

# 960 CAPABILITY GREEN, LUTON

LUI 3PE

**STRATEGICALLY LOCATED, HIGH YIELDING  
MODERN OFFICE INVESTMENT**

**Ryden**

**GERALDEVE**





## INVESTMENT SUMMARY

- Strategically located, high yielding modern office investment.
- Capability Green is the dominant MI business park, home to a number of blue chip occupiers including Easyjet, Ernst & Young and AstraZeneca.
- Exceptional connectivity being located 1 mile from J10 of the M1, 1 mile from Luton Airport Parkway Rail Station and 2 miles from Luton Airport.
- Property provides a total Net Internal Area (NIA) of 26,234 sq ft (2,437.21 sq m) over 2 floors.
- Excellent car parking ratio of 1:196 sq ft – 134 spaces.
- Let to Luton Capability Green Centre Limited (Regus) for a term expiring 23/12/2027 at a rent of £472,000 per annum/£17.99 per sq ft.
- The tenant has regeared their lease highlighting their commitment to the property. The property offers an unexpired term of 4.95 years.
- Strong tenant retention history – the tenant has been trading well from the building and has been in constant occupation for 24 years since the property was built.
- The centre has over 77% occupancy and is expected to rise this year and is the top performing centre in Regus' regional cluster.
- Freehold
- Offers in excess of **£4,920,000** which reflects an attractive **net initial yield of 9.00%** after the deduction of usual purchaser's costs of 6.59% and a **low capital value rate of £187 per sq ft.**

# LOCATION

- 📍 Strategic location benefitting from exceptional communications.
- 📍 34 miles to the north of Central London, 42 miles south west of Cambridge and 58 miles east of Oxford.
- 🚧 Less than 1 mile from Junction 10 of the M1 and 11 miles from Junction 21A of the M25 motorways.
- 🚗 Luton Airport Parkway (1 mile north east) and Luton (2 miles north) mainline railway stations both provide frequent and direct services to four Central London stations; St Pancras International, Farringdon, Blackfriars and City Thameslink with a fastest journey time of approx. 22 minutes.
- ✈️ Luton Airport – the UK's 5th largest airport with 18 million passengers per annum - is situated approximately 2 miles to the north east.
- 🚆 The airport has undergone significant upgrades in recent years with capacity increasing by 50%. The Luton DART – an automated light rail service connecting Luton Airport Parkway Railway Station and the airport – is due to open this year. There are also longer term proposals to double the airport's capacity to 32 million passengers per year by 2039.





LUTON

LUTON AIRPORT

LUTON TOWN CENTRE

LUTON RETAIL PARK

LUTON AIRPORT PARKWAY

SUBJECT PROPERTY

David Lloyd  
— CLUBS —

Impellam Group

AstraZeneca

randstad

TELESPAZIO  
a LEONARDO and THALES company

ERNST & YOUNG

A1081

LEONARDO

GREGGS  
Always Fresh. Always Tasty

easyJet

N For indicative purposes only.

TO M1 JUNCTION 10



## DESCRIPTION

The property comprises a two storey office building constructed in 1999 and totalling 26,234 sq ft. The building is of reinforced concrete framed construction beneath a steel deck roof and benefits from a dedicated reception area. Internally there is a glazed lightwell with a decked garden area providing additional natural light to the offices.

The specification of the property includes:

- Fully accessible raised floors
- Suspended ceilings
- Four pipe fan coil air conditioning system
- 8 person hydraulic passenger lift
- Male, female and disabled WC's and kitchen facilities on each floor, all of which have undergone recent refurbishment by the tenant.

Externally, car parking is provided on all four sides of the property. There are 134 spaces in total providing an excellent ratio of 1:196 per sq ft.

## SITUATION

Situated on Capability Green which is accessed from the A1081 dual carriageway that links directly with the M1 to the south west and Luton Airport to the north east.

High quality business park extending to 85 acres within an attractive, landscaped environment and providing approximately 1 million square feet of high specification offices.

Occupiers on the business park include AstraZeneca, Easyjet, Ernst & Young, Randstad, Impellam Group & David Lloyd.

Amenities on site include a David Lloyd Health Centre, Greggs Bakery, Jigsaw Day Nursery, Landscaped Grounds and 24/7 security.



# ACCOMMODATION

Description	Use	Area (sq m)	Area (sq ft)
Ground Floor	Reception	57.69	621
Ground Floor	Offices	1,164.91	12,539
First Floor	Offices	1,214.61	13,074
<b>TOTAL NIA</b>		<b>2,437.21</b>	<b>26,234</b>

## SITE AREA

Approximately 2.28 acres (0.923 hectares).

## TENURE

Freehold.



For indicative purposes only.



## TENANCY

The property is let to Luton Capability Green Centre Limited for a term of 6 years from 24th December 2019 on FRI terms at a rent of £472,000 per annum equating to an overall rate of £193.66 per sq m (£17.99 per sq ft).

A reversionary lease was completed in March 2021 at the same rent, extending the tenants' commitment to the building for a further 2 years to 23rd December 2027. The total unexpired term is therefore 4.95 years.

The tenant has provided a bank guarantee for a sum equivalent to 6 month's rent plus VAT.

The tenant trades well from the property and has done so since it was built, 24 years ago. From it, Regus are the principal serviced office provider in Luton.

The centre has over 77% occupancy and is expected to rise this year. It is the top performing centre in Regus' regional cluster.

## COVENANT INFORMATION

Founded over 30 years ago, Regus is now the world's leading provider of flexible office solutions and operate from about 3,000 locations in 120 countries. Regus is part of a collective of global and regional workspace brands owned by the IWG network. Other brands include Spaces, HQ, Signature by Regus and No 18.

The most recent published accounts for Luton Capability Green Centre Limited (Company No. 06975929) are as follows:

Date of accounts (£)	Turnover	Pre-Tax Profit	Shareholder's Funds
31/12/2020	£1,111,000	(£210,000)	(£377,000)
31/12/2019	£1,266,000	£28,000	(£167,000)
31/12/2018	£1,116,000	(£100,000)	(£28,000)



# RENTAL EVIDENCE

Date	Address	Area (Sq Ft)	Rent psf	Term (break)	Tenant
April 2022	400 Capability Green	5,015	£23.50	5 (3)	Celsus Group
October 2021	Mulberry House, Capability Green	7,694	£22.50	15 (5, 10)	Hallgarten & Novum Wines
September 2021	500 Capability Green	26,678	£23.50	5 (3)	Department for Work & Pensions
June 2021	400 Capability Green	7,938	£23.50	5	Triple S Promotions
February 2020	Mulberry House, Capability Green	5,500	£22.50	5	Sava
December 2019	500 Capability Green	26,240	£23.50	10 (3)	EasyJet



# INVESTMENT EVIDENCE

Date	Address	Town	Price	NIY (%)	Cap Val (£psf)	WAULT to expiry (yrs)	WAULT to break (yrs)	Area (Sq ft)	Rent (£psf)	Key Tenant(s)	Purchaser
Under Offer	Building 950, Capability Green	Luton	£2,400,000	VP	£166	VP	VP	14,389	VP	Vacant	-
Nov 2022	Regus, Cardinal Point, Rickmansworth	Watford	£6,650,000	8.30%	£260	8.30	8.30	25,570	£23.03	Regus	Private
Sep 2022	K1, K2 & K3 Kents Hill	Mikton Keynes	£17,580,000	7.75%	£212	6.32	5.24	83,024	£17.88	Lundbeck, Teletrac Navman, Linear Building Innovations, T-Systems, Grand Union Housing Group and Kuehne & Nagel	Corum
Sep 2022	St Clement House	Basingstoke	£3,200,000	7.61%	£216	8.30	3.30	14,843	£17.51	Secretary of State and Infosum	Private
Aug 2022	Wallace House	Welwyn Garden City	£7,100,000	8.00%	£228	6.94	6.01	31,175	£19.45	Purchase Direct, Teaching Personnel and Willis Towers Watson	Private
Jun 2022	Pinnacle, Station Way	Crawley	£5,800,000	8.98%	£200	2.30	2.30	28,974	£19.20	Regus, Theradex, NHC Holdings and Access	Fprop
Oct 2021	800 Capability Green	Luton	£14,000,000	6.50%	£265	9.00	9.00	52,752	£18.43	Blue Arrow	EIDA
Jul 2020	Building 3000, Hillswood Drive	Chertsey	£23,000,000	7.07%	£346	7.69	5.34	66,562	£26.09	Regus and Samsung	Kamco Invest and M7
Mar 2020	300 Capability Green	Luton	£62,100,000	5.96%	£342	10.00	10.00	181,750	£21.73	BAE Systems - fully sublet to Leonardo	Citibank Private Clients

## VAT

The property is elected for VAT and VAT will be payable on the purchase price. The sale will be treated as a Transfer of a Going Concern (TOGC).

## EPC

The property has a rating level of C. A copy of the certificate is available on request.

## PROPOSAL

We are instructed to seek offers in excess of **£4,920,000** for our client's freehold interest subject to contract and exclusive of VAT. Based on the rental income of £472,000 per annum, this reflects a **net initial yield of 9.00%** after a deduction of normal purchaser's costs of 6.59% and a **low capital value rate of £187 per sq ft.**



## FURTHER INFORMATION



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