

GOVERNMENT LET OFFICE BUILDING WITH RESIDENTIAL PLANNING PERMISSION



Elizabeth House, 341-345 High Road

Wembley London

Investment Summary

- Purchase Price in excess of £1,800,000.
- Net Initial Yield of 5.5%.
- Reversionary Yield of 7.4%.
- 3 years unexpired to the Government.
- Freehold.
- Total net internal floor area of 957 sq m (10,306 sq ft) with 12 basement car parking spaces.
- Low base rent of £96.55 per sq m (£8.97 per sq ft) with a reversion of £134.55 per sq m (£12.50 per sq ft).
- Planning permission to construct an extra floor providing additional residential accommodation with an end value of approximately £800,000.
- Suitable for investors, owner occupiers and developers.

Location

Wembley is located in the London Borough of Brent and is approximately 17.6 kilometres (9.4 miles) west of Central London. Neighbouring towns include Ealing to the south, Harrow to the north and Willesden to the east.

Wembley is the preferred location for the new English National Stadium which is currently nearing completion. The 90,000 capacity stadium will cater for Association Football and Rugby League, together with track and field athletics, music concerts and other major events. Once completed, it is estimated that the stadium will generate nearly 8,000 permanent jobs and over £150 million of expenditure to the London economy each year.

In June 2005, Quintain Estates & Development Plc received planning permission to redevelop a 42 acre site, including the Wembley Conference and Exhibition Centre and Wembley Arena to create a 5 million sq ft mixed use scheme comprising a Caesars super-casino, hotel, leisure, commercial and residential development. The Richard Rogers Partnership has been appointed to masterplan the site and estimate that the development will be completed within the next ten years.

Wembley is an established commercial centre and has attracted many blue-chip, multi-national companies due to the excellent transport links and highly skilled workforce. These businesses include Government bodies, JD Sports and Currys.

Source: www.new-wembley.com

Demographics

According to Focus 2001, the London Borough of Brent has a district population of approximately 263,464 and a population of some 1,712,343 within a catchment area of 10.0 kilometres (6.2 miles).

With regard to socio-economic data, there are 5.18% prosperous professionals in Brent as opposed to the national average of 2.20%. (Source: CACI Lifestyle Groups).

Communications

Wembley benefits from excellent communications:

The A404 connects with the North Circular (A406) to the east, providing access to Junction 1 of the M1, 6.1 kilometres (3.8 miles) to the north-east and Junction 1 of the M4, 8.4 kilometres (5.2 miles) to the south thereby providing access to the national motorway network. Additionally the A406 connects with the A40(T) Western Avenue providing access to Central London 13.0 kilometres (8.1 miles) to the east.

Rail services to Euston and Kings Cross run frequently from Wembley Central and Wembley Park station with a fastest journey time of approximately 10 minutes.

Heathrow airport is situated some 23.8 kilometres (14.8 miles) to the south-west, whilst Luton Airport is approximately 48.9 kilometres (30.4 miles) to the north, providing flights to international destinations.

Situation

The property occupies a prominent location on the south side of the High Road (A404) close to its junctions with Cecil Avenue and Wembley Hill Road. The building is situated in the principal core of Wembley, in close proximity to Wembley Stadium and is surrounded by a vibrant mix of leisure, retail, office and residential accommodation.

The town is served by three railway stations, Wembley Stadium mainline railway station is approximately 100 metres north-east of the property. Wembley Central Station is approximately 400 metres west of the building whilst Wembley Park Station is approximately 2.5 kilometres (1.5 miles) north of the property.

Local occupiers in the immediate vicinity include the Government, Burger King and Boots.



Description

Built in the 1960's, Elizabeth House comprises office accommodation on the ground and first floor and residential accommodation on four upper floors. The property is of framed concrete construction with brick elevations under a flat roof.

The office accommodation benefits from wall mounted radiators, perimeter trunking, Category II lighting, air cooling cassettes, suspended ceilings, two kitchenettes and male and female toilets on each floor.

Additionally, the investment incorporates a petrol filling station situated in the forecourt of the demise.

The residential element has the benefit of 12 garages situated to the rear of the property.

Accommodation

We have been advised that the office accommodation provides a total net internal area of 957 sq m (10,306 sq ft). In addition, the office benefits from 12 car parking spaces located in the basement providing a ratio of 1:79 sq m (1:858 sq ft).

Please see the tenancy and accommodation schedule. The lease is available upon request or can be found on our website: www.dbaprop.co.uk

Tenure

Freehold.

Tenancy

The total passing rent is **£104,500 per annum**. The residential element and petrol station have been sold off on long leases.

Please see tenancy and accommodation schedule.

Estimated Rental Value

The estimated rental value of the property is currently **£141,000 per annum** equating to approximately **£134.55 per sq m (£12.50 per sq ft)** on the offices and £1,000 per car parking space. Recent rental evidence in close proximity to the property is as follows:

In February 2005, at Olympic Office Centre, Pathmeed Housing Association completed an 8 year lease on a suite of approximately 2,090 sq m (22,500 sq ft), at a rent of £315,000 per annum, equating to a headline rent of £150.69 sq m (£14.00 per sq ft).

In September 2004, at Neeld Parade, Wembley Hill Road, Allied Irish Bank Plc, completed a 15 year lease on a suite of approximately 716 sq m (7,711 sq ft), with a tenant break in the 10th year, at a rent of £109,959 per annum, equating to a headline rent of £153.49 per sq m (£14.26 per sq ft). The lease included 8 car parking spaces.



Proposed residential extension.

Residential Planning Permission

Our client has obtained planning permission to construct an additional floor to create four residential units comprising 2 two bedroom flats and 2 three bedroom flats totalling approximately 231.79 sq m (2,495 sq ft) NIA. The planning permission and architects plans are available upon request or on our website: www.dbaprop.co.uk

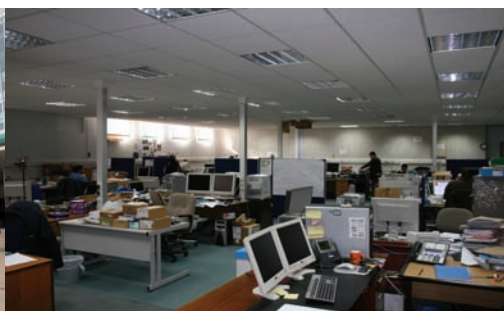
We understand that residential values within the town centre are in the region of £3,444 per sq m (£320 per sq ft). The total end value is in the region of £800,000.

Price

The freehold interest can be acquired for a price in excess of **£1,800,000 (one million eight hundred thousand pounds)** reflecting a net initial yield of 5.5%, a reversionary yield of 7.4% and a capital value on the office accommodation of £1,873 per sq m (£174 per sq ft) based upon costs of 5.7625%.

Value Added Tax

The property is not elected for VAT.



Tenancy and accommodation schedule

| Floor | Sector | Tenant | Accommodation sq m | Accommodation sq ft | Rent (per sq ft) | Expiry | Unexpired Term (years) | Comments |
|------------------|----------------|--|-----------------------|------------------------|---------------------|-----------|---------------------------|----------------------------------|
| Ground & First | Office | The Mayor and Burgess of the London Borough of Brent | 957.42 | 10,306 | £92,500 (£8.97) | 23-Apr-09 | 3 | FRI lease |
| Basement | Car Parking | The Mayor and Burgess of the London Borough of Brent | - | - | £12,000 | 23-Apr-09 | 3 | 12 spaces |
| 2nd-6th | Residential | 12 Residential Units | - | - | - | 25-Mar-78 | 71.25 | Units sold off on long leases |
| Ground Forecourt | Petrol Station | Gulf Oil Ltd t/a BP | - | - | - | 25-Nov-79 | 72.5 | Forecourt sold off on long lease |
| TOTAL | | | 957.42 | 10,306 | £104,500 | | | |

Investment Considerations

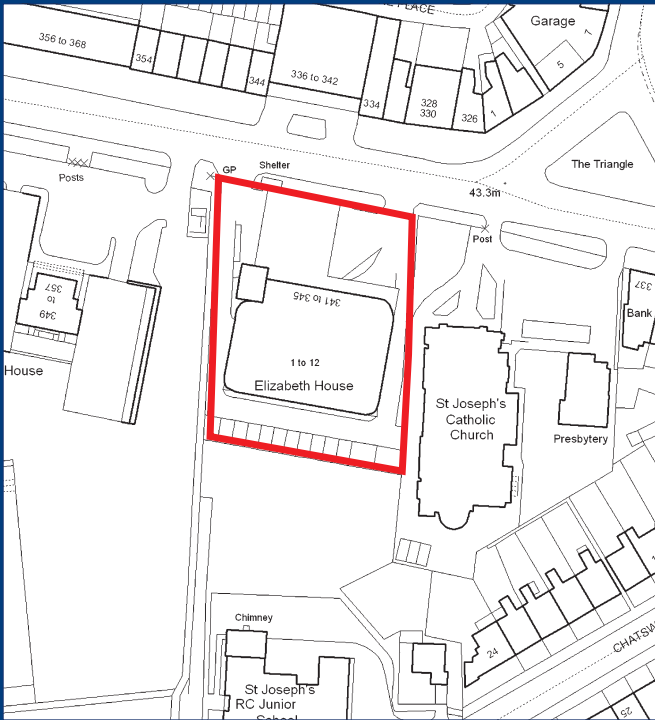
- Wembley is an established commercial centre in North London that has been the focus of continued investment in recent years.
- An opportunity to acquire an investment situated on the High Road within the prime section of the town centre, in close proximity to substantial developments including the new Wembley Stadium.
- Planning permission granted to extend the building to provide additional residential accommodation.
- Well secured to the Government who have recently re-gearred their lease on the adjoining property.
- Low base rent of £96.55 per sq m (£8.97 per sq ft) with strong potential for further rental growth.
- The purchase price reflects a low capital value of £1,873 per sq m (£174 per sq ft) excluding any value of the planning permission.
- Active management opportunities including a re-gear with the Government tenant, change of use to residential and lease renewals on the residential accommodation.

SUBJECT TO CONTRACT AND EXCLUDING VAT





Artist impressions of Quintain Estates & Development plc's 42 acre redevelopment site that will include the Wembley Conference & Exhibition Centre, Wembley Arena and a mixed use scheme, totalling 5 million sq ft.



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