

PIONEER HOUSE

CRAWLEY BUSINESS QUARTER

MANOR ROYAL, CRAWLEY, RH10 9QL



RECENTLY RE-GEARED PRIME SOUTH EAST FREEHOLD OFFICE INVESTMENT



INVESTMENT SUMMARY

- r Crawley is located 30 miles south of London and has grown to become one of the South East's most established office locations
- r The town's excellent communications, proximity to Gatwick Airport and highly skilled workforce attract a range of multinational and corporate occupiers
- r Manor Royal is Crawley's principal office pitch situated mid-way between Crawley town centre and Gatwick Airport. Manor Royal is home to over 600 businesses and 30,000 employees and is subject to a Masterplan which provides a long term strategic framework to secure the continued success of the business park
- r Crawley Business Quarter provides an established business environment in the heart of the Manor Royal Estate
- r Built in 1999 and comprises a modern self-contained office building totalling approximately 16,974 sq ft
- r 78 car parking spaces (car parking ratio of 1:218)
- r Freehold
- r The property is let in its entirety, on a recently re-gear FRI lease, to Tokyo Electron Europe Limited for a term of 10 years from 6th May 2019, with tenant break option on 23rd June 2024
- r 9.1 years to lease expiry and 4.3 years to break
- r This is the **second** time the tenant has re-gear at Pioneer House, the tenant remains in full occupation
- r Low passing rent of £370,000 p.a (£21.80 psf)
- r Quoting offers in excess of **£5,500,000**, reflecting a **Net Initial Yield of 6.50%** (assuming purchaser's costs of 6.0%)

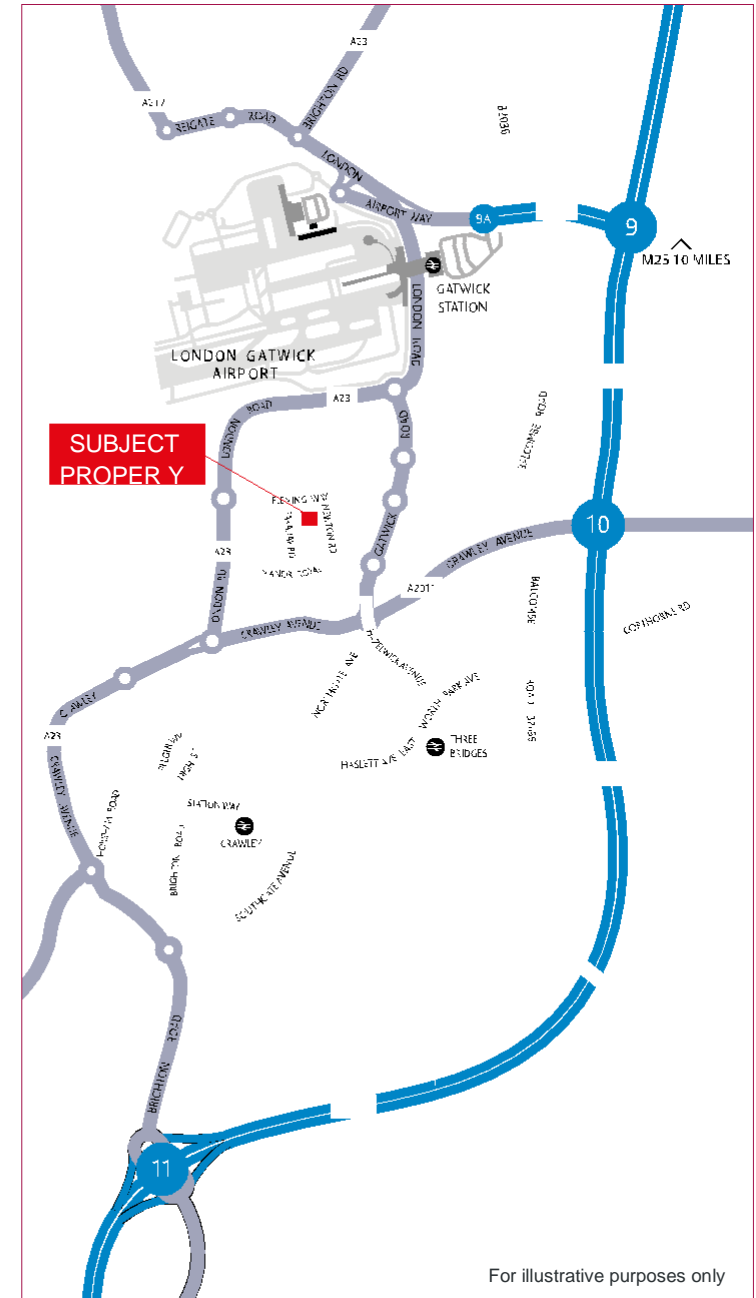
CRAWLEY

Crawley is an affluent town in West Sussex and an established South East office location, situated 30 miles south of Central London and 23 miles north of Brighton. Crawley is considered to be one of the largest commercial centres between London and the South Coast, with an office stock of circa 4.8m sq ft, and major corporate occupiers including PwC, Boeing (Jeppesen/Alteon), Virgin Holidays, Irwin Mitchell, Chubb and KPMG.

The town has a population of around 107,000 (2011 Census) and has benefitted from considerable residential development over recent years. The local authority is in the process of significantly improving the public realm, with recent completions around Queens Square and the adjacent memorial gardens. Further infrastructure improvements are planned, with the redevelopment of the Town Hall and Crawley train station.



Crawley is in the heart of the 'Gatwick Diamond', which stretches from London to Brighton and is an internationally recognised, high performance regional business district. It is home to over 600 international businesses, with approximately 350,000 employees and is home to a number of international company head quarters including Canon, Nestle and Virgin Atlantic. The key reason for this is Gatwick Airport being located approximately five miles to the north of Crawley town centre.



COMMUNICATIONS

ROAD

Crawley has excellent road communications being strategically located within 2 miles of the M23 (Junctions 9 to 11), at its intersection with the A23 and A264. This provides direct access to Gatwick Airport, Brighton and the South Coast, as well as Central London and the M25 (Junctions 7 & 8) to the north.

Destination	Distance
Central London	32 miles
Gatwick Airport	4 miles
Crawley Town Centre	2 miles
Redhill	9 miles
Brighton	23 miles
M23 (Junction 10)	2 miles
M23/M25 interchange	12 miles

AIR

Gatwick Airport is the UK's second largest and the sixth busiest international airport in the world and is pivotal to Crawley's economy. It has the busiest and most efficient single runway airport in the world, and handles 34 million passengers per year, flying to 200 destinations and 90 countries worldwide.



BY RAIL

Crawley benefits from extensive rail services being served by three mainline stations; Crawley in the town centre, Three Bridges to the east and Gatwick Airport to the north. All three stations provide frequent and direct services to London Victoria and London Bridge. Gatwick Airport is reached in just 10 minutes via the fastway Bus Service where the Gatwick Express train service runs a direct non-stop route every 15 minutes to and from London Victoria.

Destination	Journey time (From Gatwick)
London Victoria	30 mins
London Bridge	28 mins
Redhill	7 mins
Brighton	27 mins
East Croydon	15 mins

MANOR ROYAL & CRAWLEY BUSINESS QUARTER

Manor Royal, one of the biggest business parks in the South East, covers an area of 593 acres and is home to approximately 600 businesses. Manor Royal Business Park was established in 1950 and is now a key economic hub within the South East, employing over 30,000 people having attracted inward investment and growth.

Pioneer House sits within the Business Improvement District (BID). This is a precisely defined geographical area where the businesses vote to invest collectively in local improvements to enhance the working environment to establish it as a leading 21st century business park.

Since 2015 the Manor Royal BID has delivered many new and additional services, projects, improvements and events focussing on updating infrastructure, facilities, sustainability, accessibility and the enhancement of the business offer. As part of the Manor Royal BID Business Plan 2018- 2023, further services, projects and initiatives are to be undertaken. A small example of some of these works include

- ▮ Digital advertising boards at strategic locations
- ▮ Dedicated full time maintenance team
- ▮ Improved entranceways
- ▮ Transport improvements as part of a multi million pound programme
- ▮ Delivery of the projects pack to improve facilities and public realm

Further information can be found at www.manorroyal.org

Crawley Business Quarter (CBQ) comprises a large rectangular site extending to 26.7 acres (10.8 hectares) situated to the north of Manor Royal and south of Fleming Way in the heart of the Manor Royal Estate. CBQ provides mainly detached office accommodation set within a well maintained landscaped environment.

The success of Manor Royal has attracted a number of retail and leisure operators. County Oak Retail Park is one of Crawley's most successful out of town parks. Other local amenities include a Tesco Express and two hotels (Premier Inn and Ibis). Manor Royal has consistently been a popular choice for a diverse range of occupiers, including a host of blue chip global brands such as Virgin, Siemens, Boeing, Thales, and Vent Axia. The recently opened Acorn Retail Park has also attracted Marks & Spencers, Smyths Toys and Aldi.

MANOR ROYAL BID



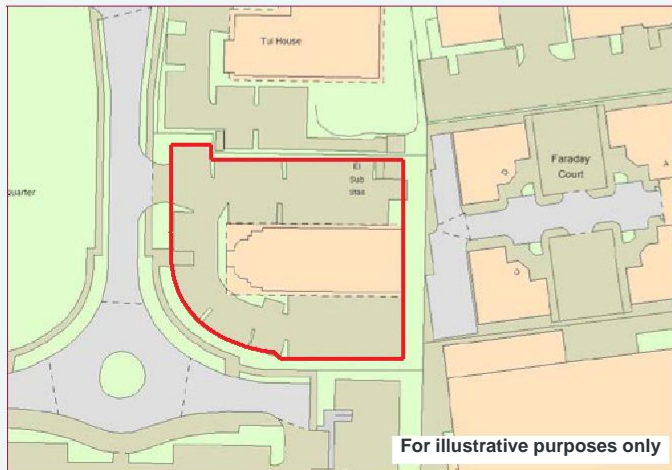
DESCRIPTION

Constructed in 1999, the property comprises a detached office building on ground and two upper floors with a plant room and storage area at roof level.

The building is of steel framed construction under a pitched slate roof with brick and glazed cladding elevations. At the front of the building there are balcony areas at both first and second floor levels.

The building provides predominantly open plan accommodation with the following summary specification;

- r Four pipe fan coil air-conditioning
- r Full access raised floors (150 mm void)
- r Suspended ceilings with Category II lighting
- r 10 person 800 kg passenger lift
- r Aluminium framed double glazed windows
- r WC's on all floors
- r Carpeting throughout the office areas
- r A total of 78 car parking spaces are on site providing an excellent car parking ratio of 1:218 sq ft
- r The property has a site area of 0.86 acres



ACCOMMODATION

We have been provided with the following net internal areas for the building.

Destination	Area (sq m)	Area (sq ft)
Ground/Reception	63.7	686
Ground/Office	463.6	4,990
First/Offices	524.4	5,645
Second/Offices	525.2	5,653
Total	1,576.9	16,974



TENURE

Freehold.

TENANCY

The property is let in its entirety, on a recently re-gearred Full Repairing and Insuring lease, to Tokyo Electron Europe Limited, for a period of 10 years commencing 6th May 2019 and expiring 5th May 2029. There is a tenant only break option on 23rd June 2024, subject to 6 months notice.

The annual passing rent is £370,000 p.a which reflects a low rent of £21.80 psf overall.

This is the second time the tenant has re-gearred the lease, demonstrating the tenants strong commitment to the property. The tenant remains in full occupation.



COVENANT

Tokyo Electron Europe Ltd is a wholly-owned subsidiary of Tokyo Electron Ltd (EL) which was established in 1963. TEL was the first company to introduce merican semiconductor production equipment and integrated circuit testers to Japan.

Since then the company has grown and now has 34 companies in 17 countries, spread over 77 locations. he company is involved in engineering, manufacturing, selling and service provision of wafer-processing or semiconductor production equipment as well as flat panel display equipment.

Tokyo Electron Europe Ltd runs the European distribution function for its parent.

Below is a summary of the tenant's financial covenant strength (company number 02923252).

Creditsafe credit score: 100/100.

Creditsafe international score: A-very low risk.

Year To Date	Turnover	Pre Tax Profit	Shareholder Funds
31/03/2019	£649,354,367	£22,034,751	£235,894,833
31/03/2018	£658,258,802	£67,217,193	£217,572,931
31/03/2017	£445,446,737	£47,802,178	£157,770,300

For additional information, please see www.tel.com.





EPC

The property has an EPC rating of D. A copy of the certificate is available upon request.

VAT

The property is elected for VAT and the purchase will be treated as a OGC.

PROPOSAL

Offers in excess of **£5,500,000 (FIVE MILLION FIVE HUNDRED THOUSAND POUNDS)**, subject to contract and exclusive of VA , reflecting a **NIY of 6.50%** (assuming purchaser's costs of 6.0%).

