



FUSION
HOUSE

KATHERINE WAY, BRETTON, PETERBOROUGH PE3 8BG
FREEHOLD OFFICE INVESTMENT FOR SALE



INVESTMENT SUMMARY

- Extremely well maintained freehold single-let office investment with lease expiry on 5th April 2032 (no breaks).
- Peterborough is Cambridgeshire's largest city and is well located with easy access to the major road network (A1(M), A14, M11, and M1).
- The city's mainline railway station offers direct services to London King's Cross St Pancras with a fastest journey time of 50 minutes.
- Fusion House is located directly opposite Bretton Shopping Park, home to major retailers including Sainsbury's, Aldi, Boots, Sports Direct, Pets at Home, Dominos and Costa.
- The office accommodation is arranged over 2 floors totalling approx. 47,418 sq ft (4,405 sq m).
- Let to BISL Limited (D&B rating of 5A2).
- BISL's principal activity is the distribution and outsourcing of insurance and household financial services, including motor, home and life insurance.
- Since 2019 the tenant has carried out a major refurbishment of the property costing over £4 million.
- The building is not elected for VAT.
- Passing rent of £490,862 per annum equating to £10.35 per sq ft overall. Rent reviews are upward only to open market on 06/04/2025 and 06/04/2028. Half rent payable until 23/06/2024.

PROPOSAL

Offers are sought in excess of **£5,000,000** for the freehold interest. A purchase at this level reflects a **net initial yield of 9.21%** assuming usual purchaser's costs calculated at 6.59% and a **capital value of only £105.45 per sq ft.**

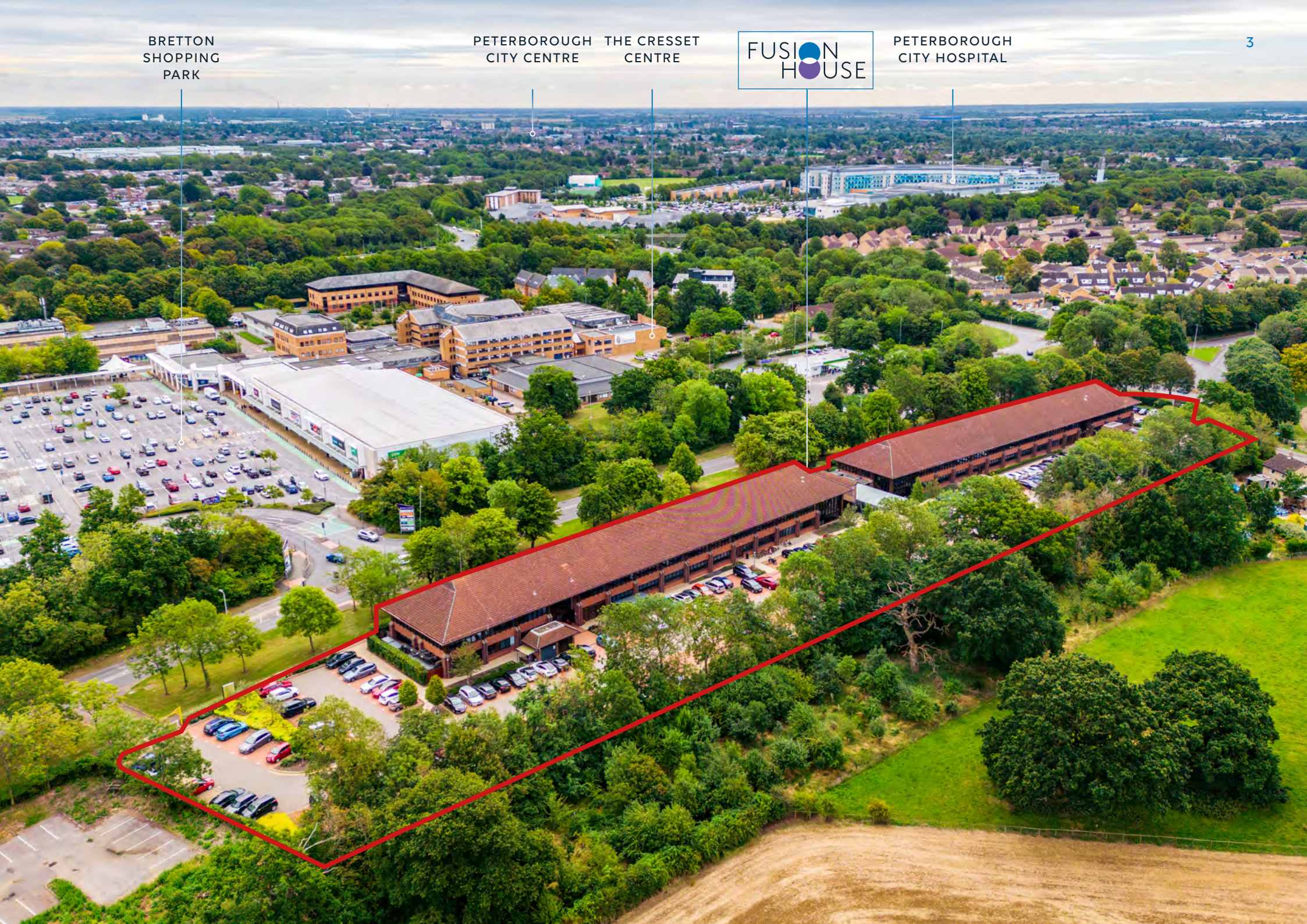
Rent to be topped-up by the seller.

BRETTON
SHOPPING
PARK

PETERBOROUGH CITY CENTRE
THE CRESSET
CENTRE



PETERBOROUGH
CITY HOSPITAL



LOCATION

Peterborough is a well-located city being on the A1(M) linking with the A14, M11 and M1.

Distances from Peterborough to London 86 miles, Birmingham 85 miles, Cambridge 44 miles and Oxford 91 miles. Peterborough mainline railway station offers a direct service to London King's Cross St Pancras with a fastest journey time of 50 minutes.



QUEENSGATE SHOPPING CENTRE



PETERBOROUGH CATHEDRAL



CATHEDRAL SQUARE

SITUATION

Bretton is one of Peterborough's many townships and Fusion House is located directly opposite Bretton Shopping Park which has time limited free parking. The main retailers are Sainsbury's, Aldi, Iceland, Boots, Pets at Home, Dominos, Greggs, Sports Direct and Costa.

The shopping park links with The Cresset Centre, a multi-purpose venue, playing host to an exciting and diverse mix of live entertainment, community activities, corporate and private events.

PETERBOROUGH

Peterborough is the largest city in the East of England and sits within two of the UK's fastest growth areas – the Oxford to Cambridge Arc and the A1/ M11 corridors, spanning cities from Peterborough to London. The Midlands Engine is also improving growth and supporting innovation in the Peterborough area.

Peterborough has a diverse economy with sectors including agri-food, advanced manufacturing, science & technology, logistics and warehousing and construction.

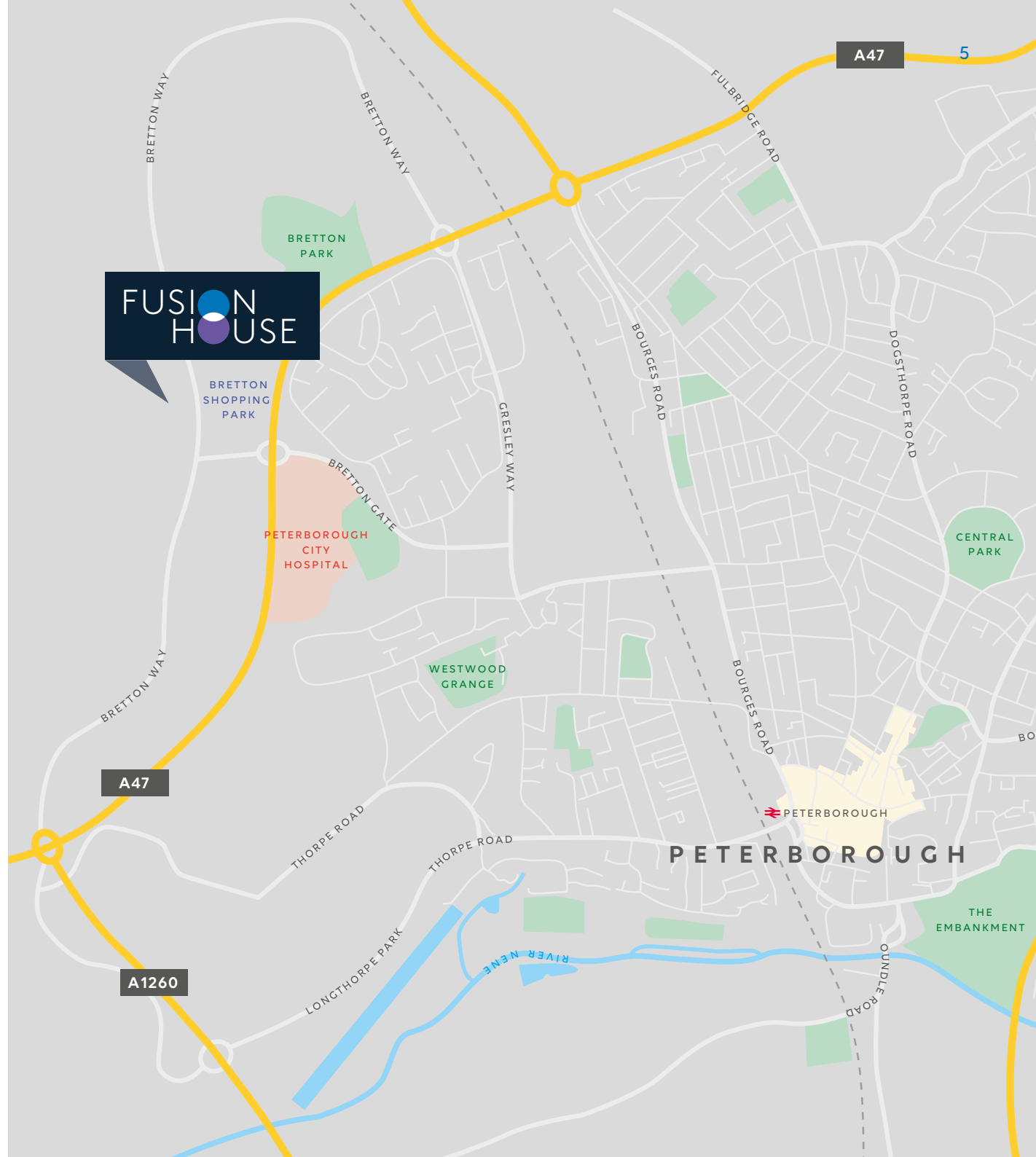
The city has one of the highest business start-up rates in the country, yet has manufacturers who trace their legacy in the area back 150 years.

In the last 10 years, Peterborough has seen the fastest population growth rate of any UK city at 17.5%. With a current population of around 215,000, this is predicted to grow to 225,000 by 2040. Alongside this the city plays host to over 7,000 businesses and between 2010 and 2020 experienced 50% growth, compared to averages of 27% in the East and 32% across Great Britain.

Peterborough is a fantastic place to live and work. The city is a base for growing families with over 40% of the population aged under 16. Land values have increased by around 40% since 2010, yet the house price to earnings ratio remains more affordable than many surrounding areas. Commuters can get to London in just 50 minutes. A recent study by CBRE ranked Peterborough as the most affordable London commuter town in 2020.

Major employers in Peterborough include: Perkins, Caterpillar, Coloplast, Bauer Media Group, BGL Group, Whirlpool, ELeather, Royal Haskoning, Peter Brotherhood, Baker Perkins, Kingsley, Oatly.

(Source: Opportunity Peterborough)



FUSION
HOUSE

Sainsbury's

THE CRESSET
CENTRE







DESCRIPTION

Fusion House was built in the 1980s and totals 47,418 sq ft (4,405 sq m). The building has been very well maintained by the tenant during their occupation of more than 20 years. In 2019 BISL Limited commenced a major refurbishment of the of Fusion House in four phases costing over £4 million. This included:

- Feature entrance canopy
- 321 car parking spaces, of which approx. 120 are double banked.
- New storm entrance
- Refurbishment of reception area with café, staff/ visitor break-out area and meeting room suite
- New suspended ceilings and LED lighting throughout
- New raised floors throughout most of the building
- Replacement of air conditioning to Mitsubishi VRF system
- Newly installed mechanical ventilation system
- The WCs were refitted in 2016



ACCOMMODATION

The property has a net internal floor area of approximately 47,418 sq ft (4,405.2 sq m) with accommodation arranged in two wings over ground and first floor.

We have been provided with measured floor areas of the Property, taken in accordance with the RICS Code of Measuring Practice (6th Edition) on the basis of Net Internal Area, as follows:

DESCRIPTION	AREA (SQ M)	AREA (SQ FT)
First floor North Wing	1,086.8	11,698
First floor South Wing	1,047.2	11,272
Ground floor North Wing	1,042.6	11,222
Ground floor South Wing	1,042.1	11,218
Reception	61.9	666
Café/Breakout Area	124.6	1,342
TOTAL	4,405.2	47,418

SITE AREA


1.43 ha (3.54 acres)



TENURE

Freehold.



 Not to scale. For identification purposes only. This plan is based upon the Ordnance Survey Map with the sanction of the controller of H.M. Stationery Office. Crown Copyright reserved.

TENANCY

Fusion House is entirely let to BISL Limited on **full repairing and insuring terms**.

A reversionary lease was agreed on 6th April 2022 and extends the contractual term from 10/07/2024 until 05/04/2032 (**over 8.5 years term certain**).

The Principal rent is **£490,862 per annum (only £10.35 per sq ft overall)** although as a concession to the tenant for the reversionary lease, half rent is payable from 24/06/2022 to 23/06/2024, the yearly sum being £245,431. This will be topped up by the seller.

Rent reviews are upward only to open market rent or the principle rent immediately before the review date. The review dates are on the 06/04/2025 and 06/04/2028.

TENANT COVENANT

BISL Limited

Company number 03231094.

The company's principal activity is the distribution and outsourcing of insurance and household financial services, including motor, home and life insurance.

BISL Limited trading as BGL Insurance was acquired by UK insurance firm Markerstudy Group in May 2022 for more than £400 million.

BISL Limited has a Dun & Bradstreet Rating of 5A2. For the financial year ended 30 June 2021 the company reported a turnover of £208.4m, net profits after tax of £11.51m and a tangible net worth of £179.3m.



OCCUPATIONAL MARKET

With employees returning to the office in greater numbers, it is more important than ever that the quality of the work place and immediate environment continues to improve.

Those employers already based in Peterborough recognise that to attract their workforce back to the office the quality of the space they occupy and the amenity they provide is key. Some landlords have carried out extensive refurbishments in the city, with over 150,000 sq ft of space upgraded so that they attract the best staff.

Sustainability, wellness and technology is at the top of the agenda for most employers and employees. The local market has reacted and the quality of space on offer has improved and will continue to do so.

An example of this is Stuart House in the city centre. Following a major refurbishment it has picked up over 50,000 sq ft of lettings.

Elsewhere, Atlantic Leaf’s WestPoint on Peterborough Business Park has been a great success. Following a major refurbishment of the vacant space totalling 95,000 sq ft including extensive amenities, good car parking and generous landscaped grounds, the building has attracted high profile relocations at all time record rents, including Western Union and JBA Consulting.

With Grade A rents in Peterborough ranging from only £15-£20 per sq ft and a commute time to London of under an hour, for those occupiers seeking to reduce costs without compromising on quality, the city is a viable option.

(Source: Savills, Peterborough)

RECENT OCCUPATIONAL EVIDENCE

DATE	BUILDING	OCCUPIER	SIZE (SQ FT)	HEADLINE RENT (PSF)
Aug 23	Beechcroft, Southgate Park	Virgin Media	9,583	£15.00
July 23	Lynchwood Park	One Family	5,061	£17.50
May 23	Fleet House, Cygnet Park	Allison Homes	14,600	£15.00
Feb 23	WestPoint, Peterborough	Accent Housing	5,254	£20.50
Sept 22	Stuart House	Optical Express	5,688	£15.00
July 21	WestPoint	Saffrey Champness	4,344	£19.00
June 21	WestPoint	Charterhouse	5,565	£18.75

There are a number of transactions under offer at Lynchwood, Peterborough Business Park ranging from £17 - £22 per sq ft although they haven't completed yet.

FURTHER INFORMATION

EPC

The building has an EPC rating of C.

VAT

The property is not VAT elected.

AML/ KYC

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

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CONTACT

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