The Cranford Estate

Unique Investment Opportunity with Asset Management & Development Potential

KENILWORTH ROAD | BLACKDOWN | ROYAL LEAMINGTON SPA | CV32 6RQ
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Investment Summary

- Excellent location 1.7 miles (2.7 km) from Leamington Spa town centre and close to the A46 Warwick Bypass linking to the M40 at Junction 15 with access to Warwick Parkway Station.
- Comprising a Victorian Manor House, Modern office building (Cranford House) and two former Coach Houses (North & South Lodge).
- The Estate comprises approximately 22,999 sq ft (2,136.69 sq m) of office and residential space in total with 129 car parking spaces.
- Large site area of 2.93 hectares (7.4 acres) with development potential (Subject to Planning).
- Two high quality commercial tenants currently producing £228,514 per annum.

- Numerous asset management & development opportunities including:
  - **The Manor House and North Lodge** – Occupy or let to residential or corporate tenants
  - **South Lodge** - Conversion to residential use following lease expiry in June 2018
  - **South Lodge Car Park** – With South Lodge being converted to residential use, its car park becomes available for an exclusive residential development (Subject to Planning)
  - **Cranford House (Modern Office)** - Future conversion to residential apartments or redevelopment for exclusive residential or care home use to incorporate the main car park (Subject to Planning)
  - **South Lodge** - Renew or re-let following lease expiry in June 2018 at a higher rent. Our opinion of Market Rental Value is £43,400 per annum
  - **Cranford House (Modern Office)** - Implement the rent review in October 2020. Our opinion of Market Rental Value is £216,802 per annum
  - **Parkland** - Promotion through the planning system of circa 1.68 acres for exclusive residential development

We are instructed to seek offers in excess of £5,900,000 subject to contract and exclusive of VAT.

This can be broken down as follows;

- Cranford House (Modern office) £2,800,000
- The Manor House £2,080,000
- South Lodge £570,000
- North Lodge £350,000
- Parkland (c.1.68 acres) £100,000
Location

Royal Leamington Spa is located to the south-east of the West Midlands conurbation and lies approximately 24 miles (38 km) to the south-east of Birmingham, 10 miles (16 km) south of Coventry and 2 miles (3.2 km) east of Warwick.

Junctions 14 and 15 of the M40 are within 5 miles (8 km) of the town centre, which provides access to both Birmingham and the South East, whilst Coventry is within easy reach via the A46 dual carriageway.

The A452 is the principal north-south route within the area connecting Royal Leamington Spa with the M40 and the A46.

The property also enjoys good accessibility to the rail network with Leamington Spa and Warwick Parkway railway stations being in close proximity, providing regular services to London Marylebone and London Euston with journey times between 1 hour 16 mins and 1 hour 46 mins.

The nearest passenger airport is located at Birmingham International Airport, some 17 miles (27 km) to the north-west.

The estate is a former residential estate and is situated directly off the A452 Kenilworth Road close to its junction with the A46 dual carriageway in a rural location 1.7 miles north of Royal Leamington Spa Town Centre.

Other surrounding uses comprise a variety of residential and converted commercial accommodation including the Nuffield Health Warwickshire Hospital.
Description

The Cranford Estate consists of the North and South Lodges, situated either side of the main entrance with the Victorian residential Manor House dating from 1899 and a modern ‘L shaped’ office, known as Cranford House, understood to have been constructed in the mid 1990’s.

There is also extensive car parking totalling 129 spaces within formal landscaped grounds. In addition, there is approximately 0.68 hectares (1.68 acres) of cleared Parkland to the east of the site.

The total site area is 2.93 hectares (7.24 acres).

Tenure

Freehold.
Cranford House
(Modern Office)

Cranford House is a two storey office building arranged in an L shaped configuration. The accommodation has been recently refurbished by the tenant to include new glazed internal partitioning. The specification otherwise includes; suspended ceilings with recessed fluorescent lighting and a mixture of carpet and laminate flooring with central heating. Male and Female toilets and kitchen facilities are located on both floors.

Externally there is surface car parking providing 86 spaces.
The Manor House

The Manor House is a magnificent and imposing fully restored 6/7 bedroom Victorian manor house of 7,720 sq ft, constructed in 1899 and situated in formal gardens. The property has been restored by the current owners over the last three years to include; maintenance to the fabric of the building, rewiring, new central heating system, luxury kitchen and luxury bathrooms.

Many of the original features have been retained including; stone mullion leaded light windows, oak panelling to many parts of the house, ceiling coving, stone fireplaces and original carved doors.

To the rear there is a surface car park over which the Tenant of Cranford House has a Right of Way for access only.
The Cranford Estate

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South Lodge

A two storey brick and slate tiled building with a conservatory reception entrance. The accommodation is centrally heated by panel radiators with fluorescent tube lighting and a mixture of carpet and laminate flooring. Externally there is a surface car park providing 25 spaces of which 18 spaces are demised to the current Tenant.
North Lodge

A detached single storey dwelling of brick construction with a slate tiled roof. Fully refurbished in 2013 to provide 3 bedrooms with 2 bathrooms, a living room and kitchen. Externally there are two detached single garages with parking for a further two vehicles.
## Tenancy Schedule

<table>
<thead>
<tr>
<th>Description</th>
<th>Use</th>
<th>Size (Sq ft)</th>
<th>Size (Sq m)</th>
<th>Parking Spaces</th>
<th>Tenant</th>
<th>Lease Start</th>
<th>Lease End</th>
<th>Rent Review</th>
<th>Rent Passing per annum</th>
<th>Market Rental Value per annum</th>
<th>Estimated Non-recoverable Service Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cranford House (Modern office)</td>
<td>Office</td>
<td>11,988</td>
<td>1,113.72</td>
<td>86</td>
<td>Standard Life Employee Services Ltd</td>
<td>31/10/2015</td>
<td>30/10/2025</td>
<td>31/10/2020</td>
<td>£192,514</td>
<td>£216,802</td>
<td></td>
</tr>
<tr>
<td>The Manor House</td>
<td>Residential</td>
<td>7,720</td>
<td>717.21</td>
<td>16</td>
<td>Vacant on completion*</td>
<td></td>
<td></td>
<td></td>
<td>£60,000</td>
<td>£4,962</td>
<td></td>
</tr>
<tr>
<td>South Lodge</td>
<td>Office</td>
<td>2,659</td>
<td>247.05</td>
<td>18</td>
<td>Heartlands (Midlands) Ltd</td>
<td>27/06/2008</td>
<td>26/06/2018</td>
<td></td>
<td>£36,000</td>
<td>£43,400</td>
<td></td>
</tr>
<tr>
<td>North Lodge</td>
<td>Residential</td>
<td>632</td>
<td>58.71</td>
<td>2</td>
<td>Vacant on completion*</td>
<td></td>
<td></td>
<td></td>
<td>£16,800</td>
<td>£600</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>22,999</strong></td>
<td><strong>2,136.69</strong></td>
<td><strong>129</strong>**</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>£228,514</strong></td>
<td><strong>£337,002</strong></td>
<td><strong>£5,562</strong></td>
</tr>
</tbody>
</table>

* Currently occupied by the vendor and/or staff. The vendor will consider either proving a rental guarantee or entering into an Assured Shorthold Tenancy for a period of 12 months at the suggested Market Rental Value.

** Includes a further 7 spaces within the South Lodge car park which are not demised.
Covenant Information

Standard Life Employee Services Ltd
(Company No SC271355)

The company is wholly owned by Standard Life Plc and provides staff, physical infrastructure and associated support services to the group. All Standard Life’s new occupational leases are held in the same name, including Standard Life Plc’s Headquarters in Edinburgh.

The last 3 years accounts are summarised below:

<table>
<thead>
<tr>
<th></th>
<th>FYE 31 Dec 2015 000's GBP</th>
<th>FYE 31 Dec 2014 000's GBP</th>
<th>FYE 31 Dec 2013 000's GBP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover</td>
<td>600,641</td>
<td>596,035</td>
<td>604,816</td>
</tr>
<tr>
<td>Profit Before Tax</td>
<td>-6,901</td>
<td>-4,500</td>
<td>-4,710</td>
</tr>
<tr>
<td>Shareholders Funds</td>
<td>-3,178</td>
<td>10,380</td>
<td>12,743</td>
</tr>
</tbody>
</table>

Heartland (Midlands) Ltd
(Company No SC271355)

Heartland (Midlands) Ltd became part of Clear Insurance Management Ltd in November 2014. The Clear Insurance Group are a leading Chartered insurance broker. Further information can be found on www.thecleargroup.com

The last 3 years accounts for Clear Insurance Management Ltd (Company No 03712209) are summarised below:

<table>
<thead>
<tr>
<th></th>
<th>FYE 31 Dec 2015 000's GBP</th>
<th>FYE 31 Dec 2014 000's GBP</th>
<th>FYE 31 Dec 2013 000's GBP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover</td>
<td>10,230</td>
<td>9,028</td>
<td>8,559</td>
</tr>
<tr>
<td>Profit Before Tax</td>
<td>1,556</td>
<td>1,517</td>
<td>1,631</td>
</tr>
<tr>
<td>Shareholders Funds</td>
<td>5,363</td>
<td>3,991</td>
<td>4,065</td>
</tr>
</tbody>
</table>
Asset Management Opportunities

- **Manor House and North Lodge** – Occupy or let to residential or corporate tenants
- **South Lodge** - Conversion to residential use following lease expiry in June 2018
- **South Lodge Car Park** – With South Lodge being converted to residential, its car park becomes available for an exclusive residential development (Subject to Planning)
- **Cranford House (Modern Office)** - Future conversion to residential apartments or redevelopment for exclusive residential or care home use to incorporate the main car park (Subject to Planning)
- **South Lodge** - Renew or re-let following lease expiry in June 2018 at a higher rent. Our opinion of Market Rental Value is £43,400 per annum reflecting £15.00 per sq ft on the offices and £500 per car parking space on the 7 spaces above the standard ratio of 1:250 sq ft
- **Cranford House (Modern Office)** - Implement the rent review in October 2020. Our opinion of Market Rental Value is £216,802 per annum reflecting £16.50 per sq ft on the offices and £500 per car parking space on the 38 spaces above the standard ratio of 1:250 sq ft
- **Parkland** - Promotion through the planning system of circa 1.68 acres for exclusive residential development
Service Charge

The service charge budget for the year ending 30 September 2017 is £30,000, apportioned as follows;

<table>
<thead>
<tr>
<th>Property</th>
<th>Percentage</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cranford House (Modern office)</td>
<td>68.50%</td>
<td>£20,550</td>
</tr>
<tr>
<td>The Manor House</td>
<td>16.54%</td>
<td>£4,962</td>
</tr>
<tr>
<td>South Lodge</td>
<td>12.96%</td>
<td>£3,888</td>
</tr>
<tr>
<td>North Lodge</td>
<td>2.00%</td>
<td>£600</td>
</tr>
</tbody>
</table>

VAT

We understand the commercial elements of the Estate are elected for VAT. It is intended that the sale of these elements will be treated as a Transfer of a Going Concern (TOGC).

Proposal

We are instructed to seek offers in excess of £5,900,000 subject to contract and exclusive of VAT.

This can be broken down as follows;

<table>
<thead>
<tr>
<th>Property</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cranford House (Modern office)</td>
<td>£2,800,000</td>
</tr>
<tr>
<td>The Manor House</td>
<td>£2,080,000</td>
</tr>
<tr>
<td>South Lodge</td>
<td>£570,000</td>
</tr>
<tr>
<td>North Lodge</td>
<td>£350,000</td>
</tr>
<tr>
<td>Parkland (c.1.68 acres)</td>
<td>£100,000</td>
</tr>
</tbody>
</table>

EPC Ratings

<table>
<thead>
<tr>
<th>Property</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cranford House (Modern office)</td>
<td>D 78</td>
</tr>
<tr>
<td>The Manor House</td>
<td>F 31 (Historic assessment)</td>
</tr>
<tr>
<td>South Lodge</td>
<td>D 84</td>
</tr>
<tr>
<td>North Lodge</td>
<td>E 43</td>
</tr>
</tbody>
</table>

Contact

Commercial enquiries:
Knight Frank LLP
1 Colmore Row
Birmingham B3 2BJ
Jonathan Devaney
0121 233 6490
jonathan.devaney@knightfrank.com
Ben Wisher
0121 233 6456
ben.wisher@knightfrank.com

Residential enquiries:
Knight Frank LLP
55 Baker Street
London W1U 8AN
William Ward-Jones
01789 206 951
william.ward-jones@knightfrank.com
Ben Wisher
0121 233 6456
ben.wisher@knightfrank.com

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