

REDUCED PRICE

WELLBROOK COURT

Girton Road, Cambridge, CB3 0NA



Fiducia
PROPERTY ASSET MANAGEMENT

Freehold Multi-let Office Park Investment


BIDWELLS



A14

Arlington Manor
Care Home

Wellbrook Way

Wellbrook Court

Girton Road

“Rare opportunity to acquire a freehold multi-let Cambridge office park”



Investment Summary

- Rare opportunity to acquire a freehold multi-let Cambridge Office Park.
- Comprising 6 units and multi-let to 8 tenants totalling 40,294 sq ft NIA.
- WAULT of 3.62 years to expiry and 2.29 years until break providing immediate asset management opportunities.
- Total rent passing of £959,800 per annum reflecting a low blended average of £23.82 psf.
- Significant reversionary potential with prime rents in Cambridge in excess of £60.00 psf and good quality second-hand rents in excess of £40.00 psf.
- Excellent asset management potential through re-gearing existing leases and repositioning of the park.
- Future redevelopment potential and the ability to expand massing on the site due to the low site cover and the underutilisation today.
- Our client is seeking offers in excess of **£8,750,000** subject to contract and exclusive of VAT. A purchase at this level reflects a **net initial yield of 10.28%** and a capital value of **£217 psf** assuming purchaser's costs of 6.68%.

Cambridge Growth Story

Cambridge, a city renowned worldwide for its history, ancient architecture and huge cultural appeal, is one of the UK's principle tourist locations, for both domestic and overseas visitors and is also an important location for the UK's research and development sector. There are over 4,500 knowledge intensive companies registered within 25 miles of Cambridge.

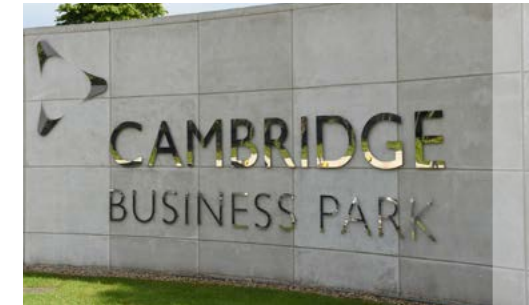
These companies have contributed to growing employment in the area by 7.5% pa since 2011 (Source: Cambridge Ahead). In the past five years, Cambridge has experienced an astounding 580% increase in venture capital funding, solidifying its position as the residence for over 400 life science companies and 250 research institutions.

Cambridge and its surrounding business parks are home to a variety of industries such as IT, life sciences, research, education and service companies. The city attracts global employers including Huawei, ARM, Microsoft, Amazon, Apple, Samsung and Deloitte amongst others. This is reinforced by AstraZeneca's £330m headquarters in Cambridge, which completed in 2021.

Cambridge's connectivity is also on the rise with Cambridge South Station due to complete in 2025. The new East to West rail line will Connect Cambridge to Oxford. Phase 1 has been confirmed and will connect Bedford to Cambridge in a new 5-billion-pound scheme.

Location

Cambridge is located approximately 50 miles north of London at the junction of the M11 and the A14 which links the Port of Felixstowe to the east with the M1 and M6 to the west. The mainline station provides a fastest journey time of approximately 45 minutes to both London Liverpool Street and London King's Cross stations. Stansted Airport is located approximately 25 miles south of Cambridge at Junction 8 of the M11.



Situation

The property is located within Cambridge's Northern Fringe, the most prominent and accessible business district in Cambridge. It accommodates the highest concentration of R&D space and high technology companies and comprises Wellbrook Court, Cambridge Science Park, St John's Innovation Park, Cambridge Business Park, Cambridge Northern Fringe "CB4" future development, and Vision Park.

The property is situated at the junction of Wellbrook Way and Girton Road, 2 miles to the north west of Cambridge city centre. Girton College is located opposite. Traditional and newly developed residential properties and a recently developed Arlington Manor care home surround the property.

Girton Road adjoins Huntingdon Road (A1307) which provides access to the M11 Northbound/A14 Westbound at Junction 14. Access to the M11 Southbound / A14 Eastbound is also possible from the A1307 one junction further north. Travelling from the south on the M11, the property is accessed via the Madingley Road (A1303) at Junction 13. The A14 leads east to Ipswich (50 miles) and the east coast ports, and west to the M11 (2 miles) and the M6 (60 miles), the midlands and the north west.

Eddington

Eddington is a newly developed residential community just 1 mile south of Wellbrook Court. Phase 1 provides 700 homes for university and college staff, 325 post graduate rooms, 700 homes for the open market, a primary school, nursery, supermarket, sports centre, hotel and community space amongst many more. Phase 2 of the development is due to provide a further 1,200 units including BTR, key worker accommodation and private sales.

West Cambridge University Research Facilities

Including; The Institute for Manufacturing, Schlumberger Cambridge Research, Department of Chemical Engineering, Department of Veterinary medicine, The Queen's Veterinary School Hospital, Whittle Laboratory, Hauser Forum, The Nanoscience Centre, Department of Materials, Science and Metallurgy, amongst many more.





Institute of Astronomy
University of Cambridge

Institute of Manufacturing
University of Cambridge

Cambridge
Graphene Centre

Madingley Road
Park and Ride

Schlumberger
Cambridge Research

Aveva

← Towards Cambridge City Centre

M11

Eddington Phase 1

Eddington Phase 2

Huntingdon Road

Towards A14 →

← Towards Cambridge Science Park

A14

Abbeyfield Independent
Living

Arlington Manor
Care Home

Wellbrook Court

Girton College
Cambridge

Description

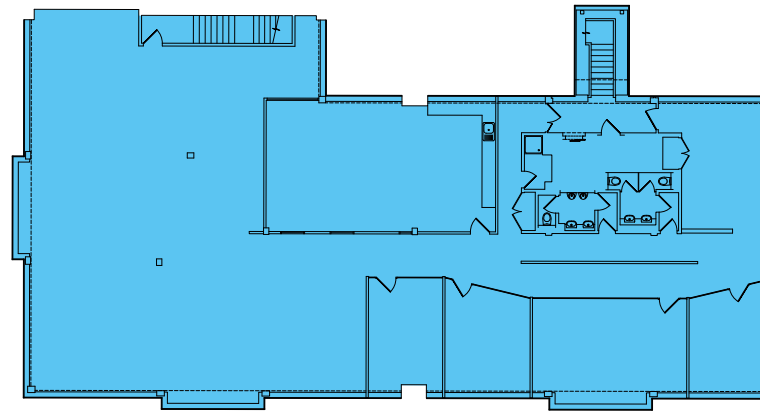
The property comprises two terraces of offices, each of two storeys and constructed around 1990. The first terrace comprises units 1-3, fronting Girton Road, whilst the second terrace comprises units 4-6 and is situated at the rear of the site.

Both buildings are of steel framed construction with facing brick cavity enclosure walls, with double glazed powder coated aluminium windows under hipped pitch roofs with concrete tile covering.

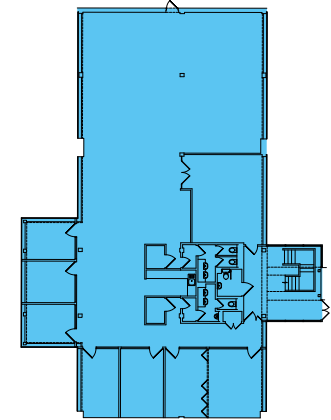
Internally the buildings provide the following specification, with Unit 5 & 6 recently refurbished:

- Suspended ceilings with recessed lighting
- Part LED, part LG7 lighting
- **Brand new VRF A/C condensers installed throughout the property in 2024**
- Gas fired central heating
- Raised access floors
- Male/female WCs on all levels
- Disabled WCs at ground level
- 8 person passenger lifts serving Unit 1 and Unit 5
- Kitchenettes provided in Unit 5 and Unit 6 fit out
- Communal shower on the ground floor of Unit 5 and another currently being installed in Unit 3.

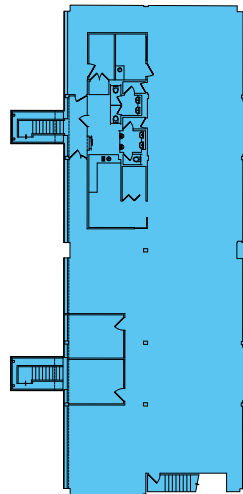
The property benefits from 190 demised car parking spaces giving an excellent ratio of 1:212 sq ft.



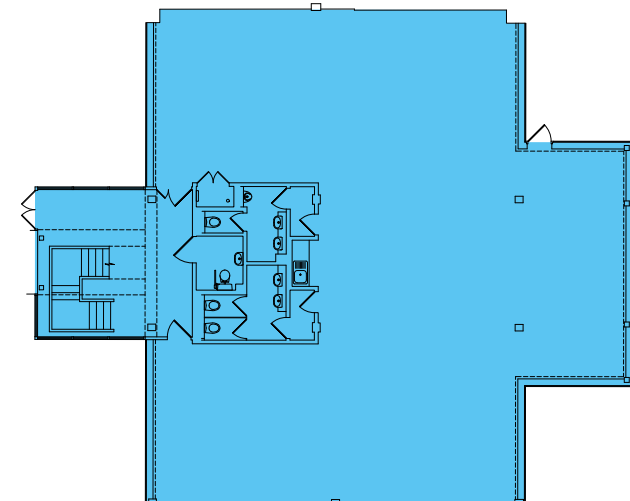
Unit 1 - First Floor Plan



Unit 3 - Ground Floor Plan



Unit 5 - First Floor Plan



Unit 6 - Ground Floor Plan



Adjacent public Sensory Garden





Unit 1 Ground: AECOM

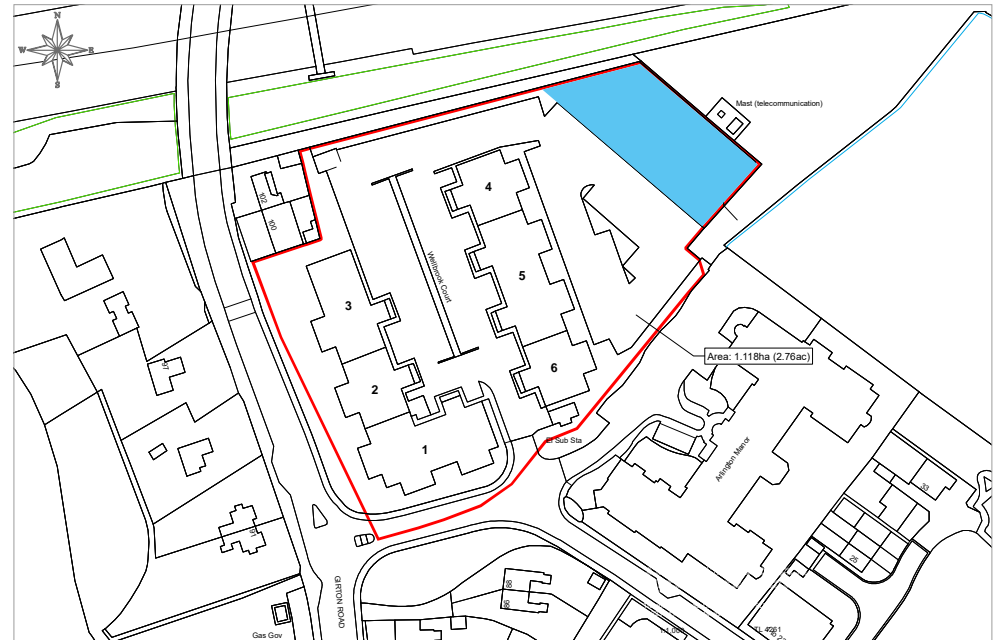


Unit 5 1st Floor: Atkins

Site

The property occupies a site extending to 1.117 hectares (2.76 acres) with a low site cover of approximately 20%.

There is an area of undeveloped land to the north east of the site, approximately 1,400 sq m (15,069 sq ft), that could be utilised as additional car parking or amenity space for the offices (shown shaded blue).



Tenure

Freehold.

An electricity substation is located near the site entrance and is let to Eastern Electricity for a term of 99 years from 31/10/1990 at a peppercorn rent.

Tenancy

The property is let in accordance with the following tenancy schedule, all leases are on effective FR&I terms with a service charge provision for maintenance of exterior and common parts. All leases are outside the L&T Act 1954 with the exception of Unit 4 let to Anatune Ltd. A 12 month rent, rates and service charge guarantee will be offered on the vacant suites.

Service Charge

The service charge budget for year end March 2025 totals £319,742.64 which reflects £7.94 psf.

Unit	Tenant	NIA (Sq ft)	Headline Rent pa (psf)	Lease Start	Next Review	Lease Expiry (Break)	Comments	D&B Rating
Unit 1 Ground floor	AECOM Limited	5,657	£135,768 (£24.00)	24/07/2017	-	23/07/2027 (24/07/2025)	Service charge cap of £40,131 grown at RPI from lease commencement. Tenant break, 9 months notice.	5A1
Unit 1 First floor	MM Wealth Ltd	4,633	£91,500 (£19.75)	22/03/2018	22/03/2023	21/03/2028	Outstanding rent review offering immediate reversionary potential.	2A1
Unit 2 Ground Floor	Vacant - Rent Guarantee	2,652	£66,300 (£25.00)	-	-	-	12 month rent, rates and service charge guarantee.	
Unit 2 First Floor	Henry Riley LLP	2,292	£57,300 (£25.00)*	03/06/2023	03/06/2028	02/06/2033	New lease being documented. 8 months RF. Back dated to 03/06/2023.	O1
Unit 3 Ground Floor	Streets Whitmarsh Sterland LLP	3,970	£93,295 (£23.50)	08/08/2016	06/08/2026	07/08/2031	Regearred their lease in 2022.	B2
Unit 3 First Floor	Chase de Vere IFA Group PLC	2,222	£55,550 (£25.00)*	10/05/2023	10/05/2027	09/05/2031	New lease about to sign. 4 months RF + 1 month if the break is not exercised. Back dated to 10/05/2023.	3A1
Unit 4	Element (formally Anatune Ltd)	Ground 2,396 First 2,072	£105,000 (£23.50)	17/01/2022	-	16/01/2027	Schedule of condition.	C2
Unit 5 Ground Floor	Vacant - Rent Guarantee	5,385	£140,010 (£26.00)	-	-	-	Recent full CAT A refurbishment. 12 month rent, rates and service charge guarantee.	
Unit 5 First Floor	Atkins Limited	4,539	£106,667 (£23.50)	26/06/2021	-	25/06/2026 (26/06/2024)	Reversionary lease signed with 3 months RF.	5A1
Unit 6 Ground floor	EA First	2,396	£56,410 (£23.54)	23/08/2021	23/08/2026	22/08/2031 (23/08/2026)	Rent deposit of 3 months + VAT.	E4
Unit 6 First Floor	Vacant - Rent Guarantee	2,080	£52,000 (£25.00)	-	-	-	12 month rent, rates and service charge guarantee.	
Total		40,294	£959,800 (£23.82)*					

*N.B. Tenancy schedule assumes both lease re-gears are completed.

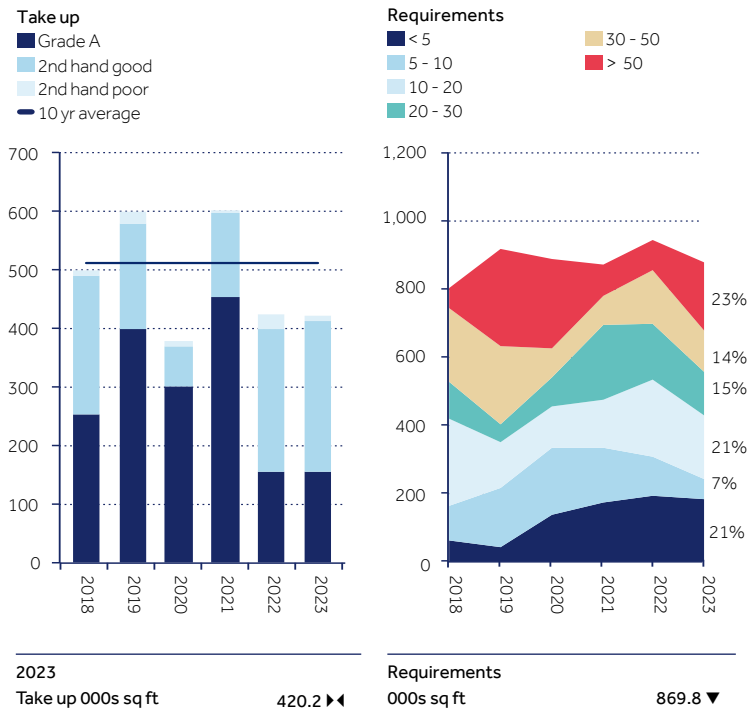
Market Commentary

Occupational Market

CAMBRIDGE OFFICE AND LABORATORY TAKE-UP

Office take-up remained stable in H2 2023, with a total of 215,000 sq ft of space let. Activity was boosted by three further lettings at One Cambridge Square, Cambridge North totalling 33,424 sq ft, in addition to the H1 letting to Samsung of 34,007 sq ft taking the office space to almost 80% let. Knowledge intensive businesses have accounted for more than 80% of office and laboratory floor space acquired across the city over the past two years, amounting to 900,000 sq ft. Largely led by the growth of the city's cluster which has seen a sharp expansion in businesses operating in the IT and communications sector, representing 82,200 sq ft (16.4%) of overall take up in 2022 and 615,000 sq ft of take up between 2019 to 2023 corporations taking up space.

Office demand (December 2023)



The lab market saw the strongest level of take-up in seven years, with a total of 272,000 sq ft of space leased. The strong activity was underpinned by new space coming forward at 1000 Discovery Drive 10,000 sq ft) on Cambridge Biomedical Campus, which was fully let shortly after PC and pre-letting of the whole of B960 Babraham Research Campus (40,000 sq ft) to three occupiers and a pre-let of the top floor at One Granta, both of which will PC in 2024.

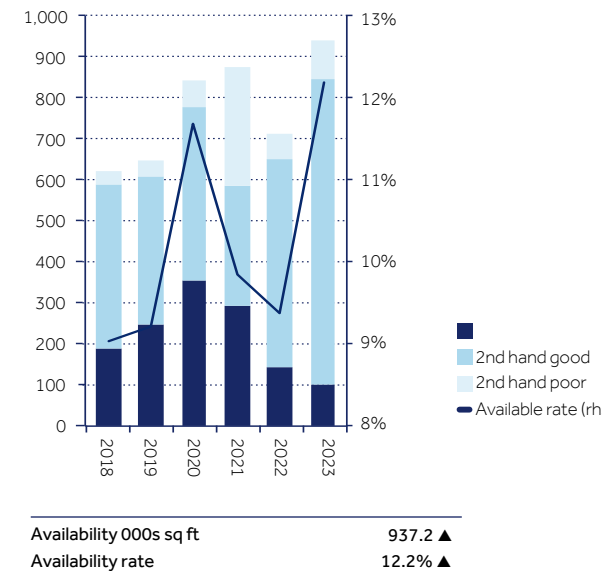
CAMBRIDGE OFFICE AND LABORATORY SUPPLY AND DEMAND

The demand for office and laboratory space in Cambridge continues to run at close to record levels with the ongoing focus of science and tech businesses on the city's global knowledge infrastructure. Cambridge laboratory requirements stand almost four times ahead of the pre-pandemic level, pushing demand to its highest point since AstraZeneca's 2015 requirement.

2024 will see c. 115,000 sq ft of new office space within the city centre at Brooklands and 10 Station Road. Construction will commence in the same vicinity at Botanic Place. New lab spaces due to complete construction in 2024 include One Granta, B960 Babraham Research Campus and phase 1 of The Press, totalling 175,000 sq ft. At the start of 2024 a this of this new space had already been pre-let.

The limited availability of premium space has presented landlords with an opportunity to refurbish their second-hand stock and take advantage of the proven rental uplift.

Office supply (December 2023)



692k sq ft

Total office and lab take up in Cambridge in 2023

9.4%

Availability rate in Cambridge of combined office and lab market at end of 2023

290k sq ft

Office and lab new space under construction forecast to PC in 2024

OFFICE RENTS

Cambridge, is a renowned hub for innovation and research, offering world-class office and laboratory spaces for rent. With prestigious academic institutions and a thriving biotechnology sector, the demand for these spaces remains consistently high. The city provides a diverse range of options, from modern office complexes to converted historic buildings with state-of-the-art labs. Rents for these spaces reflect Cambridge's status as a prime location for scientific advancements and technological breakthroughs.

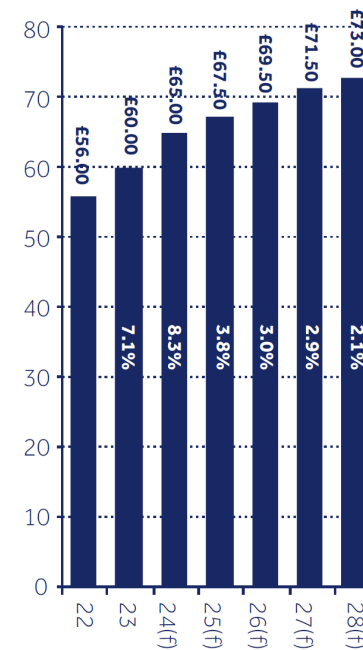
Prime laboratory rents in Cambridge have risen to surpass £60 psf over the past 12 months due to the introduction of several new schemes in the market. For example, the latest laboratory at the Cambridge Biomedical Campus is reportedly under offer at a rent of £65 psf for c. 100,000 sq ft. Similarly, the Babraham Research Campus, offering 13,500 sq ft NIA, achieved a rent of £71.50 psf in April 2023. CB1 office space has also reached new highs with the recent letting of Number 3 Station Square to Charles Stanley, totalling 2,723 sq ft at a rent of £57 psf.

Secondary Cambridge locations such as the Granta Centre on Granta Park experienced rental levels between £30 - £40 psf. Lettings were completed to Illumina and Metrion and others totalling 34,937 sq ft with the used for a mix of offices and lab uses. Sphere Fluidics agreed a 10-year lease in Feb-23 at £35 psf. Additionally Vision Park saw Source Bioscience let 11,255 sq ft of Grade B in May-22 for £32 psf, today's ERV has increased to £33-£34.

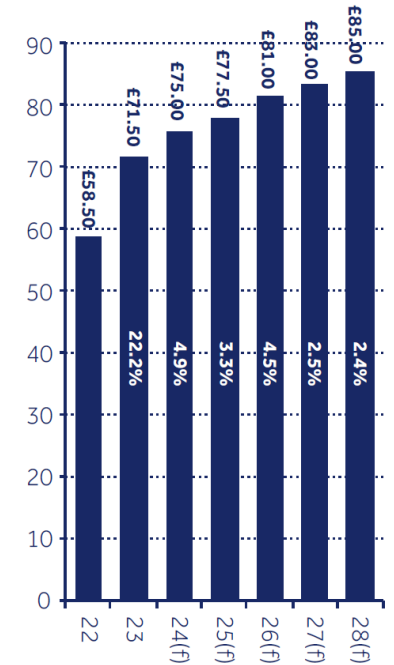


Unit 1 Ground: AECOM

Office rents (December 2023)



Fitted lab rents (December 2023)



Prime £psf	£60.00 ▲
Secondary good £psf	£40.00 ▶▶
Secondary poor £psf	£22.00 ▶▶
Annualised growth rate	4.0% p.a

Prime fitted £psf	£71.50 ▲
Prime open plan £psf	£65.00 ▲
Prime shell £psf	£57.50 ▲
Annualised growth rate	3.5% p.a

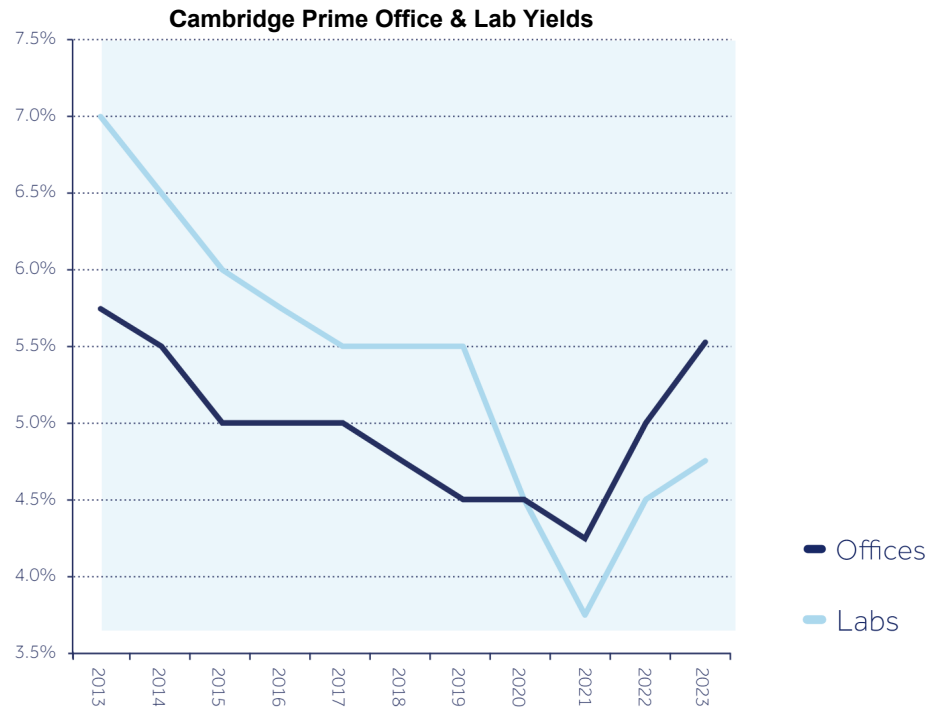
Prime office rental growth:

1 yr	7.1%
3 yrs	7.6%
5yrs	7.2%
10yrs	5.8%
15yrs	6.0%

Source: Bidwells

"Prime office rents are forecast to move to mid £60s per sq ft during 2024"

INVESTMENT MARKET



The investment market in Cambridge remains incredibly desirable, drawing significant interest from investors. As a well-established and mature life science cluster, the demand for available office space in the area is exceptionally high.

Prime laboratory yields rose to 4.75% by the end of 2023. Prime office yields rose to 5.5%, their highest since 2014, echoing national trends in the sector. However, when compared with other Southeast office markets, Cambridge yields have remained very robust, with occupier activity and strong investor demand continuing to be present.

Despite solid occupier demand and the prospect of further rental growth the investment market stalled in the second half of 2023, as higher bond yields and finance costs inhibited both institutions and private equity buyers. There was just £115m in office and lab deals in Cambridge in 2023, the lowest annual total since 2017.

The largest transaction was the £75m purchase by UBS of The Westbrook Centre which is due to be redeveloped to provide a life science focused mixed-use scheme. Growing demand for centrally located laboratory space has driven a series of office building repurposing opportunities in Cambridge city centre.

Canadian investors, Cadillac Fairview, in conjunction with Stanhope, have increased their exposure to the Cambridge market, buying 163 Cambridge Science Park for £12.2m, and build upon their £85m purchase of 194-198 Cambridge Science Park in the second half of 2022.

Maclaren & Partners purchased an office on the Evolution Business Park on Milton Road. The 36,211 sq ft office sold for a substantial £15.0m reflecting £420 psf and a net initial yield of 5.70%.



Unit 4 Ground: Element



One Cambridge Square, Cambridge



Terrington House, Cambridge



Granta Centre, Granta Park, Granta

Recent Occupational Evidence

Date	Address	Area (Sq ft)	Tenant	Achieved Rent (£psf)	Lease terms
Apr-24	2 Quayside	4,682	Cudar	£34.55	5 year lease renewal
Mar-24	CC2B Clifton Court	1,931	Element Digital Engineering	£37.00	5 year lease
Aug-23	95 Regent Street	22,596	Cambridge Space Centre	£35.12	6 year lease
Apr-23	Terrington House	3,998	IFM Europe	£37.00	Assignment, c.7 years remaining
Apr-23	CC1A, Clifton Court	1,567	Lanpro	£32.00	
Apr-23	D8 Grain House, Mill Court	1,496	Sitala Bio	£32.00	5 year lease with a break at 3
Apr-23	Units 21,22,23 Hope Street Yard	1,496	Undo.io	£53.50	All Inclusive rent
Apr-23	C4 Quern House, Mill Court	1,331	Butrosbear	£30.00	5 year lease with a break at 3
Mar-23	One Cambridge Square	34,583	Samsung	£40.00	10 year lease
Mar-23	Building 1, Granta Centre	13,713	Sphere Fluidics	£35.00	10 year lease with a break at 5
Mar-23	The Windmill	1,757	Coracle Online Ltd	£45.00	5 year lease with a break at 3
Jan-23	Unit B, Evolution Business Park	36,211	Nyobolt	£26.00	15 year lease with a break at year 7 & 10

Asset Management Initiatives

Short Term:

- Undertake outstanding rent review on Unit 1 first floor to unlock an immediate reversion.
- Let vacant suites.
- Perform a rolling refurbishment programme and undertake upcoming lease re-gears to capture ERV.

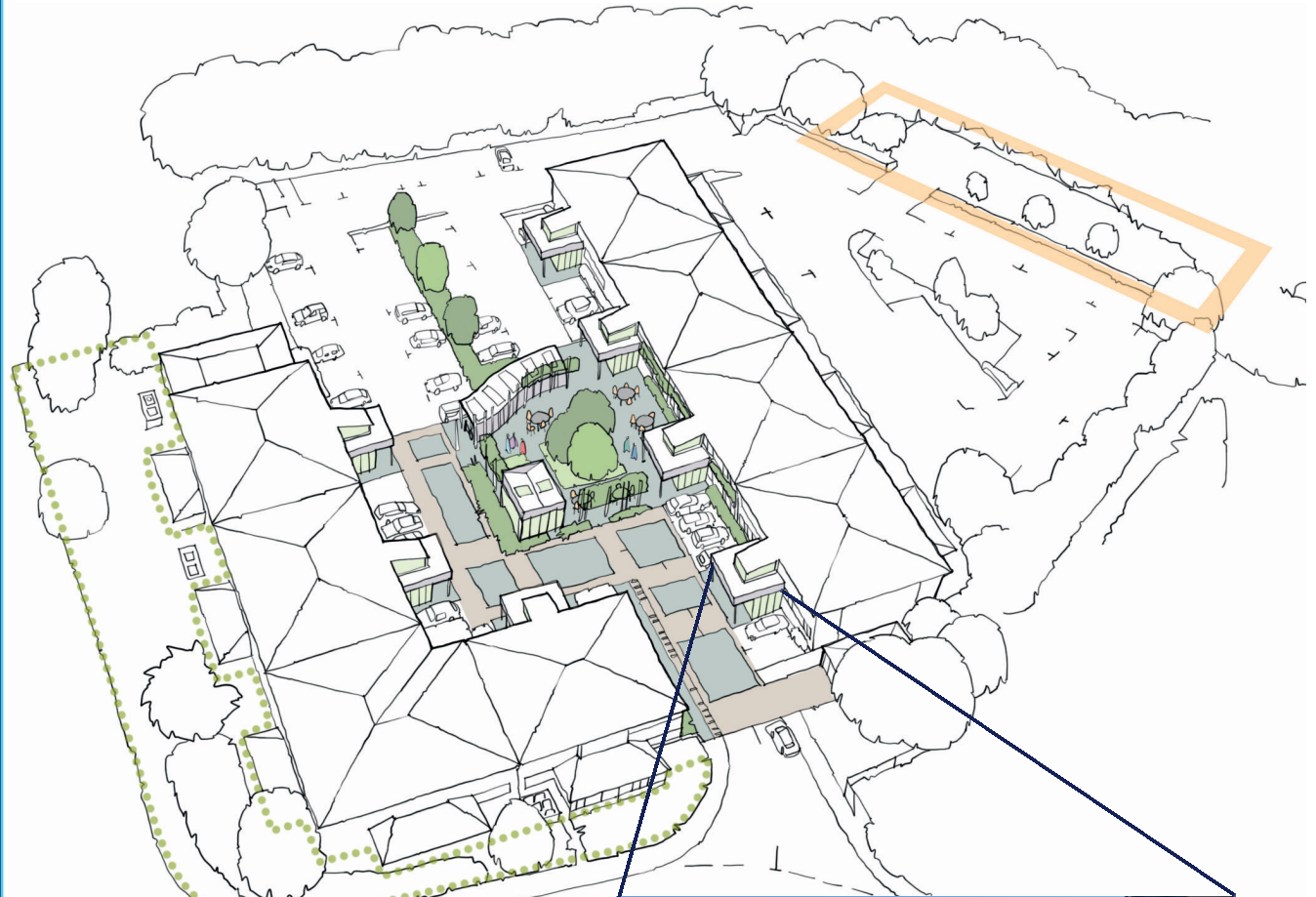
Medium Term:

- Implement the following further initiatives (depicted adjacent) to boost the ERV in excess of £30.00+ psf, as evidenced by comparable properties elsewhere:
 - ❖ Improve amenity offering through provision of shower blocks, cycle parking, cafe and picnic tables, and the creation of a central "hub" /focal point within the park.
 - ❖ Relocation of central car parking to land at the rear to maintain the excellent existing car parking ratio.
 - ❖ Consider an exterior face lift to modernise receptions and foyers.
 - ❖ Generally improve landscaping, signage and branding to boost park presence.
- Explore providing some units as fully fitted CAT-B accommodation to attract higher rents and a different type of occupier.

Medium - Long Term:

- Create a block VP date in 2027 for Units 4-6, or 2031 for Units 1-3, to allow redevelopment for alternative uses such as life sciences or R&D.

All asset management initiatives are subject to the necessary consents and approvals.



Plans and CGIs are for indicative purposes only

EPCs

The EPC rating of the individual suites range from B – C. Further information is available on request.

VAT

The property is elected for VAT, it is assumed this transaction will be structured as a transfer of a going concern.

Proposal

Our client is seeking offers in excess of **£8,750,000** subject to contract and exclusive of VAT. A purchase at this level reflects a **net initial yield of 10.28%**, a capital value of **£217 psf** assuming purchaser's costs of 6.68%.

AML / KYC

Prospective purchasers will be asked to produce identification of the intended purchaser and other documentation in order to support any conditional offers submitted to the vendors. Bidwells LLP accepts no liability of any type arising from your delay or other lack of co-operation.

Further Information

Should you have any queries or wish to make an inspection, please contact:

Andrew Groves

E: Andrew.groves@bidwells.co.uk
M: 07771 973 245

Richard Walden

E: Richard.walden@bidwells.co.uk
M: 07967 831 970

Thomas Handy

E: Thomas.handy@bidwells.co.uk
M: 07442 779 975



Bidwells
25 Old Burlington Street
London
W1S 3AN

Tel: 020 7493 3043

David Edwards

E: de@fiduciapam.com
M: 07921 234 025



Fiducia
8-10 Hallam Street
London
W1W 6NS

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JUNE 2024