

GO WEST - IN SEARCH OF VALUE

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Go west – in search of value

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Properties to let and for sale

What does Brexit mean?



The White Building, Queens Road, Reading will offer 93,000 sq ft of the most exciting office space in the town when completed at the end of 2016

It's never been more compelling for both investors and occupiers to head west to the Thames Valley.

The region has seen rental growth of over 30% since 2012 representing good returns for investors but also incredible value for occupiers with cost per workstation being on average 75% lower than central London. There has already been evidence of companies relocating from central London to Reading, Slough, Maidenhead and Bracknell and with occupancy costs set to rise further in central London following the recent rating revaluation which will result in business rates increasing by between 35–45%, we expect this to tip the balance further towards a move west.

Post Brexit, this move strategy could offer a crucial advantage to businesses seeking to increase their competitiveness in world markets.

With average rents in central

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Enter the Dragons' Den

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In May this year RARE were appointed by Theo Paphitis Retail Group to identify a new Headquarters for the business. The eponymous group chairman, known for his commercial acumen as witnessed on the BBC's show, Dragon's Den, was keen to bring together a number of the constituent parts of his retail Group under one roof and upgrade from their existing offices in Wimbledon.

Timing was important as Theo was aiming to move the business by the end of the year and so formal notice needed to be served to quit their existing lease by Mid August, thereby avoiding double rental overheads.

Initially, we undertook a detailed search of all on and off market freehold opportunities, however, this area of South West London is a highly competitive

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The Florence Building will be the first new office development in Basingstoke town centre for 15 years when completed in early 2018

GO WEST - IN SEARCH OF VALUE

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London of around £110 per sq ft and business rates from next year being circa £50 per sq ft following the rating revaluation, total occupancy costs will be in the order of £170 per sq ft. This translates to £14,600 per workstation.

By contrast, the Thames Valley offers locations where total occupancy costs are as little as a quarter of those in central London. This cost advantage coupled with the significant improvements in rail and other transport links to the Thames valley region are making the case even more compelling for organisations to relocate all but their most senior sales staff from central London offices.

New office developments in the region also have the added advantage of being more efficiently designed with the capacity to offer greater occupancy densities owing to their more efficient air conditioning plant and layout. This means that more people can occupy less space without negatively impacting on their comfort or efficiency.

Recent research by RARE highlights cost per workstation in central London of £14,600. By contrast, in Reading, cost per workstation is reduced to 30% of central London costs at

just £4500 and in Basingstoke the costs are reduced further to a mere 22% of central London cost or just £3200 per workstation.

With the availability of a highly skilled and motivated workforce in the Thames Valley and correspondingly lower wage costs, many occupiers are now focusing on the region in considering relocations from central London. "This builds on a trend we have now been witnessing for a couple of years" said Jonathan Mannings a founding Director of RARE.

"We have seen companies including Maersk (who relocated to Maidenhead) and Lloyds Register of Shipping (who relocated to Bracknell) relocating to the Thames valley region to take advantage of the significant reduction in costs offered by the region. Companies are keen to attract the best talent and that is demonstrably available in this region. We expect that with new challenges facing occupiers as a result of Brexit, companies will be even more attuned to achieving cost reductions and as a result we will witness increased demand from those seeking to relocate to the Thames Valley from London".

RARE have a range of properties designed to appeal to such occupiers. In Reading, The White Building, located just a short walk from the station will offer a total of 93,145 sq ft of the most exciting office space the town has to offer. With exposed services and an outstanding parking ratio of 1 space per 860 sq ft providing a total of 105 basement car spaces, there is already strong interest in the building which is due for completion at the turn of the year.

In Basingstoke, work has just started on site on the construction of the first town centre office building for over a decade. When completed it will provide a total of 60,000 sq ft located on Basing View and within metres of the train station. To be known as The Florence Building, the scheme is being developed by renowned developer, Abstract Securities, and will be completed in late 2017. The building will boast an impressive double height reception and parking for 207 cars.

The trend of upgrading the office environment to attract and retain staff will continue for the foreseeable future combined with a focus on value and competitiveness.



Origin

Western Road
Bracknell

3,000 – 8,950 SQ FT TO LET

Open plan air conditioned offices with excellent natural light in prominent town centre building, close to the shopping district.
Joint agent Fryer Commercial.



The White Building

Kings Road, Reading

12,000 – 93,145 SQ FT TO LET

Completely transformed offices in Central Reading offering contemporary exposed services style space with good car parking. Available for occupation January 2017.
Joint agents Savills and Lambert Smith Hampton.



The Florence Building

Basing View, Basingstoke

9,278 – 60,546 SQ FT TO LET

The Florence Building is the first speculatively developed office building in Basingstoke for over a decade offering exceptionally competitive running costs making this one of the most competitively priced new office buildings in the South East.
Joint agent Savills.



Queensgate House & Phoenix House

Bracknell

12,280 – 30,000 SQ FT

An opportunity for an investor or owner-occupier to purchase in one of the most active towns in the region at a time when it is receiving a £200 million upgrade.
Joint agent Lambert Smith Hampton.



Circa

The Ring Bracknell

3,600 – 10,720 SQ FT

Highly prominent modern air-conditioned offices located close to the centre of Bracknell and adjacent to the new "Lexicon" shopping centre.



The Sector

Newbury Business Park, Newbury

10,000 – 30,000 SQ FT TO LET

A new business cluster of five buildings situated on the established Newbury Business Park

Building 3 28,761 sq ft Ready Q4 2016

Building 4 28,000 sq ft Ready Q1 2017

Both buildings are being comprehensively refurbished to an inspiring contemporary design with exposed services and additional car parking.

Joint agents Deal Varney and Bray Smith Fox.



Inspired

Easthampstead Road, Bracknell

4000 – 21,900 SQ FT TO LET

Offering highly flexible refurbished office accommodation with excellent on site car parking, a café and stunning two storey central atrium.

Joint agents Hanover Green and Lambert Smith Hampton.



Viewpoint One

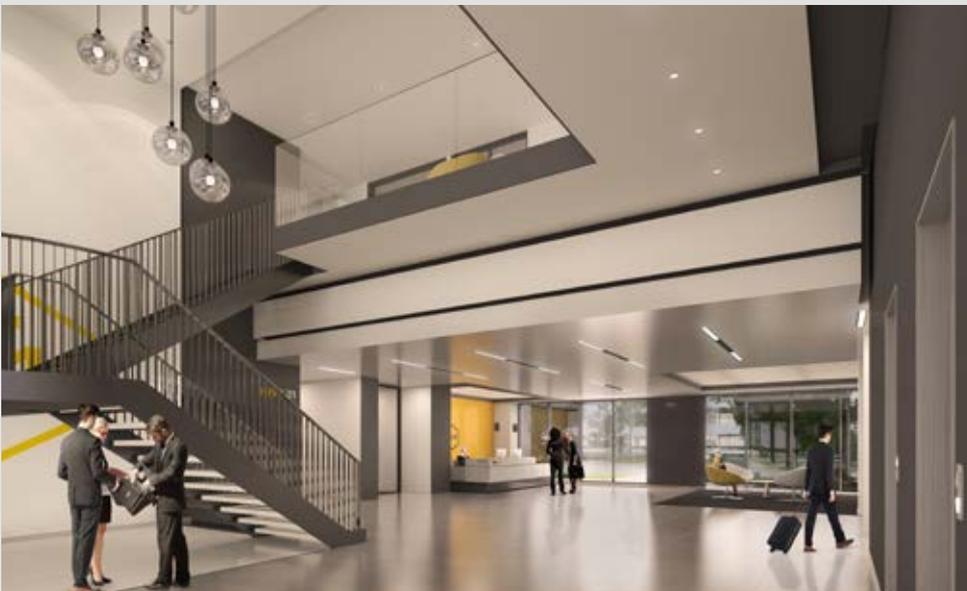
Bracknell

5,000 – 34,100 SQ FT TO LET

Refurbished office space with a stunning three storey atrium reception area with feature staircase.

Situated prominently at the southern gateway to Bracknell providing excellent signage opportunities.

Joint agent Lambert Smith Hampton.



The Hive

Junction 12, Reading

12,000 – 140,000 SQ FT TO LET

An exciting new business destination in the Thames Valley on an established Business Park with a lakeside setting.

Hive 1 44,439 sq ft Ready Q4 2016

Hive 2 37,803 sq ft Ready Q1 2017

Hive 3 58,117 sq ft Ready Q1 2017

Refurbishment is underway to provide executive office space with its own on site amenities.

Joint agent Knight Frank.



The Green

Easter Park Aldermaston

2,815 – 11,615 SQ FT FOR SALE & TO LET

Unit 2 2,682 sq ft for sale

Unit 6 3,171 sq ft to let

A business park of 7 offices of which only 2 remain available.

Contemporary style with vaulted ceilings and cedar timber cladding offer a fresh modern image.

Joint agent London Clancy.

WHAT DOES BREXIT MEAN

A RARE COMMENT



Brexit means Brexit – some of the first words uttered by our new Prime Minister in the days following June's momentous vote. Since then, there has been very little detail as to what the implications for the country will be in the coming months and years.

Some of the most optimistic commentators say it will take "a couple of years" to sort the detail once Clause 50 has been triggered. It has now been announced this will result in the UK exiting the EU by March 2019.

However, recognising that not only

do we have to establish a whole new Government department to handle the negotiations but also have to employ or train some serious trade negotiators, some commentators believe it may take "two decades" before we see any real change in our day to day lives. Can companies really be expected to operate in a policy vacuum awaiting the outcome of the negotiations with the EU for this long? Businesses have to continue or else they will surely perish.

Assuming a midpoint between the most optimistic and the most pessimistic cases is taken at something around 8–10 years for there to be any discernible effects on the UK economy of our leaving Europe, any company looking at entering a new 10 year lease today is going to be substantially through their lease before any effects are felt and who knows, the effects might be positive anyway. Freed from the burdens of the regulatory bureaucracy that Europe had become, the UK may well prosper in world markets.

It was inevitable that the initial shock of the result of the referendum would take most people by surprise and that there would be a short period of nervousness resulting in plans being put temporarily on hold. But now we are through that and are beginning to accept the new realities, surely its time to get on with it. As Mike Hussey of Almacantar remarked earlier this week "London has been the global hub for commerce, innovation, justice, education and culture for almost two thousand years. It managed without the EU – let's Brexit and move on".





Buildings K&K1

Midtown Plaza
Basing View
Basingstoke

72,500 & 77,500 SQ FT

Development of two stunning self-contained buildings of 72,500 sq ft and 77,500 sq ft with the ability to combine both buildings to form a single building of 150,000 sq ft in this vibrant new urban quarter situated in the heart of Basingstoke with excellent access to the train station and retail and leisure amenities.

Joint agent JLL.

Basing View Basingstoke

[BUSINESS NOT AS USUAL]

A vibrant mixed use urban business quarter offering pre-let offices of 30,000 – 300,000 sq ft.

Joint agent JLL.

Further details at www.basingview.co.uk



Millars Brook

Molly Millars Lane
Wokingham

**6,168 SQ FT
TO LET / FOR SALE**

High quality two storey air conditioned offices close to town centre and station.

Last unit (unit 8) remaining.

Available immediately.



The Quad

Arkwright Road, Reading

1,427 – 17,324 SQ FT TO LET / FOR SALE

High quality business units located close to junction 11 M4 – with secure on site parking Available immediately on highly competitive terms.

OUR EXPERIENCED TEAM TRANSACT ACROSS THE SOUTH EAST REGION AND ARE RAISING THE BAR IN ACHIEVING THE BEST RENTS AND QUICKER RESULTS FOR OUR CLIENTS. SOME OF OUR WORK IS SHOWN BELOW:

One St George's Road *Wimbledon*

ACQUISITION OF 11,000 SQ FT OFFICES ON BEHALF OF THEO PAPHITIS RETAIL



Overbridge Square *Newbury*

INVESTMENT PURCHASE OF BUSINESS PARK ON BEHALF OF PRIVATE CLIENT



Origin *Bracknell*

LETTINGS OF 25,000 SQ FT ON BEHALF OF AXA INVESTMENT MANAGERS



Keypoint *Slough*

LETTINGS OF 20,000 SQ FT CLIENT AWG



RECENT TRANSACTIONS

400/450 Capability Green Luton

64 Clarendon Road Watford

LETTING OF 43,500 SQ FT ON BEHALF OF IM PROPERTIES TO RANDSTAD AND ORACLE

LETTINGS OF 60,000 SQ FT TO TK MAXX AND RALPH LAUREN CLIENT AWG



Old Town Hall, Wimbledon

LETTING OF 14,000 SQ FT TO VENTIA ON BEHALF OF STANDARD LIFE



Rosalind House Viables, Basingstoke

PRELET OF 28,500 SQ FT ON BEHALF OF LONDON & SCOTTISH INVESTMENTS TO NEW VOICE MEDIA



'MASSIVE' TRANSITION IN TRANSPORT IS COMING

DELEGATES AT THE RECENT THAMES VALLEY PROPERTY FORUM HELD AT GREEN PARK HEARD HOW ALL MAIN FORMS OF MASS TRANSIT IN THE REGION FACE GREAT CHANGES IN THE NEXT FEW DECADES.

Gareth Hurley, senior programme development manager for Network Rail told how the final designs were being drawn up for the 6km tunnel which forms Western Rail Link to Heathrow (WRLtH). A further consultation would take place in early 2017 and if the Development Consent Order is successful, work could start in 2019. Reading to Heathrow would be 26 minutes and Slough to Heathrow will take seven minutes. This was all based on an existing two-runway airport.

A couple of years behind that scheme is another major undertaking, Southern Rail Access to Heathrow. The planned route would provide fast links from Basingstoke, Guildford and Weybridge to Heathrow as well as a new line from Heathrow to Waterloo. He urged businesses and individuals to offer their support for it.

Construction of the £129 million scheme to upgrade a 13.4 mile stretch of the M3 through Hampshire and Surrey to a 'smart motorway' is due for completion in Spring next year. The upgrade will increase capacity, reduce congestion and shorten journey times for the 120,000 motorists who pass through this part of the network every day. The M3 between Junction 2 (interchange with the M25) and Junction 4a (Fleet) will be upgraded to a four-lane motorway by converting the hard shoulder to a permanent running lane. Electronic signs, operated by a regional control centre, will be installed to manage the flow of traffic in response to driving conditions.

This will be followed by work commencing on similar proposals to deliver "smart running" on the M4 from Junction 3 to Junction 12. This will involve the rebuilding of a number of bridges along the route to accommodate the wider carriageway. Work is due to commence in early 2017 and will last for three years.

Scott Witchalls, partner, at Peter Brett Associates, said using our cars on the same routes at the same times cannot continue. Instead he forecasts a system where car ownership is replaced by a kind of rental – a mobility contract - which works like a mobile phone contract.

"A massive transition is going to happen in city hubs over the next 20 years. That's what we need to focus on going forwards." Transport, he said would become a service.

Meanwhile, the Government are remaining tight lipped about the likely outcome of the planned airport expansion at either Heathrow or Gatwick. A group of cross-party MPs has warned Theresa May that an urgent decision must be made by the government. Thirty-six Conservative MPs, along with five MPs from other parties, have said continued delay would damage the UK economy. The MPs, led by the former Conservative party chairman Grant Shapps, belong to the cross-party British Infrastructure Group (BIG). In a new report, they called for a decision to be made "as a matter of extreme urgency."

"The decision on EU membership has not altered this fundamental fact. We believe this choice should be one of the first across the new prime minister's desk." The report also warned that the problem of capacity at Heathrow was causing substantial damage to the industry as a whole.

The proposed runway – estimated to cost £18.6bn – would provide an additional 250,000 flights a year and 120,000 new jobs, according to Heathrow.

Both Heathrow and Gatwick airport have been vying for permission to build an extra runway serving London.

In 2015 the Airport Commission's report recommended building a third runway at Heathrow as long as there was a cap on noise, a ban on night flights and acceptable performance on air quality.



Click to view

Enter the Dragons' Den

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market place, facing a shortage of good office stock, which is pushing values higher than feasible for a business at this time and hotly pursued by developers and those looking for residential conversions. We therefore, in tandem, initiated another search for a shorter term leasehold space which would achieve the same goal of bringing the business together but giving the company breathing space to find the right building rather than being pushed unnecessarily into signing on compromised space or pay too high a price.

With very little available within a tight geographical area, we made off market approaches in Wimbledon occupiers and uncovered fully fitted space just around the corner from the Group's existing offices where Ryman Group and Boux

Lingerie are located and which could be made available concurrently with their existing lease expiry.

The off market deal is at a very prominent building at One St George's Road where legal firm Capsticks were initially seeking to release around 4500 sq ft of surplus space. However RARE, working together with Capsticks' retained agent Nick Coughlin of Coughlin Lewis were able to work up a mutually agreeable proposal to release 11,000 sq ft of fully fitted space on the 3rd floor.

"The inherent flexibility we were able to secure for our clients in acquiring this space, allows them to address their immediate accommodation requirement and this, together with the lease breaks we negotiated and a right of first refusal catering for potential growth, enables

them to continue the longer term search for the ideal 30,000 sq ft freehold in South West London" said Guy Parkes, Director of RARE. He continued "Theo and the senior team, were keen to provide the staff with an upgraded working environment with minimal disruption to the business. Ultimately, the business is committed to bringing all parts of the group together, including Robert Dyas, into a new single building in order that they benefit from a totally integrated and collaborative approach".



OUR DEDICATED TEAM OF INDUSTRY EXPERTS PROVIDES THE HIGHEST CALIBRE OF SERVICE TO A RANGE OF REGIONAL, NATIONAL AND INTERNATIONAL CLIENTS AND ARE FOCUSED ON ACHIEVING THE BEST RESULTS IN EVERYTHING THEY DO. WE ARE PARTICULARLY EXPERT IN:

- **Property disposals**
- **Property acquisitions**
- **Innovative property marketing**
- **Repositioning buildings and advising on the regeneration of business parks**
- **Achieving pre-lets**
- **Investment sales and purchases**

Please contact us to enquire how we can help you

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