
PRIME CITY OF LONDON
FREEHOLD INVESTMENT
OPPORTUNITY

LONDON EC2

AberdeenStandard
Investments

ELDON HOUSE

FREEHOLD INVESTMENT OPPORTUNITY IN A PRIME CITY LOCATION







INVESTMENT SUMMARY

Attractive City of London freehold.

Prime City location, 170m from Liverpool Street station, providing excellent transport connectivity and set to be further improved with the future arrival of the Elizabeth Line (Crossrail).

Adjoining the vibrant Broadgate Estate where significant investment is enhancing the retail and leisure amenity.

The location is attractive to traditional City occupiers and also creative and tech industries associated with Shoreditch and the northern City.

Comprises 45,535 sq ft over basement, lower ground, ground and six upper floors.

Multi-let to seven office tenants and three retail tenants.

Passing rent of £2,056,589 per annum, equating to a low £45.17 per sq ft overall.

WAULT of 5.34 years to expiries and 5.24 years to breaks.

Multiple asset management and value driving initiatives in the short and medium term.

Guiding offers in excess of £42,000,000 exclusive of VAT, equating to a net initial yield of 4.6% and a low capital value of £922 per sq ft.

A DESIRABLE LOCATION

Old Spitalfields
Market


Liverpool
Street Station

Broadgate
Circle



ELDON
HOUSE

Finsbury
Circus


Moorgate
Station


London Bridge
Station


Bank
Station



LONDON, A GLOBAL GATEWAY CITY

London is internationally recognised as the world's leading centre for finance, technology, media, arts and research.

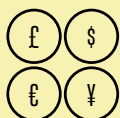
London is the No. 1 tech hub for global investors and home to the largest tech start-up market in Europe with over 300,000 employees.



Centre of World clock allows for London's working hours to access 99% of World's GDP.



10% of London's workforce work within the City of London.



377,000 of the 513,000 jobs in the City are in Finance (around 75% of all jobs).

23,580

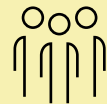
23,580 total companies within the City, 99% are SME's, 265 firms with over 250 workers (account for over 50% of the City's jobs).





1,000

1,000 new startups a year; 40% are in professional and business services, 15% are tech related.



Young skilled workforce, 61% between 22-39 (UK is 40%). 70% highly skilled (59% in London and 46% over Great Britain).



London is the only city in the World with 2 universities ranked in the top 10 globally. (UCL and Imperial College London, 2018 rankings).



With its diverse cultural, historical and business offering, London is one of the most visited cities in the world with over 30 million visitors per year.

A PRIME CITY LOCATION

Eldon House is positioned in a strategic central London location, where the traditional City core meets Shoreditch; one of London's most dynamic and vibrant sub-markets.

While the City is regarded as the world's leading financial centre with major global occupiers, Shoreditch is a tech hub, home to technology, media and creative industries, providing a diverse tenant mix in this micro-location.



Alphabeta, Finsbury Square



Comptoir Libanais, Broadgate Circle



South Place Hotel, South Place

Shoreditch Grind, Old Street



Situated on the northern side of Eldon Street, the property is 120 metres east of Moorgate and adjacent to the Broadgate Estate.

Eldon House is exceptionally well connected with both Liverpool Street and Moorgate stations within a 3-minute walk. There are significant development and infrastructure projects under construction in the surrounding area including 100 Liverpool Street and the arrival of Crossrail at Liverpool Street, further improving connectivity and amenity.



THE PERFECT WORK / LIFE BALANCE

Local Occupiers

- | | |
|---------------------------|----------------------------|
| 1 UBS | 10 Deutsche Bank |
| 2 Mimecast | 11 Schrodgers |
| 3 TP ICAP | 12 Credit Agricole |
| 4 CISCO | 13 Pinsent Mason |
| 5 London Metal Exchange | 14 Monzo |
| 6 Amazon | 15 Milbank |
| 7 Microsoft | 16 SMBC Capital |
| 8 Rathbone | 17 Peel Hunt |
| 9 Global Asset Management | 18 University of Liverpool |



Devonshire Square



Old Spitalfields Market

THE BROADGATE ESTATE

British Land and GIC's Broadgate Estate is Central London's largest pedestrianised commercial scheme, adjacent to Liverpool Street station.

The mixed-use site extends to 32 acres and provides 4.85 million sq ft of office, retail and leisure accommodation let to major occupiers such as UBS.

The estate is currently undergoing a £1.5 billion modernisation with over 1 million sq ft of space under construction at 100 Liverpool Street, 1 Finsbury Avenue and 135 Bishopsgate. A large proportion of this space is pre-let or under offer to a diverse mix of tenants including SMBC Capital, Millbank, TP ICAP and McCann as well as TMT businesses including Starling Bank, Innovate Finance and Mimecast.



£1.5 BILLION

Substantial investment on modernisation with over 1 million sq ft of space currently under construction



Broadgate Circle

Local Occupiers

mimecast

ETX CAPITAL

McCANN

SMBC

PEEL HUNT

UBS



UBS, 5 Broadgate



Gaucho, Finsbury Avenue



Finsbury Avenue



Exchange Square

42,000 SQ FT

Retail and leisure offering including Eataly food and beverage hall (due to open in 2020) and an Everyman Cinema (due to open in 2019)

Local Amenities

EVERYMAN GRIND

GAUCHO

LINKS LONDON

EATALY
alti cibi

BAR DOURO

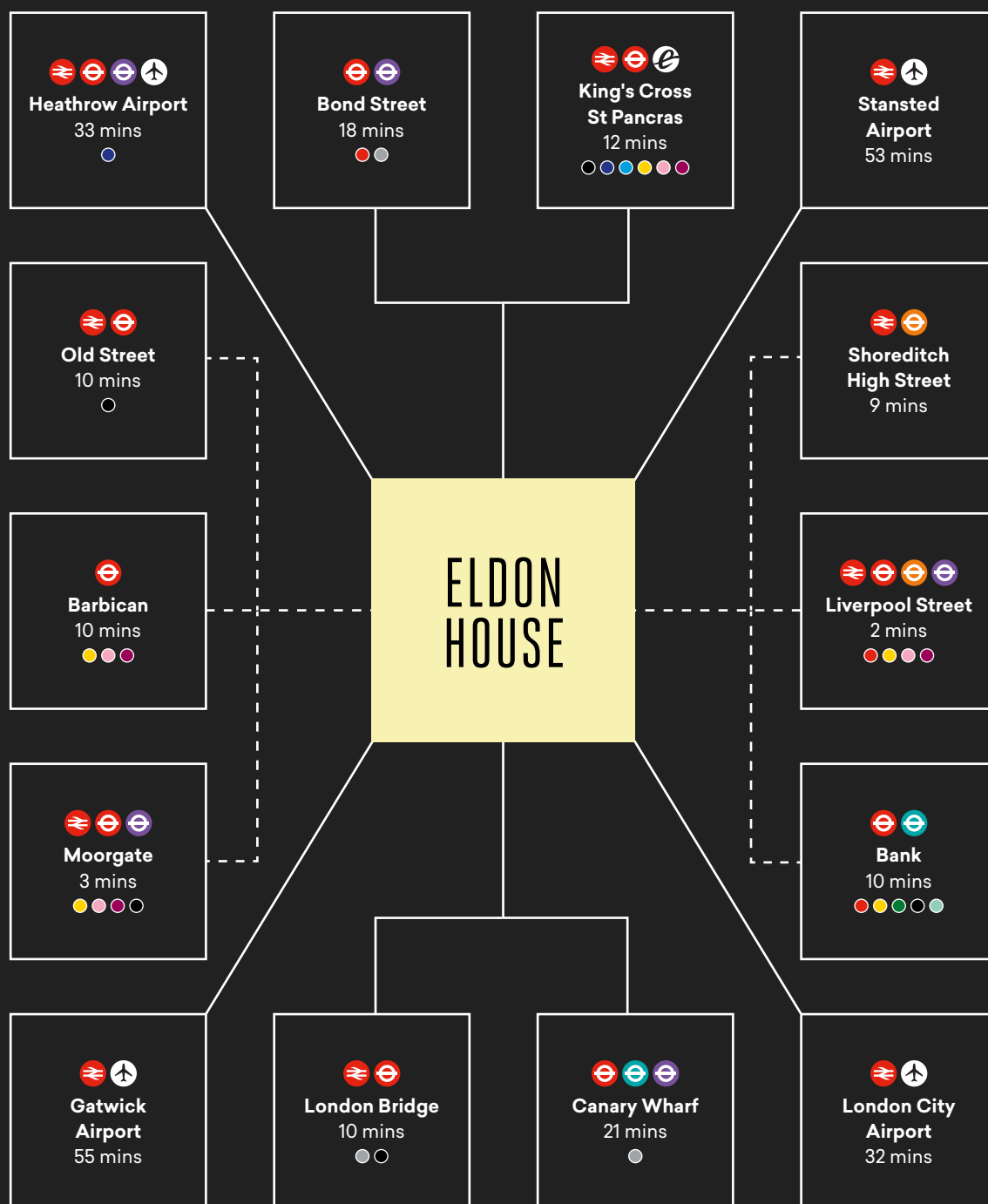
REBEL



UNRIVALLED CONNECTIVITY

The property currently benefits from exceptional transport links to both the Underground and the National Rail Services.

Within a 10-minute walk of the property there are four easily accessible stations including Liverpool Street station that currently serve 67 million people a year.



--- Walk Times — Journey Times

All journey times taken from the building. Source: TfL



New Elizabeth Line entrance at Liverpool Street Station (CGI)

THE ELIZABETH LINE

The Elizabeth Line is the largest infrastructure project in Europe and is set to increase connectivity of the building with Heathrow Airport as well as Canary Wharf and other key areas inside and outside London.

The Elizabeth Line will provide a 10% increase in rail capacity for London as well as providing a £42 billion benefit to the London economy.

This service will provide trains every 2.5 minutes during peak hours with each being able to carry 1,500 people. Overall there will be 41 accessible stations, which includes 30 upgraded and 10 brand new stations.

The property is ideally situated between Liverpool Street Station and Moorgate meaning it will greatly benefit from the Elizabeth Line and will further increase the excellent connectivity of the building.

10

new stations

30

existing stations upgraded

24

nine carriage trains per hour

1,500

passengers per train

200 METRE

long trains

200 MILLION

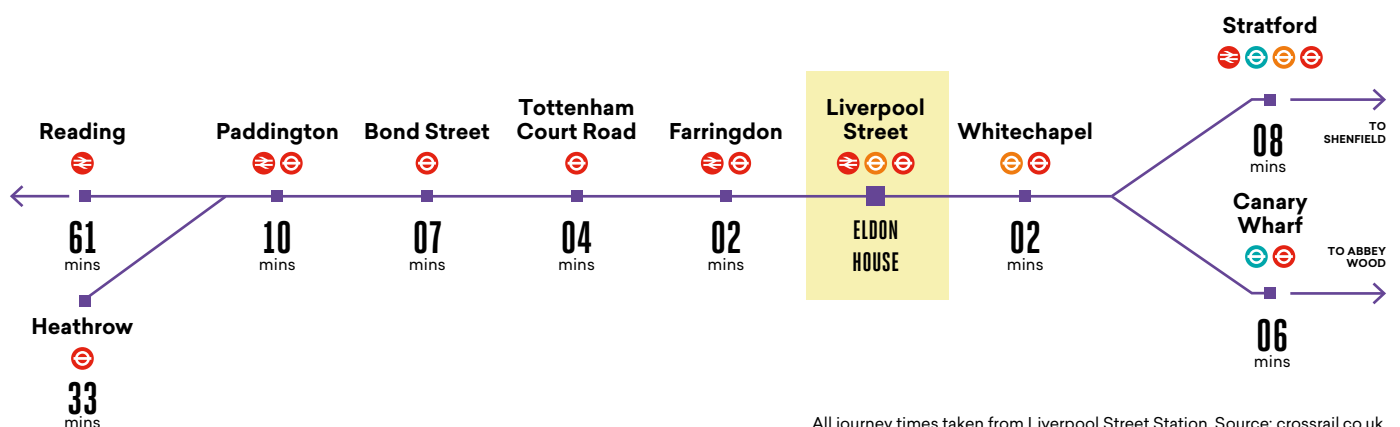
passengers a year

£42 BILLION

benefit to UK economy

10%

increase in London rail capacity



All journey times taken from Liverpool Street Station. Source: crossrail.co.uk

LOCAL DEVELOPMENTS



120 MOORGATE, EC2

Developer Vengrove / WeWork

Use 133,494 sq ft office

Status Under construction with PC due in 2020



21 MOORFIELDS, EC2

Developer Land Securities

Use 564,000 sq ft office pre-let to Deutsche Bank

Status Under construction with PC due in 2022



13-14 APPOLD STREET, EC2

Developer Masterworks Development

Use 95,000 sq ft office and 130,000 sq ft hotel including restaurants

Status Consented scheme, construction has not begun



5 BROADGATE, EC2

Developer British Land / GIC

Use 700,000 sq ft office
UBS HQ

Status Completed 2015



1 FINSBURY AVENUE, EC2

Developer British Land / GIC

Use 278,000 sq ft office part
pre-let to Mimecast and
25,000 sq ft retail

Status Consented scheme,
completion expected
Q3 2019



100 LIVERPOOL STREET, EC2

Developer British Land / GIC

Use 510,000 sq ft office, part
pre-let to Sumitomo Mitsui
Banking Corporation Europe,
Peel Hunt & Co and Milbank
Tweed Hadle

Status Under construction with
PC due in 2020



2-3 FINSBURY AVENUE, EC2

Developer British Land / GIC

Use 190,000 sq ft office

Status Planning consented for
a 563,000 sq ft tower

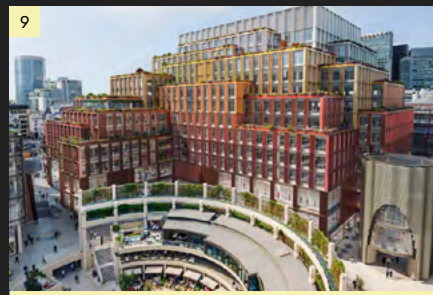


1-14 LIVERPOOL STREET, EC2

Developer Aviva / Crossrail

Use 280,000 sq ft office, retail and
Crossrail entrance

Status Planning application
submitted



1-2 BROADGATE, EC2

Developer British Land / GIC

Use 530,000 sq ft office, retail,
food and beverage and leisure

Status Planning application
submitted

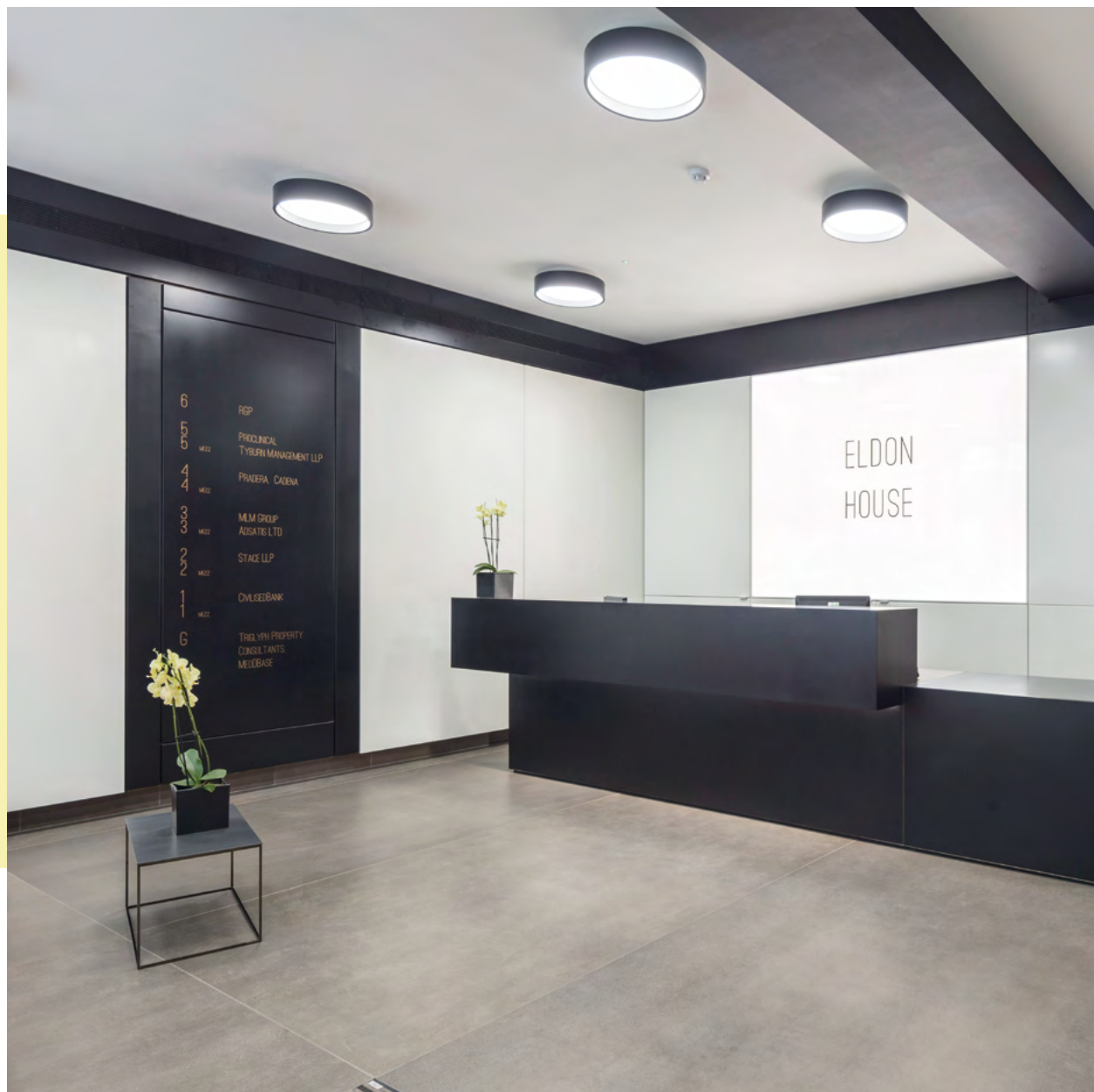
MODERN SPACE BEHIND A PERIOD FAÇADE

Eldon House is a prominent, period, mixed-use building that was developed in the early 1900's. The building is of concrete encased steel frame construction with Ashlar Portland stone cladding, solid brickwork and sandstone panels. The property provides approximately 45,535 sq ft of accommodation over basement, lower ground, ground and six upper floors.



Wilson Street exterior

Reception





4th floor kitchen



Eldon Street entrance

The building benefits from frontages to Eldon Street and Wilson Street with the office accommodation being accessed via a dedicated entrance on Eldon Street and the retail element off Wilson Street.

The property benefits from an impressive newly refurbished modern reception area and common parts that were completed in 2018, to enhance the building's period features and red brick elements.



6th floor

SPECIFICATION



Newly refurbished reception and common parts



Fan coil air-conditioning



Metal tile suspended ceilings (in part)



Fully accessible raised floors (in part)



Two 10-person passenger lifts (700 kg)



LG7 lighting (in part)



Security access control system



Male and female WCs on each floor



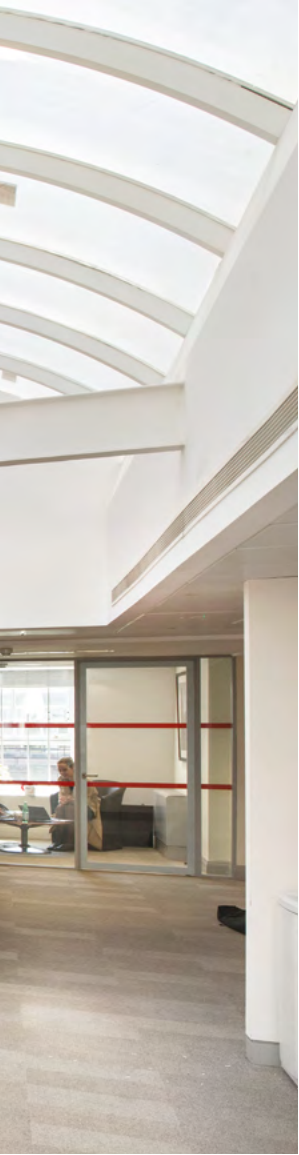
Cycle storage



Showers and locker rooms

3rd floor





Lower ground restaurant



4th floor

THE SPACE

Floor	Use	Sq Ft	Sq M
6th	Office	4,621	429.3
5th	Office	5,611	521.3
4th	Office	5,849	543.4
3rd	Office	5,884	546.7
2nd	Office	5,795	538.4
1st	Office Retail	4,156 1,127	386.1 104.7
Ground Mezzanine	Office	685	63.6
Ground	Office	1,578	146.6
	Retail	1,379	128.1
	Leisure	372	34.6
	Reception	555	51.6
Lower Ground	Retail Storage	4,565 12	424.1 1.1
Basement	Leisure	3,346	310.8
Total		45,535	4,230.4

GROUND FLOOR3,329 sq ft / 309.3 sq m



1ST FLOOR5,283 sq ft / 490.8 sq m



TYPICAL UPPER FLOOR5,884 sq ft / 546.7 sq m



6TH FLOOR4,621 sq ft / 429.3 sq m



Office Retail Leisure Core

For indicative purposes only. Not to scale.





ASSET MANAGEMENT CONSIDERATIONS

Eldon House offers strong reversionary opportunities with a current low average rent of only £45.17 per sq ft.

Short Term

The 6th floor tenant's lease expires in October 2022. The current passing rent of only £46.31 per sq ft is highly reversionary. There is the opportunity to deliver market leading rental values and improve the rental tone across the building.

The tenant occupying part 4th and 5th floor has a lease expiry in March 2021. The current passing rent is also reversionary and there is the opportunity to re-let on better terms.

Eldon Street is highlighted in the latest City Plan vision as a principle shopping area due to the increasing footfall between Moorgate and Liverpool Street stations and the role of the Broadgate Estate in creating a 7-day week retail destination.

Lease expiries on the ground floor office and the building's retail elements offer the possibility to negotiate rents higher or perhaps to increase the commercial content, reconfigure space and improve both income and the Wilson Street appearance. Subject to necessary consents.

GROUND FLOOR

Potential Reconfiguration



Longer Term

There may be an opportunity to increase the massing on the site to include additional floors and terrace areas, subject to the necessary consents being obtained.

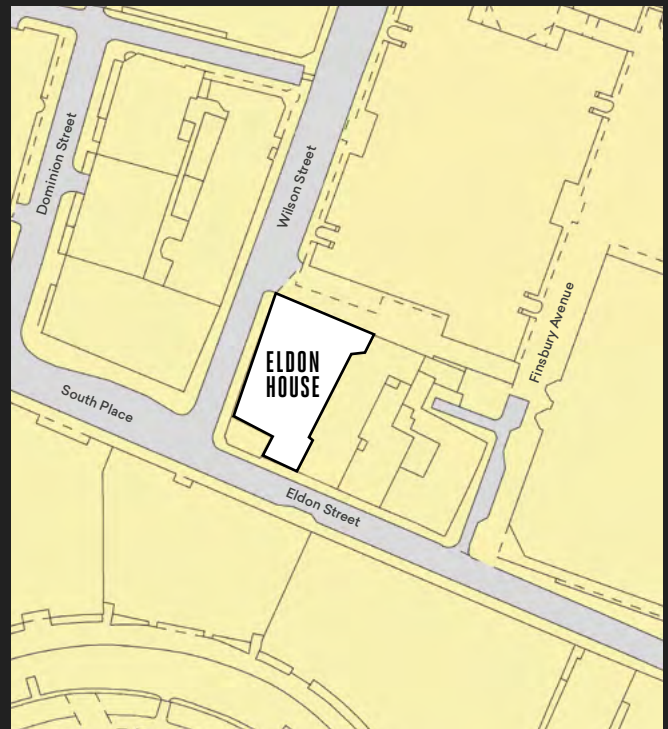
TENURE

The property is held freehold.
Title Number AGL279610.

TENANTS

The property is multi-let to seven office tenants, one restaurant tenant, one D1 tenant and a sui generis occupier at a total rent of £2,056,589 per annum, equating to an average rent of only £45.17 per sq ft, overall.

The building provides an average weighted unexpired lease term of 5.34 years to expiries and 5.24 years to breaks.



Floor	Tenant	Net area (sq ft)	Lease start	Rent reviews	Tenants' breaks
6	Resources Connection (UK) Ltd	4,621	09-Oct-12	-	-
5	ProClinical Ltd	5,027	04-Mar-16	-	-
5M	ProClinical Ltd	584	18-Dec-18	-	-
4	ProClinical Ltd	1,071	31-Oct-18	-	-
4	MLM Building Control Ltd	4,116	14-Dec-18	14-Dec-23	-
4M		662			
3		5,175			
3M	Adsatis Ltd	709	16-Jul-17	-	16-Jul-20
2	Stace LLP	5,795	23-Mar-12	23-Jun-22	-
1	Allica Ltd	3,470	05-Oct-17	-	-
1M	Stace LLP	686	16-Jul-18	23-Jun-22	-
GM	MLM Building Control Ltd	685	-	-	-
G	Medical Management Systems Ltd	1,578	26-Jul-16	-	-
1 (sui generis)	William Hill Organization Ltd	1,127	24-Jun-11	-	-
G (sui generis)		1,305			
G (A3)	Davy's of London Ltd	74	30-Sep-10	-	-
LG (A3)		4,577			
G (D1)	Enigma Entertainment Ltd	372	18-Aug-17	10-Jul-20	10-Jul-22
G	Reception	555	-	-	-
B (D1)	Enigma Entertainment Ltd	3,346	10-Jul-15	10-Jul-20	10-Jul-22
B	London Power Networks	-	01-Feb-84	-	-
Overall		45,535			

All tenants are outside the L&T 1954 Act pt II unless stated. All service charge caps are for period 01/04/2019 to 30/03/2020



Lease expiry	Rent per annum	Rent per sq ft	Comments
08-Oct-22	£214,000.00	£46.31	Guarantee from Resources Connection, Inc. Service charge cap of £67,447.12 (£15.07 per sq ft). Service charge cap is RPI linked.
03-Mar-21	£265,980.00	£52.91	Rent deposit of four and a half months' rent.
03-Mar-21	£33,695.00	£57.70	
03-Mar-21	£59,290.00	£55.36	
13-Dec-28	£572,067.50	£57.48	Guarantor from MLM Holdings Limited. Rent commencement 14 April 2020. Vendor to provide rent free top up.
15-Jul-22	£38,286.00	£54.00	Three months rent free if break not exercised. Service charge cap of £12,283.43 per annum (£17.33 per sq ft). Service charge cap is RPI linked. Rent deposit of £13,046.91.
22-Mar-27	£309,679.00	£53.44	Includes mezzanine. Reversionary lease signed in November 2016 to extend term until 2027. Three months rent free from 23 March 2022.
04-Oct-22	£181,602.00	£52.33	Three months rent deposit.
22-Mar-27	£35,298.00	£51.45	
13-Dec-28	£39,387.50	£57.50	Under Offer to MLM Building Control Ltd in line with existing lease incl. guarantor from MLM Holdings Limited. 12 Months rent free from completion. Vendor to provide rent free top up.
24-Mar-21	£81,375.00	£51.57	Rent deposit of £24,412.50. Service cap is fixed at £23,250 per annum (£14.73 per sq ft).
23-Jun-21	£79,000.00	£32.48	
29-Sep-20	£103,506.00	£22.25	Inside the L&T 1954 Act Pt II. Base rent of £90,000 p.a plus turnover rent reviewed on an annual basis to 10% of gross turnover less base rent.
09-Jul-25	£12,149.48	£32.66	Service charge cap of £1,933.79 (£5.17 per sq ft). Service charge cap is RPI linked
-			
09-Jul-25	£31,273.00	£9.35	Service charge cap of £9,273.52 (£3.02 per sq ft). Service charge cap is RPI linked with a base increase to £14,215 on the 5th anniversary of the term. Rent deposit of nine months' rent.
31-Mar-44	£0.05	-	
	£2,056,588.53	£45.17	Subject to Contract

TENANT COVENANTS



Resources Connection (UK) Limited

Co Number 04228038 Creditsafe Rating 69

Resources Connection UK provides experienced finance, accounting, risk management, internal audit, information management, human resources, and supply chain management. The Company provides these services to industries such as aerospace, entertainment, healthcare, manufacturing, insurance, utilities, and telecommunications. Resources' offers these services internationally.

www.resources.nl



Stace LLP

Co Number OC312683 Creditsafe Rating 87

Stace provides property and construction consultancy services. The Company offers project management, quantity surveying, building surveying, and health and safety solutions. Stace serves the retail, commercial, education, mixed use development, and health industries.

www.stace.co.uk



Davy's of London (Wine Merchants) Limited

Co Number 00963147 Creditsafe Rating 60

Davy's of London Wine Merchants Ltd. distributes a range of wines. The Company offers wine bars, taste testing, home delivery, and storage cellars. Davy's of London Wine Merchants operates in the United Kingdom.

www.davy.co.uk



ProClinical Limited

Co Number 05742788 Creditsafe Rating 67

Founded in 2006, ProClinical operates as a recruitment agency for professionals to the life sciences sector. As of May 2018, ProClinical Limited operates as a subsidiary of Independent Clinical Services Limited.

www.proclinical.com



Allica Limited

Co Number 07706156 Creditsafe Rating 48

Allica is a digital bank, provides personal and business banking products and services in the United Kingdom. It offers current accounts with deposits, transaction banking, overdrafts, foreign currency exchange, investments, savings, and loans for SMEs; and savings and investment products to the retail market. The company, formerly known as Civilised Investments Limited, was incorporated in 2011 and is based in Reading, United Kingdom. Allica Ltd. operates as a subsidiary of Gravity Investments Limited.

www.allica.co.uk



Enigma Entertainment Limited

Co Number 09274800 Creditsafe Rating 55

Enigma Entertainment offers a range of team building experiences through immersive and themed game rooms for teams of up to five people to challenge themselves. Enigma is one of the leading team building experiences and features in several 'top 100 things to do in London' lists.

www.enigmaquests.london



MLM Building Control Limited

Co Number 02891295 Creditsafe Rating 67

MLM are one of the largest approved inspectors in the UK providing advice on all associated acts, legislation and other regulatory, advisory and good practice guidelines affecting developments. MLM Building Control Limited is part of the MLM Group which in May 2019 agreed to be acquired by Sweco, the Swedish based listed engineering company.

www.mlmgroup.com



Adsatis Limited

Co Number 02784140 Creditsafe Rating 96

Adsatis is a financial markets management consultancy working with leading financial markets organisations to help them to define, manage and implement changes that are required for them to meet regulatory requirements.

www.adsatis.com



Medical Management Systems Limited

Co Number 05272668 Creditsafe Rating 80

Medical Management Systems is the developer of Meddbase, a cloud-based clinical management framework designed for practices. Since 2004 Meddbase has been the leading online system available on the UK market, and the only full-service solution that enables single and multiple location private medical practices to connect securely to their data from any location worldwide.

www.meddbase.com



William Hill Organization Limited

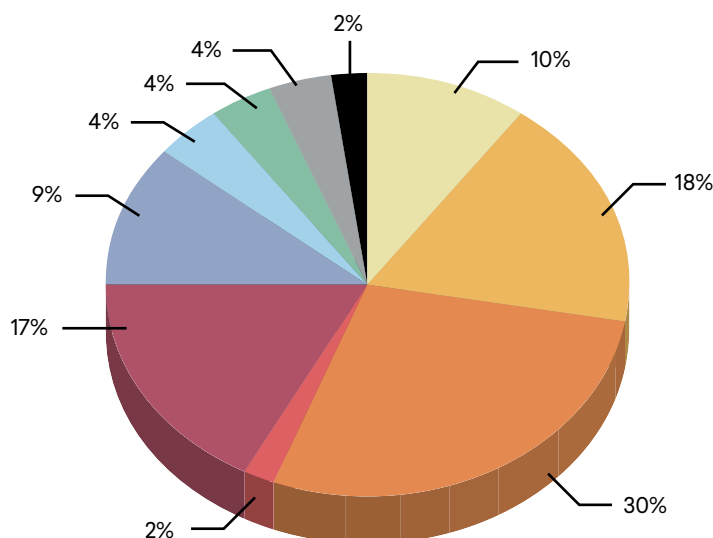
Co Number 00278208

William Hill Organization Ltd. provides gaming and betting services. The Company offers bookmaking, betting shops, and online gambling services. William Hill Organization serves its customers throughout the United Kingdom.

www.williamhillplc.com

Percentage of Rental Income

Resources Connection (UK) Limited (10%)
ProClinical Limited (18%)
MLM Building Control Limited (30%)
Adsatis Limited (2%)
Stace LLP (17%)
Allica Limited (9%)
Medical Management Systems Limited (4%)
William Hill Organization Limited (4%)
Davy's of London (Wine Merchants) Limited (4%)
Enigma Entertainment Limited (2%)



MARKET COMMENTARY

Occupier Comparables

Address	Floor	Area (sq ft)	Rent (per sq ft)	Tenant	Date Signed
111 Old Broad Street, EC2	Part 3rd	8,272	£57.00	ABS Consulting Ltd	February 2019
The Aspect, 12 Finsbury Square, EC2	1st	3,308	£65.00	Undisclosed Occupier	December 2018
10 Throgmorton Avenue, EC2	1st	4,812	£61.00	Town Legal LLP	October 2018
10 Dominion Street, EC2	6th	3,380	£60.00	Invest Northern Ireland	August 2018
8 Finsbury Circus, EC2	Part 3rd	6,210	£67.50	GAM	May 2018
Swedbank House, 42 New Broad Street, EC2	5th	3,172	£64.50	Sigital	April 2018

Investment Comparables

Property	Date	Tenure	Price (£)	NIY	Capital Value	WAULT	Purchaser
4 Chiswell Street, EC2	July 2019	Freehold	£36.40m	4.69%	£930	5.2 (E) 2.6 (B)	City Corporation
11/12 Appold Street, EC2	July 2019	Freehold	£22.50m	4.86%	£976	5.8 (E) 3.7 (B)	Private Investor
28-30 Cornhill, EC3	April 2019	Freehold	£32.00m	4.30%	£1,035	6.0 (E) 4.3 (B)	Cheung and Sons
21 Wilson Street, EC2	December 2018	Freehold	£40.20m	4.30%	£1,042	10.9 (E) 4.9 (B)	Private Investor
80 Clerkenwell Road, EC1	July 2018	Freehold	£18.50m	4.63%	£1,494	8.4 (E) 5.6 (B)	Orchard Street

The Aspect, 12 Finsbury Square, EC2



10 Throgmorton Avenue, EC2



4 Chiswell Street, EC2





Building entrance on Eldon Street

DEBT

Available Debt for the Property

As part of the sales process, the JLL Debt Advisory team have undertaken a market sounding for potential debt options for Eldon House. This has identified lenders who are interested in providing competitive debt for the acquisition. Please note that these terms are based on the current debt market and may change between the time of this document and the acquisition completing.

A summary of these indicative terms (based on an assumed £42,000,000 purchase price) are as follows:

Loan Term:	3 years	3 years
LTV:	55.00%	60.00%
Estimated Margin:	190 bps	205 bps
SWAP rate*:	74 bps	74 bps
All in Cost:	c.2.64%	c.2.79%
Amortisation:	None	1.00% per annum
Arrangement Fee:	1.00%	1.00%

* Accurate as of 26/07/2019



FURTHER INFORMATION

Planning

The property is located in the City of London.

The property is not Listed.

The property is not within a conservation area.

Value Added Tax (VAT)

The property is elected for VAT. It is envisaged that the transaction will be treated as a Transfer of a Going Concern (TOGC).

Capital Allowances

Capital allowances may be available by way of a separate negotiation.

Data Room

Access to the data room is available upon request.

Energy Performance Certificate (EPC)

The property has an EPC of E (122).

A copy of the EPC is available in the data room.

Proposal

Offers are invited in excess of £42,000,000 which reflects a net initial yield of 4.6% (assuming purchaser's costs of 6.80%) and a capital value of £922 per sq ft.

Subject to Contract and exclusive of VAT.

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