

Cyril Leonard completes a **'Hat Trick'** of Central London Acquisitions



...and advise on
solar power,
student accommodation development
and go
shopping in Cardiff



Marcol House, Regent Street, London W1

Cyril Leonard advised Great Portland Estates Plc on the acquisition of two West End developments and the formation of a profit share and debt structuring arrangement with Eurohypo to redevelop both properties. GPE has acquired the SPV entities which own Marcol House, 289-295 Regent Street and 23/24 Newman Street, W1.

Marcol House has planning consent for 111,500 sq.ft which is now being redeveloped behind the retained façade to provide Grade A office accommodation. Newman Street is an existing office building of 25,200 sq. ft. Planning consent has been obtained for 22 residential units to provide the residential planning requirements for the Marcol House site. The transaction involved the restructuring of the existing debts on Marcol House and total development costs are estimated @ £78m. Due to complete in 2012. **1**

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46 Foley Street, London W1

Cyril Leonard advised an institutional investor on the off market purchase of the freehold interest in 46 Foley Street in the heart of the West End. The building was extensively refurbished in 2008 to provide 21,400 sq.ft of Grade A office accommodation. The property is fully let to Envy Production Limited and Deckers UK Limited with a passing rental income of circa £855,000 pa.

The purchase price was in the region of £15,500,000 to show a net initial yield of 5.5% and a reversionary yield close to 6%. Cyril Leonard undertook a pre-purchase building survey. **2**

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Parchment House, 13 Northburgh Street, London EC1

Cyril Leonard advised a unit trust client on the purchase of this refurbished former warehouse building in the heart of Clerkenwell for a price in the region of £7m to show a net initial yield of 6.5%. The building provides approximately 15,200 sq.ft of net lettable office and showroom accommodation. The total current rental income is £486,000 pa.

Clerkenwell is a location now much favoured by design and fashion companies such as McCann Erickson, Gray Advertising, Timberland and Ben Sherman who are looking to take advantage of the reduced overheads compared to locations such as Soho. **3**

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54 Ayres Street, London, SE1

Cyril Leonard's Building Consultancy team have recently completed the refurbishment, extension and fit out of the new Headquarters for The Glass and Glazing Federation in Ayres Street, Southwark. Following identification of the property by the Firm's Agency Department, the Building Consultancy team were instructed to carry out a pre-acquisition survey and subsequently to undertake full refurbishment and relocation management after acquisition of the Freehold.

The refurbishment was procured under a JCT Design & Build Contract. The building work included a 24% increase in the net lettable floor area in addition to the complete strip out and refurbishment of the interior incorporating complete renewal of building services, a new third floor was constructed at roof level enclosed by high performance structural glass.

The completed scheme resulted in a highly energy efficient building with performance criteria equivalent to a new build. Project Duration 30 weeks. **4**

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Crimestoppers

Cyril Leonard was recently instructed to act on behalf of Crimestoppers, the UK's leading independent crime-fighting charity, who wished to relocate their headquarters offices. Following an extensive search process, a suitable building was identified and Cyril Leonard was able to negotiate attractive terms for the charity including a 3 year rent free period and no VAT payable on the rent (the latter point being of significant importance to charities who cannot reclaim VAT) on a 7,500 sq.ft building.

Cyril Leonard's Building Surveying team tendered and project managed the fit out process for Crimestoppers.

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125/139 Queen Street, Cardiff

Cyril Leonard advised Aberdeen Asset Managers on the purchase of this prime city centre retail investment comprising a supermarket let to Sainsbury's and two unit shops let to KFC and Starbucks. The property was rebuilt in 1999 behind a retained façade and provides approximately 33,500 sq.ft of retail space let at a total current rental income in the region of £1m pa. A price of approximately £17m was paid for the benefit of the freehold interest to show a net initial yield of 5.65%. 6

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New Brook Buildings, London WC2 - Lease Acquisition for Bearing Point

Bearing Point were coming to the end of their lease in More London, Southbank SE1 and required around 8,000 sq.ft on a flexible lease where the cost of fitting out and the potential impact of a lease liability would be minimized. Cyril Leonard identified a single floor in New Brook Buildings in a newly reconstructed development. A sublease was entered into from a firm of city lawyers at a rental in the region of £50 psf subject to the landlord fully funding the tenants fit out. Bearing Point entered into a lease for a term of 5 years with a tenants break option anytime after the 2nd year. 7

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Cavell House, 2a Charing Cross Road

Cyril Leonard acted on behalf of the landlord in respect of a rent review of this 30,000 sq.ft office building with banking premises on the ground floor. After extensive negotiations and third party representations where the tenant argued for a nil increase, Cyril Leonard achieved a rental increase which was the first rental increase achieved on this property since the lease commenced in 1988. Cyril Leonard manage this property for our clients. 8

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Units 1 and 2, 106 Hawley Lane, Farnborough

Cyril Leonard advised Winchester Estates on the purchase of this prime 42,000 sq.ft industrial investment.

The property is situated close to both Junctions 4 and 4a of the M3 motorway and comprises two units let to Pims (Services) Limited and ASAP Calibration Services Limited under leases expiring in May 2015 at a current rental of £342,000 per annum.

A price of £3,000,000 was paid for the freehold interest to show Cyril Leonard's clients a net return of 10.75%. Cyril Leonard undertook a pre purchase building survey. 9

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120 Charing Cross Road, London, WC2

Cyril Leonard's Building Consultancy team have completed the project management of the refurbishment of 7,000 sq. ft office accommodation on Charing Cross Road, London for a pension fund client.

The project included full refurbishment to include the installation of new air conditioning and ventilation throughout the accommodation, upgrade of all internal finishes and the renewal of all electrical services, upgrade and servicing of the lift and creation of a new dedicated reception area to the office accommodation. Project budget £600,000. Project duration 13 weeks.

The Team also acted as Landlord's Surveyor following the letting of 29,000 sq. ft retail accommodation to TK Maxx over lower ground to second floors as well as project managing the external redecoration of the whole of the premises, prior to the retail letting. ^[10]

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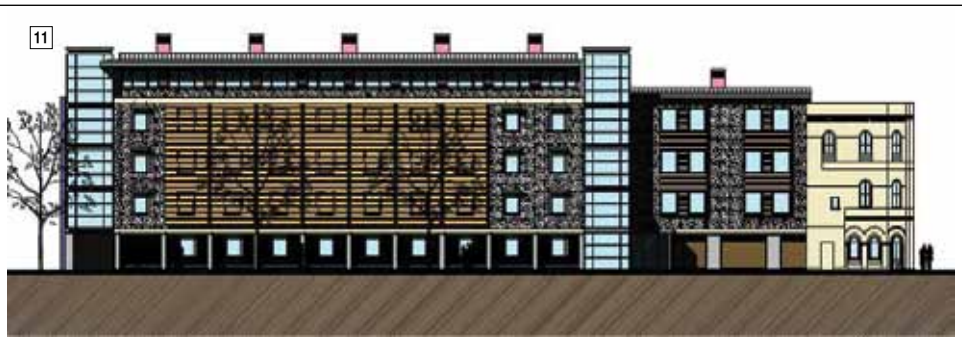
[13]

Innogenetics Facility Technologiepark, Gent, Belgium

Cyril Leonard in conjunction with its Paris associated office carried out a due diligence report on the property known as Innogenetics Facility, Gent, Belgium.

The property is located on a large industrial and technological park, 6 km south of the centre of the town of Gent in Belgium. This site is within a large and successful park that is owned exclusively by Gent University. It is used in part by the University for educational purposes, and in part for technology companies who often have research capacities linked to the University. ^[13]

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[11]

St Aldates, Oxford

Cyril Leonard advised QED on the purchase, preletting and development funding for this 60 bedroom student accommodation development in the heart of Oxford City Centre. Construction work has commenced and the development is due to complete in April 2011.

The development was prelet to Study Group International on a new 25 year full repairing and insuring lease subject to annual rent reviews linked to an increase in the retail price index. The commencing rental is £375,000 pa.

The completed development value will be in the region of £6m and the development was funded by LaSalle Investment Management who will receive a net return in the region of 6.75% on completion.

With a limited supply of student accommodation in university towns and an increasing demand, Cyril Leonard are advising a QED on a number of other similar development projects in the UK. ^[11]

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Staples, Daventry

Cyril Leonard advised private clients on the purchase of this 240,000 sq. ft distribution warehouse situated in a prime position close to Junction 18 of the M1.

The warehouse was constructed in 2005 and is let in its entirety to Staples UK Retail Limited for a term of 15 years on full repairing and insuring terms at a rental of £1,126,000 per annum equivalent to £4.50 per sq. ft. There is a tenant option to terminate the lease at the end of the 10th year. Staples employ approximately 2,000 people in the UK and have 136 retail outlets. This warehouse is their UK distribution centre.

A price in the region of £12,200,000 was paid for the freehold interest to show the investor a net return of 8.72%. The price also equates to only £48.75 per sq. ft which is close to the cost of reinstatement. Cyril Leonard undertook a pre purchase building survey. ^[12]

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[12]



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Solar PV

Cyril Leonard have been instructed by Camco Solar to identify sites suitable for the installation of Solar PV panels to generate electricity and in turn to benefit from the Government's guaranteed tariff system as set out in The Energy Act 2008/enacted April 2010.

Cyril Leonard together with Camco Solar has shortlisted 5 sites of 25 acres to create 5 MW facilities. Energy generated from Solar PV farms can be both used on site and exported to the grid. In addition to identifying and securing sites Cyril Leonard are also advising on the funding of these projects. **14**

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Coombe Lane, Raynes Park, London SW20

Cyril Leonard were instructed by Pension Fund Clients to act as Project Monitors in connection with their acquisition of a retail investment forming part of a substantial mixed use development providing circa 29,000 sq.ft of retail space and 88 self contained flats. The project was developed by a major national Developer and the completed retail unit was let to Waitrose. **17**

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Nelson House, Blythe Valley Park, Solihull

Cyril Leonard advised their in-house client Oakburn European Properties Plc on the purchase of Nelson House, Blythe Valley Park for a price in the region of £4m to show a net initial yield of 7.85%.

Nelson House is situated on the successful Blythe Valley Business Park which adjoins the M42 at Solihull.

Nelson House is an air conditioned high specification office building completed in 2008 which provides 14,792 sq.ft (1,374 sq m) of net lettable office space arranged over three floors. The property is let to Goodman Logistics Developments (UK) Ltd with a guarantee from Goodman Funds Management Ltd for a term of 15 years from June 2008. The passing rent is £325,270 pa. Cyril Leonard undertook a pre purchase building survey and now manage the property for our clients. **15**

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One Connaught Place, London W2 - Lease Acquisition for Cabot Square Capital

Cyril Leonard advised Cabot Square Capital on the relocation from St James's Street, London SW1 to 5,000 sq.ft of newly refurbished offices in a Grade II listed building in Connaught Place with stunning views over Hyde Park.

In addition the Building Consultancy Department carried out a pre-leasing survey validating the landlord's works. **16**

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Other News

'Bristol to London Bikeathon 2010'

The idea of completing a bike challenge came to mind between three friends and I over a drink on a Friday night in Bristol. This 'somehow' developed further in to a 100 mile bikeathon from Bristol to London to support a good cause and children's charity known as Action Medical Research. Our aim was to complete the bike ride in less than 8 hours and raise as much as possible for the charity. With the support of my colleagues at Cyril Leonard, determination and stubbornness to get back to my house in London I completed the bike ride in less than 7 hours and raised £395.00. Thank you to everyone for their kind support and donations and so onto the next challenge 2011! Author: Dan Gillespie

'Three Peak Challenge'

A select few at Cyril Leonard will be taking giant steps as they meet the trials and tribulations of competing in the 'Three Peaks Challenge' later this year raising more money for charity!



The Cambridge University Land Society (CULS)

Cyril Leonard hosted and sponsored the fifth Annual Business Breakfast of CULS at ExpoReal in Munich this year. It has become a highly successful and high quality event with a good mix of Society members and guests attending. The event has grown from 30 attendees to nearly 70 last year.

The London Landed Estates Seminar and Reception

Cyril Leonard was a sponsor of The Cambridge University Land Society's evening Seminar and Reception at The Royal Institution, Albemarle Street on 3 February 2010. Douglas Blausten organised and chaired the event for CULS. It followed the 2005 London Landed Estates Conference at Cadogan Hall and the Guildhall attended by over 500 people and the exhibition we helped to arrange at the New London Architecture in London 2006 attended by over 1,000 people. The City of London Corporation, The Grosvenor, Cadogan, Howard De Walden, Portman and Crown Estate were all represented.

This will be only the second time that the Heads of all these Estates have met on one platform and after the economic crisis of the last 12 months, the Seminar will have added importance in the message that it brings on the economic development of London.



Douglas Blausten with Peter Bennett – City of London, Roger Bright CB – Crown Estate, Gareth Clutton – Portman Estate, Giles Clarke - Grosvenor & Hugh Seaborn – Cadogan Estates



Andrew Hogge with Professor Colin Lizieri Grosvenor Professor of Real Estate Finance Cambridge University



Simon Blausten with Gareth Clutton CEO Portman Estate

'We face the greatest energy challenge in our lifetime'

CULS held a breakfast meeting at the Savile Club on 14th October 2010. The breakfast was attended by representatives from LessEn, Charles Hendry, MP, UK Minister of State for Energy and Climate Change who gave a keynote speech to around 120 attendees which was well received. In his speech Charles Hendry outlined the global

challenge facing Britain over the next 10-15 years. He placed strong emphasis to steer investment into low carbon technologies and the need for Britain to take advantage of the abundant natural resources at the country's disposal. A full 'blog' of Mr Hendry's speech can be found at <http://www.less-en.org/?page=Blog&article=22>



Ben Fanning with John Bell - Port of London Authority



Simon Long with Richard Lobley - PricewaterhouseCoopers



Charles Hendry MP, Stephen Burgin ALSTOM and Douglas Blausten

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