



PHASE 2000 > CAMBOURNE BUSINESS PARK
CAMBOURNE > CAMBRIDGESHIRE CB23 6DW



PRIME BUSINESS PARK INVESTMENT OPPORTUNITY

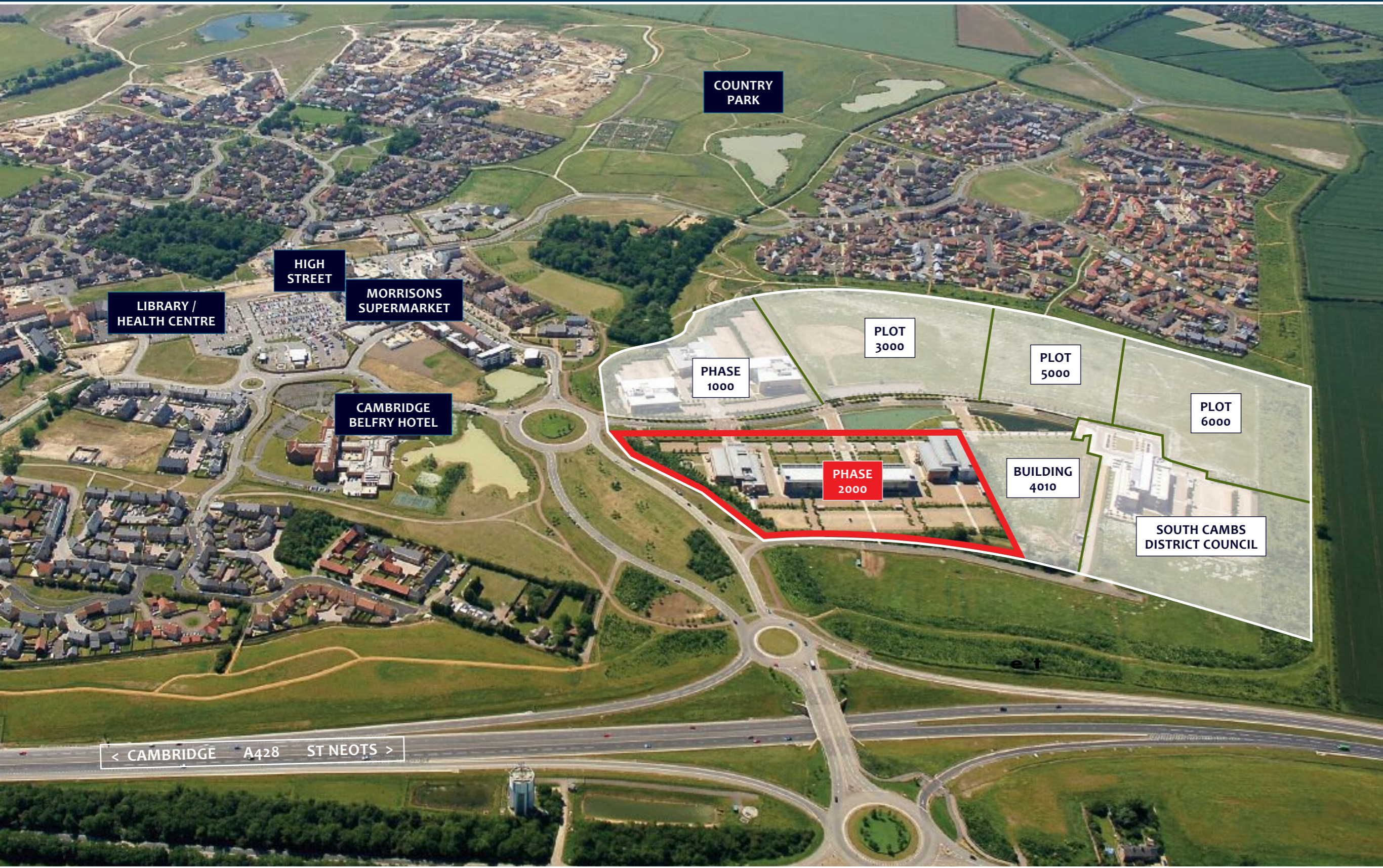


An excellent opportunity to purchase three Grade A specification modern office buildings in the landscaped surroundings of Cambourne Business Park.

- Three modern Grade A office buildings developed in 2001/2 comprising 135,143 sq ft of air-conditioned accommodation
- The property is let to eight tenants, including IP Access, Convergys EMEA Ltd, MTK Wireless Ltd and Monsanto UK Ltd
- Total rental income for the property is £2,313,321 per annum, reflecting an average of £184.25 per sq m (£17.12 per sq ft), offering excellent growth prospects
- The vacated top floor of Building 2020 offers 18,692 sq ft of accommodation on the longest single floorplate in the Cambridge market. This accommodation is potentially going to be marketed at £21.50 psf and local agents Savills have advised that £20.00 psf is likely to be achievable
- Lease expiries range from March 2012 to January 2021 giving a weighted average unexpired term of 5.55 years and a weighted average unexpired term certain of 3.98 years
- Currently there is 10,671 sq ft of vacant space (8.10% by ERV) providing an attractive reversionary opportunity. This is expected to increase to 22.46% following Premier Food Group Ltd's exit
- Secure parking for 549 vehicles providing an excellent parking ratio of 1:23 sq m (1:246 sq ft)

A modern and well presented Grade A office development whose close proximity to Cambridge, coupled with the opportunity to enhance the occupational profile, combine to present a very attractive investment opportunity.

Offers are sought in the region of **£24,250,000 (Twenty Four million Two hundred and Fifty thousand pounds)** subject to contract and exclusive of VAT. A purchase at this level would reflect a **net initial yield of 9.00%** and a low capital value per square foot of £179, allowing for usual purchaser's costs of 5.80%.



LOCATION

Cambourne Business Park is located a mere 8 miles away from Cambridge city centre. Direct access to Cambridge is provided via the adjacent A428 which serves both junction 13 of the M11 to the east and the A1 to the west.

Cambridge is located 55 miles north of London, 40 miles south of Peterborough and 29 miles west of Bury St Edmunds. The city has direct access onto the M11, A14 and A10 affording good access to the east coast ports, the north and the south. Road links to the Midlands have been substantially improved by the opening of the A14 which links the Port of Felixstowe to the east with the M1 and M6 to the west.

Cambridge has a well-educated and skilled workforce compared to that of the GB as a whole. Approximately 33% of Cambridge's population is classified as "AB" compared to 22% for Great Britain. This stems from the city's large educational resources including the University, the Cambridge Colleges, Anglia Polytechnic University and Cambridge Regional College and Research Institutes.

Over the last 30 years, the Cambridge economy has experienced a dramatic transformation. Historically a market town, Cambridge is now one of the most dynamic sub-regions within the UK and is widely recognised as one of the world's leading high technology business clusters.

COMMUNICATIONS

ROAD

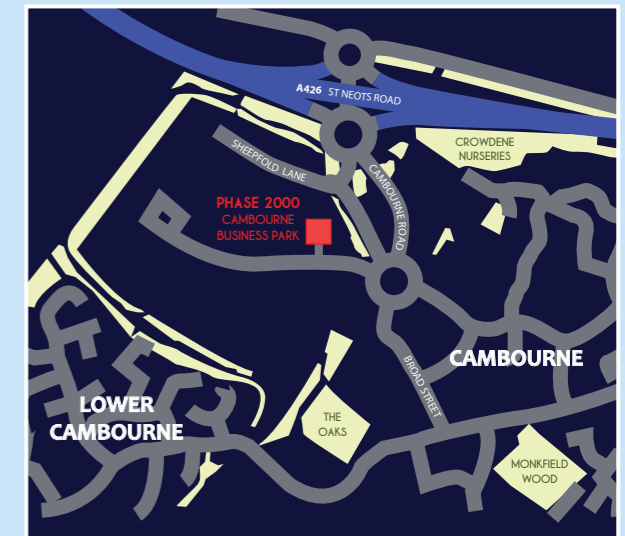
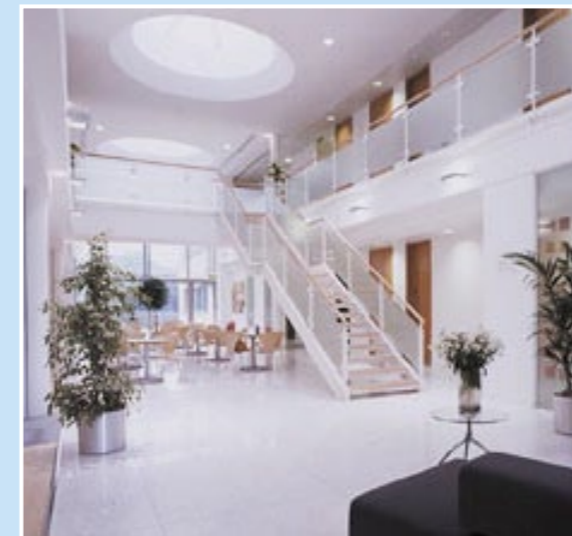
Cambourne has excellent road communications with the A428 connecting the town with Cambridge city centre, the M11 motorway, and the A1. The A14 situated to the north provides good links with Newmarket and Bury St Edmunds to the east

RAIL

Cambridge Rail Station provides a frequent service to London Kings Cross and Liverpool Street with fastest journey times of approximately 48 minutes and one hour ten minutes respectively. St Neots train station is 14 km (8.8 miles) to the west with a fastest journey time to London of 55 minutes.

AIR

London Stansted Airport is situated approximately 25 miles to the south of the City Centre and is easily accessed via the M11. The airport is the third busiest in the country serving 18.3 million passengers in the year to August 2011, flying to over 150 destinations worldwide.



SITUATION AND CAMBOURNE BUSINESS PARK

Cambourne is situated approximately 8 miles to the west of Cambridge city centre. Cambourne Business Park is located immediately to the north west of Cambourne town centre. The subject property is situated at the front of the Business Park and is accessed off the main park spine road.

Cambourne was founded in 1998 as a new development to include three villages providing 3,300 homes for up to 10,000 people by 2010. It is a self-contained community and includes the Cambourne Business Park, 4 star Belfry hotel, Morrisons' supermarket, retail shopping, restaurants, schools, library, health centre, nursery, sports area, nature reserve, country park, lakes and woodland.

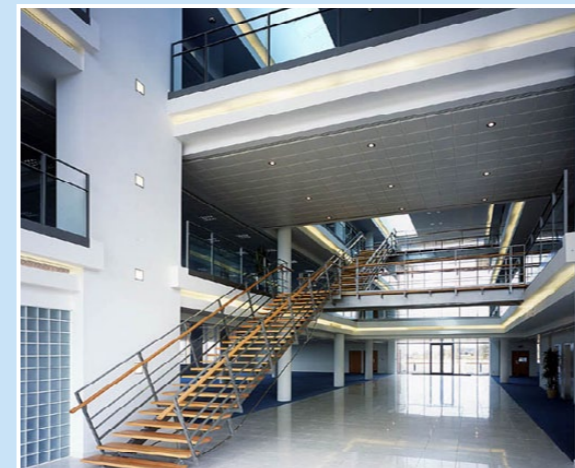
Cambourne Business Park is an attractive landscaped development, which sits on the outskirts of Cambourne and comprises 50 acres with capacity for 750,000 sq ft of open B1 user accommodation. Of this, phases 1000 and 2000 have been developed and comprise 236,000 sq ft of office accommodation. A further building (60,000 sq ft) is owner occupied by South Cambridgeshire District Council.

Other occupiers on the Park include East of England Ambulance Service, Regus, and Citrix. Over 1,000 people already work on the Business Park, of which an increasing number are choosing to live in Cambourne.

THE BUILDINGS

Phase 2000 of Cambourne Business Park consists of three Grade A specification modern office buildings constructed in 2001/2 in a landscaped setting. The buildings are self contained and are of steel framed construction, with a combination of brick and doubled glazed external cladding under flat roofs. Internally, all buildings are laid out to provide open plan floor plates and are finished to a high specification. Each building therefore has the flexibility to be let as a whole or in half floors with little or no loss of net lettable area. The specification includes air conditioning, suspended ceilings with recessed lighting and full access raised floors.

The Business Park is accessed via a single/shared junction off the Park spine road. This leads to a car park serving all three buildings totalling 549 car spaces providing an excellent parking ratio of 1:23 sq m (1:246 sq ft).



ACCOMMODATION

The property provides the following approximate net internal areas:

| Building | | sq m | sq ft |
|----------------|-------------------|-----------------|----------------|
| 2010 | GF Reception | 99.8 | 1,074 |
| | GF Offices | 1,303.7 | 14,033 |
| | GF Atrium Base | 164.7 | 1,773 |
| | 1st Floor Offices | 1,331.7 | 14,334 |
| | | 2,899.9 | 31,214 |
| 2020 | GF Reception | 229.9 | 2,475 |
| | GF Offices | 1,158.7 | 16,778 |
| | 1st Floor Offices | 1,626.6 | 17,508 |
| | 2nd Floor Offices | 1,735.6 | 18,682 |
| | | 5,150.8 | 55,443 |
| 2030 | GF Reception | 239.6 | 2,579 |
| | GF Offices | 1,436.8 | 15,466 |
| | GF Atrium Base | 43.1 | 464 |
| | 1st Floor Offices | 1,366.0 | 14,703 |
| | 1st Atrium Base | 74.2 | 799 |
| | 2nd Floor Office | 1,344.8 | 14,475 |
| | | 4,504.5 | 48,486 |
| OVERALL | | 12,555.2 | 135,143 |

SITE AREA

The property occupies a site of approximately 2.95 ha (7.30 acres).

TENURE

The property is held Freehold.

PLANNING

Cambourne Business Park benefits from an open B1 use class without either research and development or local user restrictions. This allows for both standard office and R&D occupiers to utilise which is in contrast to the majority of other business parks in the Cambridge area which impose R&D use restrictions on occupiers.



The property is let to eight tenants in accordance with the tenancy schedule below.

| Building | Description | Name | Area (sq ft) | Current Rent | Rent (psf) | Percentage of Rent | ERV pa (£20.00 psf) | Term | From | Expiry | Break Option | Next RR | Comments |
|--------------|---------------------------|------------------------------|-----------------|-------------------|------------|--------------------|---------------------|------------------|----------|----------|--------------|----------|--------------------------------------|
| 2010 | Whole | Convergys EMEA Limited | 31,214 | £625,860 | £20.05 | 27% | £624,280 | 19 yrs 7 mths | 18/05/01 | 09/01/21 | | 18/05/11 | 2011 rent review remains outstanding |
| 2020 | Part Ground Floor | Gewiss Uk Ltd | 4,911 | £90,299 | £18.39 | 4% | £98,220 | 5 yrs 0 mths | 29/03/11 | 28/03/16 | 28/03/14 | | |
| 2020 | Part Ground Floor | Vacant | 1,758 | - | - | 0% | £35,160 | | | | | | |
| 2020 | Part Ground and 1st Floor | IP Access Limited | 20,212 | £378,769 | £18.74 | 16% | £404,240 | 10 yrs 0 mths | 22/06/05 | 21/06/15 | | | 2010 rent review remains outstanding |
| 2020 | Part 1st Floor west | Cambridge Display Technology | 7,404 | £137,000 | £18.50 | 6% | £148,080 | 10 yrs 0 mths | 11/06/04 | 10/06/14 | | | 2009 rent review remains outstanding |
| 2020 | Second Floor | Premier Foods Group Limited | 18,682 | £401,577 | £21.50 | 17% | £373,640 | 15 yrs 0 mths | 21/03/02 | 20/03/17 | 20/03/12 | | Break option has been exercised |
| 2030 | Ground Floor | MTK Wireless Limited | 15,930 | £288,544 | £18.11 | 12% | £318,600 | 10 yrs 0 mths | 08/09/08 | 07/09/18 | 07/09/13 | | |
| 2030 | Part First floor | Monsanto UK Limited | 6,723 | £129,714 | £19.29 | 6% | £134,460 | 5 yrs 0 mths | 04/08/08 | 03/08/13 | | | |
| 2030 | Part First Floor East | Vacant | 8,779 | - | - | 0% | £175,580 | | | | | | |
| 2030 | Second Floor | Global Graphics Software Ltd | 14,475 | £261,558 | £18.07 | 11% | £289,500 | 10 yrs 0 mths | 01/07/06 | 30/06/16 | | 01/07/11 | 2011 rent review remains outstanding |
| TOTAL | | | 130,088* | £2,313,321 | | | £2,601,760 | | | | | | |

* Reception areas in Buildings 2020 and 2030 measure 5,055 sq ft, bringing the overall total to 135,143 sq ft.

These tenancies result in an Average Weighted Unexpired Lease Term of 5.55 years and an Average Weighted Unexpired Term Certain of 3.98 years.

A summary of the tenants recent trading performance may be found below as provided by Dun & Bradstreet:

| Cambridge Display Technology Ltd Dun & Bradstreet Rating 4A 4 Click for information | 31/12/2010 12 Months GBP '000 | 31/12/2009 12 Months GBP '000 | 31/12/2008 12 Months GBP '000 |
|--|-------------------------------------|-------------------------------------|-------------------------------------|
| Turnover | 7,132 | 1,754 | 7,214 |
| Profit (Loss) before Tax | (12,566) | (26,542) | (14,275) |
| Tangible Net Worth | 21,116 | 29,318 | 28,060 |
| Net Current Assets | 1,897 | (394) | (5,001) |

| Convergys EMEA Ltd Dun & Bradstreet Rating 2A 2 Click for information | 31/12/2010 12 Months GBP '000 | 31/12/2009 12 Months GBP '000 | 31/12/2008 12 Months GBP '000 |
|--|-------------------------------------|-------------------------------------|-------------------------------------|
| Turnover | 55,147 | 66,546 | 79,404 |
| Profit (Loss) before Tax | (21,383) | (592) | 8,899 |
| Tangible Net Worth | 3,450 | 28,689 | 31,656 |
| Net Current Assets | 1,378 | 29,570 | 26,392 |

| Gewiss (UK) Ltd Dun & Bradstreet Rating 1A 3 Click for information | 31/12/2010 12 Months GBP '000 | 31/12/2009 12 Months GBP '000 | 31/12/2008 12 Months GBP '000 |
|---|-------------------------------------|-------------------------------------|-------------------------------------|
| Turnover | 5,044 | 3,847 | 4,496 |
| Profit (Loss) before Tax | 194 | (320) | (184) |
| Tangible Net Worth | 1,223 | 1,029 | 1,342 |
| Net Current Assets | 601 | 391 | 687 |

| Global Graphics Software Ltd Dun & Bradstreet Rating 4A 2 Click for information | 31/12/2008 12 Months GBP '000 | 31/12/2007 12 Months GBP '000 | 31/12/2006 12 Months GBP '000 |
|--|-------------------------------------|-------------------------------------|-------------------------------------|
| Turnover | 6,673 | 6,847 | 7,195 |
| Profit (Loss) before Tax | (3,981) | (3,778) | 5,224 |
| Tangible Net Worth | 20,258 | 24,752 | 28,421 |
| Net Current Assets | 7,840 | 12,180 | 15,767 |

| IP Access Ltd Dun & Bradstreet Rating N 4 Click for information | 31/03/2011 12 Months GBP '000 | 31/03/2010 12 Months GBP '000 | 31/03/2009 12 Months GBP '000 |
|--|-------------------------------------|-------------------------------------|-------------------------------------|
| Turnover | 30,992 | 18,069 | 18,966 |
| Profit (Loss) before Tax | (4,457) | (10,706) | (14,550) |
| Tangible Net Worth | (1,416) | (15,091) | (10,772) |
| Net Current Assets | (3,159) | (10,157) | (6,474) |

| Monsanto UK Ltd Dun & Bradstreet Rating 4A 1 Click for information | 31/08/2010 12 Months GBP '000 | 31/08/2009 12 Months GBP '000 | 31/08/2008 12 Months GBP '000 |
|---|-------------------------------------|-------------------------------------|-------------------------------------|
| Turnover | 29,098 | 37,728 | 37,664 |
| Profit (Loss) before Tax | 2,252 | 3,043 | 422 |
| Tangible Net Worth | 26,819 | 24,504 | 22,548 |
| Net Current Assets | 27,356 | 26,340 | 24,595 |

| MTK Wireless Ltd Dun & Bradstreet Rating 2A 1 Click for information | 31/12/2010 12 Months GBP '000 | 31/12/2009 12 Months GBP '000 | 31/12/2008 12 Months GBP '000 |
|--|-------------------------------------|-------------------------------------|-------------------------------------|
| Turnover | 8,835 | 9,697 | 9,819 |
| Profit (Loss) before Tax | 581 | 601 | 653 |
| Tangible Net Worth | 6,467 | 5,726 | 4,869 |
| Net Current Assets | 5,458 | 4,808 | 3,616 |



Cambridge has established itself as one of the pre-eminent locations in Europe for high tech and pharmaceutical research and development. The presence of the world renowned University provides a pool of highly skilled employees resulting in strong levels of demand from occupiers. The town centre is dominated by University buildings and associated planning restrictions, though, which has resulted in the emergence, and dominance, of out-of-town business and science parks. Of the estimated 5 million sq ft of accommodation, 3.5 million sq ft is in the various business parks outside the centre.

The decision by Microsoft to sign a pre-let of 83,400 sq ft of space on Station Road and Mills and Reeve’s decision in 2011 to move to Botanic House has seen a slight shift in the dominance of new activity away from out-of-town to town centre locations. Despite this, the majority of demand still remains for out-of-town market locations.

PMA estimates that total take up in the Cambridge market in 2010 to be 472,000 sq ft, with 2011 also showing strong comparative results. In terms of supply; all

current development, which is due to complete later this year, has been taken in pre-let arrangements. Available space is provided predominantly by poorer, second hand accommodation, due to very limited speculative development over the past 20 years.

A number of business parks serve the Cambridge market including; Cambridge Science Park, Chesterford Business Park, Granta Park, Cambridge Research Park, Capital Park, St John’s Innovation Park, Cambridge Business Park and Vision Park, all of which currently reveal higher passing rents compared to the subject property which indicates good potential for future rental growth.

Cambridge has a strong rental growth story over the coming years with regional agent Bidwells forecasting 5.9% pa rental growth over the next 5 years. This is already being evidenced by a new rent high of £25 per sq ft which is on the verge of being set on Cambridge Science Park - a jump from £22.50 per sq ft level that Cambridge has seen for the last few years.

| Address | Tenant | Size (sq ft) | Term | Rent (psf) | Date |
|--|-----------------------------------|--------------|-------------------------|------------|-------|
| Byron House, Cambridge Business Park | Cadence Design Systems Inc | 6,987 | 5 years | £23.50 | Q1 12 |
| Cavendish House, Cambridge Business Park | Red Gate Software | 22,000 | Pre-let 15 years | £25.00 | Q4 11 |
| Botanic House, Hills Road | Mills & Reeve | 52,700 | 10 years (5 year break) | £26.50 | Q3 11 |
| Cambridge Science Park, 220 Milton Road | Jagex | 43,800 | 15 years | £22.50 | Q3 11 |
| The Westbrook Centre, Westbrook Drive | Booking.com | 35,000 | 10 years | £25.00 | Q3 11 |
| CB1, 21 Station Road | Microsoft | 83,500 | Pre-let 20 years | £28.50 | Q2 10 |
| Building 1020, Cambourne Business Park | East of England Ambulance Service | 10,820 | 10 years | £18.75 | Q4 10 |

Cambridge offices remain a key holding for investors and given the limited supply of quality stock, competition to office properties can be intense. The city’s office market trends similarly to the M4 market in term of its cyclical nature, with investors keen to buy into a rental growth phase. The scarcity of supply, allied with the strong employment market, has aided in stabilising rental levels. The lack of opportunities means that the investment market remains and is predicted to remain buoyant.

The most recent comparable investment evidence includes:

| Property | Tenant(s) | Term Certain | Price (m) | Yield (NIY) | Cap Value (psf) | Date |
|-------------------------------------|-------------|--------------|-----------|-------------|-----------------|--------|
| Globeside, Marlow | Multi-let | 6.50yrs | £25.95 | 9.85% | £255 | Dec-11 |
| Phase 1000, Cambourne Business Park | Multi-let | 7.30yrs | £21.50 | 8.65% | £208 | Oct-11 |
| 3 Furzeground Way, Stockley Park | Mult-let | 3.95yrs | £22.25 | 8.82% | £283 | Oct-11 |
| IQ, Farnborough | Multi-let | 4.30yrs | £85.00 | 8.36% | £200 | u/o |
| Bechtel House, Hammersmith | Bechtel Ltd | 2.75yrs | £53.00 | 8.50% | £311 | u/o |



VAT

The property is elected for VAT. We understand that the sale of the property is to be treated as a Transfer of a Going Concern (TOGC).

CAPITAL ALLOWANCES

Further information available on request.

PROPOSAL

Offers are sought in the region of **£24,250,000 (Twenty Four million Two hundred and Fifty thousand pounds)** subject to contract and exclusive of VAT. A purchase at this level would reflect a **net initial yield of 9.00%** and a low capital value per square foot of £179, allowing for usual purchaser's costs of 5.80%.





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