



SOUTH EAST MULTI LET INDUSTRIAL INVESTMENT

UNITS A-C, Foundry Lane

Horsham, West Sussex RH13 5PX



INVESTMENT SUMMARY

- & South-East multi let industrial estate investment comprising three units totalling 6,892 sq m (74,187 sq ft).
- & Let to 3 tenants on 3 leases providing an average weighted unexpired term of 7.1 years to lease expiries.
- & Current passing rent of £541,250 per annum.
- & Asset management opportunities to enhance future value.
- & Town centre location with long term redevelopment potential, subject to planning.
- & Offers sought in excess of **£5,386,000**, reflecting a net initial yield of **9.50%**, net of standard acquisition costs of 5.80%, subject to contract and exclusive of VAT.

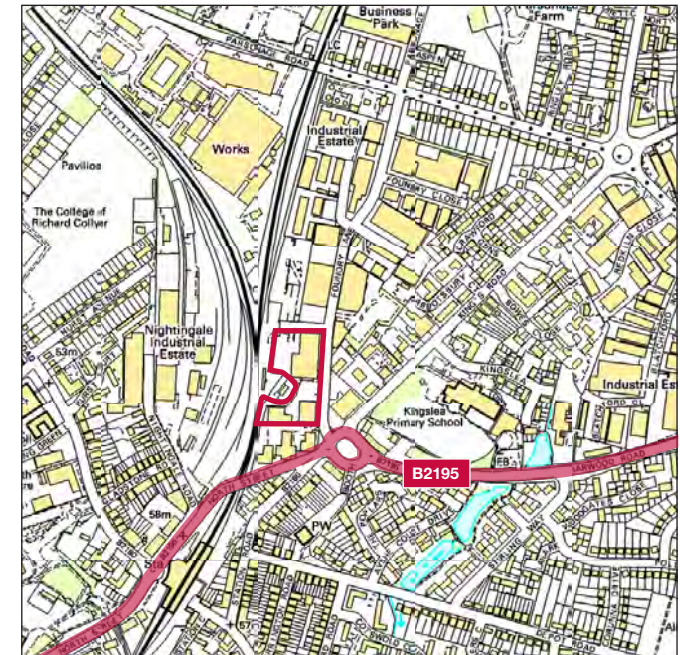
LOCATION

Horsham is located in the County of West Sussex, approximately 40 miles south of London, 9 miles south west of Crawley, 20 miles south east of Guildford and 13 miles south west of Gatwick Airport.

Horsham benefits from excellent transport communications being within close proximity to the M23 Motorway (junction 11) which is approximately 8.2 miles to the east, via the A264, and the M25 Motorway (junction 7) approximately 22 miles to the north, via the A24.

The M23 motorway provides a direct route to Gatwick Airport (13 miles) with Heathrow and Luton Airports also being within a radius of 117 km (73 miles).

By rail, Horsham provides a frequent direct train service to London Victoria with a journey time of approximately 55 minutes.



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SITUATION

The subject property is situated on Foundry Lane, one of Horsham's principal industrial locations approximately 1 mile north-east of Horsham Town Centre. Foundry Lane is accessed from Harwood Road (B2195) which provides direct access to the A264 dual carriageway which in turn leads to the M23 motorway at junction 11.

The property is located within close proximity to Horsham Trading Estate and is directly opposite Foundry Retail Park which comprises two retail units occupied by Dreams and the Bed Centre. The property's position close to the town centre and with office and retail uses adjoining directs the site to being suitable for redevelopment in the future, subject to planning.

Horsham Railway Station is situated approximately 0.8 km (0.5 miles) south of the property.

SITE

The site area totals approximately 1.10 hectares (2.50 acres).

TENURE

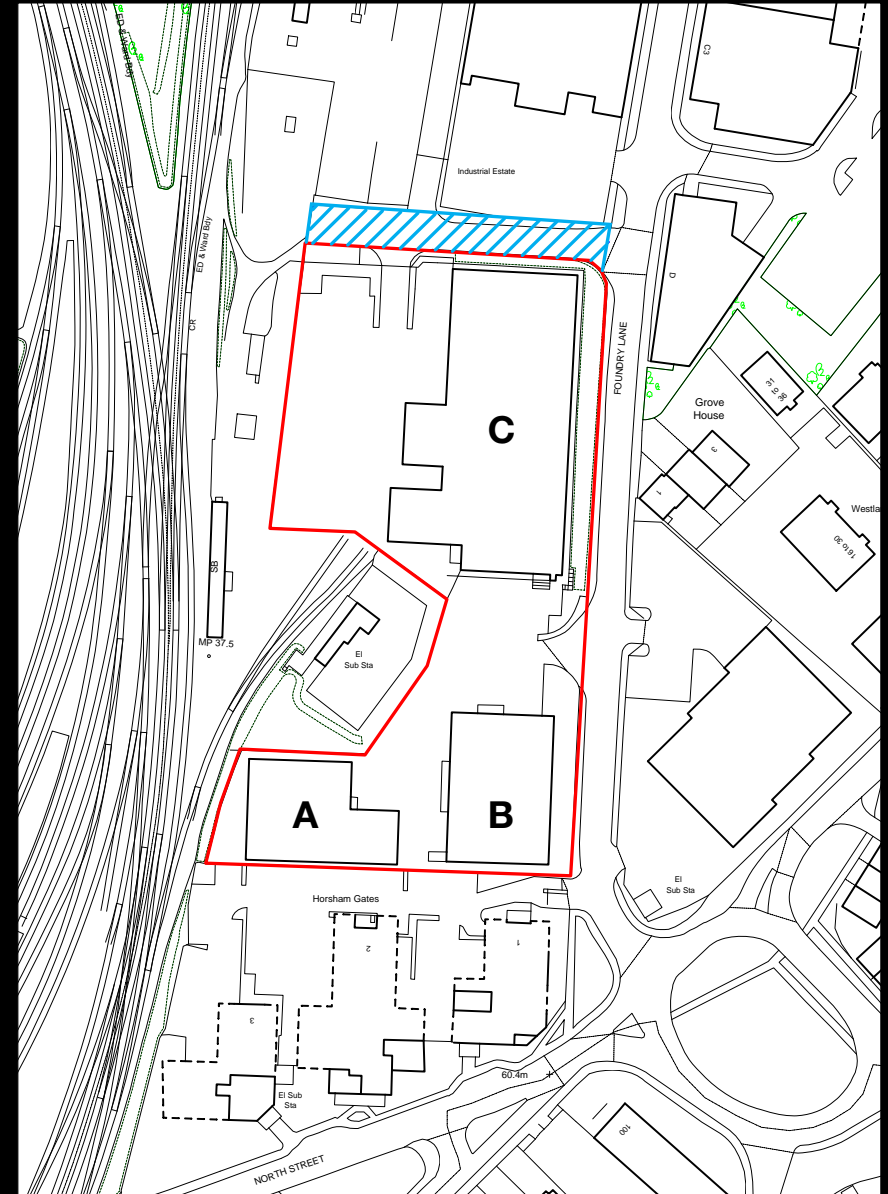
Freehold. Access to the loading area and parking for Unit C is via the private road hatched blue, over which there is a right of way.



UNIT B



UNIT A



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DESCRIPTION

The property comprises three detached industrial units totalling approximately 6,891 sq m (74,187 sq ft).

A summary of each building is outlined below:

Unit A - Foundry Press

The building is a steel portal frame detached industrial unit totalling 853.58 sq m (9,188 sq ft).

The unit benefits from part brick and part profiled metal clad elevations supporting a pitched roof. Internally, the warehouse accommodation benefits from a minimum eaves height of 4.8m (15.75 ft) and is lit via suspended strip lighting. The warehouse accommodation is accessed via one electrically operated roller shutter loading door on the eastern elevation. The unit benefits from two storey offices totalling 247.76 m (2,667 ft) with raised floors, carpeting throughout, strip lighting, suspended ceilings and air conditioning.

Unit B - Howdens

The building is a steel portal frame detached industrial/trade unit totalling 957.59 sq m (10,308 sq ft) with frontage to Foundry Lane. The unit benefits from part brick and part profiled metal clad elevations supporting a pitched roof. Internally, the warehouse accommodation benefits from a minimum eaves height of 4.8m (15.75 ft) and is lit via suspended strip lighting. The unit is accessed via two electrically operated roller shutter loading doors on the north and western elevations.

The unit benefits from ground and first floor offices of which the ground floor has been fitted out as a trade counter operation. The first floor office totals approximately 61.40 sq m (661 sq ft). The tenant has installed a mezzanine floor of 140.92 sq m (1,517 sq ft).

Unit C - Applied Materials/Ceres Power

The building is a steel portal frame detached business unit, arranged with the ground floor fitted out by the sub-tenant for the purpose of research and the manufacture of fuel cell technology. The first and second floors provide high specification office accommodation. The building totals 5,080.83 sq m (54,691 sq ft) and benefits from full height brick cladding to the elevations beneath a shallow pitched profiled roof.

Internally, the warehouse accommodation benefits from a minimum eaves height of 5.5m (18.05 ft) and is lit via suspended strip lighting. The warehouse accommodation is accessed via four loading doors on the western elevation. The first and second floor offices have been fitted out to a high specification and include carpeting throughout, perimeter trunking, suspended ceilings, incorporating strip lighting and air conditioning. The building also benefits from an 8 person (630 kg) lift.



UNIT C



UNIT C

TENANCIES

The property is let to 3 tenants on 3 leases in accordance with the tenancy schedule, generating a total rental income of £541,250 per annum, exclusive of VAT, reflecting £78.53 per sq m (£7.30 per sq ft) overall. The property provides an average weighted unexpired term of 7.1 years to lease expiries.

Estate management costs are recovered via a service charge. Further information is available upon request.

Unit	Tenant	Floor Area		Lease Terms				Rent Passing		Comments
		Sq M	Sq Ft	Start	Rent Review	Break	Expiry	£ pa	£ psf	
Unit A	Foundry Press Ltd	854	9,188	25/12/2004	25/12/2014	None	24/12/2019	48,000	5.22	Tenant recently agreed to a Reversionary Lease for a term of 5 years from December 2014. Fixed uplift in December 2014 to £50,000 pa. Schedule of Condition. Rent Deposit of £12,000.
Unit B	Howden Joinery Properties Ltd (Guarantee from Howden Joinery Ltd)	957.59	10,308	08/11/2004	08/11/2014	None	07/11/2019	75,450	7.32	Tenant's option to break in November 2014 removed subject to 12 months half rent (from 24 June 2011 until 23 June 2012). The vendor will top up the rent to £75,540 pa. Schedule of Condition.
Unit C	Applied Materials UK Ltd (Guarantee from Applied Materials Inc)	5,081	54,691	21/07/1998	21/07/2013	None	20/07/2018	417,500	7.63	Unit has been sublet to Ceres Power Ltd (with a guarantee from Ceres Power Holdings Plc) until 11 January 2018, subject to a tenant's option to break on 20 March 2014.
Electricity/ Water Supply Pipe	Hanson Quarry Products Europe Ltd	-	-	-	-	-	-	300	-	
TOTAL		6,892	74,187					£541,250	£7.30	

COVENANT INFORMATION

Foundry Press Limited is a high quality printing business utilising state of the art printing equipment, including digital and litho presses. The Company has been in occupation for almost 15 years and the tenant has recently shown their commitment to the property by entering into a new five year reversionary lease, commencing in December 2014, at an increased rent of £50,000 per annum. We understand that Foundry Press has invested approximately £2,000,000 in print technology, including a 10-colour Heidelberg press and a £250,000 folding and stitching machine.



Howdens Joinery Properties Limited, with a guarantee from Howdens Joinery Limited provides high quality kitchens and joiner products from over 450 depots nationwide. The tenant has recently shown their commitment to the subject property by removing their option to break in 2014.

The lease is subject to a guarantee from Howden Joinery Limited which has a Dun & Bradstreet Credit Rating of 5A1. A summary of the financial accounts recorded for Howden Joinery Ltd for the last three years is shown below:

Howdens Joinery Limited	Financial Year		
	25 Dec 2010	26 Dec 2009	27 Dec 2008
Sales/Turnover	£797,439,000	£759,718,000	£796,293,000
Profit/(Loss) Before Taxes	£103,881,000	£82,941,000	£73,750,000
Tangible Net Worth	£229,037,000	£152,452,000	£317,488,000
Net Current Assets (Liabilities)	£178,090,000	£100,424,000	£257,743,000

Further information is available on the company's website:
www.howdens.com



Applied Materials UK Limited, with a guarantee from Applied Materials Inc is the global leader in nanomanufacturing solutions.

The company was founded in 1967 and creates and commercialises the nanomanufacturing technology that helps produce semiconductor chip and flat panel displays. For the period ending 31 October 2010, Applied Materials Inc reported a turnover of \$9,548,670,000 and a Net Income before Taxes of \$1,386,970,000.

Further information is available on the company's website:
www.appliedmaterials.com



The property is sub-let to **Ceres Power Limited, with a guarantee from Ceres Power Holdings Plc**. Ceres Power is an AIM listed product development company primarily involved in the research and manufacture of fuel cell technology. The subject property is Ceres' UK Headquarters and we understand that they have invested a significant amount of capital expenditure on testing and manufacturing their apparatus within the unit. The Company's other site within the UK is their technology centre in Crawley, which works in unison with the subject property. In total, the company employs over 170 skilled workers in the local area. Ceres Power Holdings Plc has a Dun & Bradstreet Credit Rating of 5A1. For the year ending 30 June 2010, the Company reported a net worth of £40,617,000.

Further information is available on the company's website:
www.cerespower.com

VAT

The property has been elected for VAT which will therefore be payable on the purchase price unless the sale can be treated as a Transfer Of a Going Concern.



PROPOSAL

We are instructed to seek offers in excess of **£5,386,000**, subject to contract and exclusive of VAT. A purchase at this level reflects a net initial yield of **9.50%**, net of standard acquisition costs of 5.80%

FURTHER INFORMATION

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The logo for Strutt & Parker, featuring the company name in a bold, serif font with a stylized ampersand. The text is white and set against a dark red rectangular background.

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