



HARMAN HOUSE
CENTRAL UXBRIDGE



HARMAN HOUSE



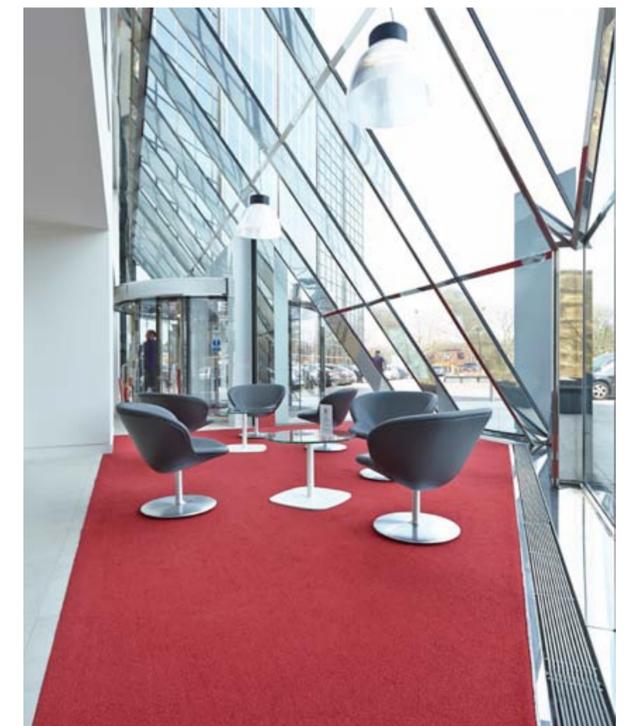
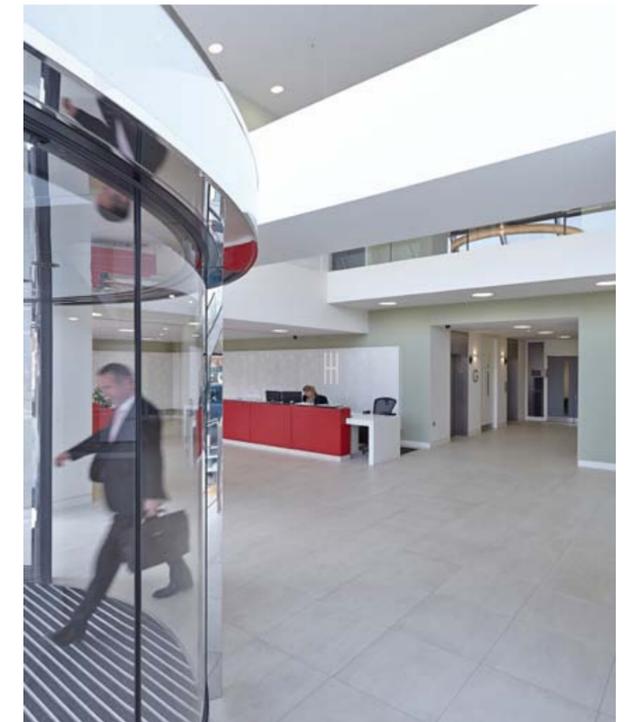
Harman House
← Goods In
→ Main Entrance

HARMAN HOUSE
NEWLY REFURBISHED
LANDMARK OFFICE
HEADQUARTERS
LEASED TO GENERAL MILLS FOR 12 YEARS

YORK ROAD

EXECUTIVE SUMMARY

- Uxbridge is one of the premier West London/Thames Valley office markets, strengthened by its location close to Heathrow airport, central London and the national motorway network.
- The property is prominently located in Uxbridge town centre, adjacent to the INTU Shopping Centre and Uxbridge Underground Station.
- Harman House is a Landmark, Grade A, nine storey multi-let office building totalling approximately 129,000 sq ft.
- Large efficient and flexible floor plates.
- There is an exceptional car parking provision of 366 spaces, a ratio of 1:355 sq ft.
- The total site area is 0.68 ha (1.68 acres).
- The property is held Freehold.
- The property is let to 6 strong tenants, providing an average weighted unexpired lease term of 6.11 years to expiry and 5.46 years to breaks.
- An extensive refurbishment programme has been undertaken on the majority of floors and common parts.
- The total current income including rental guarantees is £3,333,622 per annum, equating to an overall rent of £26 per sq ft.
- General Mills have agreed to extend their lease term and take an additional floor from June 2015 for a term of 10 years at a rent of £1,460,000 equating to £27.65 per sq ft – this will take their occupation to 42% of the building.
- Other tenants include Sapiens (UK) Ltd, Mitsubishi Electric Europe BV, Gallo Vineyards Group and Raytheon UK Ltd.
- The refurbished office space coincides with a limited supply of Grade A office space in Uxbridge.
- A lack of speculative development has led to rising office rents with headline levels currently at £32.00 per sq ft, providing strong rental growth prospects.



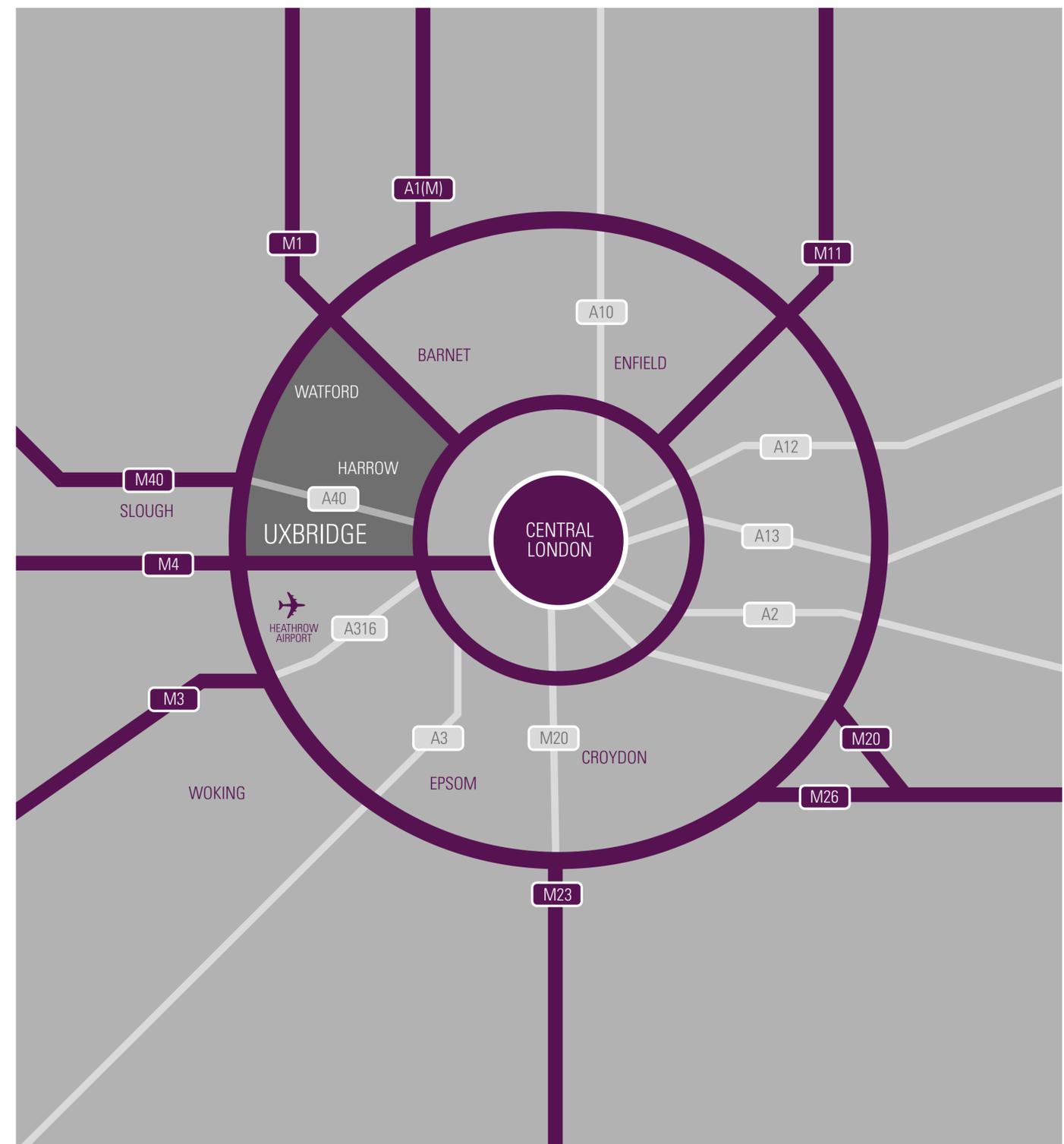


HOW CLOSE?

UXBRIDGE

Uxbridge is one of the premier West London/Thames Valley office markets, strengthened by its location close to Heathrow airport, central London and the national motorway network. The key office stock in Uxbridge is located in either the town centre or on the edge of town office parks such as Uxbridge Business Park or Cowley Business Park.

Communication links and the strong professional employment base in the town have made it an attractive and well established location for major national and international corporate occupiers including Coca Cola Enterprises, Cadburys, Compass Group, Hertz, Xerox, Manpower, Herbalife, Nexen and Bristol Meyers Squibb.

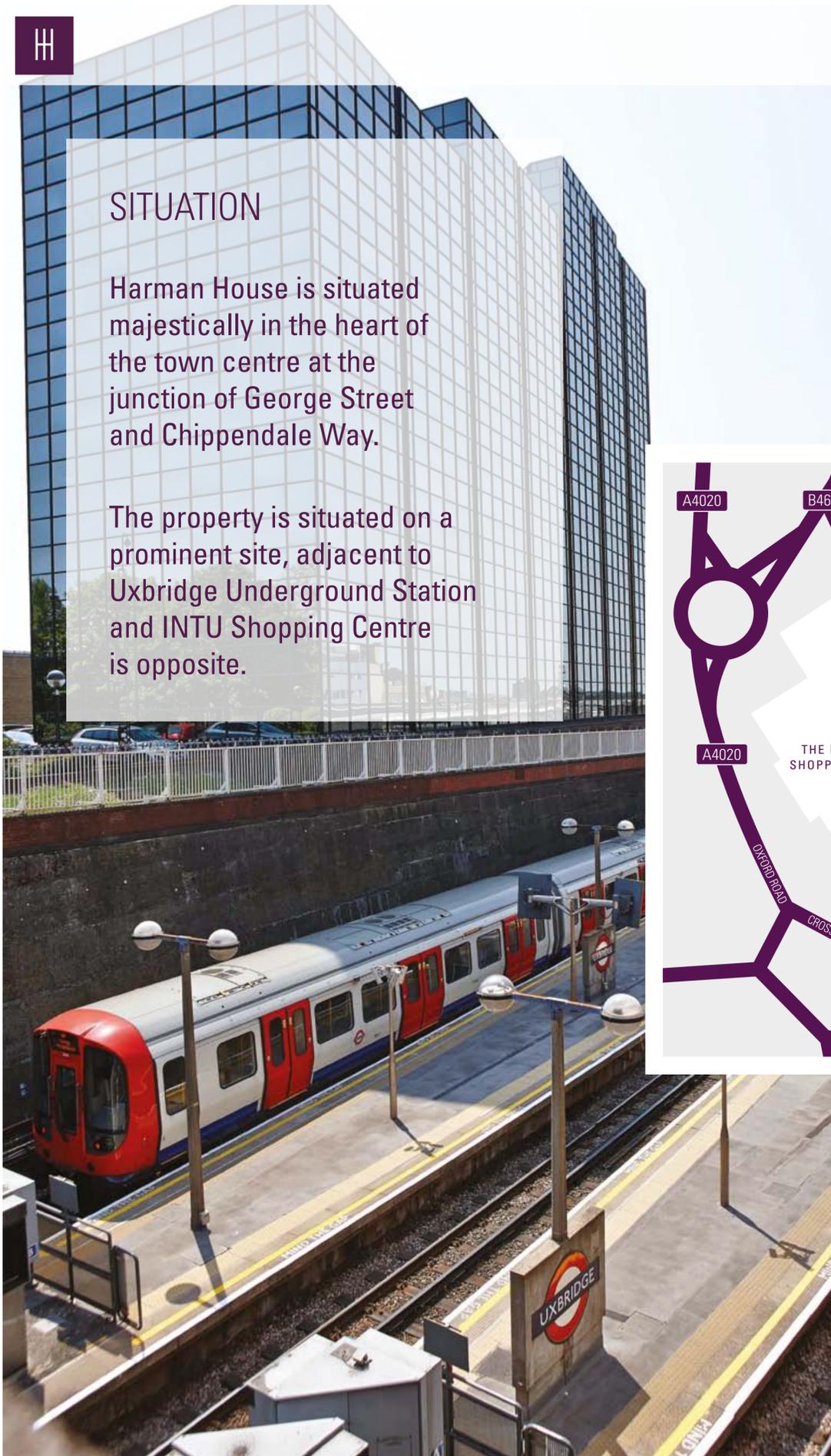




SITUATION

Harman House is situated majestically in the heart of the town centre at the junction of George Street and Chippendale Way.

The property is situated on a prominent site, adjacent to Uxbridge Underground Station and INTU Shopping Centre is opposite.





LOCATION

- | | | | | | |
|---|----------------------|---|-----------------|---|------------------------------------|
| 1 | Harman House | 4 | No. 1 York Road | 7 | Civic Centre |
| 2 | Intu Shopping Centre | 5 | Charter Place | 8 | The Mall Pavilions Shopping Centre |
| 3 | Enterprise House | 6 | Beaufort House | 9 | Uxbridge Underground Station |

DESCRIPTION

Harman House comprises an attractive landmark office building originally built in the 1980s of concrete framed construction and incorporating glazed cladding under a flat roof.

The building has been comprehensively improved with approximately 40% of the floor space refurbished to a Grade A standard, with work commencing to a further 40% shortly.

WORKS TO DATE INCLUDE;

- New structurally glazed double height reception area with glazed double automatic sliding doors.
- Overhaul and refurbishment of all common parts and WC facilities on each floor.
- Refurbishment of office accommodation on Part Ground / 1st / 2nd South / 3rd / 4th Floors.
- Rolling programme in place to refurbish the 5th / 6th / 7th and 8th floors for General Mills UK Ltd.
- New heat recovery 2-pipe VRF system providing heating and cooling to the building. The system is capable of simultaneously heating and cooling individual spaces as required.
- Overhauled 4 x 13 person passenger lifts.
- Improved floor to ceiling height now 2.7m.
- Slab to slab height now 3.3m.
- Shower Rooms installed at basement level.
- Landscaping externally and granite paving of the deck car parking area.
- Full cladding refurbishment including the replacement of external rubber gaskets.

Further information is available on request



NEWLY REFURBISHED RECEPTION AREA



HARMAN

- 09 Raytheon
- 08 General Mills - Re
- 07 General Mills
- 06 General Mills
- 05
- 04 E&J Gallo Winery I
- 03
- 02 Mitsubishi Electric
- 01
- 00 Sapiens

FLOOR AREAS

The property has been measured by Plowman Craven with the Areas detailed below:

Floor		Area (sq m)	Area (sq ft)
Ninth		724.0	7794
Eighth		1004.2	10809
Seventh		1299.2	13984
Sixth		1304.5	14042
Fifth		1301.9	14014
Fourth		1303.7	14033
Third		1295.5	13945
Second		1286.3	13845
First		1232.8	13270
Ground		1195.7	12870
Basement	Ancillary	37.6	405
OVERALL TOTAL		11985.5	129,011

The floor areas in the tenancy schedule differ slightly to the above due to ground floor reconfiguration

PARKING

Podium Parking Level	73
Sub-Podium Parking Level	133
Basement Parking Level	160
Overall Total	366

SITE AREA

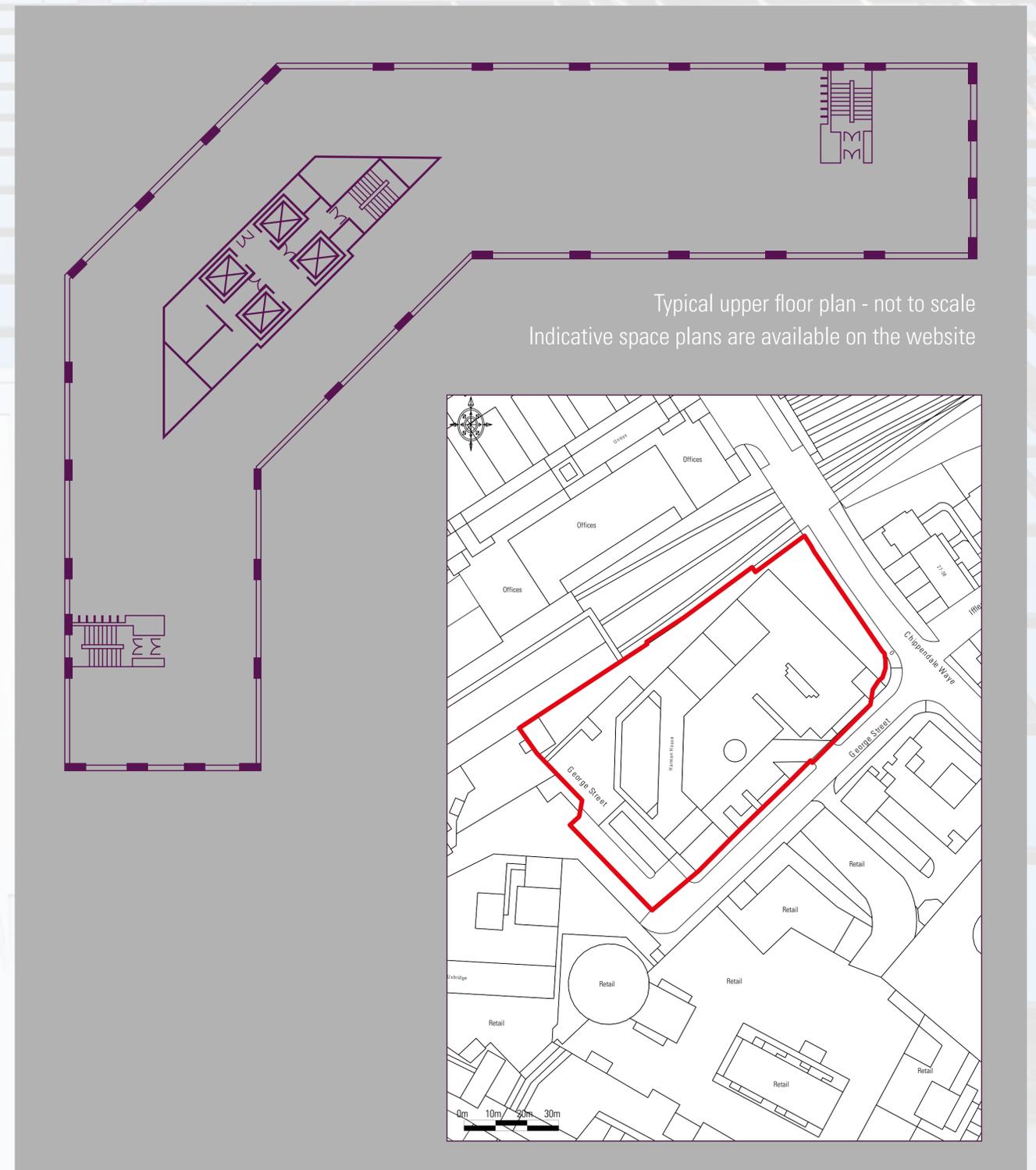
The property has a total site area of approximately 0.68 ha (1.68 acres).

TENURE

The property is held freehold.

EPC

A building average of Grade C61. Further information available upon request.



NEW FIT OUT BY E&J GALLO ON 4TH FLOOR



TENANCY

In summary the property is let to 6 tenants in accordance with the tenancy schedule set out below. The current rent is £1,850,447 per annum.

General Mills have agreed to extend their lease term on 3 floors and take an additional floor from June 2015 for a term of 10 years at a rent of £1,460,000 equating to £27.65 per sq ft – They will occupy floors 5 to 8 and

this will take their occupation to 42% of the building. They have been granted an 18 month rent free period from June 2015 and a 6 month rent free period after the 5th year.

General Mills have also expressed interest in taking the 9th Floor should it become available.

The AWUT is 6.11 years to expiries and 5.46 years to breaks.

Office accommodation totalling 39,661 sq ft (3,684.63 m²) is currently vacant, equating to 30% of the total lettable area. This is all Grade A refurbished space, upon which a guarantee will be provided for rent, rates and service charge for a period of 18 months at a rent of £26.00 per sq ft on the Ground Floor accommodation and £28.00 per sq ft on the upper floors. All outstanding rent free periods

will be covered excluding the rent free granted to General Mills Ltd at the end of the 5th year.

The total combined rent will be £3,333,622 per annum equating to £26 per sq ft overall providing strong prospects for rental growth as already proven within the improved building.

FLOOR	TENANT	FLOOR AREA	LEASE START	LEASE EXPIRY	BREAKS	REVIEWS	RENT £PA	RENT £PSF	% INCOME	COMMENTS
Ground Floor North	Vacant	7,410	12-Mar-14	12-Sep-15			£192,660	£26.00	6%	18 month rent/rates/service charge guarantee based off £26 psf.
Ground Floor South	Sapiens (UK) Ltd	5,285	02-Oct-13	23-Jun-16			£104,140	£19.70	3%	Lease Outside the Act.
1st Floor	Vacant	13,270	12-Mar-14	12-Sep-15			£371,560	£28.00	11%	18 month rent/rates/service charge guarantee based off £28 psf.
2nd Floor North	Mitsubishi Electric Europe BV	8,809	10-Dec-07	09-Dec-17			£187,616	£21.30	6%	
2nd Floor South	Vacant	5,036	12-Mar-14	12-Sep-15			£141,008	£28.00	4%	18 month rent/rates/service charge guarantee based off £28 psf.
3rd Floor	Vacant	13,945	12-Mar-14	12-Sep-15			£390,460	£28.00	12%	18 month rent/rates/service charge guarantee based off £28 psf.
4th Floor	Gallo Vineyards Inc	14,033	23-Sep-13	22-Sep-23	23-Sep-18	23-Sep-18	£357,841	£25.50	11%	Service charge cap at £14.40 psf. Tenant only break clause, 9 months notice on break. 6 month rent free period if Tenant does not operate the break. Car parking licence for 13 spaces at peppercorn rent.
5th Floor	General Mills UK Ltd	14,014	Jun-15	Jun-26			£387,487	£27.65	42%	Agreement for new lease from June 2015 expiring June 2026 with no breaks at a rent of £27.65 psf. 18 months rent free. Top up until lease start.
6th Floor	General Mills UK Ltd	14,042	25-Mar-10	24-Mar-20	25-Mar-15	25-Mar-15	£365,092	£26.00		Agreement for new lease from June 2015 expiring June 2026 with no breaks at a rent of £27.65 psf. 18 months rent free.
7th Floor	General Mills UK Ltd	13,984	25-Mar-10	24-Mar-20	26-Mar-15	25-Mar-15	£363,584	£26.00		Agreement for new lease from June 2015 expiring June 2026 with no breaks at a rent of £27.65 psf. 18 months rent free.
8th Floor	General Mills UK Ltd	10,809	13-Oct-08	24-Mar-20	27-Mar-15	25-Mar-15	£281,034	£26.00		Agreement for new lease from June 2015 expiring June 2026 with no breaks at a rent of £27.65 psf. 18 months rent free.
9th Floor	Raytheon UK Ltd	7,794	01-Feb-12	31-Jan-17	16-Apr-14		£175,140	£22.47	5%	Tenant only rolling break on or after April 16th 2014 on 3 months notice. Car parking licence for 30 cars at a peppercorn rent. Lease Outside the Act.
Roof and basement store	Cellular Networks Ltd (Telefonica)		24-Nov-01	23-Nov-11	24-Nov-06		£16,000		-	Tenant is holding over.
TOTALS		128,431					£3,333,622	£25.96	100%	

COVENANTS

Telefónica UK Limited

0.48% of the rental income

Telefónica is one of the world leaders in the telecommunication sector, providing communication, information and entertainment, with presence in Europe, Africa and Latin America. It operates in 25 countries. As of March 2012, Telefónica's total number of customers amounted to 309.4 million. Further information can be found on their corporate website at:

www.telefonica.com

	31/12/2012	31/12/2011
Turnover	£5,609,000	£5,968,000
Pre Tax Profit (Loss)	£489,000	£794,000
Total Shareholders' Funds	£11,060,000	£11,172,000

Sapiens (UK) Limited

3.12% of the rental income

Sapiens are a leading global provider of software solutions for the financial services industry, with a focus on insurance. They offer core end-to-end software solutions for the Property & Casualty, General Insurance and Life & Pension markets. They provide software solutions to more than 100 financial services organizations, including insurance, retirement, and mortgage providers.

A summary of their latest financial information is below:

	31/12/2012	31/12/2011
Turnover	£6,577,880	£7,116,200
Pre Tax Profit (Loss)	£117,563	£136,978
Total Shareholders' Funds	(£51,558)	(£131,994)

Mitsubishi Electric Europe B.V

5.63% of the rental income

Mitsubishi Electric is a global leader in the research, manufacturing and marketing of electrical and electronic equipment used in communications, consumer electronics, industrial technology, energy and transportation.

In 1996 Mitsubishi Electric Europe B.V. was formed as a wholly owned subsidiary of Mitsubishi Electric Corporation (Japan), and acquired Mitsubishi Electric's European sales and marketing businesses from other Mitsubishi Electric group companies.

A summary of their latest financial information is below:

	31/03/2013	31/03/2012
Turnover	£2,057,268,848	£2,165,463,141
Pre Tax Profit (Loss)	£22,519,454	£29,416,785
Net Assets	£190,714,585	£181,476,027

Gallo Vineyards Inc

10.73 % of the rental income

E. & J. Gallo Winery is the largest winery in the world today and is the largest exporter of California wine. Family-owned, with fourteen family members, spanning three generations of the Gallo family, actively working in the business. Established in 1933 and headquartered in Modesto, California, E. & J. Gallo Winery remains a privately-held and ever-growing company that employs more than 5,000 people worldwide and offers a broad array of products that total 60 brands and include table and sparkling wines, beverage products, dessert wines and distilled spirits.

	31/12/2011	31/12/2011
Gross Profit	£42,312,535	£25,982,114
Pre Tax Profit (Loss)	£6,924,741	£877,469
Total Shareholders' Funds	£45,655,304	£38,730,563

General Mills UK Limited

41.91% of the rental income

General Mills UK Limited is the world's sixth largest food company and specialise in developing food brands such as Betty Crocker, Green Giant, Häagen-Dazs, Jus-Rol, Nature Valley and Old El Paso.

	26/05/2013	30/04/2012
Turnover	£257,183,000	£261,909,000
Pre Tax Profit (Loss)	£3,277,000	£2,732,000
Total Shareholders' Funds	£5,385,000	£16,235,000

Raytheon UK Limited

5.25% of the rental income

Raytheon is a technology and innovation company specialising in defence, national security, and other government and commercial markets around the world. Their key markets include Mission Systems Integration, Network-Enabled Capabilities, Mission Support and Global Training Solutions. They supply the UK Ministry of Defence and manufacture a range of high technology electronic systems and software at its facilities in England, Scotland and Wales. It also is a major technology exporter to more than 40 countries, including the US.

	31/12/2012	31/12/2011
Turnover	£672,000	£672,000
Pre Tax Profit (Loss)	£45,758	(£364)
Total Shareholders' Funds	£45,690	(£364)

UXBRIDGE OCCUPATIONAL MARKET

Uxbridge has attracted numerous corporate occupiers including Cadbury, Coca Cola, Xerox, Manpower, PWC, Rentokil and Nexen.

A lack of speculative Grade A office development has led to rising rents within Uxbridge now in excess of the peak rents reached in 2007.

The letting of The Stanza Building comprising 82,000 sq ft at £32.00 per sq ft, to Nexem Petroleum within four months of completion and Coca Cola taking 120,000 sq ft at Enterprise House are representative of occupational demand for this centre.

At Harman House the letting to Gallo Vineyard Inc. In September 2013 highlights the pent up demand for refurbished space with Gallo taking this before completion at a rent equating to £25.50 per sq ft. The extension of General Mills Ltd's leases until June 2026 without breaks and the letting of an additional floor to them at a rent equating to £27.65 per sq ft on 4 floors cements the upward trend within the building.

With a number of key requirements for Uxbridge and rental growth being seen across many of the key West London and Thames Valley office markets, the refurbished floors are being launched at an ideal time in the cycle.

The following table sets out some significant Grade A rental transactions in Uxbridge:

Date	Address	Tenant	Area (sq ft)	Rent	Term
Mar 2014	Harman House	General Mills Ltd	52,849	£27.65 psf	10 years
Sept 2013	Harman House	E&J Gallo Winery	14,000	£25.50 psf	10 years (5th year break)
July 2013	The Stanza Building	Nexen	82,400	£32.00 psf	12 years
June 2013	Beaufort House	Axway	5,005	£25.00 psf	10 years (5th year break)
Dec 2012	Beasley Court	Anixter	4,985	£24.50 psf	10 years (5th year break)
Sept 2012	Artium (Part 4th Floor)	Herbalife	16,744	£25.50 psf	10 years (5th year break)
Sept 2012	Enterprises House	Coca Cola Enterprises	119,571	£26.72 psf	15 years

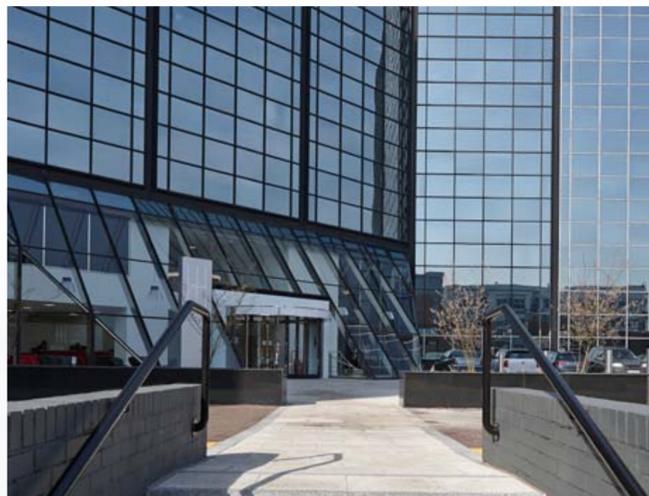
INVESTMENT MARKET SUMMARY

Demand for offices in key locations remains strong with established yields for prime multi-let South East offices now at circa 6.00-6.50% NIY. Prime buying opportunities are likely

to remain in short supply in the South East, which combined with the weight of money to be invested in the market, is likely to result in yields continuing to harden throughout 2014.

A schedule of notable multi-let office investment transactions is set out below:

Date	Address	Vendor/ Purchaser	Tenant	Term Certain	Price	Price
Under offer Mar-14	Hollywood House, Woking	M&G	Multi-let	4.0 yrs	£14.8m	6.50%
Jan-14	Beaufort House, Uxbridge	Greater Manchester, Pension Fund/Tesco, Pension Fund	Multi-let	2.6 yrs	£14.95m	6.50%
Dec-13	Vision Park, Cambridge	JP Morgan/RLAM	Multi-let	3.5 yrs	£28.50m	6.00%
Dec-13	Mount Pleasant House, Cambridge	USS/Howard Group	Multi-let	1.8 yrs	£10.50m	6.67%
Nov-13	Braywick Gate, Maidenhead	Castlemore/BP Pension Fund	Multi-let	1.7 yrs	£16.90m	6.39%
Nov-13	One Gloucester Place, Brighton	Aviva/RLAM	Multi-let	3.8 yrs	£11.025m	6.66%





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