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FOR SALE

Prime High Yielding Office Investment

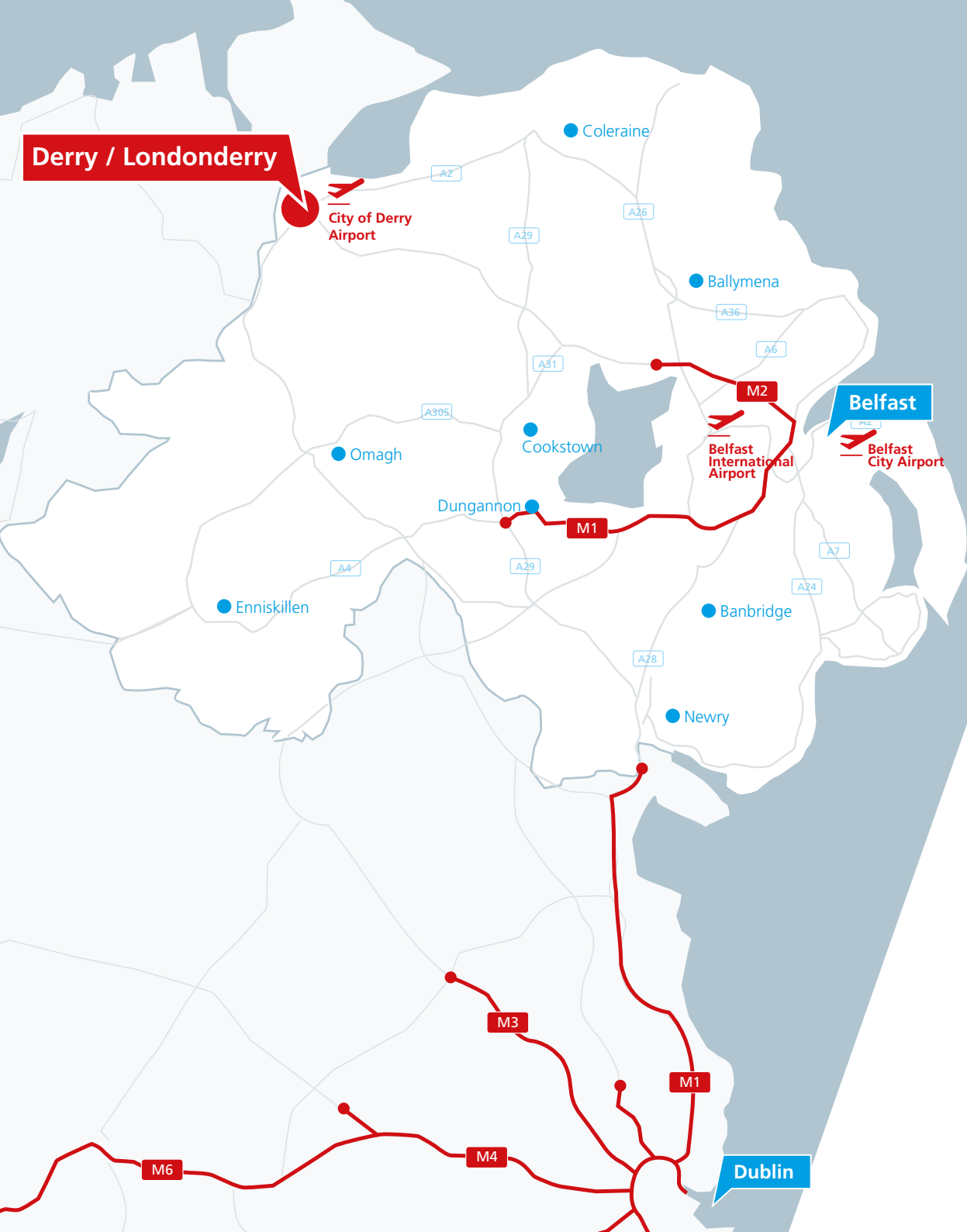
100% Multi Let To AXA, Fujitsu, Click Energy, Kainos & Invest NI
Timber Quay, 110-114 Strand Road, Derry ~ Londonderry



Investment Summary

- ◆ Prime office building totalling approximately 56,325 sq ft and benefitting from 100 dedicated car parking spaces in the adjoining multi-storey car park.
- ◆ Located in Derry ~ Londonderry, the second largest city in Northern Ireland and the fourth-largest city on the island of Ireland.
- ◆ Prominent waterfront location overlooking the River Foyle, on eastern side of Strand Road (A2) approximately 0.5km north of Londonderry city centre.
- ◆ 100% occupied and multi-let to Axa Insurance, Fujitsu, Click Energy, Kainos and Invest NI.
- ◆ Total passing rent of **£644,190 per annum** with a WAULT of 4.00 years to expiry and 3.40 years to the break.
- ◆ Offers invited in excess of **£5,250,000** reflecting a low capital value of only £93.20 psf and the following attractive return profile;

	ASSET SALE	SPV SALE
NET INITIAL YIELD	11.50%	12.00%
PURCHASER'S COSTS	6.60%	2.30%



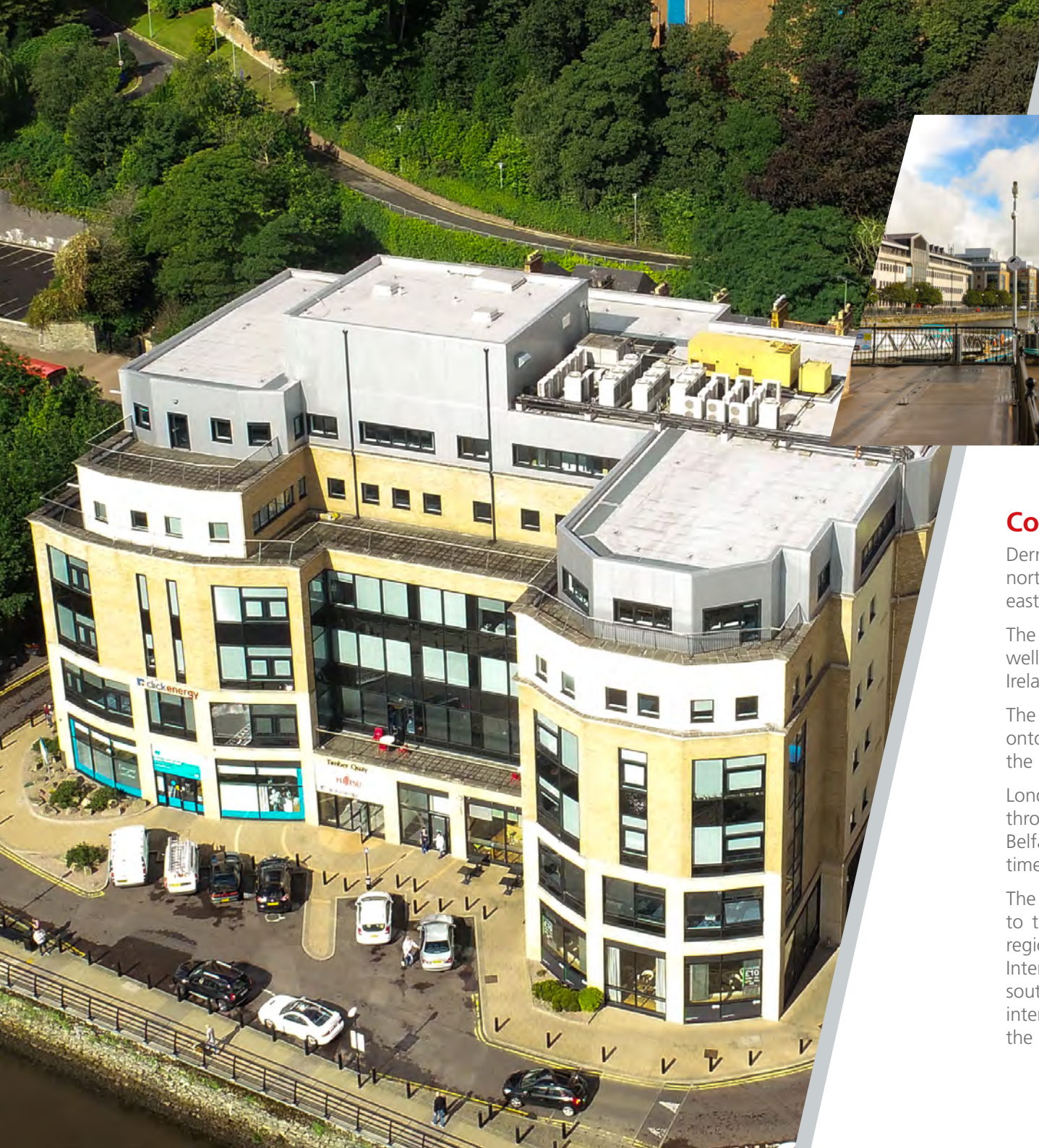
Location

Derry ~ Londonderry is the second largest city in Northern Ireland with a population of 107,877 people (2011 census) and is recognised as the economic, cultural and infrastructural hub for the North West of Ireland with a cross border catchment of almost 400,000 people.

Having been awarded status as UK Capital of Culture in 2012, the city has undergone an exciting period of regeneration with projects such as Erbrington Square and the restoration of the Guildhall with future plans for several hotel developments on the back of increased tourism. In recent years Derry ~ Londonderry has hosted various high profile events including Club MTV, BBC One Big Weekend, the Clipper Festival and the All Ireland Fleadh.

The city is home to University of Ulster Magee campus which has 4,000 students and there are plans to further enhance the University's regional offering with the expansion of the campus through the development of a new medical school.

The City is a popular business location with a young and highly educated workforce. Major employers in the city include Seagate, Allstate and Axa with several companies recently announcing further expansion in the city such as FinTru (600 jobs) and Alchemy (250 jobs). Derry ~ Londonderry have been encouraged to submit their bid for a 'City Deal' which if accepted would give the council specific powers to help provide economic growth and job creation.



Communications

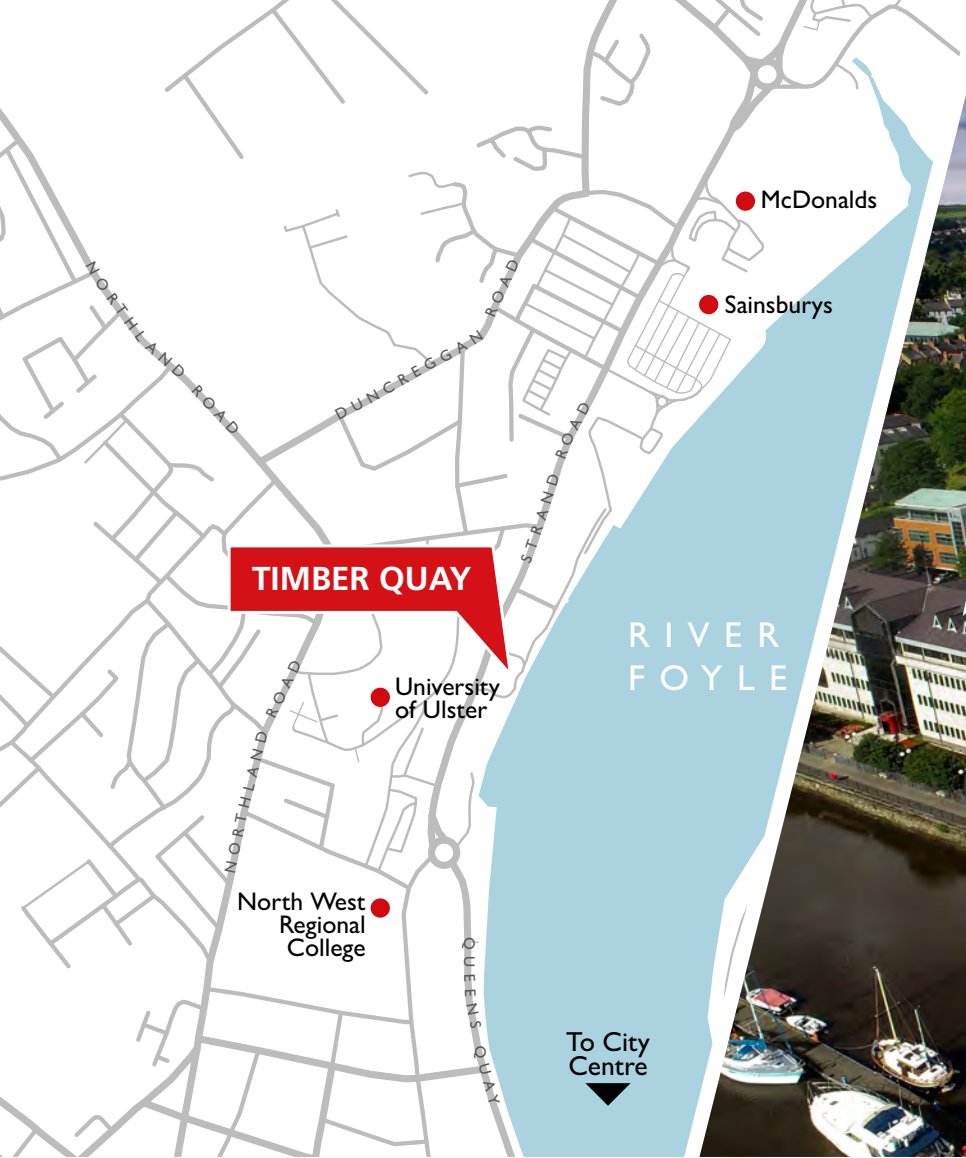
Derry ~ Londonderry is located approximately 70 miles to the northwest of Belfast, 14 miles north of Strabane, and 22 miles east of Letterkenny.

The city benefits from excellent transport infrastructure and is well connected to Northern Ireland as well as the Republic of Ireland.

The road network to the city is the A6 which is the direct route onto the M2 into Belfast, the A5 which leads to the south-west of the province and the N13 leading into the Republic to the west.

Londonderry Railway Station provides services to locations throughout the country including direct services to Coleraine and Belfast Great Victoria Street with approximate minimum journey times of 45 minutes and 2 hours respectively.

The City of Derry Airport is located approximately 7 miles to the northeast of the city and is the primary airport in the region, catering for c. 200,000 passengers per annum. Belfast International Airport is situated approximately 56 miles to the south-east and provides services to more than 70 domestic and international destinations, including cities in Europe, North Africa, the Middle East and North America.



Situation

The subject property is located on the western bank of the River Foyle on the northern edge of the city's retail and business core.

The property fronts on to Strand Road which is the main arterial route north of the city centre filtering traffic west to Donegal and east via the Foyle Bridge and through the northern suburbs.

The building occupies a prominent location beside the Headquarters of Derry & Strabane District Council. The building is just a short walk from Derry City Centre and is close to Ulster University and the North West Regional College.

The property has pedestrian access from the river side with vehicular access to the multi storey car park via Strand Road.



Description

Timber Quay is a six storey building comprising of retail and offices on the ground floor and offices on the upper floors. The subject property for sale comprises the upper 5 floors of Grade A office accommodation only, with the ground floor having been sold off by way of long leaseholds.

Timber Quay was developed jointly with the adjacent buildings which comprises retail, offices, apartments, an aparthotel and a 14 storey, 280 space multi storey car park. 108 of the car parking spaces within this multi storey car park are owned by Timber Quay.

The building itself is of modern construction with concrete framed structure below a flat roof with brick and blockwork between the columns.

Internally, the property benefits from a double height entrance lobby, passenger lifts and office accommodation fitted out to a Grade A standard with plastered and painted walls, raised access floors, suspended ceilings, gas fired central heating and fully fitted WC's on each floor.

Tenure

The property is held under freehold and 10,000 year long leasehold title and includes;

- Upper floors of Timber Quay Office Building (ground floor not included)
- 100 of the 280 car parking spaces in the multi storey car park

Further information can be provided upon request.

Hello...



Schedule of Accommodation & Tenancies

Unit	Tenant	Trading As	Area (sq ft)	Lease Length (Years)	Lease Start Date	Lease Expiry Date	Next Review Date	Earliest Break Date	Passing Rent	PSF	Comments
1A	Project Plug Ltd	Click Energy	5,118	10	26-Jun-15	25-Jun-25	26-Jun-20	26-Jun-20	£51,180	£10.00	5 car parking spaces included.
1B	AXA Insurance dac	Axa Insurance	7,406	1 yr 6 mths	04-Jun-18	03-Dec-19	-	03-Dec-19	£92,575	£12.50	8 car parking spaces included. Rolling 18 month break option post expiry.
2-4	Fujitsu Services Ltd	Fujitsu	35,280	7	01-Feb-17	31-Jan-24	01-Feb-22	31-Jan-23	£405,720	£11.50	70 car parking spaces included.
5	Invest Northern Ireland	INI	3,496	15	01-Aug-06	31-Jul-21	01-Aug-16	31-Jul-21	£41,952	£12.00	4 car parking spaces included.
5b	Kainos Software Ltd	Kainos	5,025	10	17-Aug-12	16-Aug-22	-	6-Aug-22	£52,763	£10.50	7 car parking spaces included.
TOTAL									£644,190		

The leases are all on a full repairing and insuring basis by way of a service charge which is current levied at £3.84 per sq ft.

Passing Rent £644,190 per annum
WAULT (to expiry / break) 4.0 years / 3.4 years

Car Park - In addition to the 94 car parking spaces held under the occupational leases, a further 3 are let on licence to Click Energy at zero rent with 3 more currently not under lease.



Covenant

Tenant	Company no	Graydon Rating	Date	Net Worth	Turnover	Pre Tax Profit
Project Plug Ltd	NI626418	0C - Fair	31/12/2016	£228,000	< £6,500,000	-£907,000
AXA Insurance dac	NF004201	1A - Excellent	31/12/2016	€ 340,911,000	€ 634,110,000	€ 28,392,000
Fujitsu Services Ltd	96056	1B - Good	31/03/2017	£542,600,000	£1,545,400,000	£26,400,000
Invest Northern Ireland	GR691850	Northern Ireland's regional economic development agency, non-departmental public body (NDPB) of the Department for the Economy (DfE).				
Kainos Software Ltd	NI019370	3A - Excellent	31/03/2017	£7,742,000	£53,809,000	£13,833,000

Copies of the Graydon reports can be provided upon request.

EPC

Unit	Tenant	Trading As	EPC Rating
1A	Project Plug Ltd	Click Energy	C51
1B	AXA Insurance dac	Axa Insurance	B49
2,3 & 4	Fujitsu Services Ltd	Fujitsu	B47
5	Invest Northern Ireland	INI	B48
5b	Kainos Software Ltd	Kainos	B45

Copies of Energy Performance Certificates can be provided upon request.



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Proposal

Offers invited in excess of **£5,250,000** (Five Million, Two Hundred and Fifty Thousand Pounds) subject to contract and exclusive of VAT. The sale can be effected by way of an asset sale or by way of share disposition. Acquisition of the shares will afford interested parties a substantial stamp duty saving with Stamp Duty charged on the share acquisition at the rate of 0.5%.

An offer at this level reflects a capital value of £93.20 per sq ft and the following yield profile;

	ASSET SALE	SPV SALE
NET INITIAL YIELD	11.50%	12.00%
PURCHASER'S COSTS	6.60%	2.30%

Further Information

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