



BIDWELLS

SOUTH CAMBRIDGE
MULTI LET
OFFICE INVESTMENT
FOR SALE
WITH ALTERNATIVE
USE POTENTIAL

ASHWELL POINT
DALES MANOR BUSINESS PARK
BABRAHAM ROAD, SAWSTON
CAMBRIDGE CB22 3LJ



INVESTMENT SUMMARY

- Rare opportunity to acquire a **freehold, multi let office with future development potential**, on the established Dales Manor Business Park, 5 miles east of junction 10 of the M11 motorway and 7 miles south of Cambridge City Centre
- **Low site cover of 20%** (site area of 1.54 acres (0.623 hectares))
- Total floor area provides 1,778 sq m (19,151 sq ft) of office accommodation
- An extremely attractive **car parking ratio of 1:190 sq ft** (101 spaces)
- Let to three tenants with a WAULT of 3.34 years to expiry and 2.14 years to break - all leases outside the L&T 1954 Act
- A low passing rent of £320,526 per annum, reflects an attractive rate of £16.74 per sq ft overall
- We believe the ERV is in the order of £335,142 per annum, equating to a low rate of £17.50 per sq ft, which is soft compared to refurbished office rents in the area
- Asset management potential through refurbishment and reletting at a higher rent reflecting closer to £25 per sq ft
- Short term development potential for a range of commercial uses or residential, subject to the necessary consents
- Offers sought **in excess of £3,255,000** for the freehold interest, subject to contract and excluding VAT, reflecting **a net initial yield of 9.25%**, assuming standard purchaser's costs of 6.48% and **a reversionary yield of 9.67%**





Not to scale - for indicative purposes only.

LOCATION

The subject property forms part of Dales Manor Business Park which is located off Babraham Road at Sawston, 7 miles south of Cambridge City Centre. The business park is well positioned close to the A1307 for easy access to Cambridge City Centre and 2 miles from both Junction 10 of the M11 and Junction 11 of the A11. The M11 provides access to London to the south and Huntingdon and the Midlands via the A14 to the north. The A11 connects to the M11 to the south and provides access to Norwich and the Eastern roads to the North. The A505 provides fast access to the west and in turn the A1(M).

SITUATION

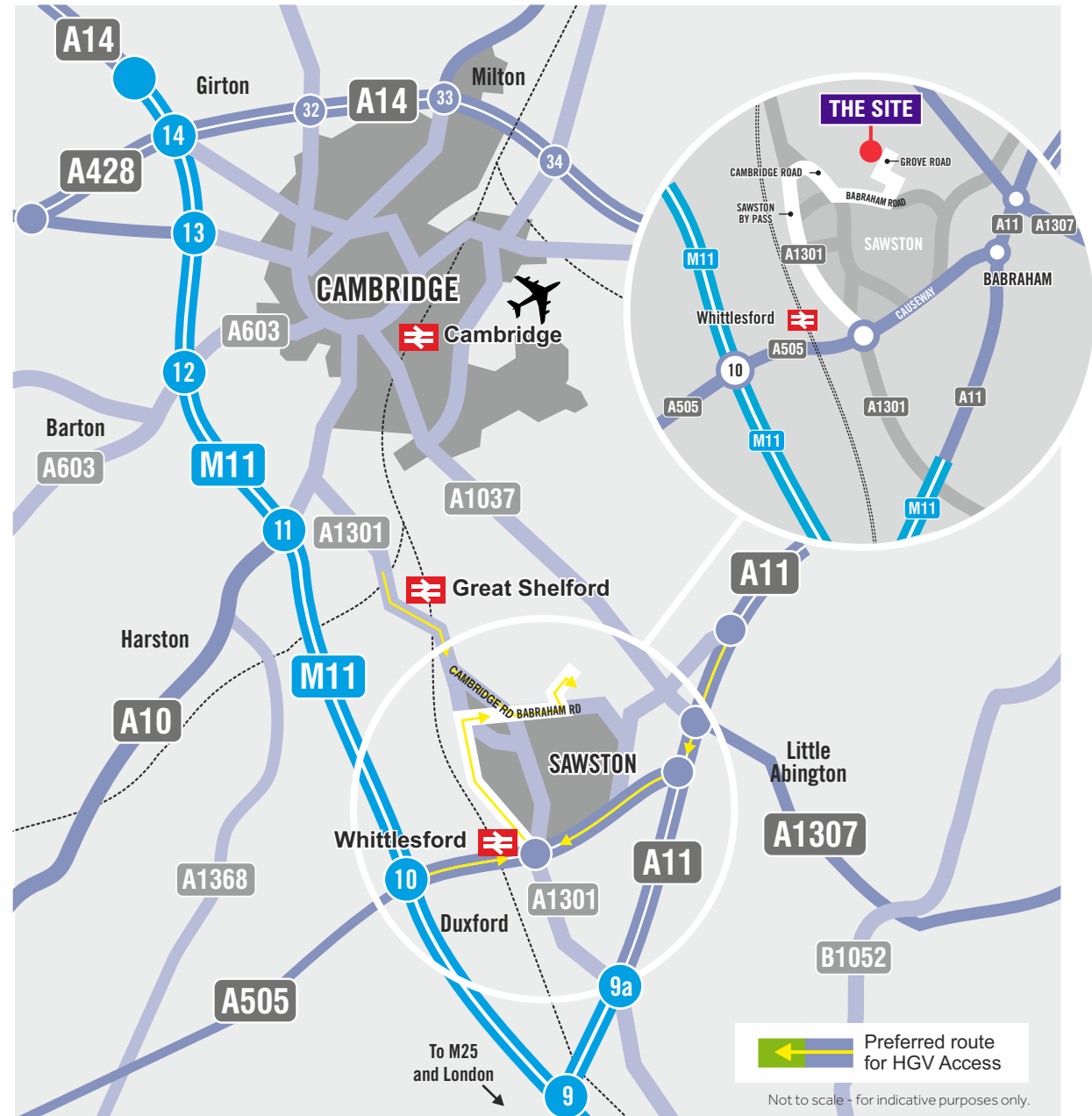
Ashwell Point lies at the junction of Babraham Road and Grove Road and forms part of Dales Manor Business Park.

The two main industrial areas within Sawston are Dales Manor Business Park to the northern side, with Unity Campus and Sawston Trade Park to the southern side. Dales Manor Business Park is a far larger estate and provides a broad mix of **industrial, warehouse, storage and office accommodation** with occupiers such as Unisurge International, Aspec Precision Engineering, Morgan Sindall, AJW Distribution, Adwik, and Ombar t/a Mood Foods Limited.

Key activity in the area is as follows:

- Salmon Harvester's development, Cambridge South, is to the north of the property on West Way. Phase 1 is built and provides 66,300 sq ft of new industrial and business units in 13 buildings with Phase 2, a 3.3 acre site able to accommodate 70,000 sq ft
- Adjacent to Dales Manor Business Park is The Hawthorns, a new 95 unit residential scheme built by Hill - www.hill.co.uk/new-homes/the-hawthorns
- Immediately south of Sawston centre on London Road, the Howard Group are developing 260,000sq ft business park space known as "Unity Campus" www.unitycampus.co.uk

Sawston has a catchment population of 19,000 people and provides a broad range of amenities including a supermarket, building society, bakery and a range of shops, pubs and restaurants.



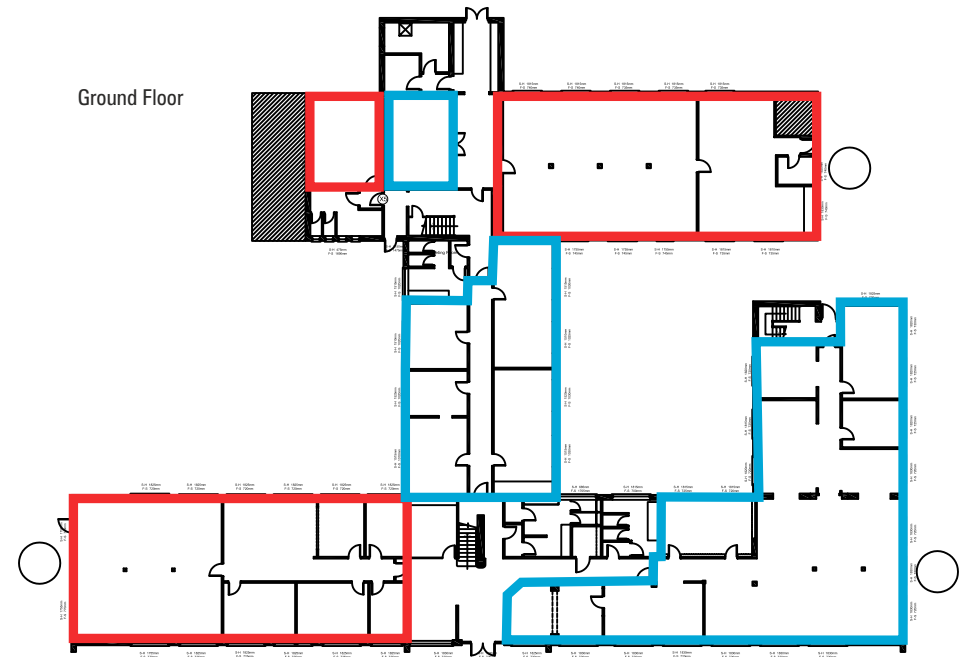


DESCRIPTION

Ashwell Point is a self-contained, two storey 1960s brick faced 'H' shaped office building under a pitched roof. Internally the property comprises 1,778 sq m (19,151 sq ft) of office accommodation.

The base internal specification includes; suspended ceilings with recessed lighting, air conditioning (part tenant), gas fired central heating, and carpet tiles throughout.

Externally the property provides 101 car parking spaces (3 of which are disabled spaces) which reflects an attractive ratio of 1:190sq ft. There are 10 fixed "Sheffield" style bicycle lockups which provide space for a minimum of 20 bicycles to be securely stored.



 Frontier Smart Technologies Vacant Janus Technology Morgan Sindall



SITE

The subject property comprises a site area of 1.54 acres (0.623 hectares).

The building has an approximate footprint of 13,500 sq ft which equates to a very low site cover ratio of c. 20%.

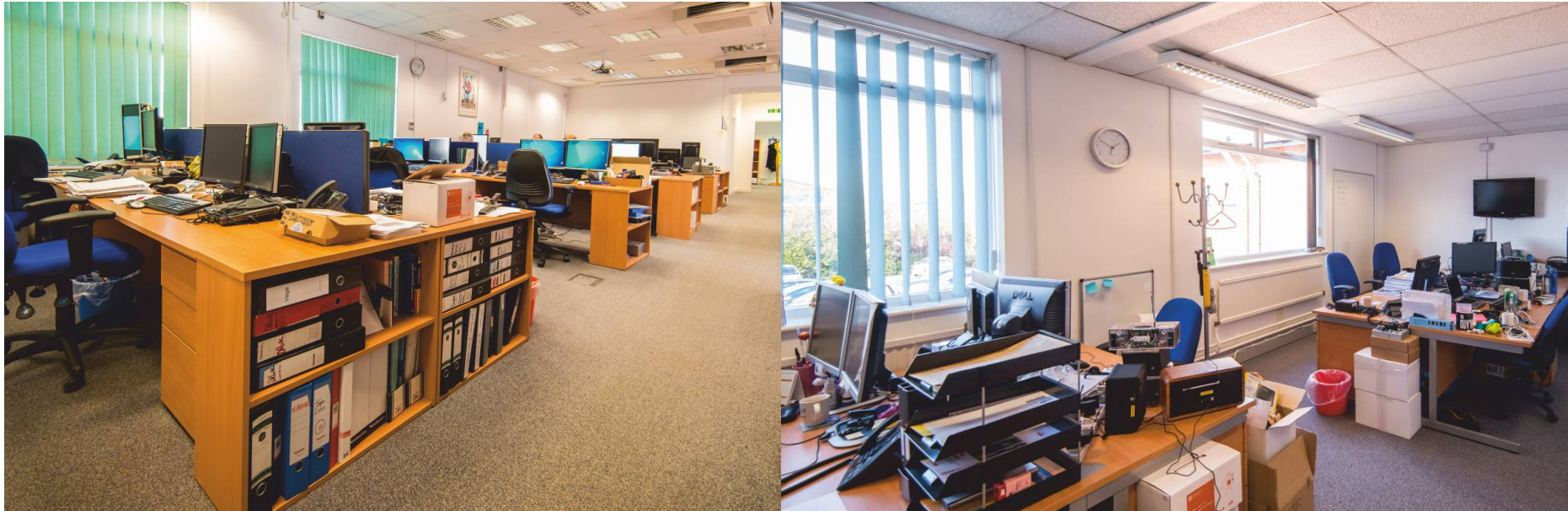
TENURE

Freehold.

TENANCIES

The property is let to three tenants plus one vacant suite, in accordance with the following tenancy schedule on full repairing and insuring terms with a service charge provision for management of the communal areas of the estate. All of the tenancies are outside of the 1954 Landlord & Tenant Act Part II.

Tenant	Floor	Area sq m (sq ft)	Rent Per Annum (psf)	Lease Start	Lease Expiry (Break)	Comments
Morgan Sindall Construction & Infrastructure Ltd	Part Ground	432 (4,655)	£76,807.50 (£16.50)	02/02/2018	01/02/2028 (01/02/2023)	On 02/02/2023 there is an upwards only review to OMV. Schedule of condition. 25 car parking spaces.
Frontier Smart Technologies Ltd	Part Ground & 1st	925 (9,961)	£164,356.50 (£16.50)	02/02/2018	20/06/2023	Currently not in occupation. Frontier Silicon were acquired by Sagentia Limited (part of the Science Group Plc). Schedule of condition. 47 car parking spaces.
Vacant - 12 month guarantee	Part 1st	232 (2,493)	£43,627.50 (£17.50)			Vendor 12 month rent, rates and service charge guarantee. 13 car parking spaces.
Janus Technology Ltd	Part 1st	189 (2,042)	£35,735.00 (£17.50)	01/12/2019	30/11/2024	11 car parking spaces.
Total:		1,778 (19,151)	£320,526.50 (£16.74)			96 car parking spaces are demised, the remaining 5 are for visitors.



SERVICE CHARGE

The service charge expenditure for the year ending 31 March 2020 was £64,000 (£3.34 per sq ft) which is also the budget for 2021. There are no shortfalls. Further information is available upon request.

There is an estate service charge payable for maintenance and upkeep of the estate access roads within Dales Manor Business Park which currently totals £401.03 + VAT per quarter.



TENANT COVENANTS



Frontier Smart Technologies Ltd

Frontier Silicon changed their name to Frontier Smart Technologies in October 2018. In October 2019 Frontier Smart Technologies was acquired by Sagentia Limited, a subsidiary of Science Group Plc. As part of the corporate acquisition Frontier's offices at Dales Manor Business Park were closed in favour of merging the staff to Sagentia's Harston Mill site.

The tenant has continued to pay their rent.

	Year to 31/12/2019	Year to 31/12/2018	Year to 31/12/2017
Turnover	£27,974,000	£41,754,000	£52,978,000
Pre Tax Profit (Loss)	(£7,439,000)	(£484,000)	£835,000
Net Current Liabilities	(£1,724,000)	£4,869,000	(£11,672,000)



**MORGAN
SINDALL**
CONSTRUCTION
INFRASTRUCTURE

Morgan Sindall Construction & Infrastructure Ltd

Morgan Sindall Construction & Infrastructure Ltd are the construction division of the wider Morgan Sindall Group. Whilst they have 22 offices across the country, Ashwell Point has been a historic location for the firm, dating back to the Williams Sindall days.

D&B Rating 5A1	Year to 31/12/2020	Year to 31/12/2019	Year to 31/12/2018
Turnover	£1,533,146,000	£1,395,000,000	£1,267,996,000
Pre Tax Profit	£28,246,000	£28,312,000	£26,045,000
Net Worth	£311,766,000	£290,134,000	£266,259,000



Janus Technology Ltd

Janus Technology Ltd are a leading software consultancy and R&D company with specialist knowledge in technology integration into building infrastructure. They have a specialist sub team focusing on the "Smart Home" market and delivering solutions for businesses with through the Internet of Things. Some of their clients include Bose, Naim and Loewe.

D&B Rating C2	Year to 28/02/2020	Year to 29/02/2019	Year to 28/02/2018
Tangible Net Worth	£138,988	£145,810	£189,170
Net Current Assets	£118,931	£120,091	£160,070

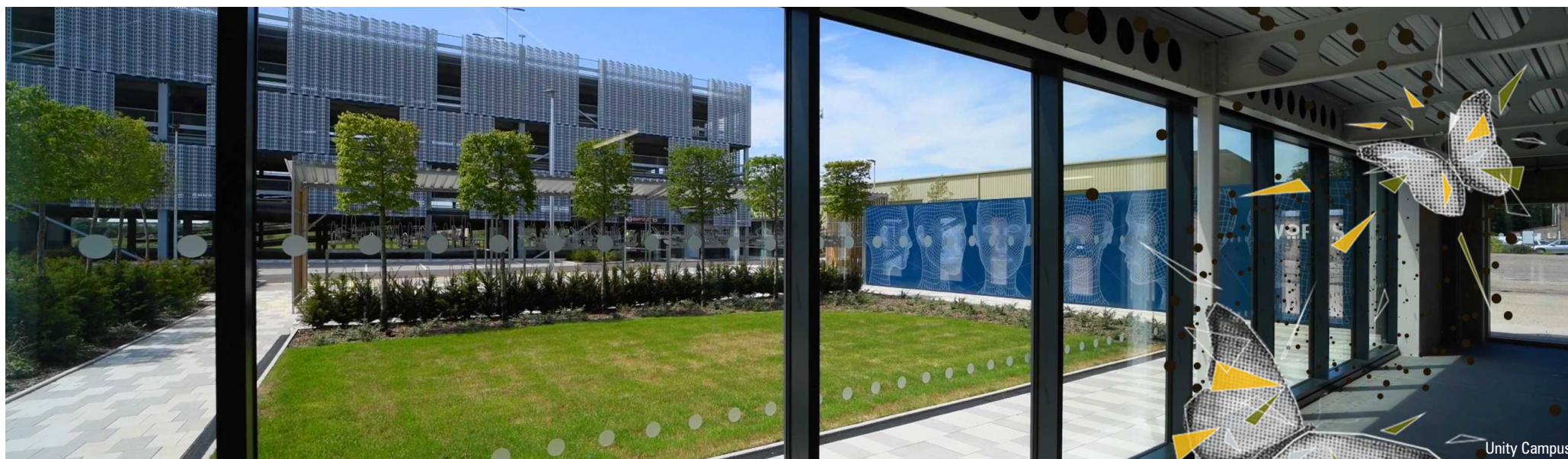


CAMBRIDGE OCCUPATIONAL MARKET

Dales Manor Business Park is situated on the "preferred" south side of Cambridge, providing easy access to the M11 linking to London and the A11 to the rest of East Anglia.

- Knowledge based businesses have accounted for 78% of office and laboratory take up in Cambridge over the past three years, with Bio Tech, Digital Tech and High Tech manufacturing acquiring more than 1.24m sq ft of floor space.
- Prime office rents in Cambridge have continued to grow having reached £48.50 psf, with year-on-year growth of 4.3% in 2020 and annualised growth of 8.3% per annum over the past three years. Prime open plan laboratory rents where £40.00 psf at the end of 2020, with rents on fully fitted space now standing at £45.00 psf. Prime office rents in Cambridge are forecast to reach £50.00 psf by 2023.
- Demand continues to outstrip supply in the office and laboratory sector, with current requirements in excess of 1.3m sq ft, whilst supply stands at just over 925,000 sq ft. Requirements for <20,000 sq ft account for 51% of all occupier demand and remain a significant element of the dynamics of the Cambridge market. The take up of units <20,000 sq ft has remained an important element of activity in the Cambridge market over recent years accounting for more than 60% of all space acquired over the past three years.
- Supply edged higher in 2020 due to the pressures exerted by the pandemic, with the availability rate moving to 9.7% but this remains below the long run average availability rate for the office and laboratory sector which stands at 12.0%. Availability stands at 925,800 sq ft at the end of 2020, with particular shortages in laboratory stock, which represents less than 10% of the total. Second hand space is a major element of supply, standing at 569,900 sq ft and continues to be of particular interest to occupiers. Rents on good quality second hand space now stand at £40.00 psf, having risen from £32.50 psf at the end of 2016.





SOUTH CAMBRIDGE AREA

The Howard Group have completed their first phase of development at “**Unity Campus**” with the construction of **The Works**, which is located just over 1 mile away from Ashwell Point bringing office, R&D and laboratory space to Sawston. It is now more than 50% let and rents upto **£27.00** psf are being achieved.

Adjacent to The Works are 3 office and R&D units known as **Iconix Park** which have recently undergone refurbishment and transacted at rents of **£25.00 psf**.

Babraham Research Campus is situated just 1 mile to the east of Ashwell Point and offers a selection of high-quality office, laboratory, as well as an assortment of science-base occupiers with rents in excess of **£34.00 psf**.

In comparison, space at Ashwell Point offers an attractive discount for occupiers when compared to neighbouring locations. Furthermore, its close proximity to strong office and lab markets provides excellent potential for future rental increases and repositioning, as the growth experienced in and around Cambridge continues to trickle down to peripheral markets such as Sawston.

Date	Address	Lease Terms	Area (sq ft)	Rent psf	Comments
Dec-20	The Works, Unity Campus, Sawston	New 10 year lease with a break at year 5.	14,812	Q. £23.50	Provided as shell & core.
Sep-20	E5 Breaks House, Mill Court, Shelford	Let to Crofton Interiors on a 5 year term.	1,721	£27.55	Cat A.
Sep-20	The Works, Unity Campus, Sawston	Let to Cuttsy & Cuttsy on a new 10 year lease with a break at year 5.	5,712	£26.75	Cat A.
Sep-20	Wing B, Building 940, Babraham Research Campus	Let to Biocrucible Ltd on a 3 year term.	3,616	£34.35	Sub-letting.
Jan-20	Iconix Park, Sawston	Confidential.	3,700	£25.00	Cat A.
Sep-19	The Works, Unity Campus, Sawston	Let to GetBusy on a new 10 year lease with a break at year 5.	5,242	£27.00	Cat A.

INVESTMENT MARKET

See below a table of recent comparable office investment transactions:

Date	Address	Size (sq ft)	Lease Terms	Term Certain	Price	NIY	Purchaser
Under Offer	Shakespeare House, 42 Newmarket Rd, Cambridge	15,850	5 year sale and leaseback to Hewitsons LLP with a rolling tenant break from the end of year 2. Passing rent reflecting £28.50 psf.	2.0	Q. £6.52m	Q. 6.50%	Confidential
Dec-20	Fosse House, 182 High Street, Tonbridge	9,909	Let to two tenants. The Charity Bank Ltd and first Actuarial LLP. Passing rent off a blend of £19.82 psf.	4.5	£3.0m	7.24%	Sakura
Oct-20	2410 Aztec West, Bristol	22,349	Let to Liverpool Victoria Friendly Society Ltd.	3.6	£4.64m	8.21%	Regional REIT Ltd
Apr-20	Ross House, Kempson Way, Bury St Edmunds	8,920	Let to 2 tenants with a WAULT of 7.5 years to expiry and 2.5 years to break	2.5	£1.63m	7.87%	Private
Mar-20	Unit 2 Craven Court, Newmarket	8,364	Let to Providor Ltd on a new lease for 10 years with a break at year 4.	4.0	£1.54m	8.36%	Private
Feb-20	Sherwood Place, Milton Keynes	14,359	Let to NHS Property Services Ltd with uncapped annual RPI uplifts and approximately 4 years unexpired.	4.0	£3.67m	7.67%	Private



CAMBRIDGE SOUTH EAST TRANSPORT PLAN (CSET) & CAMBRIDGESHIRE AUTONOMOUS METRO (CAM)

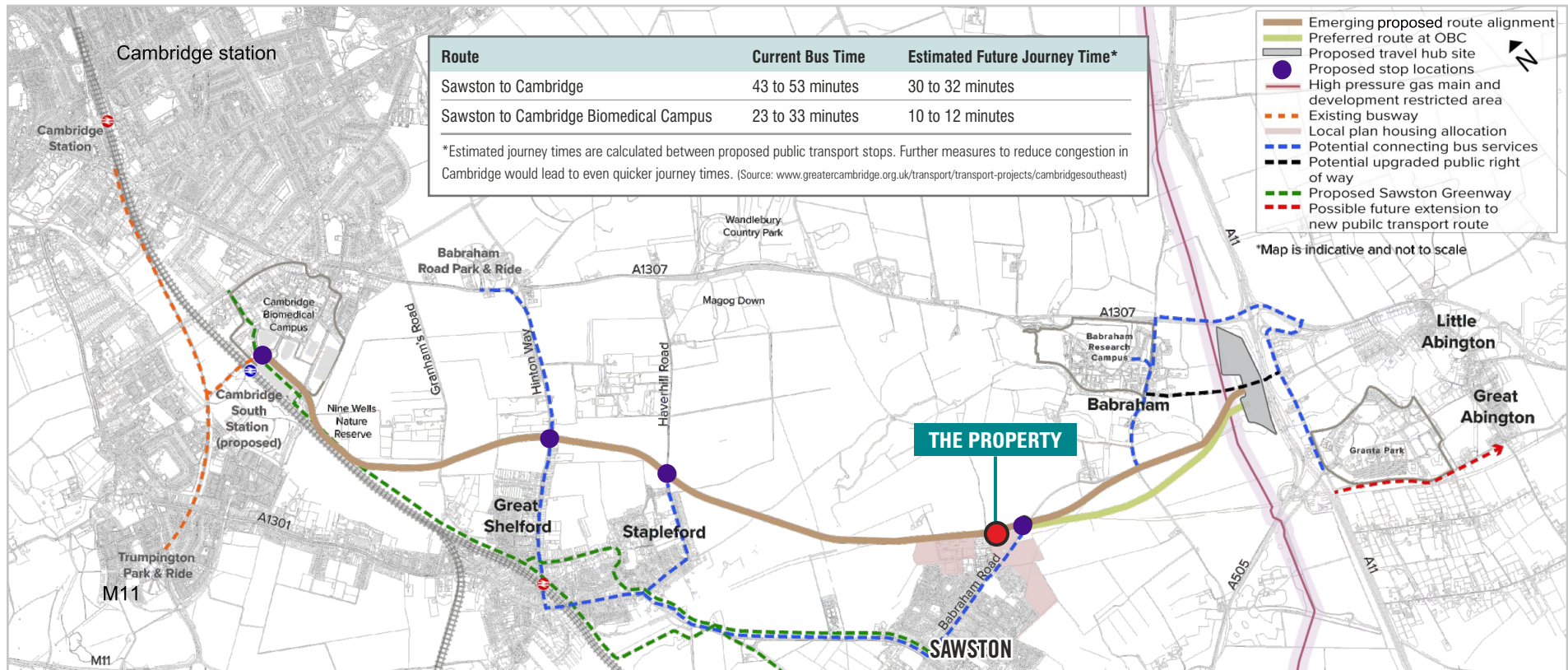
CAM is a combined initiative by Cambridgeshire and Peterborough authorities. It will bring high quality integrated public transport to Cambridgeshire and Peterborough, connecting towns and villages and major employment sites via a fast and autonomous transport service. The system would run into Cambridge on a segregated route before moving underground to serve two city centre stops, with one at the railway station. Outside of the city it would use new and existing transport corridors across the Greater Cambridge area, including those to Cambourne, Waterbeach, Newmarket Road and Trumpington park and rides, and Granta Park via the Cambridge South East Transport plan detailed below.

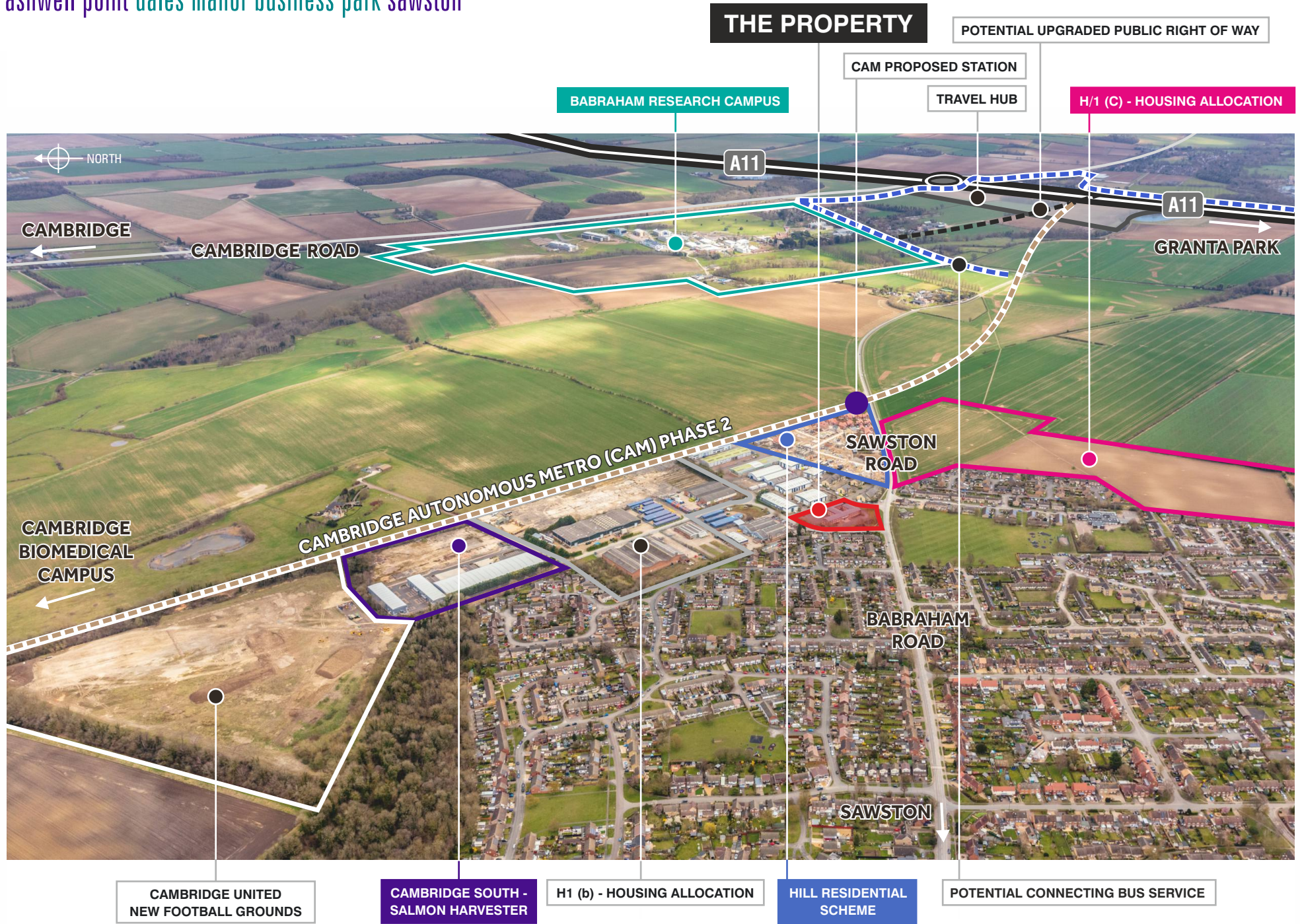
Phase 1 of the CSET is currently being implemented with construction planned to start in early 2021 on Granham's Road junction and later in 2021 on Hildersham crossroads. It focuses on road safety, walking, cycling and bus priority measures along the A1307 between Cambridge and Haverhill.

Phase 2 of the scheme involves a new public transport route from the A11 via Sawston and Shelford, to the Cambridge Biomedical Campus, this will most likely form part of the CAM. Alongside will be a new path for walkers, cyclists and horse riders similar to those alongside the existing guided busways.

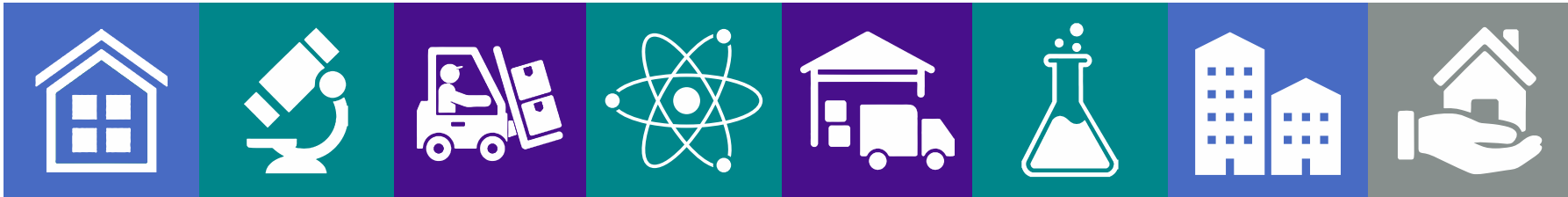
The preferred route for Phase 2 (shown in brown) runs along the eastern edge of Dales Manor Business Park, with a proposed station adjacent to the new Hill Residential "Hawthorns" residential development. This would then continue east linking Dales Manor to both Babraham Research Campus and a new Travel Hub alongside the A11 in turn linking through to Granta Park. Following public consultation, the Greater Cambridge Partnership Executive Board have approved the preferred route to be taken forward to the next stage.

A full environmental impact assessment of the preferred route for phase 2 is currently being undertaken with a final scheme being presented to the Secretary of State for Transport and Works Act Order in later 2021. Following a public inquiry period construction is expected to start in 2023 with completion possible in late 2024.





ADJACENT PLANNING USES & POTENTIAL ALTERNATIVE USES FOR THE SITE



Sawston sits within the jurisdiction of South Cambridgeshire District Council. The South Cambridgeshire Local Plan was adopted on 27th September 2018 and will run until 2031. Sawston has been allocated as a "Rural Centre" in which development and redevelopment will be permitted without any limit on individual scheme size, within the development frameworks of Rural Centres. Ashwell Point has no allocation and is 'white space' whereas surrounding fields and parts of Dales Manor Business Park have been allocated for housing under policy H/1(b) and H/1(c). There is therefore potential to consider future residential use for the property (subject to planning).

To the rear of Ashwell Point, on Grove Road, work has started on Cambridge City FC ground to build a new 3,000 plus capacity football stadium and grounds

RESIDENTIAL

Sawston exhibits a strong demand for housing, with the Local Plan releasing areas of Green Belt space to accommodate the predicted 19,500 new homes required. Sawston is a proven popular location for commuters due to its close proximity to Cambridge as well as a convenient train line into London Liverpool St from Whittlesford Parkway station.

- At Hill's new, 95 unit scheme at the Hawthorns, further along from Ashwell Point, prices for 3 and 4 bed house are achieving between £400 psf and £450 psf. See www.hill.co.uk
- 29.27 acres of land opposite Hill's scheme, has allocation for 260 residential units which Redrow plc are taking through the planning process.
- Our client's architect has drawn up plans to reconfigure the site for residential use via permitted development process to convert the existing accommodation, or a knock down redevelopment for a mixed flat and town house scheme. Plans are available upon request.

LABORATORY

With lab space already being created in Sawston at Unity Campus and the proposed future connection to both The Cambridge Biomedical Campus and the Babraham Research Campus via the Cambridge Autonomous Metro, it's easy to see Ashwell Point being an attractive location for future lab space.

- Prime lab space is achieving £45 psf at locations such as Babraham Research Campus
- At Iconix 2, Unity Campus there is interest at the quoting rent of £25 psf for refurbished older space
- We believe newly built lab space at Ashwell Point would achieve closer to £35 psf
- Our client's architect has drawn up plans for the site to reconfigure the office for optimal layout, this could include laboratory enabled offices. Plans are available upon request.

WAREHOUSING

Salmon Harvester and NFU Mutual has constructed and 90% let Phase 1, 68,000 sq ft of warehousing and business units on their Cambridge South development, which forms the north west of the Dales Manor Business Park A rent of £12.50 per sq ft has been achieved for the warehouses.

Phase 2 is currently a 3.5 acre site and will comprise an additional 70,000 sq ft.

SUPERMARKET/CARE

The site could also work in synergy with the surrounding new residential schemes as either a supermarket or care home.

All potential alternative uses for the site will be subject to the necessary consents. Prospective parties should make their own enquiries.

ASSET MANAGEMENT OPPORTUNITIES

- Opportunity to refurbish and increase rental value in the short term
- Potential to extend or redevelop the unit to provide additional accommodation*
- Potential to add an additional floor*
- Excellent alternative use potential for either laboratory, warehousing or logistics, supermarket, care home, or residential use*
- More massing potential on the site due the low site cover of 20%

*Subject to the necessary planning consents

EPC

D89

VAT

The property is elected for VAT.

AML / KYC

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

PROPOSAL

Offers sought **in excess of £3,255,000 (Three Million, Two Hundred and Fifty Five Thousand Pounds)** for the freehold interest, subject to contract and excluding VAT, reflecting a **net initial yield of 9.25%**, assuming standard purchaser's costs of 6.48% and a **reversionary yield of 9.67%**.



FURTHER ENQUIRIES

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

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