



## INVESTMENT SALE

Freehold

London

Office

Investment

111 Salusbury Road, London, NW6

## INVESTMENT SUMMARY

- High quality HQ office building constructed in 2001.
- Freehold.
- Purchase price in excess of £8,250,000, subject to contract.
- Net initial yield of 7.5%.
- Let to Corbis UK Ltd.
- 21.25 years unexpired (11.25 years to a break).
- Guaranteed by Corbis Corporation founded and entirely owned by Microsoft's Bill Gates.
- Located in an affluent suburb some 5.0 kilometres (3.0 miles) north west of Central London.

## LOCATION

Queens Park is located north-west of Central London approximately 5.0 kilometres (3.0 miles) from the West End.

Queens Park is located between the affluent suburbs of St John's Wood approximately 2.5 kilometres (1.5 miles) to the south east, Hampstead 2.0 kilometres (1.3 miles) to the north east and Notting Hill 3.2 kilometres (2.0 miles) to the south.

## COMMUNICATION

Salisbury Road is 2.6 kilometres (1.6 miles) north of the A40(M) motorway, providing direct access to the M40 motorway which connects to the M25 London Orbital Route. The A5 is located less than 1.1 kilometres (0.7 miles) from Queens Park and provides direct access to the A407 (North Circular) which connects to the M1 motorway and A1(M) trunk road. Both London's West End and Heathrow airport can be reached by car in approximately 20 minutes.

The property benefits from excellent transport links with Queens Park rail and underground stations (Bakerloo line) located approximately 0.5 kilometres (0.3 miles) from the building. The mainline rail service provides connections to Paddington railway station, providing intercity services to Bristol, Cardiff, Oxford and Reading. The Bakerloo line provides direct access to London's West End with a journey time of around 25 minutes.

Brondesbury Park mainline railway station is located 0.4 kilometres (0.3 miles) from the property and operates the north London line service to Richmond, West Hampstead and Stratford.

Heathrow airport is approximately 31.0 kilometres (18.0 miles) to the south-west. The Heathrow Express rail service departs from Paddington railway station every 15 minutes.



## SITUATION

The property is situated on the east side of Salisbury Road, being one of the main north-south routes connecting Queens Park to Brondesbury Park. Salisbury Road northbound connects into Brondesbury Road and leads to Willesden and is bound by Harvest Road (B451) to the south.

The area is a mix of commercial and high value residential properties. A substantial modern office development (The Quadrant) is situated at the northern end of Salisbury Road. In addition, there are a number of retail and restaurant uses within the immediate vicinity.

## DESCRIPTION

The property comprises a high quality office building of modern design providing accommodation over ground and two upper floors. The building was constructed in 2001 of a steel frame structure with glazed and brick elevations.

The office accommodation benefits from a specification including a full height atrium providing excellent natural light, an extensive reception area, a 13 person passenger lift, metal-framed glazed canopies, air conditioning, under-floor trunking and central heating. There are male and female WC's on each floor.

To the rear of the property is a car park accessed via a covered driveway to the side of the property. We have been advised that the building has been designed to incorporate an additional floor.



## ACCOMMODATION

We have been advised of the following floor areas;

|   |           | Sq M    | Sq Ft  |
|---|-----------|---------|--------|
| Ground  | Reception | 146.3   | 1,575  |
| Ground  | Offices   | 542.6   | 5,841  |
| First   | Offices   | 953.0   | 10,257 |
| First   | Balconies | 113.9   | 1,226  |
| Second  | Offices   | 781.0   | 8,407  |
| Second  | Balconies | 97.7    | 1,052  |
| <hr/>   |           |         |        |
| Total   |           | 2,634.5 | 28,358 |
| <hr/>   |           |         |        |
| Total Net Internal Area<br>including reception and excluding balconies. |           | 2,422.9 | 26,080 |

There are 16 car parking spaces provided at the rear of the building.

## TENURE

Freehold

## TENANCY

The property is let in its entirety to Corbis UK Ltd guaranteed by The Corbis Corporation. The lease is for a term of 25 years from 24 June 2001. There is an option to break the lease on the fifteenth year (11.25 years unexpired).

The current passing rent is £651,450 per annum equating to £268.88 per sq m (£24.98 per sq ft) overall.

The lease is subject to 5-yearly upward-only rent reviews, the next review being in June 2006.

Additionally, there is a bank guarantee held from The Royal Bank of Scotland Plc for £382,727 which is valid until 30 August 2016.

The entire ground floor has been sub-let to Octopus Publishing Group Limited on a 13 year lease from 24 June 2003 at a rent of £153,750 per annum equating to £283.70 per sq m (£26.32 per sq ft). There are rent reviews in June 2006 and 2011 and the sub-tenant benefits from an option to break in the eighth year. We understand Octopus benefited from 4.5 months rent free.

## COVENANT

Corbis UK Limited are a subsidiary of The Corbis Corporation.

The Corbis Corporation was founded and is entirely owned by Bill Gates. The privately owned company employs approximately 1,200 staff worldwide. The company's headquarters are in Seattle with worldwide offices in New York, London, Paris, Hong Kong and Tokyo. The company has recently opened their first office in Canada and another is due to open in China later this year.

The business provides visual solutions to the publishing, advertising and film industries. The company's activities include licensing images to a global market and advisory services including conceptual research, rights management and reproduction expertise. Corbis is also the world's leading news photographic agency.

In 2004, The Corbis Corporation reported an increase in turnover of approximately 22% over the previous year; from \$140.0 million to \$170.4 million. In addition, Corbis bought the Zefa Visual Media Group who reported a turnover of approximately \$41.0 million giving an estimated combined revenue for the two companies of \$211.0 million for 2004.

Corbis UK Ltd are registered in the US and therefore are not obliged to produce accounts. The latest accounts submitted for year end December 2000 reported a turnover of £7.8 million, pre-tax profit of £1.7 million and net assets of £2.2 million.



## ESTIMATED RENTAL VALUE

In our opinion, the passing rent of £651,450 is rack rented at a rent equating to £268.88 per sq m (£24.98 per sq ft).

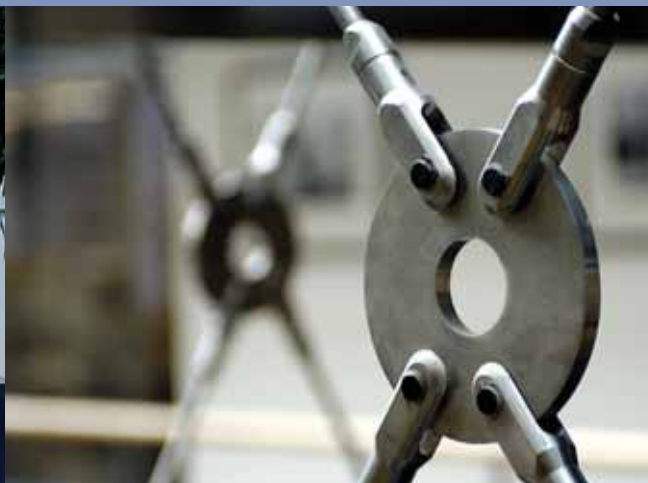
In June 2003 the entire ground floor was sub-let at a rent of £153,750 per annum equating to £283.30 (£26.32 per sq ft).

## PRICE

The freehold interest can be acquired for a price in excess of £8,250,000 (Eight Million Two Hundred and Fifty Thousand Pounds) reflecting a net initial yield of 7.5%, based upon costs at 5.7625%.

## VALUE ADDED TAX

The property is elected for VAT and therefore VAT will be payable on the sale price.

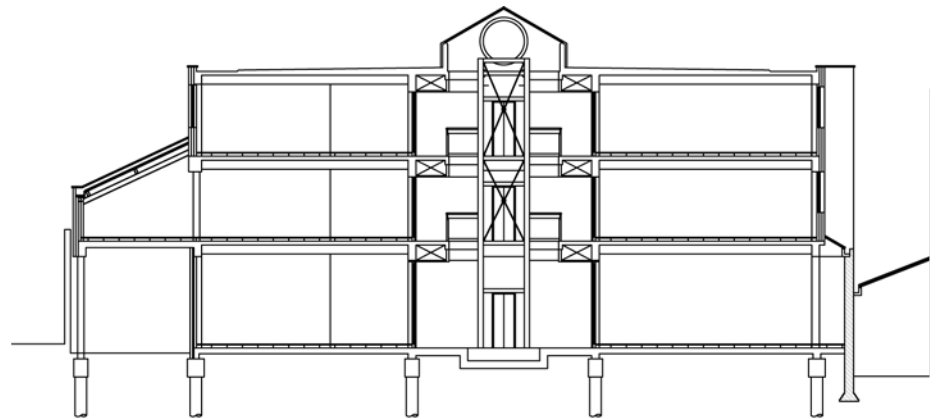




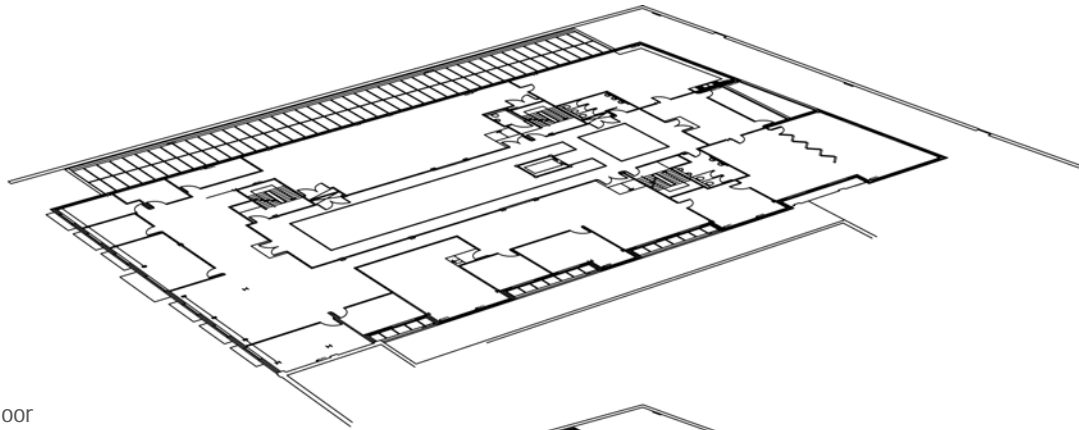
Longitudinal Section looking south



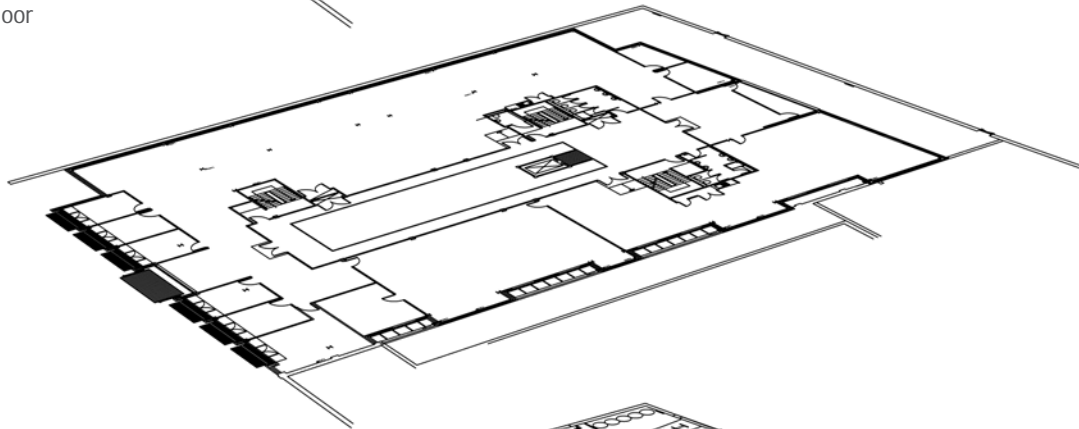
Cross Section looking east



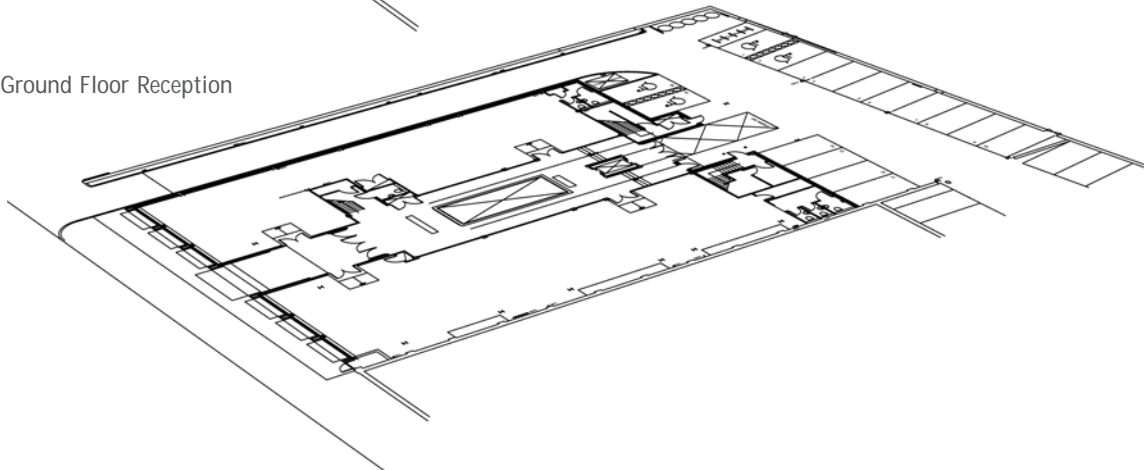
Second Floor



First Floor



Ground Floor Reception



## INVESTMENT CONSIDERATIONS

- Queens Park is a rapidly emerging and affluent area of north west London benefiting from its proximity to Central London.
- A recently constructed office building of attractive, modern design. High quality specification including air conditioning, glass canopies and atrium.
- Let to excellent covenant of Corbis Corporation founded and entirely owned by Microsoft's Bill Gates.
- Opportunity to erect an additional floor, subject to the necessary consents.
- The building is underpinned by residential values which we understand in Queens Park to range from approximately £4,305 per sq m (£400 per sq ft) to £5,920 per sq m (£550 per sq ft) depending on the quality of the scheme. Subject to planning consent an additional floor may be constructed to residential use.
- A purchase price of £8,250,000, reflects a capital value of £2,555.11 per sq m (£237.38 per sq ft) based upon the gross internal area.

SUBJECT TO CONTRACT AND EXCLUDING VAT





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