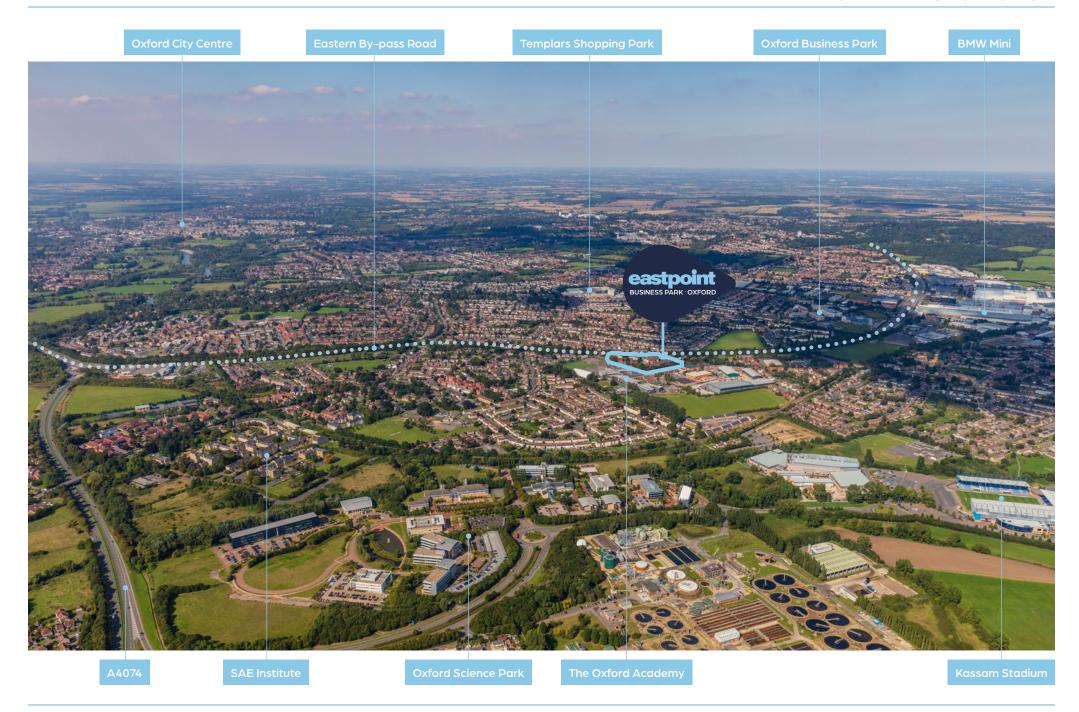


Multi-let South-East Office/Life Science Park Investment with Significant Asset Management Opportunities



## investment summary

- Multi-let office/life science park located only 2 miles south-east of Oxford city centre, and within close proximity of both Oxford Business Park and Oxford Science Park.
- Excellent road communications with the M40 motorway located only 2 miles to the east.
- The park comprises five detached buildings providing a total net internal area of 74,823 sq ft.
- Excellent car parking ratio of 1:287 sq ft.
- Freehold tenure totalling 3.59 acres.
- Currently let to three tenants providing an attractive WAULT of 16.5 years to expiry on Genesis income.
- Current passing rent of £352,960 per annum, which equates to a very low rent of only £13.10 psf on the Genesis accommodation.
- Prime office rents in Oxford city centre are now £48.50 psf with rents for fully-fitted lab space now in excess of £75 psf.
- Majority of current income is secured against Genesis Cancer Care UK Ltd (D&B Rating of 4A2).
- 50.8% of Genesis income benefits from 5-yearly RPI reviews.
- Significant asset management opportunities including:
  - Oxford is currently experiencing an immediate demand for Life Science/lab accommodation, however there is a supply and demand mismatch. Therefore, creating an opportunity to refurbish and reposition the park to provide high-quality lab accommodation.
  - Ability to secure vacant possession of Sandford & Heritage Gate and undertake a comprehensive refurbishment along with Meridian House, to provide lab space suitable for Life Science businesses which could reflect a ERV of +£75 psf.
  - Consider selling off individual buildings on the park to specialist buyers, in particular the well-let medical assets – Beaumont House and Orion House.
- Seeking offers in excess of £22,000,000, which reflects a low capital value of only £294 psf.



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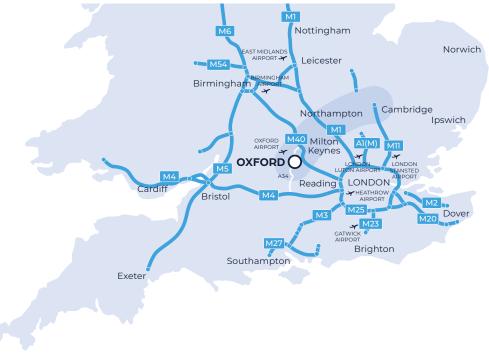
### location

Oxford is a historic and globally renowned university city in the South East of England located approximately 56 miles north west of London, 26 miles north of Reading, 63 miles south of Birmingham and 68 miles north-east of Bristol.

Oxford has a growing and robust economy, catalysed by its world renowned University and thriving tourism industry. Oxford University contributes approximately £5.8bn per annum to the UK economy and supports more than 50,000 full time jobs. The University is also an important regional contributor, adding £2.3bn a year to the Oxfordshire economy and supporting 33,700 jobs in the county. Oxford is home to approximately 42,500 students split between Oxford University and Oxford Brookes, with c.43% coming from overseas.

As one of the fastest growing cities in the UK, Oxford has a diverse and resilient economy and a highly qualified workforce, largely due to its highly regarded university, dominant bio-science sector and traditional manufacturing base including its renowned automotive industries where the iconic Mini is manufactured. A third of the population is between 18 and 29 and over 42,000 students attend its two universities. In terms of employment, over 4,500 businesses provide over 115,000 jobs in the local economy with the majority working within the health, education, research and technology sectors.

Furthermore, Oxford is the tourism gateway to the rest of Oxfordshire and the Cotswolds, attracting approximately 7 million visitors per annum, generating £780m of income for local Oxford businesses. In terms of overseas visitors to the UK, Oxford is the eighth most visited city for staying visits.



Not to scale indicative only













### communications

#### ROAD 👚

Oxford benefits from excellent road and public transport communications. The A40 (dual carriageway), provides direct access to the M40 at Junction 8 approximately 5 miles to the east and Cheltenham approximately 42 miles to the west. In addition, the A34 (dual carriageway) provides direct access to both the M40 at Junction 9 approximately 11 miles to the north-east and the M4 at Junction 13 approximately 22 miles to the south.

Oxford also benefits from the 'Oxford Tube' coach service, which provides a 24-hour bus service to London Victoria with a journey time of around 1 hour 40 minutes.

The Oxford to Cambridge Expressway is a planned grade-separated dual carriageway between Oxford (A34) and Cambridge (A14) via Milton Keynes which will further enhance connectivity. Completion of the project is expected by 2030.

#### RAIL 🛬

Oxford railway station provides direct, frequent services to London Paddington with a fastest journey time of 52 minutes. At peak times, there are five direct services per hour.

- Reading 22 minutes
- London Paddington 52 minutes
- Birmingham 60 minutes

The East West Rail line is a major transport project which will establish a direct railway link between Oxford and Cambridge via Bicester, Milton Keynes and Bedford. The Oxford to Bicester Village segment became operational in 2016 (fastest journey time of 14 minutes) and engineering works are in progress on the Bicester-Bletchley western segment. The line is due to be completed by 2030 and will further improve the connectivity of the city.

There are plans to reopen the Cowley branch line for passenger use, connecting local communities and key employment areas into Oxford and the wider railway network.

#### AIR 🗡

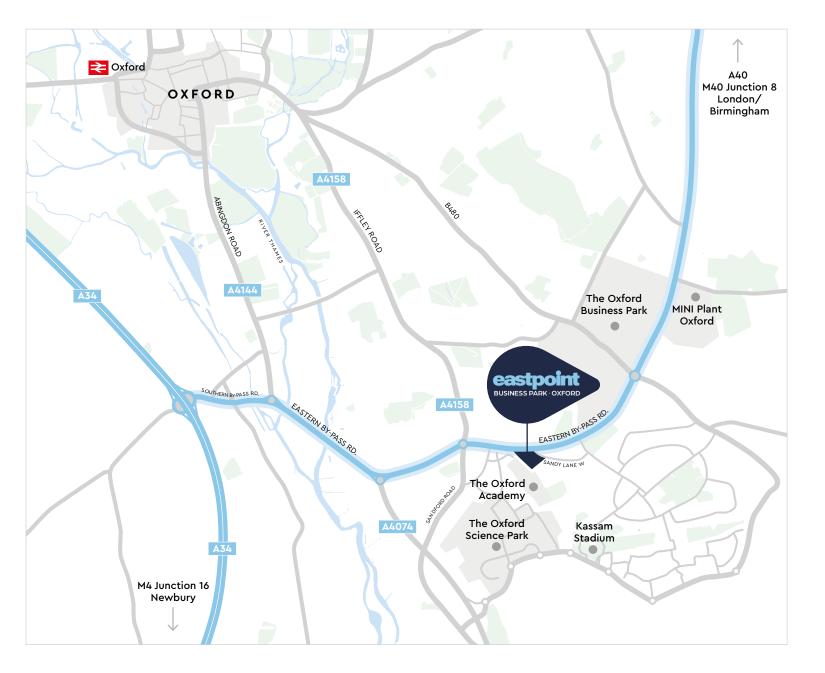
London Heathrow Airport and London Gatwick Airport, the UK's two busiest airports are located approximately 44 miles and 74 miles south–east of Oxford respectfully. Oxford International Airport is located approximately 7 miles north of Oxford and offers services to around 250 destinations worldwide. Oxford International Airport is the fastest growing airport for business aviation in the UK.











### situation

Eastpoint Business Park is situated approximately 3 miles south-east of Oxford city centre, prominently positioned on the south side Oxford's Eastern By-Pass Ring Road, accessed via Sandy Lane West. The park provides direct access to the A34 dual carriageway 2.2 miles to the west, Junction 8 of the M40 7 miles to the east and Oxford city centre 3.2 miles to the north.

As well as being an important automotive centre, with BMW Mini being one of the major industrial occupiers in Oxford, the city is also home to a significant number of R&D, tech and life science businesses who are drawn to the area due to its proximity to both Oxford Business Park and Oxford Science Park. Other major occupiers in the vicinity include Rudolph & Hellman Automotive, Unipart Group, YASA and Oxford Biomedica.

The local area comprises a mixture of commercial and residential uses and benefits from excellent access to amenities including Tesco, Sainsbury's and M&S foodstores. The Kassam Stadium Complex, home to Oxford United Football Club also provides an extensive array of leisure amenities.

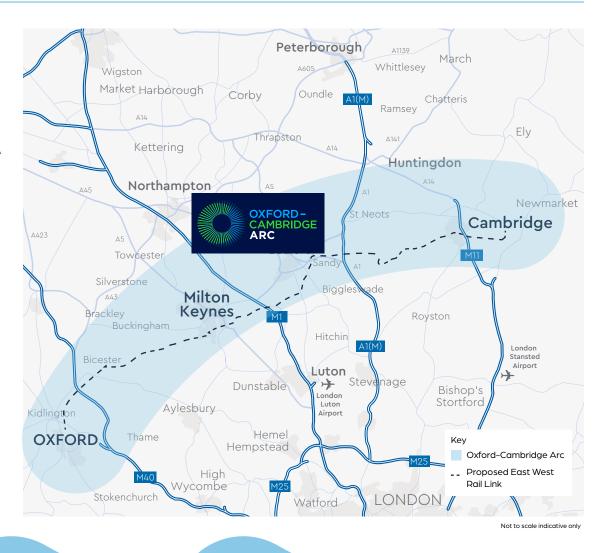
# the oxford-cambridge arc

The Oxford–Cambridge Arc is a notional 'Arc' running from the university cities of Oxford and Cambridge via Milton Keynes and Bedford. The initiative was originally launched in 2003 to promote and accelerate the development of the area's unique educational and R&D characteristics, with a view to creating a world–leading hub of innovation and entrepreneurial activities.

The Oxford–Cambridge Arc boasts some of the world's leading universities including Oxford and Cambridge, and as a result of its unrivalled access to talent, the area has become globally renowned as a hub for innovation and is now home to some of the world's preeminent science and technology firms.

Over the last decade the Oxford–Cambridge Arc has witnessed considerable economic growth of 25%, making it one of the highest growth areas in the UK, it now supports over two million jobs and now generates over £110bn to the UK economy each year has the potential to become a world–leading and globally renowned centre for business, innovation, investment and Life Sciences.

Given plans to improve rail infrastructure links between Oxford and Cambridge, proposals to deliver 1 million new homes and 700,000 additional jobs in the area by 2050, as well as the rapid growth witnessed in the Life Sciences sector over recent years, this growth is forecast to continue, and will underpin future demand and rental growth for the life science sector within a supply constrained market.





Oxford
Offices/Labs £48.50/£75 psf
Industrial - £15 psf

Milton Keynes

Offices/Labs - £28/£35 psf

Industrial - £10 psf

Cambridge
Offices/Labs – £48.50/£50 psf
Industrial – £15 psf



### life sciences

The UK's Life Sciences industry is currently witnessing a period of rapid growth with significant advances in digital technologies, revolutionary new treatments and unprecedented levels of investment, such as the UK Government's announcement at the 2020 budget that spending on UK R&D is set to nearly double to £22bn per year within 5 years.

As a percentage of GDP, it will be the highest in nearly 40 years.

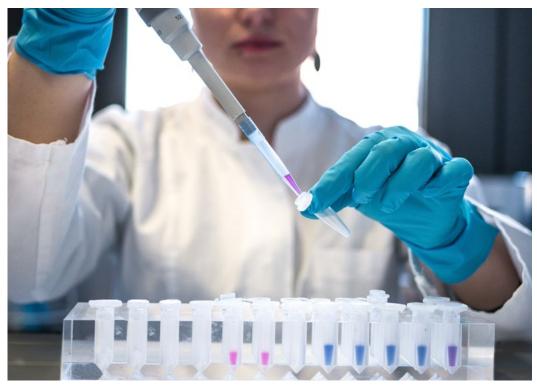
This increased investment, lack of supply and increasing/growing backlog of demand is resulting in enhanced rental growth within the Life Sciences sector and most notably Oxford. Research has shown a current annual rental growth of 3% within the Life Sciences sector.

Eastpoint offers an opportunity to reposition the asset and relaunch it back into an extremely low supply environment. Oxford is undergoing unparalleled Life Science technology occupational demand and an acute shortage of high-quality office/lab supply, which is resulting in this enhanced rental growth.

This is causing a market characterised by favourable demand and supply dynamics, leading to unprecedented rental growth, and increased pre-letting activity across the sector with requirements outweighing current and pipeline supply.

#### **KEY OCCUPATIONAL DEALS**

Date	Address	Tenant	Area (sq ft)	Rent (per sq ft)	Accommodation Spec
Q4 2021	4050 Chancellors Court	IVY Farm	18,000	£48.50	Fully refurbished Grade A spec
Q2 2021	3500 Oxford Business Park	Base Genomics	17,816	£38.50	Fully refurbished Grade A spec
Q2 2021	Sherard Building, Oxford Science Park	T-Cypher Bio	7,300	£105	Fully serviced labs
Q4 2019	Bellhouse Building, Oxford Science Park	MOA Technology	5,400	£75	New purpose- built lab







### life sciences



There are **456 Life Science companies**, which turnover £65bn, which is an increase of 11.3% from the previous 12 months (Cambridge Ahead)



33%

UK life science employment focused in the South East



250,000

Life Sciences directly employs over 250,000 people in the UK (PwC) Current lab
requirements for
Oxford are outstripping
current and pipeline
accommodation



£111bn

Estimated GDP delivered by Life Sciences sector in the Golden Triangle to the UK economy in 2019 (ONS)



£2bn

From 2009–2018 the Life Science industry increased employment by 8% and turnover by £2bn 70% rental growth in Oxford over the past 5 years



£15bn

of capital allocated to the Life Sciences sector in the UK alone



134%

increase in the capital invested in South East Life Science companies from 2014–2018 Circa 20,000 sq ft of laboratory floor space currently available in Oxford



# description

Eastpoint Business Park comprises a self-contained business park occupying a prominent position on Oxford's Eastern By-Pass Ring Road. The park is made up of five individual two and three-storey office buildings, with separate access and car parking for each property.

The office buildings are of brick and stone elevations with double glazed windows and doors. Internally the general specification includes raised access floors (excluding the ground floor of Orion House), suspended ceilings, Cat II lighting and comfort cooling / heating systems.

Orion House and Beaumont House are let to Genesis Cancer Care UK Ltd and benefit from a permitted use of both B1 & D1 (now Class E). we have been advised that the Genesis have spent a total of £30M on their fit out of both properties, this included the installation of an MRI Scanner.

The park benefits from an excellent car parking provision with approximately 260 car parking spaces reflecting a ratio of 1:287 sq ft.







# site

# The site area comprises approximately 1.45 hectares (3.59 acres) and a site coverage of c.21%.

### tenure

Freehold.





Not to scale indicative only

# tenancy schedule

Building	Tenant	Area (sq ft)	Lease Start	Rent Review	Break Date	Lease Expiry	Rent (pa)	Rent (psf)	Comments
Sandford & Heritage Gate	Podium East Point Ltd	30,564	29/07/2021		Rolling 3 months	31/03/2022	Turnover rent paid per month.		Outside the L&T Act 1954. Turnover rent payable each month. Rolling MBO subject to 3 months' notice. Schedule of condition. 2 years extension with rolling 3-month mutual break options in negotiation.
Beaumont House	Cancerpartnersuk Ltd (T/A Genesis Care)	14,119	24/07/2013	24/07/2023		23/07/2033	£173,550	£12.29	Inside the L&T Act 1954. Permitted use is B1 & D1 (now Class E). Rent reviewed as B1 use (now Class E(c)).
Orion House	Genesis Cancer Care UK Limited (T/A Genesis Care)	12,815	07/08/2018	07/08/2023		06/08/2043	£179,410	£14	Inside LTA 1954. 5 yearly RPI rent reviews. 12 months' rent free followed by 6 years at half-rent (to be topped up). Permitted use is B1 & D1 (now Class E).
Meridian House	VACANT	17,325							Vacant as of Jan 2022.
Totals		74,823					£352,960 pa		





# accommodation schedule

The building has been independently measured in accordance with the RICS Code of Measuring Practice (6th edition) and comprises the following net internal areas.

Building	Floor	Sq ft	Sq M
Orion	Reception	236	21.92
	Ground	6,187	574.79
	First	6,392	593.83
	Sub-Total	12,815	1190.54
Meridian	Ground	8,850	822.19
	First	8,475	787.35
	Sub-Total	17,325	1609.53
Beaumont	Ground	7,103	659.88
	First	7,016	651.80
	Sub-Total	14,119	1311.69
Sandford	Reception	314	29.17
	Ground	5,144	477.89
	First	5,324	494.61
	Second	5,336	495.73
	Sub-Total	16,118	1497.40
Heritage Gate	Whole	14,446	1,342.07
Total		74,823	6951.23





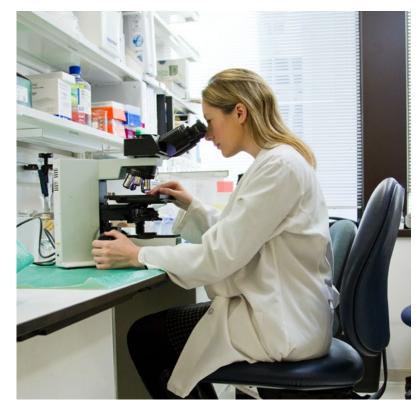
# asset management opportunities

The property provides a purchaser with numerous asset management opportunities including:

- Prime office rents in Oxford city centre are now £48.50 psf with lab rents on the nearby Oxford Business Park and Oxford Science Park at +£75 psf. Eastpoint Business Park is currently let at an average passing rent of only £13.10 psf, and as such there is significant scope to drive these rents forward and still provide an attractive discount for occupiers compared to competing nearby office stock.
- Given continued demand for laboratory accommodation and a fundamental undersupply, there is a genuine opportunity to gain vacant possession and undertake a comprehensive refurbishment of Meridian House, Sandford Gate and Heritage Gate to provide laboratory accommodation for occupiers in the Life Sciences sector.
- Laboratory accommodation rents in Oxford now range from £75 psf for fully fitted-out space to £50 psf for shell and core accommodation. The subject property provides an exciting opportunity for a purchaser to create a bespoke and self-contained Life Sciences park providing a more cost-effective solution for life science occupiers.
- Given rising demand from specialist investors for medial/social infrastructure assets there is an opportunity to consider selling off individual buildings on Eastpoint Business Park at a premium, in particular Beaumont House and Orion House which are both let to Genesis Cancer Care UK Ltd on long leases.



Property	Price	NIY	Capital Value (psf)	Purchaser
2600 Oxford Business Park	£61.4m	2.96%	£747	Royal London
Oxford Science Park	£160m	40% share agreement	(+£10m per acre)	GIC
Oxford Innovation Park	£45m	Short income/VP	£914 (£7.6m per acre)	Ellison Institute
Sherard Building, Oxford Science Park	£25.6m	3.61%	£909	AXA/Kadans





# service charge

The service charge budget for the year ending December 2022 is £110,897, which equates to £1.48 psf.

### epc

Copies of the EPCs are available in the data room.

# anti-money laundering

In accordance with AML regulations, the successful purchaser will be required to provide confirmation of the source of funding along with two forms of identification prior to exchange.

#### data room

A data room has been set up to provide details of all the property and legal information which is deemed relevant to the sale. This will include the following information:

- Title Information
- Tenancy Information
- Management Information
- EPCs
- Marketing Details

#### vat

The property is elected for VAT, and it is anticipated that the sale will be treated as a Transfer of a Goina Concern (TOGC).

# proposal

Seeking offers in excess of £22,000,000, subject to contract and exclusive of VAT, reflecting a **low capital value of only £294 psf**.

### contacts

For further information, access to the data room, or to arrange an inspection please contact:

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