



THE UK'S LEADING REGENERATION SPECIALIST

ENERGY CENTRE, SKYPARK, EXETER, DEVON

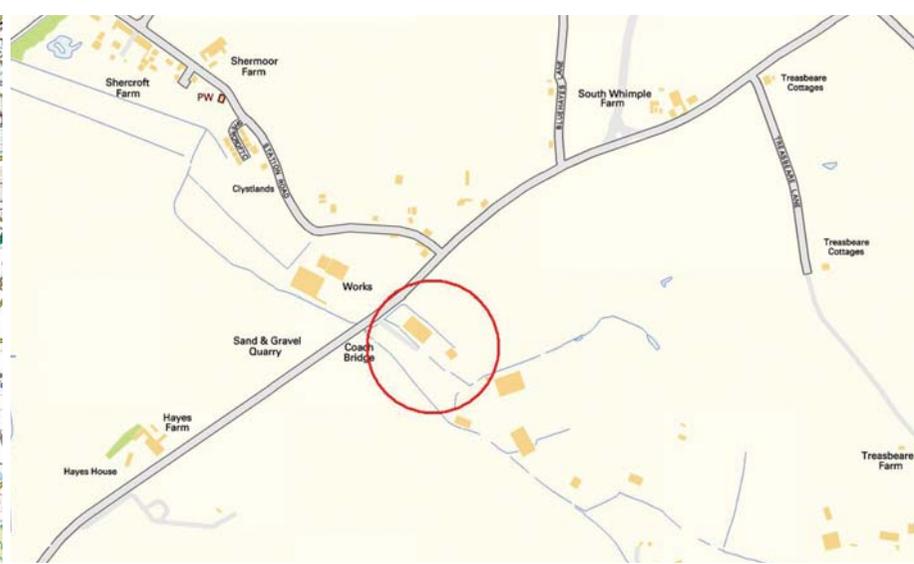
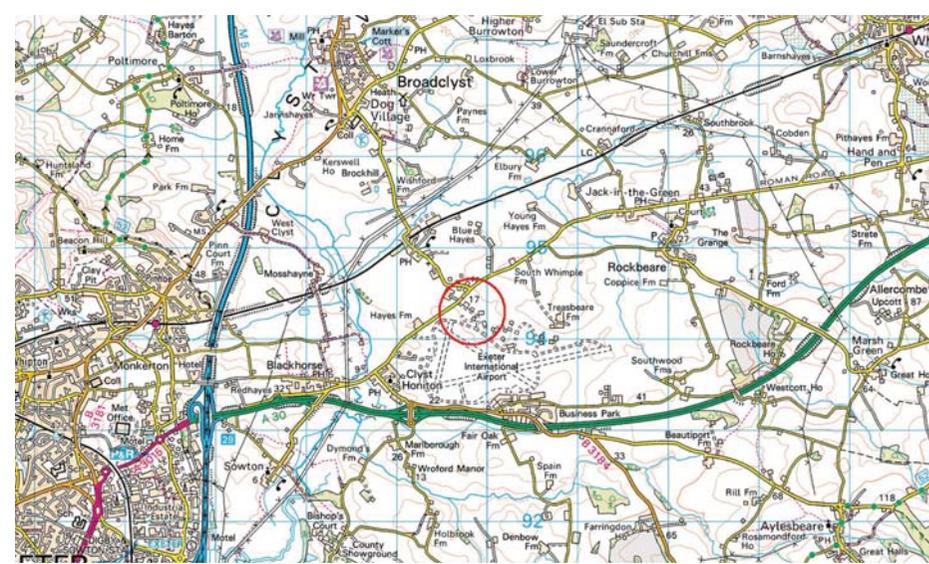
E.ON UK PLC

Freehold Investment Opportunity
80 Year Unbroken Term with Uplifts

www.skyparkexeter.com

EXECUTIVE SUMMARY

- The property is let to E.ON UK plc on an 80 year lease from December 2011 expiring 20 December 2091. The initial rent of £30,000 per annum is subject to rental increases to £43,923 per annum in year 4, and will be topped up by the vendor
- Exeter is the principle economy west of Bristol and is strategically located at the end of the M5 motorway
- Skypark is located to the north of Exeter International Airport, situated to the east of the M5 off junction 29
- Completed in September the Energy Centre, fuelled by biomass and gas, is designed to use turbines to create heat for Skypark businesses and 2,900 homes in Cranbrook, an eco-town
- New 150 year long leasehold interest at a peppercorn
- The rent is reviewed on an upward only basis every five years by multiplying the base rent by RPIx for the preceding month in which the review date falls, then dividing the product by RPIx for the base RPI month
- We are seeking offers in excess of **£875,000** reflecting a **net initial yield of 4.75%** allowing for normal costs of acquisition.



Location

Exeter is an historic Cathedral City in Devon which is located in the South West of England. Exeter is the principle economy west of Bristol and over the last decade, has outperformed most locations across the UK for job creation. It features in the top 2% for employment growth, and Exeter provides investors and businesses with the confidence of a strong local economy.

Exeter has a population of approximately 119,600, a travel to work area with a population of over 280,000 and a shopping catchment of over 550,000. The local economy continues to attract investment, create new business and draw in high calibre employees as well as a student population of around 12,000 and over 2 million day visitors a year.

Significant employers include EDF Energy, Fly-Be, Goodridge, The Met Office, the Penon Group, Sitel, Thompson Reuters and the University of Exeter.

Communications

Exeter is strategically located at the end of the M5 motorway which provides direct access to the west Midlands, south east Wales and the South West of England.

Road

The City benefits from excellent road communications and is situated adjacent to the M5 motorway, junctions 29, 30 and 31, giving fast and reliable road connections to London 320 kms (199 miles), 121 kms (75 miles) south west of Bristol, 52 kms (32 miles) south west of Taunton and 69 kms (43 miles) north of Plymouth. Exeter International Airport is located 6.4 kms (4 miles) east of the City centre and adjacent to Skypark. The Airport main terminal has undergone significant inward investment over the last five years. The Airport currently serves over 1 million passengers a year, and has plans for rapid growth over the next five years.

Rail

Exeter St David's provides regular inter-city railway services to major destinations throughout the UK including London, Manchester, Bristol, Cardiff and the rest of the South West.

Skypark

Skypark is being developed in a partnership between St. Modwen, the UK's leading regeneration specialist and Devon County Council. As the cornerstone of the Exeter and East Devon New Growth Point, Skypark will be the South West's most significant business park development combining office, industrial and distribution space with hotel, local facilities and a combined heat and power plant in a landscaped environment of more than 100 acres.

As the development progresses, it will become an integral part of the surrounding area, contributing improvements to existing local facilities and creating new ones, including an infrastructure for buses, cycles and pedestrians. Ultimately Skypark will enhance the profile of business activity in the region, promoting high quality employment locally and representing a forward looking, future proof development with a sustainable agenda at its core.

Description

The Energy Centre was completed in September 2012 and comprises a 30,000 sq ft building, the first of its kind in the South West.

The development provides a new shell facility, gatehouse and external works, with associated offices and workshops.

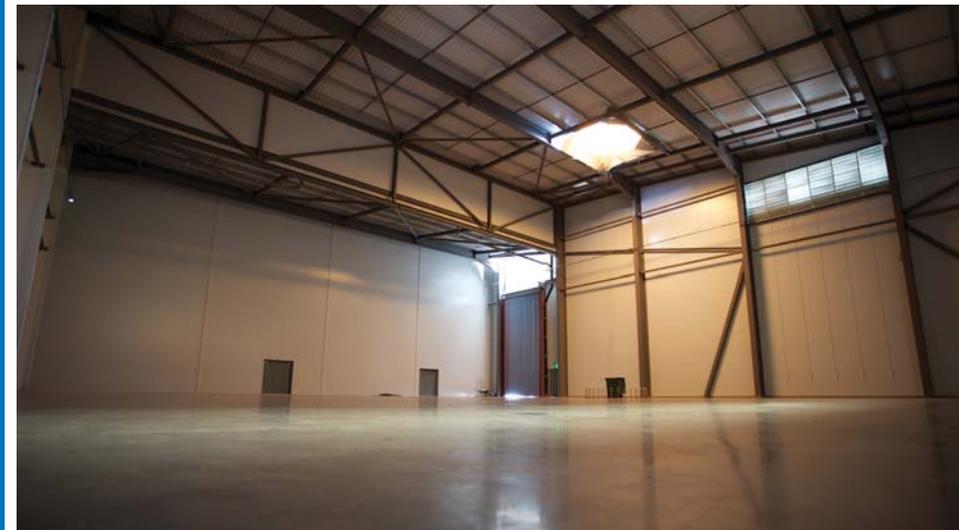
The unit is of steel portal frame construction with full height metal clad elevations supporting a pitched metal clad roof.

It has been designed to the highest standards throughout and benefits from 9 metre eaves and five fully insulated 8 meter high loading doors, with a secure yard and parking area.

A full specification is available upon request.

Accommodation

The property comprises a gross internal floor area of 34,910 sq ft (3,243 sq m). The site area is 0.7 hectares (1.73 acres) with a site coverage of 46%.



Tenure

The property is to be sold on a long leasehold basis for 150 years from St. Modwen Development Ltd at a peppercorn rent.

Tenancy

The property is let to E.ON UK plc on an 80 year full repairing and insuring lease from 21 December 2011, expiring 20 December 2091. The initial rent of £30,000 per annum is subject to rental increases to £43,923 per annum in year 4 and will be topped up by the vendor. This will then be subject to review at the end of year 5.

The rent is reviewed on an upward only basis every five years by multiplying the base rent by RPIx for the preceding month in which the review date falls, and dividing the product by RPIx for the base RPI month. This is on an upward only basis.

Covenant

The company is one of the leading players in the UK's electricity and gas markets and has a Dun & Bradstreet rating of 5A1 with a minimum risk of business failure. This is based on a tangible net worth of £2.991billion.

The company reported the following figures for the last three financial years:

	31/12/2011	31/12/2010	31/12/2009
Turnover	£9,240,000,000	£9,241,000,000	£9,227,000,000
Profit/(Loss) before Tax	(£199,000,000)	£808,000,000	£748,000,000
Tangible Net Worth	£2,991,000,000	£2,298,000,000	£1,741,000,000



EPC

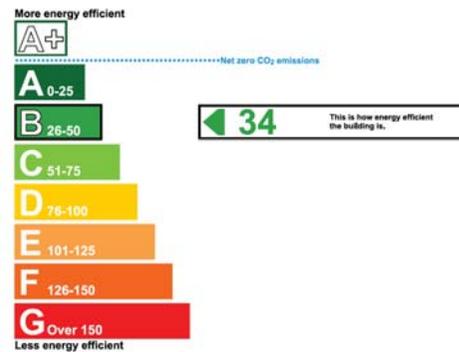
Energy Performance Certificate  HM Government
Non-Domestic Building

Cranbrook & Skypark Energy Centre
Honiton Road
Clyst Honiton
Exeter
EX6 2DX

Certificate Reference Number:
0110-0032-3599-6701-1006

This certificate shows the energy rating of this building. It indicates the energy efficiency of the building fabric and the heating, ventilation, cooling and lighting systems. The rating is compared to two benchmarks for this type of building: one appropriate for new buildings and one appropriate for existing buildings. There is more advice on how to interpret this information on the Government's website www.communities.gov.uk/epbd.

Energy Performance Asset Rating



Technical Information

Main heating fuel: Biomass
 Building environment: Heating and Natural Ventilation
 Total useful floor area (m²): 3281
 Building complexity (NOS level): 4
 Building emission rate (kgCO₂/m²): 4.92

Benchmarks

Buildings similar to this one could have rating as follows:

40 If newly built
108 If typical of the existing stock

Green Deal Information

The Green Deal will be available from later this year. To find out more about how the Green Deal can make your property cheaper to run, please call 0300 123 1234.

VAT

The property is elected for VAT, however it is envisaged that the property will be sold as a Transfer of a Going Concern (TOGC).

Proposal

We are instructed to seek offers in excess of **£875,000 (Eight Hundred and Seventy Five Thousand Pounds)** subject to contract and exclusive of VAT. A purchase at this level will reflect a net initial yield of 4.75% after allowing for normal costs of acquisition.

Assuming an RPI at 3% per annum over the course of the next five years, the net initial yield will rise to approximately 5.5% in December 2016.

Further Information

For further information and inspections, please contact:

Oliver Paine
 +44 (0)117 930 5178
 oliver.paine@eu.jll.com

Simon Bennett
 +44 (0)117 930 5717
 simon.j.bennett@eu.jll.com



**JONES LANG
LA SALLE**

0117 927 6691

© Crown Copyright 2012. All rights reserved. Promap licence number 100020449. Jones Lang LaSalle licence number 100017659. This plan is published for the convenience of identification only and although believed to be correct is not guaranteed and it does not form any part of any contract.

Misrepresentations Act 1967 & Declaration
 Jones Lang LaSalle for themselves and for the vendors of this property whose agents they are give notice that: a) the particulars are set out as general outline only for the guidance of intending purchasers and do not constitute, nor constitute part of, an offer or contract; b) all descriptions, dimensions, references to condition and necessary permissions for use and occupation and other details are given in good faith and are believed to be correct, but any intending purchaser should not rely on them as statements or representations of fact but should satisfy themselves by inspection or otherwise as to the correctness of each of them; c) no person in the employment of Jones Lang LaSalle has any authority to make or give any representation or warranty whatever in relation to this property.