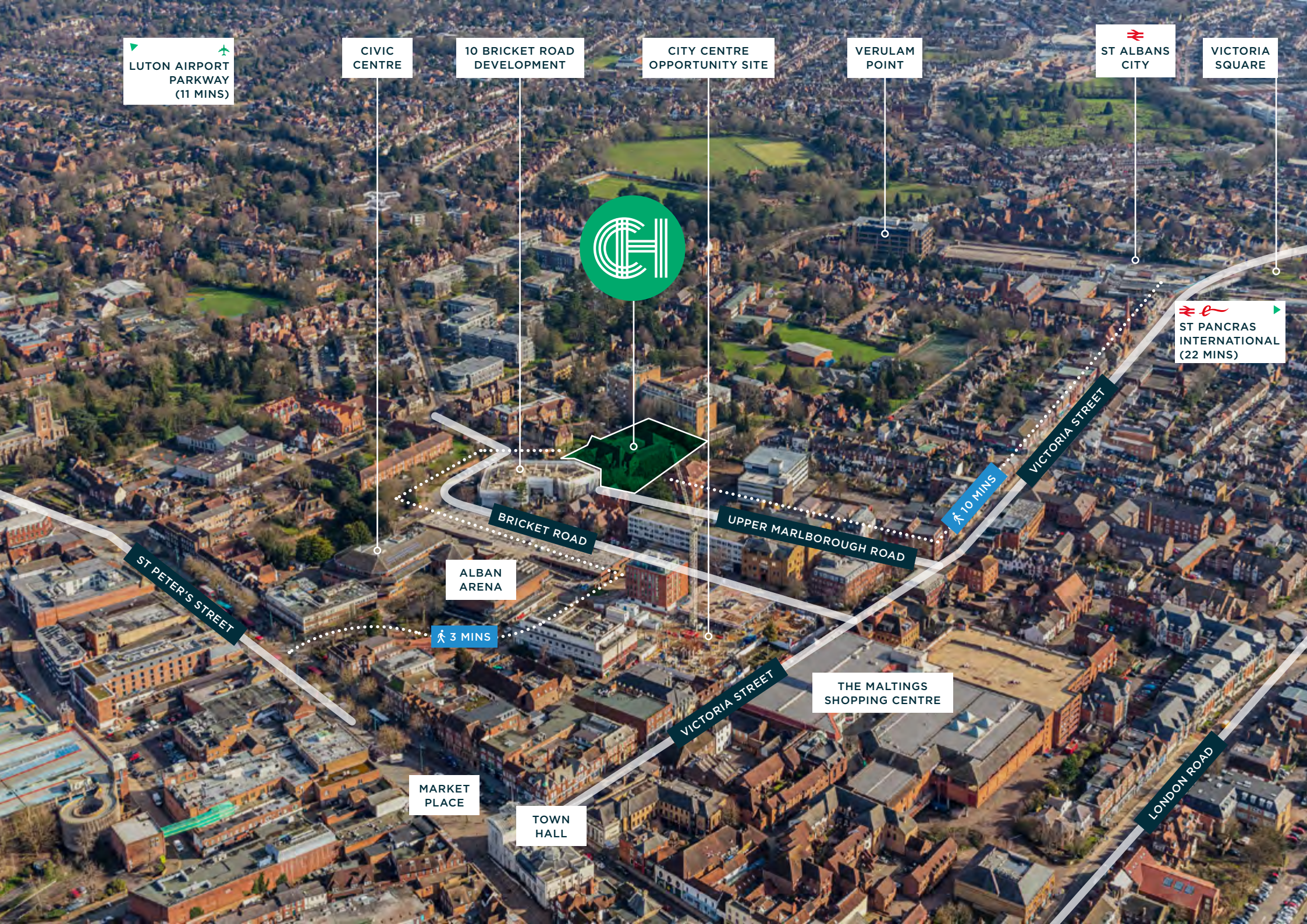
THE MALTINGS  
SHOPPING CENTRE

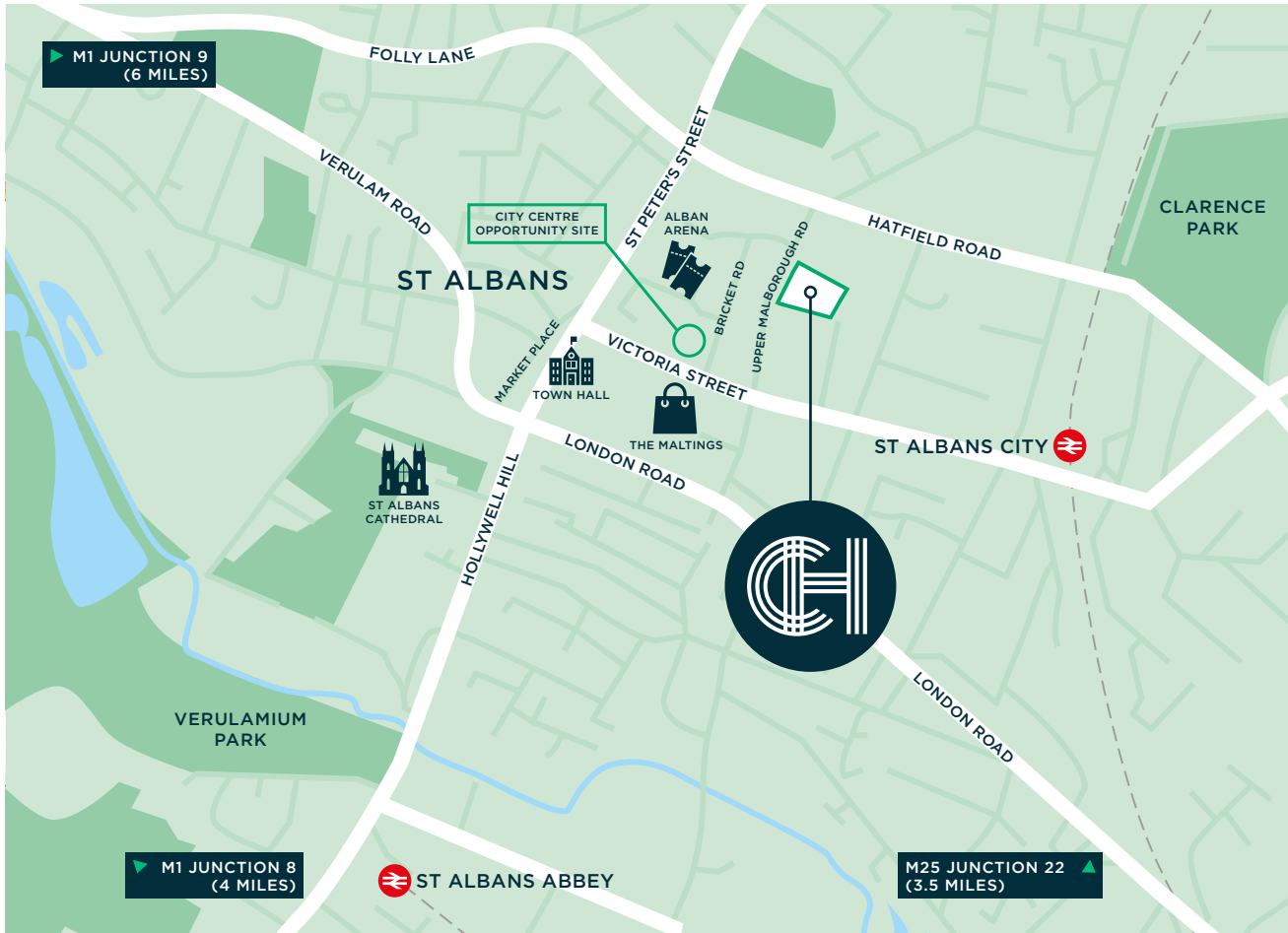
VICTORIA STREET

MARKET  
PLACE

TOWN  
HALL

LONDON ROAD





## SITUATION

Churchill House occupies a highly prominent position on Upper Marlborough Road within St Albans City Centre, approximately 300m from St Peter's Street and within a 10 minute walk of St Albans City railway station. St Peter's Street is the heart of the city centre and benefits from a range of retail and leisure amenities including numerous shops, restaurants, cafés and bars.

Upper Marlborough Road forms part of St Albans' core office pitch, with neighbouring office occupiers including AECOM, Barclays Wealth, SA Law and Achieva.

Directly opposite Churchill House is 10 Bricket Road where Legal & General / Canmoor are currently undertaking a comprehensive refurbishment and extension of an existing office building to provide approximately 41,000 sq ft of Grade A accommodation. The scheme is due to achieve practical completion in December 2021 and is already 50% pre-let at a headline rent of £38.50 per sq ft, setting a new prime rental level for both St Albans and the north-west quadrant of the M25.

In addition, the City Centre Opportunity Site is located approximately 200m south-west of Churchill House, bounded by Bricket Road, Victoria Street and adjacent to the Alban Arena. The £60 million mixed-use scheme is currently under construction and has consent for 93 new homes and approximately 60,000 sq ft of commercial space including retail, leisure and office accommodation.



# CHURCHILL HOUSE

Churchill House comprises a self-contained office building with brick and glazed elevations beneath a pitched roof. The building totals approximately 28,172 sq ft and is arranged over basement, ground and two upper floors.

Churchill House benefits from an impressive double-height entrance with a glazed façade. The property provides flexible floorplates ranging from 3,150 sq ft - 12,250 sq ft, with the ground and first floors benefiting from views over a central courtyard. Basement car parking is arranged over two floors, whilst additional spaces are also available at surface level.



VRV HEATING & COOLING SYSTEM



2 X 8 PERSON (630 KG) PASSENGER LIFTS



SUSPENDED CEILINGS INCORPORATING LG7 LIGHTING



FULL ACCESS RAISED FLOORS



SHOWERS AND WC FACILITIES



123 CAR PARKING SPACES (1:229 SQ FT)



# ACCOMMODATION


The property has been measured by Hollis in accordance with the RICS Code of Measuring Practice (6th Edition) to provide the following approximate net internal areas:

FLOOR	USE	AREA (SQ FT)
Second	Offices	3,140
First	Offices	12,196
Ground	Offices	12,259
	Reception	577
<b>TOTAL</b>		<b>28,172</b>

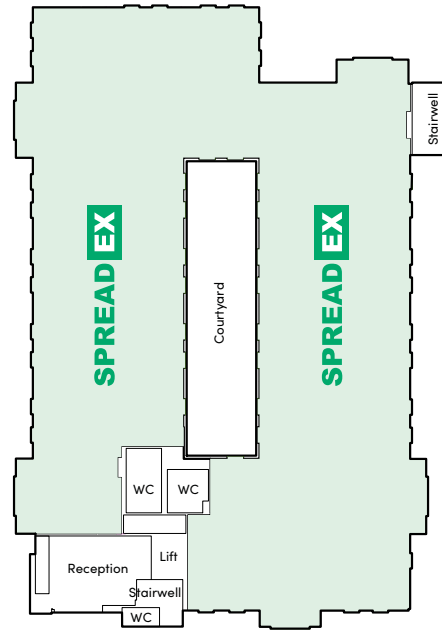
The building has also been measured in accordance with the RICS Property Measurement 2nd Edition (incorporating IPMS2 & IPMS3).

A copy of Hollis' Area Referencing Report is available upon request.

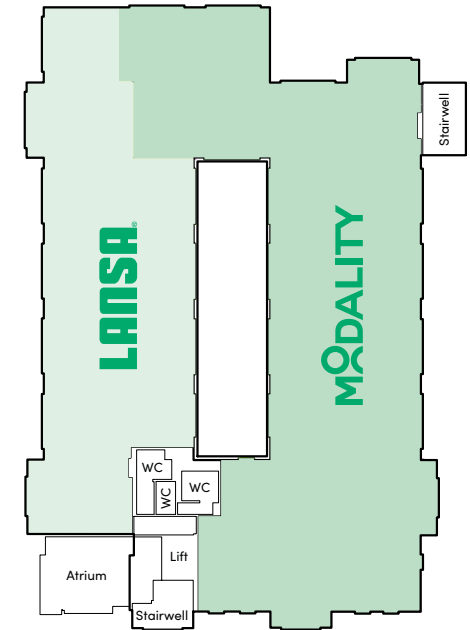
# FLOOR PLANS

 Not to scale. Indicative only.

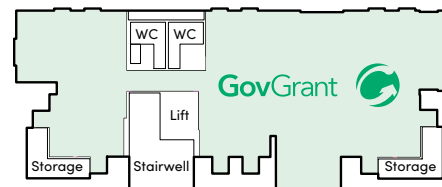
## GROUND FLOOR



## FIRST FLOOR



## SECOND FLOOR



## TENANCY

Churchill House is multi-let to four tenants in accordance with the tenancy schedule detailed below, providing a WAULT of 3.3 years to lease expiries and 2.7 years to breaks:

FLOOR	TENANT	AREA (SQ FT)	LEASE START	LEASE BREAK	RENT REVIEW	LEASE EXPIRY	RENT (£ PER ANNUM)	RENT (£ SQ FT)	COMMENTS
Second	Government Grant & Tax Consultants Ltd	3,140	29/09/2019	29/09/2024	29/09/2024	28/09/2029	£106,745	£34.00	Tenant only break option - 6 months notice. Rent agreed based upon a floor area of 2,885 sq ft (£37.00 per sq ft).
Part First	Lansa Ltd	4,446	02/11/2012	-	-	01/11/2022	£147,230	£33.12	Original rent deposit - £108,975.37. Tenant currently marketing space.
Part First	Modality Systems Ltd	7,750	01/05/2015	-	-	30/04/2025	£234,800	£30.30	Assignment to Spreadex Ltd. Under offer, licence out for execution.
Ground	Spreadex Ltd	12,259	27/06/2014	-	-	26/06/2024	£405,240	£33.06	-
Store at Rear	Spreadex Ltd	-	03/10/2014	-	-	26/06/2024	£7,335	-	-
Reception	-	577	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>28,172</b>	<b>-</b>	<b>2.7</b>	<b>-</b>	<b>3.3</b>	<b>£901,350</b>	<b>£32.66</b>	<b>-</b>



## TENURE

The property is held freehold under title HD263037 and is edged red on the adjacent plan.



Not to scale. For identification purposes only. This plan is based upon the Ordnance Survey Map with the sanction of the controller of H.M. Stationery Office. Crown Copyright reserved

## SERVICE CHARGE

The service charge for the year ending December 2021 totals £239,615, reflecting a rate of £8.71 per sq ft based upon the managing agent's floor areas.

# COVENANT INFORMATION



## SPREADEX LTD

Spreadex Limited is a sports spread betting and financial trading company regulated by the Financial Conduct Authority. Established in 1999, the company has over 60,000 account holders with access to over 1,000 markets including indices, shares, FX, commodities, bonds, options, exchange traded funds and interest rates.

Spreadex has a stable and profitable financial track record having recorded turnover in the region of £50 million for the past three consecutive years. Churchill House is the company's registered headquarters.

Sq Ft	12,259
Rent pa	£412,575
% of income	46%
Company Number	03720378
Company Website	www.spreadex.com
Dun & Bradstreet Rating	5A1
Fiscal Year Ending	May 2020
Latest Turnover	£49,058,000
Profit Before Taxes	£23,360,000
Net Assets	£82,415,000
Employees	120



## LANSA LTD

Founded over 30 years ago, Lansa provides development platforms for professional developers to produce mobile, web and desktop apps customised to their businesses. The company's development and integration software is used by over 8,000 businesses globally.

Sq Ft	4,446
Rent pa	£147,230
% of income	16%
Company Number	02447383
Company Website	www.lansa.com
Dun & Bradstreet Rating	A3
Fiscal Year Ending	March 2020
Latest Turnover	-
Profit Before Taxes	-
Net Assets	£602,000
Employees	25



## MODALITY SYSTEMS LTD

Modality Systems is the world's largest dedicated Microsoft communications practice used by 5 million people and private organisations in over 100 countries.

Sq Ft	7,750
Rent pa	£234,800
% of income	26%
Company Number	06143649
Company Website	www.modalitysystems.com
Dun & Bradstreet Rating	O4
Fiscal Year Ending	December 2018
Latest Turnover	£13,625,000
Profit Before Taxes	-£3,868,000
Net Assets	-£9,415,577
Employees	106



## GOVERNMENT GRANT & TAX CONSULTANTS LTD

Government Grant & Tax Consultants is a specialist consultant for innovation and R&D tax relief. Trading as GovGrant, the company helps businesses benefit from government R&D tax relief schemes. It has been operating for over 20 years and has evolved to opportunities presented by legislation in areas including intellectual property, R&D, capital allowances and creative industries tax relief. Churchill House is the company's registered headquarters.

Sq Ft	3,140
Rent pa	£106,745
% of income	12%
Company Number	05852134
Company Website	www.govgrant.co.uk
Dun & Bradstreet Rating	2A1
Fiscal Year Ending	September 2020
Latest Turnover	-
Profit Before Taxes	-
Net Assets	£3,614,000
Employees	35

## ST ALBANS OCCUPATIONAL MARKET OVERVIEW

St Albans is one of the principal office centres in the north west quadrant of the M25 Motorway, with total office stock of approximately 2.1 million sq ft. Due to a shortage of new development and a loss of stock to residential conversion by way of Permitted Development Rights, overall office supply has reduced by approximately 15% during the past five years, thereby creating a substantial supply / demand imbalance. Grade A supply within the city centre office core remains extremely constrained with just 33,000 sq ft currently available across three buildings.

Churchill House is located opposite 10 Bricket Road where Legal & General / Canmoor are currently undertaking a comprehensive refurbishment and extension totalling approximately 41,000 sq ft. The ground and first floors have already been pre-let to AECOM for a term of 15 years at a headline rent of £38.50 per sq ft. This letting demonstrates a 45% premium compared to five years ago when prime St Albans headline rents stood at £26.50 per sq ft. It also represents a premium compared to Watford where prime headline rents currently stand at £37.50 per sq ft.

**IT IS WIDELY ANTICIPATED THAT  
PRIME HEADLINE RENTS WILL  
EXCEED £40.00 PER SQ FT  
DURING THE NEXT 12 MONTHS**



A selection of St Albans city centre rental transactions we consider relevant to Churchill House are summarised as follows:

PROPERTY	DATE	OCCUPIER	AREA (SQ FT)	LEASE TERM (BREAK) YRS	HEADLINE RENT (£ PER SQ FT)
Churchill House	(U/O)	Spreadex (Assignment)	7,750	3.7	£30.30
10 Bricket Road	Jul-21	AECOM	19,709	15 (7 & 10)	£38.50
45 Grosvenor Road	Jul-21	Urban Fresh Foods	13,484	10 (5)	£35.00
Centrium 1	Aug-20	Skechers	5,688	7	£30.00
St Peter's House	Oct-19	Arch Capital Group	2,931	10 (5)	£34.00
Churchill House	Sep-19	Gov Grant	2,885	10 (5)	£37.00*
Building 2, Abbey View	Sep-19	Esa Retail	4,042	10 (5)	£35.00
Trident House	Aug-19	Harbor Solutions	2,840	10 (5)	£35.00

\*based on agreed areas

## SOUTH EAST OFFICE INVESTMENT MARKET

The South East office investment market has remained robust during 2021, with both domestic and overseas investors seeking to deploy capital. Many investors have been attracted by the superior returns offered by offices compared to other sectors, with a total of £1.9 billion of investment volumes transacting during H1 2021.

The availability of prime city centre multi-let office investments has been restricted, however, there has been no respite in demand for assets located in markets such as St Albans where there are compelling demand / supply fundamentals and strong rental growth prospects.

With approximately £650m under-offer, we anticipate the market remaining buoyant and 2021 investment volumes exceeding the 10-year average of £2.8 billion.

Set out below are a selection of South East office investment comparables from the past 12 months we consider relevant to the sale of Churchill House:



CENTRIUM 2 &amp; 3, ST ALBANS



BRICKWORKS, READING



RADIUS HOUSE, WATFORD

DATE / STATUS	PROPERTY	AREA (SQ FT)	WAULT - TERM CERTAIN	PRICE	NIY	CAP VAL (£ PSF)	PURCHASER
Under Offer	Avalon House, Richmond	28,395	3.7	£15.52m (Quoting)	6.29% (Quoting)	£547 (Quoting)	-
Jun-21	Centrium 2 & 3, St Albans	47,103	4.5	£18.50m	6.50%	£393	Trinova Real Estate
Jun-21	Connect House, Wimbledon	20,575	4.7	£14.85m	5.71%	£722	Columbia Threadneedle
Jun-21	Brickworks, Reading	18,908	-	£10.05m	-	£531	CBRE Global Investors
Jun-21	46 Clarendon Road, Watford	39,297	3.5	£14.13m	6.36%	£360	Clearbell Capital
Dec-20	Radius House, Watford	41,226	8.1	£17.13m	5.60%	£415	CLS Holdings Plc

## FURTHER INFORMATION

### EPC

The property benefits from a B(50) rating.

### VAT

The property is elected for VAT and it is anticipated the transaction will be structured as a Transfer of a Going Concern.

### CAPITAL ALLOWANCES

It may be possible to transfer any unclaimed capital allowances.

### DATASITE

Access to the datasite can be provided upon request.



## PROPOSAL

We are instructed to seek offers in excess of **£13,250,000**, subject to contract and exclusive of VAT. An offer at this level reflects an attractive net initial yield of **6.37%** and a low capital value of **£470** per sq ft, assuming purchaser's costs of 6.72%.

## CONTACT

For further information or to arrange an inspection, please contact:



### Sam Gibson

M: +44 (0)7917 726247

E: [sam.gibson@eu.jll.com](mailto:sam.gibson@eu.jll.com)

### Jessica Loveridge

M: +44 (0)7933 388374

E: [jessica.loveridge@eu.jll.com](mailto:jessica.loveridge@eu.jll.com)

### Jasper Whitefield

M: +44 (0)7709 515441

E: [jasper.whitefield@eu.jll.com](mailto:jasper.whitefield@eu.jll.com)