



44-52
LATTIMORE ROAD

ST ALBANS



Single let M25 office Investment For Sale



44-52 LATTIMORE ROAD

St Albans, Hertfordshire AL1 3XL

CITY COUNCIL
OFFICES

THE MALTINGS
SHOPPING CENTRE


LORETO
COLLEGE

LATTIMORE ROAD

VICTORIA STREET

LONDON ROAD

ALMA ROAD

St Albans City 

INVESTMENT SUMMARY

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- Located in the affluent M25 city of St Albans
- Prominent single let office building in the heart of the city centre
- Comprising 7,163 sq ft (665.53 sq m) NIA over ground and two upper floors
- Let to HSBC Bank Plc on a FRI lease from 8th April 2015 to 7th April 2025 providing an unexpired lease term in excess of 8.5 years
- A tenant's option to determine the lease on the 8th April 2020
- 26 car parking spaces (1:275 sq ft)
- Freehold
- Passing rent of £135,750 pax (£18.95 per sq ft)
- Excellent potential for longer term residential conversion
- Offers sought in excess of £1,900,000 (One Million, Nine Hundred Thousand Pounds) reflecting a net initial yield of 6.72% after allowing for purchaser's costs of 6.25%. A purchase at this level reflects a low capital value of 265 per sq ft



LOCATION

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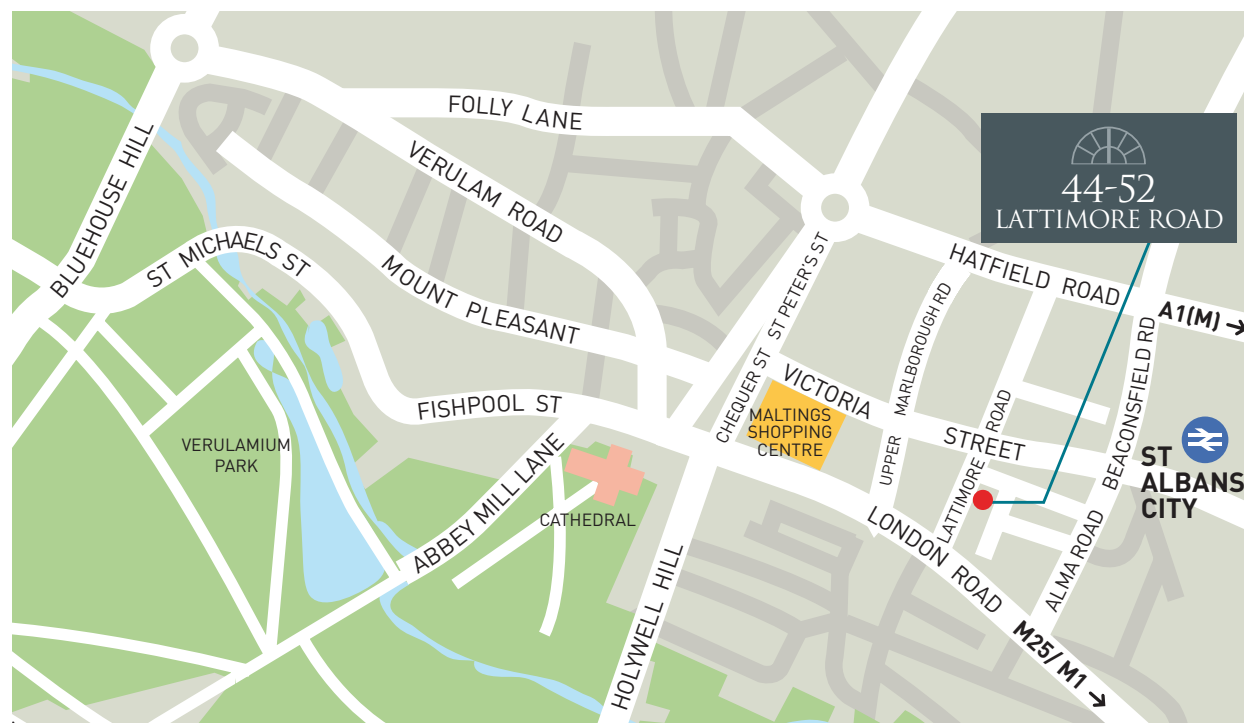
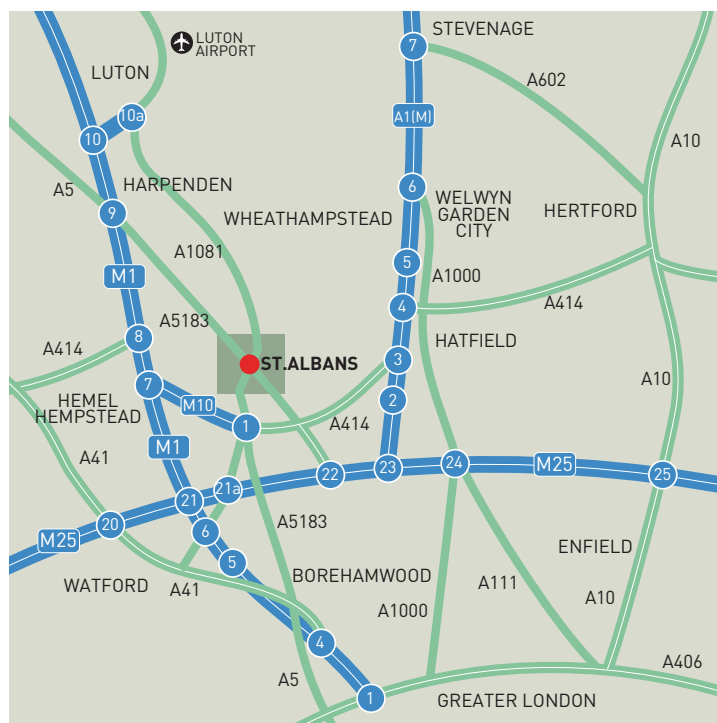
St Albans, Hertfordshire AL1 3XL

St Albans is located in the north-west quadrant of the M25 approximately 22 miles north-west of Central London and 6 miles east of Hemel Hempstead. The city has a resident population of approximately 140,000 and a highly skilled workforce with the fourth highest population of manager, senior officials and professional occupations in the country.

The city benefits from excellent rail and road communications. Rail services from St Albans City Station provide a fastest journey time to St Pancras International of 18 minutes. Thameslink rail services from the city connect directly to Brighton to the south and Bedford and Luton to the north. Stansted, Heathrow and Luton Airports are all within an easy drive.

The historical city centre provides modern commercial and business accommodation and an excellent mix of leisure and shopping facilities with a wide selection of national and local retailers, restaurants, pubs and cafés.

The excellent communications with Central London and the national motorway network along with an educated population has contributed to the presence of major occupiers in St Albans including Deloitte, Premier Foods, Logica, Aecom and Aon Hewitt.



SITUATION

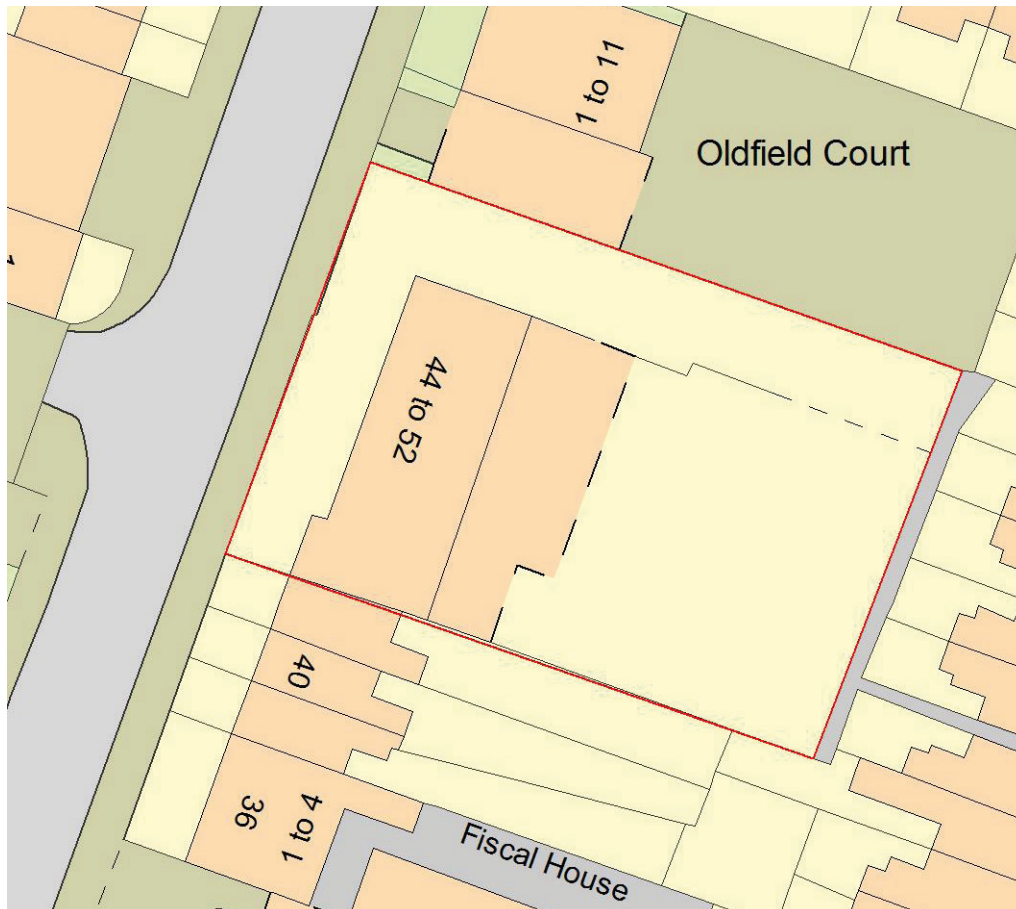
SITE

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The property is situated on Lattimore Road which connects Victoria Street and London Road, the city's main commercial locations. St Albans City Railway Station is a short walk from the building as is the prime retailing locations of St Peter's Street and the Maltings Shopping Centre.

The property sits on a rectangular site of approximately 0.28 acres (0.11 hectares).



DESCRIPTION

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The property was constructed in 1990 and comprises an office building arranged on ground and two upper floors.

The building is of steel frame construction under a flat roof with brick and glazed elevations. The property is set back from the road and there is both stepped and ramped access to the main entrance.

The building provides bright open plan office accommodation. HSBC occupy the building as their Herts & South Beds commercial centre. They have refurbished and refitted the ground floor customer meeting areas and the second floor and are planning to refit the first floor in the near future. Generous on site car parking is provided to the rear of the property. An additional disabled person car space is provided to the front.

The modern specification includes the following:

- Suspended ceilings with LG7 lighting
- Full access raised floors
- 8 person passenger lift
- Double glazing
- Central heating
- WC's on all floors
- Air conditioning (tenant improvement)
- 26 car parking spaces providing an excellent car parking ratio of 1:275 sq ft



ACCOMMODATION

The building provides the following accommodation.

Floor	Sq m (NIA)	Sq ft (NIA)	Sq m (IPMS 3)	Sq ft (IPMS 3)
Ground	231.35	2,490	236.72	2,527
First	247.98	2,669	267.10	2,851
Second	186.20	2,004	188.37	2,011
Total	665.53	7,163	692.19	7,389



TENANCY / TENANT INFORMATION

TENANCY

The property is entirely let to HSBC Bank Plc who have been in occupation since construction in 1990. The lease is for a term of 10 years on full repairing and insuring terms from 8th April 2015 and expiring on 7th April 2025, thus providing an unexpired lease term in excess of 8.5 years.

The passing rent is £135,750 per annum exclusive (£18.95 per sq ft) and will be subject to an open market rent review on the 8th April 2020

The tenant has an option to determine the lease on the 8th April 2020.

TENURE

The property is held freehold.

TENANT INFORMATION

HSBC is one of the world's largest banking and financial services organisations. They serve more than 47 million customers through their four global businesses of Retail Banking and Wealth Management, Commercial Banking, Global Banking and Markets, and Global Private Banking. Their network covers 71 countries and territories in Europe, Asia, the Middle East and Africa, North America and Latin America.

HSBC's headquarters is at 8 Canada Square in Canary Wharf, London and they operate more than 1,100 retail branches across the UK.

HSBC Bank Plc	31/12/15	31/12/14	31/12/13
Turnover	£18,630,000,000	£18,313,000,000	£20,302,000,000
Pre-Tax Profit	£2,971,000,000	£1,953,000,000	£3,294,000,000
Net Worth	£30,486,000,000	£28,784,000,000	£24,436,000,000



ST ALBANS OFFICE MARKET

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St Albans is one of the major north-west M25 office locations. It has proved popular with local and international occupiers due to its proximity to Central London, its highly skilled workforce and its excellent road, rail and air links. There is limited office availability in the city centre with many secondary offices having been converted to residential use. The north M25 market has seen take up increase by 28% resulting in a low vacancy rate throughout the area. Prime headline rents in St Albans stand at circa £34 per sq ft with a number of quoting rents in the city now at around £30 per sq ft in line with comparable M25 office locations.

NCFE has recently acquired 3,500 sq ft of ground floor office accommodation at Trident House on Victoria Street at a rent of £120,000 pa, equating to £34 per sq ft. Yum Restaurants has acquired 5,425 sq ft at Building 2 Abbey View, Everard Close at a rent of £149,000 pa equating to £27.50 per sq ft.

Demand for office investments around the M25 has increased substantially over the last 12 months. Significantly higher rents in Central London has buoyed tenant demand and rental levels in well-connected M25 centres such as St Albans. Institutional and private investors continue to seek out quality properties that offer real opportunities for rental growth.






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VAT

VAT will be payable on the purchase price although we anticipate that the transaction will be treated as a Transfer of a Going Concern (TOGC).

EPC

The property has an EPC rating of C53.

PROPOSAL

We are instructed to seek offers in excess of £1,900,000 (One Million, Nine Hundred Thousand Pounds) subject to contract which reflects a net initial yield of 6.72% after allowing for purchaser's costs of 6.25%. A purchase at this level reflects a low capital value of 265 per sq ft.

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NOTE. The enclosed plans are based upon the Ordnance Survey Map with the sanction of the Controller of H M Stationery Office (Crown Copyright Reserved), Chas E Goad Limited, Geographia Limited and Geographers A-Z Map Co Limited, where applicable. These plans are published for the purposes of identification only and, although believed to be correct, their accuracy is not guaranteed and they do not form any part of any Contract. Details prepared August 2016

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