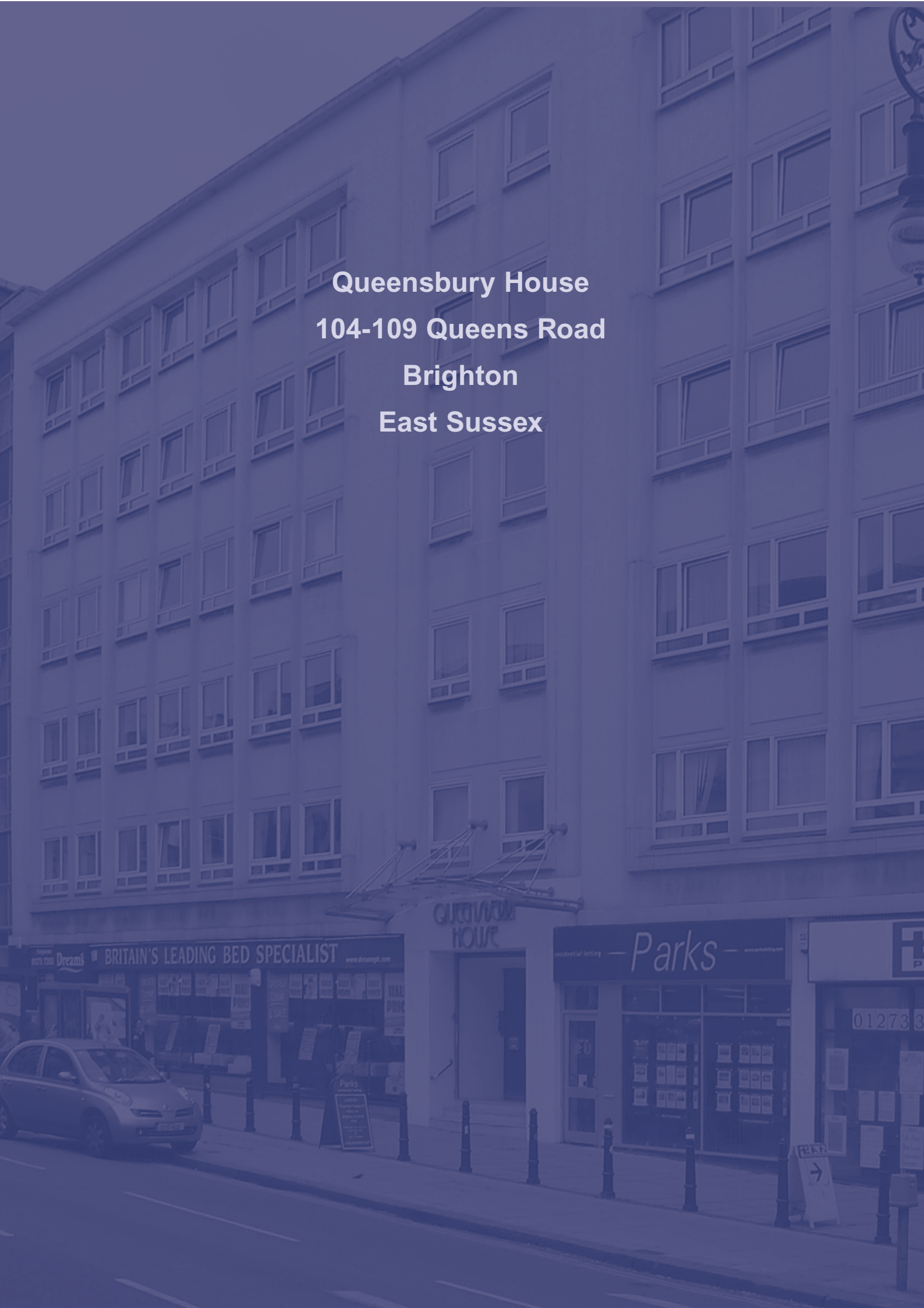


Queensbury House
104-109 Queens Road
Brighton
East Sussex



Location and Communication

Brighton is located on the south coast 90.1 kilometres (56.0 miles) south of London, 33.0 kilometres (20.5 miles) south of Crawley and 57.0 kilometres (35.4 miles) south east of Guildford. Brighton mainline railway station is within 10 minutes walk of the subject property and provides regular fast train services to London Victoria and London Bridge with journey times of approximately 50 and 70 minutes respectively. The A23 dual carriageway provides a fast link to the national motorway network via the M23 and M25 motorways. The A27 links the city to Eastbourne to the east and Southampton/Portsmouth to the west.

Demographics

Brighton has a population of 125,000 with a catchment of 283,000 within 10km and 560,000 within 20km (1994 Census) and is a major commercial, tourist and cultural centre. Brighton was granted city status in 2001 to reflect its growing importance. The city was ranked 7th in Focus's most recent survey of national retail demand. Brighton performs well in the CACI Lifestyle indexing with the town performing above average for the county in groups such as 'Educated Urbanites, Secure Families and Wealthy Executives'.

Situation

Queensbury House is situated on the east side of Queens Road, which runs north to south through the town centre from the train station approximately 100 metres (0.1 miles) directly north of the property at the top to Western Road and the Churchill Centre, the town's principle retail area. Queens Road forms the A2010 which links to the A259 coastal road to the south and in turn the A23 which forms one of the main arterial routes out of the town.

Description

Queensbury House is of concrete frame construction providing retail accommodation on ground and basement floors with offices on first to fifth floors served by two six-person lifts from basement to fifth floors with a flat on the sixth floor.

There are 12 car parking spaces at the rear of the building and a service area accessed from Frederick Street which runs parallel east of Queen's Road. The majority of the office accommodation and common parts in Queensbury House have been substantially refurbished in recent years and provide open plan accommodation with air-conditioning, double glazed windows, carpets and suspended ceilings with recessed category II lighting. There is a central core which provides six passenger lifts.

Accommodation

We have been advised by our client that the total net internal floor area is 3,304.1 sq m (35,566 sq ft), excluding residential. Please see the tenancy and accommodation schedule.

Tenure

Freehold.

Tenancies

The property is multi-let on FRI terms with a current passing rent of £472,008 per annum. Please see the tenancy and accommodation schedule attached.

Covenant

Company	Co. No.	Turnover £s	Pre Tax Profit £s	Net Assets £s
Dreams Plc Year ended 25 December 2003	02189427	57,386,657	2,075,946	3,589,962
Royal London Mutual Year ended 31 December 2003	00099064	-	-	21,871m (total assets)
Taylor Gordon & Co. Ltd Year ended 6 April 2003	00973693	34,765,603	1,240,439	8,231,108
Subway Realty Ltd Year ended 31 December 2003	04174473	511,206	34,347	115,943
Eagle Star Ins. Co. Ltd Year ended 31 December 2003	00082051	-	88.1m	1,033.8m
Commercial Union Assurance Ltd Year ended 31 December 2003	00005334	-	18,913	3,109,364
International HIV/AIDS Year ended 31 December 2003	02883774	-	\$21,525,990 <i>(Net income available to charity)</i>	\$14,151,021

Estimated Rental Value

In our opinion, the estimated rental value of the investment is £528,873 per annum. Please see the tenancy and accommodation schedule for further information and apportioned rental values.

Value Added Tax

The property has been elected for VAT. It is anticipated that the purchase will be treated as a TOGC.

Investment Considerations

- Located in a strong office location in Brighton Town Centre.
- Predominantly refurbished accommodation including air-conditioning, recessed category II lighting, raised floors and double glazed windows. The investment additionally benefits from 12 car parking spaces.
- Opportunities to enhance value by actioning rent reviews and lease renewals.
- Let to strong covenants including Commercial Union Assurance Ltd., Eagle Star Insurance Company Ltd, Royal London Mutual and Dreams Plc.
- Possibility to add additional residential accommodation at roof level, subject to planning consent.

Tenancy and Accommodation Schedule - Queensbury House, 104-109 Queens Road, Brighton, East Sussex BN1 3XF

Unit	Area (sq ft)	ITZA (sq ft)	Tenant	Rent PA (ITZA/ per sq ft)	Lease	Review	Expiry	ERV * (ITZA/ per sq ft)	Comment
104/106 - Ground - Retail Basement - Storage	3,525 1,142	2,003.00	Dreams plc	£50,000 (£23.25 ZA)	20.03.1998	-	19.03.2008	£50,000 (£23.25 ZA)	-
107 - Ground Retail Ground - Storage Basement - Storage	1,088 25 467	614	Royal London Mutual	£16,800 (£24.96 ZA)	01.04.1998	-	24.12.2008	£16,826 (£25.00 ZA)	-
108 - Ground - Retail Basement - Storage	1,578 449	618.75	Taylor Gordon & Co. Ltd.	£13,000 (£15.83 ZA)	25.03.1998	25.03.2003	25.12.2008	£16,815 (£25.00 ZA)	Outstanding rent review
109 - Ground - Retail Basement - Storage	1,202 545	704.25	Subway Realty Ltd.	£20,000 (£26.07 ZA)	20.02.2004	25.12.2008	24.12.2013	£20,000 (£26.07 ZA)	New letting
1st - Office & 2nd - Office	10,218	-	Eagle Star Ins. Co. Ltd.	£165,000 (£16.15)	25.12.1998	25.12.2003	24.12.2008	£165,000 (£16.15)	2nd Floor occupied by Navigator & General Outstanding rent review First floor refurbished
3rd - Office	5,109	-	Commercial Union Assurance Limited	£59,000 (£11.55)	29.09.1997	-	24.12.2008	£81,744 (£16.00)	Sublet to International HIV/AIDS Refurbished accommodation 29 September 2002 rent review recently agreed at £59,000 based upon basic specification
4th - Office & 5th - Office	10,218	-	Commercial Union Assurance Limited	£133,208 (£13.04)	25.12.1983	-	24.12.2008	£163,488 (£16.00)	Both floors sub-let to International HIV/AIDS Refurbished accommodation
6th - Residential	-	-	International HIV/AIDS	£15,000	02.04.2001	-	23.12.2008	£15,000	3 rooms, kitchen & bathroom
Total	35,566	3,940		£472,008				£528,873	

sq m = 3,304.1 366.0

* Higher of the ERV or passing rent

* Ground Storage @ £3.00/ sq ft

* Basement storage @ £3.00/ sq ft



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