**INVESTMENT SUMMARY**

- Newbury is an affluent town situated in the county of West Berkshire in the South East of England, 60 miles west of Central London.

- Affluent population with 36.7% of the 20 minute drive time catchment within the top Acorn Group ‘Affluent Achievers’.

- Newbury has a substantial pipeline of residential development sites with circa 5,000 new homes to be built in the area by 2026.

- A modern retail warehouse development extending to 71,571 sq ft GIA.

- Situated on the London Road (A4), an established and prominent retail warehouse location and adjacent to a Tesco foodstore.

- Let to B&Q plc, Dunelm (Soft Furnishings) Ltd and Carpetright plc with an attractive WAULT of 5.7 years.

- Asset management opportunity to re-gear the B&Q lease.

- Current income of £1,168,859 annum, averaging £16.16 per sq ft.

- The property benefits from an open A1 (non-food) planning consent.

- Proposed retail scheme on the adjacent site which is Under Offer on a pre-let basis.

- Freehold.

- The subject property is held within a Jersey registered Special Purpose Vehicle (SPV) company structure.

- We are instructed to seek offers in excess of £20,875,000 (Twenty Million, Eight Hundred and Seventy Five Thousand Pounds) for the Jersey SPV holding the freehold interest in London Road, Newbury, subject to contract.

- A purchase at this level reflects a net initial yield of 5.50%, assuming purchaser’s costs of 1.80%.
LOCATION

Newbury is an affluent market and commuter town in the county of West Berkshire in the South East of England. The town lies approximately 16 miles north west of Basingstoke, 18 miles south west of Reading, 26 miles south east of Swindon and 60 miles west of Central London.

The town has good transport links with the A4, A339 and the A343 passing through the town, providing direct access to neighbouring towns including Reading and Basingstoke. The M4 motorway is located 4 miles to the north and the M3 motorway, 12 miles to the south east.

The town has two railway stations, Newbury which operates services to London Paddington with the quickest journey time of approximately 40 minutes and Newbury Racecourse which runs local services between Newbury and Reading.

Newbury is the major commercial and retail centre of West Berkshire and is home to the UK headquarters of Vodafone and the FTSE 100 listed, technology giant Micro Focus International. The town’s proximity to the M4 motorway also makes it a key location for industrial, logistical and research businesses.

Newbury is a town synonymous with horse racing, with Newbury Racecourse having first opened in 1904, hosting races all year round and is benefiting from major financial investment through redevelopment works.

SITUATION

The subject property is situated within close proximity to the town centre in a prominent and highly visible position fronting London Road (A4).
STRONG DEMOGRAPHICS

PROMIS states that the Newbury Primary Retail Market Area is one of the most affluent in the UK being ranked 7th amongst all the PROMIS centres.

The Newbury Primary Retail Market Area, comprising circa 116,000 people and its wider catchment, is forecast to see significant above average population growth linked to a simultaneous growth in retail spending over the next few years.

CACI provide that within the subject property's 20 minute drive time catchment, 63.5% of households are categorised within the highest Acorn Category Groups (ABC1), significantly above the CACI base average of 53.2%.

Social Grade of Catchment

<table>
<thead>
<tr>
<th>Description</th>
<th>Comparison to Base (GB) Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>AB Higher and intermediate managerial / professional</td>
<td>+50%</td>
</tr>
<tr>
<td>C1 Supervisory / professional</td>
<td>-3%</td>
</tr>
<tr>
<td>C2 Skilled manual workers</td>
<td>-5%</td>
</tr>
<tr>
<td>DE Semi-skilled / unskilled workers / unemployed</td>
<td>-35%</td>
</tr>
</tbody>
</table>

Other important demographic statistics for the Newbury catchment include:

- 'Affluent Achievers' comprise 36.7% of the catchment, as compared to the 21.8% UK average.
- ‘Rising Prosperity’ make up 16.4% of the catchment, as compared to the 9.9% UK average.
- The average annual household income is £49,752, 32.8% above the UK average.
- Home ownership is 7% above the UK average.
- The average house price is 41.3% above the UK average.
- Car ownership 32% above the UK average.
- The level of unemployment for people aged between 16 and 74 stands at 1.5%, significantly less than the CACI base average of 2.0%.
Newbury has a relatively limited supply of retail warehouse accommodation, which is summarised below:

**Adjoining Site**
Adjacent to the subject property is a 34,300 sq ft Tesco foodstore let on a lease with in excess of 15 years remaining and a 6,000 sq ft retail warehouse unit let to Poundstretcher. There are redevelopment proposals to replace the existing vacant public house, with a 12,000 sq ft A1 unit – which we understand is Under Offer (details upon request).

**London Road Cluster**
Half a mile west of the subject property, along London Road, is a cluster of retail warehouse units let to Aldi, Pets at Home, Topps Tiles, Bathstore, Dreams and Majestic Wine. This cluster also includes a Greggs and a number of car showrooms.

**Wickes, Hambridge Road**
There is a standalone Wickes store located to the south of the River Kennet, on Hambridge Road. The unit comprises circa 30,000 sq ft and is owned by Travis Perkins.

**Newbury Retail Park**
Approximately 2 miles south of Newbury town centre lies the 200,000 sq ft Newbury Retail Park. Retailers include Next, Currys PC World, M&S Foodhall, TK Maxx, Boots, New Look, Argos, Matalan, Sports Direct, Mothercare, Homebase Design Centre, Poundworld, Poundstretcher, Costa, McDonalds and Pizza Hut. Rents on the retail units range from £16.00 to £30.00 per sq ft and the planning is predominantly open A1 (non-food). The scheme is owned by F&C.
DESCRIPTION

The subject property is a modern purpose built retail warehouse scheme comprising a DIY unit and a single terrace formed of two units. The units are of steel frame construction with part brick, part steel profile clad façade and the subdivided units benefit from substantial glazed frontages. All three units offer prominent and highly visible retailer signage.

B&Q occupy a standalone unit extending to circa 35,095 sq ft GIA at ground floor level with an additional 1,841 sq ft GIA of first floor office space. There is also an outdoor garden centre.

The second unit comprises a Dunelm of circa 24,000 sq ft GIA and a Carpetright of circa 10,635 sq ft GIA. Within the Dunelm store, the tenant has erected a mezzanine level that covers circa 66% of the internal floor space and includes a "Pausa" coffee shop. In 2011, these two units were subject to external refurbishment works which included installing fully glazed frontages.

At the front of the stores is a tarmacadam customer car park providing approximately 266 parking spaces. This gives a good parking ratio of ratio of 1 : 269 sq ft. Servicing is provided to the rear of the units.

The site extends to approximately 6.03 acres (2.44 hectares), giving a site cover of 27%.

EPC'S

<table>
<thead>
<tr>
<th>Unit</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>B 48</td>
</tr>
<tr>
<td>2A/B</td>
<td>C 72</td>
</tr>
<tr>
<td>2C</td>
<td>B 49</td>
</tr>
</tbody>
</table>
**TENURE**

The site delineated in red is held Freehold. This is provided for indicative purposes only.

**PLANNING**

The property benefits from an open A1 (non-food) planning consent. A copy of the planning consent can be provided upon request.

**REPORTS & SURVEYS**

It is anticipated that the specialist environmental and flood risk reports together with a Plowman Craven measured survey which have been produced will be fully assignable to the purchaser.
TENANCY

The scheme is let to three market leading retailers and benefits from a WAULT of 5.7 years.

<table>
<thead>
<tr>
<th>Unit</th>
<th>Tenant</th>
<th>GIA (sq ft)</th>
<th>Lease Start</th>
<th>Lease End</th>
<th>Next Rent Review</th>
<th>Current Rent (per annum)</th>
<th>Current Rent (per sq ft)</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>B&amp;Q plc</td>
<td>36,936</td>
<td>11/06/2012</td>
<td>10/06/2022</td>
<td>-</td>
<td>£611,736</td>
<td>£16.56</td>
<td>Rent paid monthly, lease states quarterly but understood to be an informal arrangement.</td>
</tr>
<tr>
<td>2A/2B</td>
<td>Dunelm (Soft Furnishings) Ltd</td>
<td>24,000</td>
<td>10/10/2011</td>
<td>09/10/2026</td>
<td>10/10/2021</td>
<td>£360,000</td>
<td>£15.00</td>
<td>24,000 sq ft stated in the lease. 24,311 sq ft in P&amp;C survey. Upwards and Downwards rent review. The 2016 rent review was documented at nil change.</td>
</tr>
<tr>
<td>Mobile Food</td>
<td>Private Individual</td>
<td>0</td>
<td>14/11/2015</td>
<td>13/11/2020</td>
<td>-</td>
<td>£12,500</td>
<td>-</td>
<td>Rolling break option, subject to 3 months' notice.</td>
</tr>
</tbody>
</table>

71,571 |  |  |  |  |  | £1,168,859 |  |  |

SERVICE CHARGE

There is a service charge cap in the Dunelm lease of £19,200 per annum (£0.80 per sq ft) until 9 October 2016 and then increasing annually in line with RPI.
The property has a low service charge of £0.50 per sq ft, resulting in no shortfall.
The 2018 service charge budget and previous service charge accounts are available upon request.
TENANT INFORMATION

B&Q plc
B&Q is the UK’s leading home improvement retailer trading from approximately 300 stores and employing over 27,000 people. Their most recent accounts are as follows:

<table>
<thead>
<tr>
<th>Year Ending</th>
<th>Sales Turnover</th>
<th>Pre Tax Profit</th>
<th>Net Worth</th>
<th>D&amp;B Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>31/01/2017</td>
<td>£3,582,800,000</td>
<td>£229,100,000</td>
<td>£4,647,200,000</td>
<td>5A 1</td>
</tr>
<tr>
<td>31/01/2016</td>
<td>£3,704,000,000</td>
<td>£68,900,000</td>
<td>£4,493,200,000</td>
<td></td>
</tr>
</tbody>
</table>

Dunelm (Soft Furnishings) Ltd
Dunelm is one of the UK’s leading homewares retailers with over 150 stores and employing over 6,000 people. Their most recent accounts are as follows:

<table>
<thead>
<tr>
<th>Year Ending</th>
<th>Sales Turnover</th>
<th>Pre Tax Profit</th>
<th>Net Worth</th>
<th>D&amp;B Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>01/07/2017</td>
<td>£901,100,000</td>
<td>£90,500,000</td>
<td>£46,400,000</td>
<td>5A 1</td>
</tr>
<tr>
<td>02/07/2016</td>
<td>£880,900,000</td>
<td>£127,400,000</td>
<td>£32,200,000</td>
<td></td>
</tr>
</tbody>
</table>

Carpetright plc
Carpetright is the leading floor coverings and beds provider in the UK. Their most recent accounts are as follows:

<table>
<thead>
<tr>
<th>Year Ending</th>
<th>Sales Turnover</th>
<th>Pre Tax Profit</th>
<th>Net Worth</th>
<th>D&amp;B Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>29/04/2017</td>
<td>£457,600,000</td>
<td>£900,000</td>
<td>£20,700,000</td>
<td>4A 4</td>
</tr>
<tr>
<td>30/04/2016</td>
<td>£456,800,000</td>
<td>£12,800,000</td>
<td>£16,900,000</td>
<td></td>
</tr>
</tbody>
</table>

On 12 April 2018, Carpetright announced it was entering into a Company Voluntary Agreement (CVA), which involved closing 81 ‘unviable’ stores and reducing rents on a further 113 stores. This would leave them with a portfolio of profitable stores. The CVA has been approved by both its creditors and shareholders and the company has announced its intention to issue a rights issue of £60 million, to be reinvested into the business.

This was a category A store, the highest ranking grade. No rent reduction was sought for those designated as category A’s and the tenancy arrangement is unaffected.
RENTAL COMMENTARY

Good quality locations, particularly in the South East of England, have experienced strong levels of tenant demand in recent years. The lack of available sites and high level of consumer spending in the more affluent catchments have generally resulted in an increase in rental levels.

As identified, Newbury has a relatively low supply of good quality retail warehouse accommodation and the town has demonstrated strong sustainable rents in the recent past.

DIY Unit

DIY provision in Newbury is limited to the B&Q on the subject property (36,936 sq ft), a Homebase unit on Newbury Retail Park (circa 30,000 sq ft) and the standalone Wickes unit (circa 30,000 sq ft) on Hambridge Road. Given the size of the catchment and ‘right’ size of each unit, we would suggest the passing rent on the B&Q at £16.56 per sq ft is highly sustainable.

Evidence in the town and elsewhere in the South East includes the following:

<table>
<thead>
<tr>
<th>Retailer</th>
<th>Town</th>
<th>Size (sq ft)</th>
<th>Rent (per sq ft)</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Homebase</td>
<td>Newbury</td>
<td>30,144</td>
<td>£22.00</td>
<td>2007</td>
</tr>
<tr>
<td>Wickes</td>
<td>Tunbridge Wells</td>
<td>25,422</td>
<td>£18.19</td>
<td>2018</td>
</tr>
<tr>
<td>B&amp;Q</td>
<td>Slough</td>
<td>81,637</td>
<td>£21.25</td>
<td>2017</td>
</tr>
</tbody>
</table>

Smaller Units

Again, due to the tight supply of retail warehouse provision and high affluence of the conurbation, recent evidence in the town suggests that the units occupied by Dunelm and Carpetright are at least rack rented. It is important to note that the Dunelm upwards and downwards rent review in October 2016 was documented at nil change from the passing rent of £360,000 per annum, equating to £15.00 per sq ft.

In 2016 on Newbury Retail Park, Boots took a new unit of 10,000 sq ft at a rent of circa £32.50 per sq ft, with TK Maxx moving into a unit of 12,000 sq ft at a rent of circa £29.25 per sq ft. We understand the existing Evans unit, extending to 5,000 sq ft, is currently being split and both units are under offer at approximately £40.00 per sq ft. We also understand there has been tenant interest in the Poundstretcher unit on Newbury Retail Park at rents in excess of £30.00 per sq ft.

In addition, there was strong interest from A3/A5 operators for a two unit scheme on the adjacent site however the owner has decided to construct a single unit of 12,000 sq ft which is Under Offer on a pre-let basis.
MISREPRESENTATION NOTICE. Wilkinson Williams LLP give notice to anyone who may read these particulars as follows:

1. These particulars are prepared for the guidance only of prospective purchasers. They are intended to give a fair overall description of the property but are not intended to constitute part of an offer or contract. 2. Any information contained herein (whether in the text, plans or photographs) is given in good faith but should not be relied upon as being a statement of representation or fact. 3. Nothing in these particulars shall be deemed to be a statement that the property is in good condition or otherwise nor that any services or facilities are in good working order. 4. The photographs appearing in this brochure show only certain parts of the property at the time when the photographs were taken. Certain aspects may have changed since the photographs were taken and it should not be assumed that the property remains precisely as displayed in the photographs. Furthermore, no assumptions should be made in respect of parts of the property which are not shown in the photographs. 5. Any areas, measurements or distances referred to herein are approximate only. 6. Where there is reference in the particulars to the fact that alterations have been carried out or that a particular use is made of any part of the property, this is not intended to be a statement that any necessary planning, building regulations or other consents have been obtained and these matters must be verified by an intending purchaser. 7. Descriptions of the property are inevitably subjective and the descriptions contained herein are given in good faith as an opinion and not by way of statement of fact. Plans are published for convenience of identification only and although believed to be correct, their accuracy is not guaranteed and they do not form part of any contract.

May 2018. Designed and produced by Creativeworld Tel: 01282 858200.

LONDON ROAD RETAIL PARK
NEWBURY | RG14 2BP

VAT

The property is elected for VAT, however purchase consideration on the proposed “corporate” transaction would not itself be subject to VAT.

SPECIAL PURPOSE VEHICLE

The transaction will be conducted by a transfer of ownership of the shares of a Jersey registered Special Purpose Vehicle (SPV).

PROPOSAL

We are instructed to seek offers in excess of £20,875,000 (Twenty Million, Eight Hundred and Seventy Five Thousand Pounds) for the Jersey SPV, subject to contract.

A purchase at this level reflects a net initial yield of 5.50%, assuming purchaser’s costs of 1.80%.

FURTHER INFORMATION

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NEWBURY | RG14 2BP

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