Lambert Smith Hampton

Charles Darwin House

12 ROGER STREET LONDON WC1N 2JU

RARE CENTRAL LONDON FREEHOLD WITH VALUE-ADD OPPORTUNITIES

INVESTMENT SUMMARY

- Rare Freehold opportunity
- Sold with the benefit of a short term sale & leaseback
- The interim lease will be for a period of 6 months with vacant possession secured thereafter
- Annualised rental income of £694,060 per annum, reflecting £40 per sq ft and £20 per sq ft on the ground floor reception
- Extends to17,794 sq ft (1,653.3 sq m) NIA over five floors
- Sustainable building with 'BREEAM Excellent' Rating
- Excellent transport links and perfectly situated to benefit from the 2019 launch of Crossrail Farringdon
- Located in one of London's most sought after and eclectic markets
- Centrally positioned in an accessible Midtown location with three Underground stations less than 0.5 miles away (Russell Square, Chancery Lane and Holborn)
- Thriving market which has attracted an increasingly diverse range of occupiers, including; Amazon, Deloitte, Disney, ITV, J Sainsbury plc, Lego, Skype and Time Warner
- Value-add refurbishment or development opportunity subject to obtaining the necessary consents, with the potential for alternative uses
- Prime office rents in Midtown stand at £70 per sq ft
- We are instructed to seek offers in excess of **£14,940,000** on an unconditional basis subject to contract for the freehold interest. Charles Darwin House is not registered for VAT. A purchase at this level reflects a capital value of £840 per sq ft.

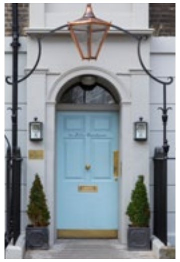

CANARY WHARF
TOWER BRIDGE
ST PAUL'S CATHEDRAL
THE SHARD
TATE MODERN
ONE BLACKFRAIRS
CITY OF LONDON
LONDON BRIDGE
BARBICAN
HERBAL HOUSE REDEVELOPMENT
FARRINGDON
CHANCERY LANE
ROSEWOOD HOTEL
THE CHARTER HOUSE
THE RAY BUILDING
ELM STREET REDEVELOPMENT
ITN PRODUCTIONS
GRAYS INN WALKS GARDENS
PANTHER HOUSE REDEVELOPMENT
LAMBS CONDUIT ST.
ROYAL MAIL CENTRE
Charles Darwin House
FARRINGDON ROAD
MOUNT PLEASANT DEVELOPMENT
GRAYS INN ROAD
MECKLENBURGH SQUARE

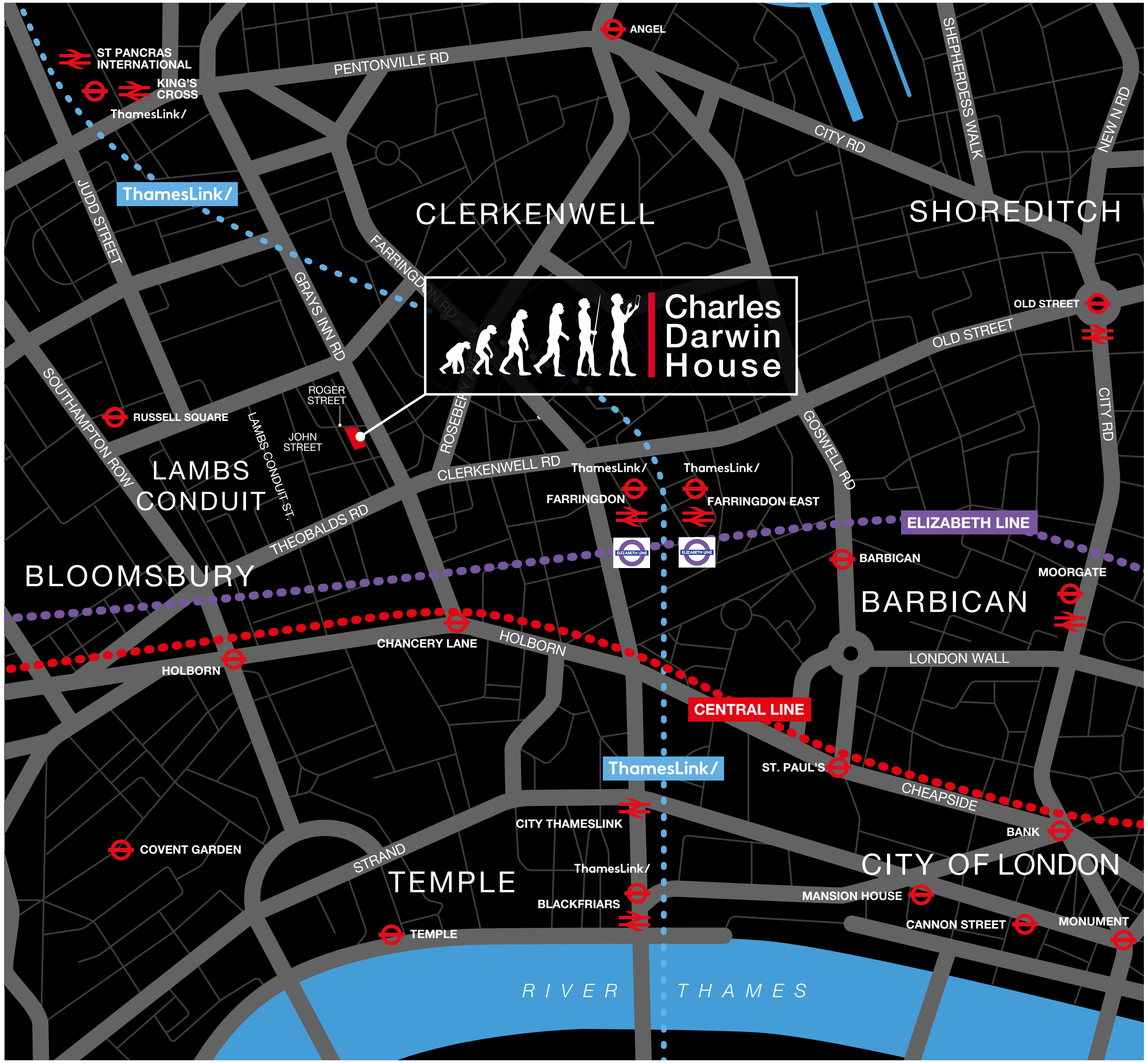

LOCATION

London continues to go from strength to strength as the world's primary global financial centre and to act as a beacon of stability within fluctuating markets. Midtown is located at the heart of Central London with the West End and Covent Garden to the west, the City of London and Farringdon to the east, King's Cross to the north and Southbank along with Waterloo to the south. It has become a market that is an attractive alternative to the traditional City and West End markets.

The Midtown market has accessibility, centrality and individuality. This thriving area is increasingly diverse in terms of international tenants drawn from large corporate and smaller enterprises alike, including; Amazon, Deloitte, Disney, Goldman Sachs, Hogan Lovells, ITV, J Sainsbury plc, Lego, Skype and Time Warner. Many of these are in the vicinity of Charles Darwin House. This demand from high profile businesses coupled with a traditional focus on education, medical, legal and technological sectors is creating a heterogeneous and active market.

The unique mix of local amenities, historic landmarks and state-of-the-art developments culminate to make this locality very attractive to occupiers and investors alike. The evolution of the area's restaurant and bar offering, particularly along Lambs Conduit Street and Clerkenwell Road are further adding appeal.



CONNECTIVITY

Charles Darwin House has the highest possible Public Transport Accessibility Level (PTAL) rating of 6b. The PTAL value combines information about how close public transport services are to a site and how frequent these services are.

Rail

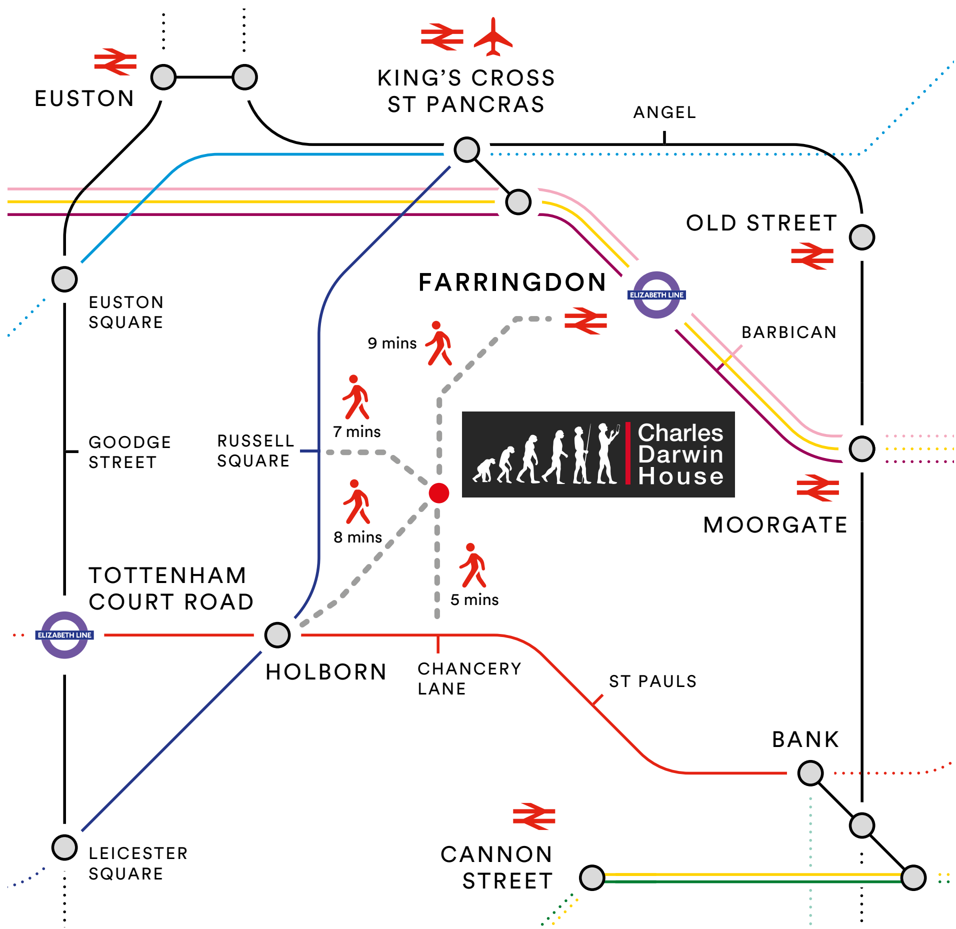
- Underground, Mainline and Thameslink stations in the immediate vicinity
- Three Underground stations (Russell Square, Chancery Lane & Holborn) less than 0.5 mile away
- Crossrail Farringdon to open in 2019

Road

- 12 minutes to The City and 25 minutes to Canary Wharf by taxi
- Direct access onto A5200 (Grays Inn Road) and A501 (Euston Road) to the north
- Wealth of local bus links

Air

- Direct trains to Luton and Gatwick from Farringdon in circa 45 minutes
- Access to Stansted in under an hour
- Heathrow from 32 minutes once Crossrail has completed



CROSSRAIL (ELIZABETH LINE)

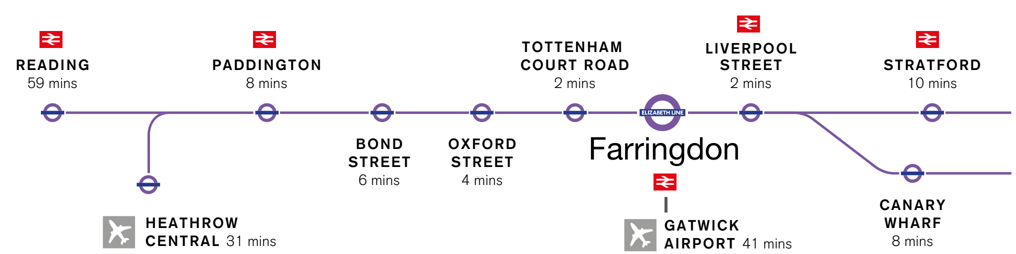
Crossrail, which is scheduled to open in 2019, will transform Central London's connectivity and increase capacity by 10%. Farringdon Station is 0.6 miles to the south east of the subject on the Elizabeth Line.

When complete, Crossrail Farringdon will:

- Become Britain's busiest train station
- Deal with more than 140 trains every hour
- Be accessible to 25% of England's population in 45 minutes
- See a significant reduction in journey times, for example; Farringdon to Ealing will now take 16 minutes, instead of the current 32 minutes
- Be the only station to benefit from Underground, Mainline, Thameslink and Crossrail linkages

Travel times across Central London from Farringdon Crossrail are expected to be as follows:

ELIZABETH LINE



DESCRIPTION

Charles Darwin House offers unique modern office accommodation extending to 17,794 sq ft (1,653.3 sq m) NIA arranged over ground and four upper floors. The building underwent a major refurbishment in 2010, following which it was awarded a sought after BREEAM excellent rating.

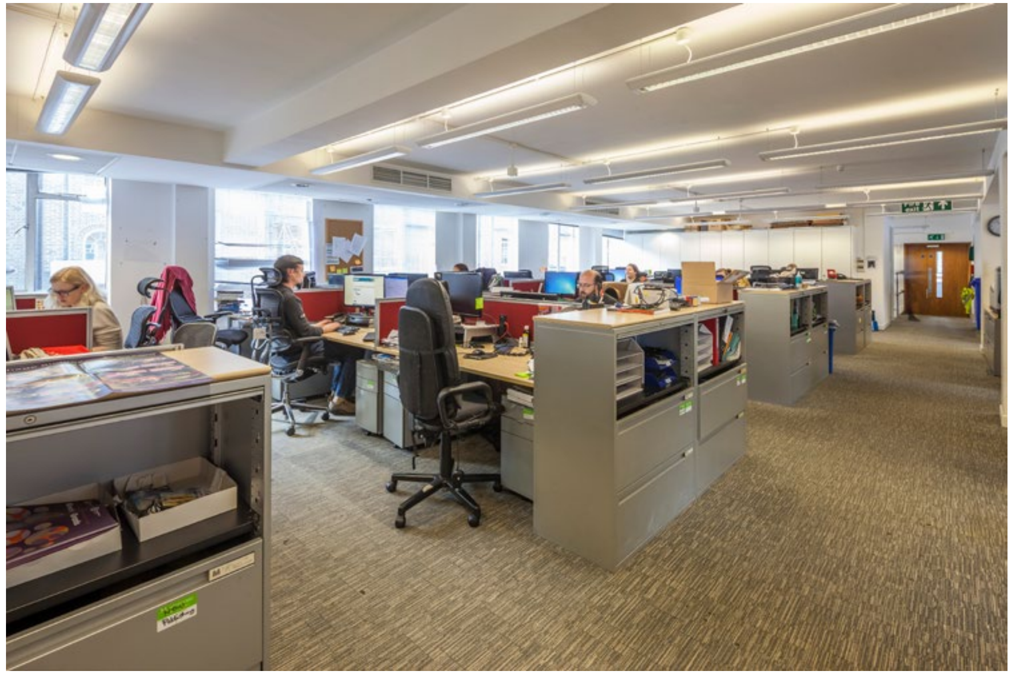
A BREEAM excellent rating means this building is in the top 10% of UK non-domestic buildings, not only in terms of environmental practice but of overall performance in all of the scoring categories. These include health and wellbeing, management, materials and typical environmental measures such as pollution, energy, waste and water.

There is a strong focus on green initiatives in the building, with 100% of the energy utilised being renewable. 90% of the building's waste is recycled or returned to the supplier for re-use and therefore energy efficiency initiatives have been brought to the fore.

There is also a rear yard which is currently utilised for 3 car parking spaces and bicycle storage.

The property benefits from the following specifications:

- Raised flooring
- Perimeter trunking
- Air-conditioning
- Suspended lighting
- 6-person passenger lift
- Bicycle storage
- Shower facilities
- Access and servicing at rear
- Car parking
- DDA compliant



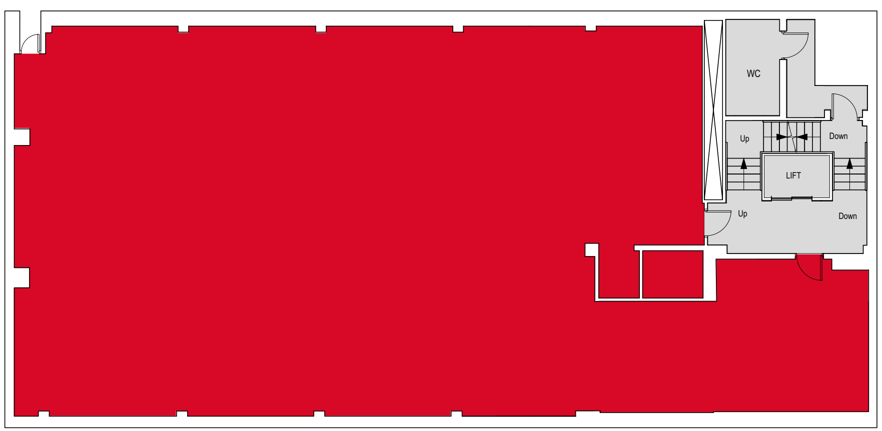
ACCOMMODATION

The accommodation over ground and four upper floors is arranged as follows:

Floor	Use	Area NIA sq ft	Area NIA sq m	Area GIA sq ft	Area GIA sq m
Ground	Reception	885	82.4	6,085	565.3
Ground	Offices	4,356	404.7		
First	Offices	3,144	292.1	3,601	334.6
Second	Offices	3,135	291.3	3,586	333.2
Third	Offices	3,154	293.0	3,599	334.4
Fourth	Offices	3,120	289.8	3,604	334.8
Roof	Plant Room	-	-	96	8.9
Total		**17,794**	**1,653.3**	**20,571**	**1,911.2**

Below is a typical floorplan – further plans are available in the datasite.

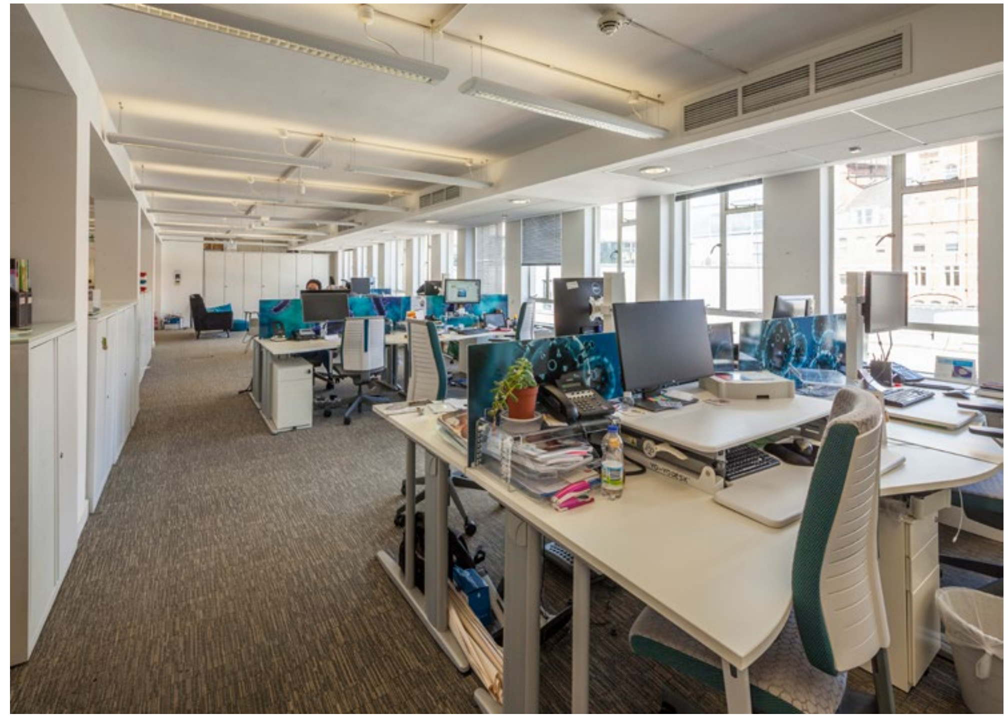
Typical Floor Plan (First)



ROGER STREET

Not to scale for indicative purposes only

NORTH MEWS



TENANCY

A 6-month lease will commence on completion of the sale. The Tenant will be Charles Darwin House Limited. The annualised rent will be £694,060 per annum which is based off £40 per sq ft on the office accommodation and £20 per sq ft on the ground floor reception.

The lease will be subject to a tenant only break option at the end of the 3rd month (subject to one months' notice), outside of the L&T 1954 Act and with no rent reviews or dilapidation responsibilities.

A draft lease is available on the datasite.

MARKET COMMENTARY

London Investment Market

- London retains its No. 1 ranking in the Schroders Global City Index
- Central London investment volumes totaled £6.5 billion in Q2 and £8.7 billion in H1 2018
- At the end of June 2018, £2.5 billion of stock was under offer
- London prime yields reflect value when compared against the leading European cities such as Paris, Berlin and Munich where office yields are 3.00%

Midtown Investment Market

As London goes from strength to strength, so too does Midtown where investment transactions reached £1.2 billion in Q2 2018 which has led to the second highest H1 volume since 2014. In H1 2018, vacancies also dropped below that of the West End for the first time in more than 15 years. The continued high demand for new and refurbished space and lack of any meaningful pipeline will sustain future strong rental performance at the top end of the Midtown market. Occupiers are buying in to the identity, accessibility and desirability of Midtown as well as its potential for the future.

Grade A rents in Midtown stand at £70 per sq ft. The rental growth seen in the market has been fueled by certain key factors in the last five years. Prime rents have increased by 93%; rising demand and falling vacancy rates have fuelled a strong increase in average rents across all stock, which are now at £57 per sq ft. These pressures will only increase in Q4 2018. Due to the restricted development pipeline, with only 1.6 million sq ft under construction. As a result, rental projections for the next five years are positive.

A recent marquee pre-letting illustrating demand within the Midtown market was that of 611,000 sq ft in North Midtown across three buildings during July 2018, Acquired by Facebook. Key recent lettings of similarly sized buildings in H1 2018 were; Shaftesbury House, WC2 (13,000 sq ft) to Hogarth Worldwide at £68.74 per sq ft for 5 years and 101 St Martins Lane, WC2 (5,000 sq ft) to Whispering Smith at £67.60 per sq ft for 15 years.

The culmination of these factors means Midtown is increasingly thought of as an alternative to the West End and City markets. Adjacent, there is evidence demonstrating the active nature of the vacant possession market in Midtown.

Vacant Possession Sales

Address	Date	Area (NIA sq ft)	Price	Value per sq ft
219 St John Street EC1V 4LY	Q2 2018	2,297	£1.9m	£827
Morris House EC1N 8QS	Q2 2018	2,227	£2.5m	£1,123
Edward House EC1V 7LT	Q4 2017	7,591	£8m	£1,054
7 Bell Yard WC2A 2JR	Q4 2017	1,535	£1.6m	£1,042
11 Coldbath Square EC15 5HL	Q4 2017	2,398	£2.1m	£876
10 Colt Court EC3A 3DQ	Q4 2017	3,397	£3.2m	£942
Argus House EC1V 4LW	Q3 2017	14,201	£14.2m	£1,000
42 Doughty Street WC1N 2PH	Q3 2017	2,706	£2.5m	£924

Investment Sales

Address	Date	Area (NIA sq ft)	Price	Initial Yield
85 Grays Inn Road WC1X 8TX	Q4 2017	28,250	£24.5m	4.40%
9-13 St Andrew Street EC4A 3AF	Q3 2017	16,772	£21m	3.80%
2 Hosier Lane EC1A 9LJ	Q3 2017	42,247	£35.5m	4.20%
144A Clerkenwell Road EC1R 5DF	Q2 2017	21,193	£19m	4.96%
36-38 Hatton Garden EC1N 8EB	Q2 2017	24,007	£28.85m	4.66%
52 Bedford Row WC1R 4LR	Q1 2017	28,385	£28.2m	3.99%

ASSET MANAGEMENT OPPORTUNITIES

The property represents a significant asset management opportunities allowing a purchaser to benefit from income and capital growth:

Refurbishment

The property presents an excellent opportunity for refurbishment to create superior space and achieve headline rents.

Additional Floor

Subject to planning an additional lightweight floor could be added to the property, as seen on the adjacent building which sets a precedent in the local area.

Rear Yard

To increase the footprint of the building and rental income, there is also the possibility of developing additional space to the rear of the building into what is currently the car park area and amenity space.

Serviced Office Operators

The building, with very little modification, would be ideally suited to serviced office operators. The location, floorplate and market dynamic lend themselves to this approach.

Alternative Uses

Given the surrounding uses, the property may offer opportunities for co-living, student accommodation, hotel or other uses subject to the necessary consents.

Additional floor at 14 Roger Street oppposite Charles Darwin House

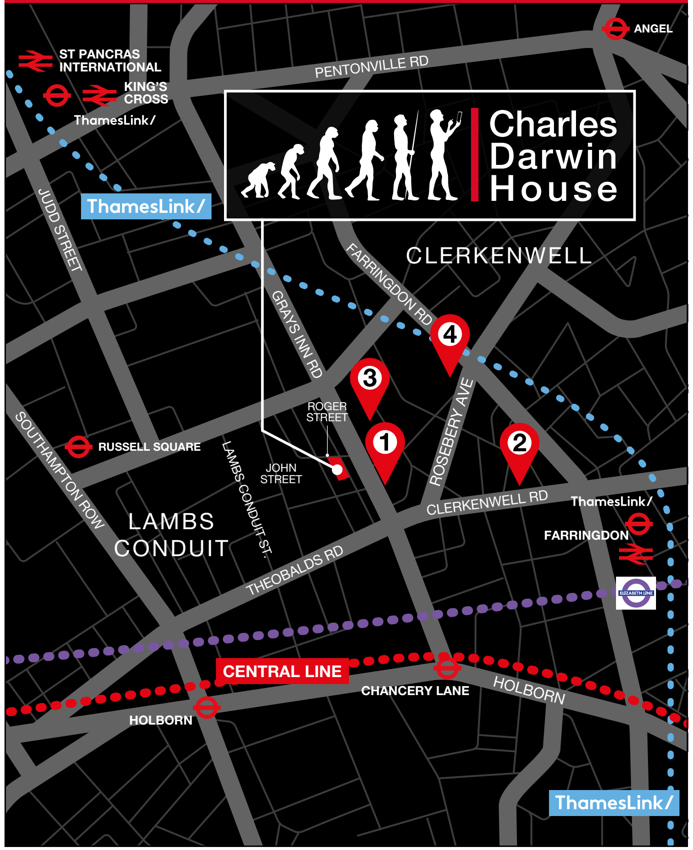
Local residential properties in Brownlow Mews adjacent to Charles Darwin House

Rear yard development opportunity

LOCAL DEVELOPMENTS

The area surrounding the subject continues to see significant regeneration activity and public realm improvements, the most pertinent are listed below:

Location of Developments



1 - Panther House, 38 Mount Pleasant

- Developer: Dukelease
- Practical Completion 2022
- 75,000 sq ft offices, A1/A3 and 13 residential units

2 - Herbal House, 10 Back Hill

- Developers: Allied London and Aerium
- Completed Q4 2017
- 115,000 sq ft
- Less than half the space remains after lettings to Photobox Group and Ideo at and just below £75 per sq ft

3 - Elm Yard, Elm Street

- Developer: Great Portland Estates
- Completed Q3 2017
- Headline rents of £60 per sq ft achieved
- 85,000 sq ft of refurbished space, 3,980 sq ft remains available

4 - Mount Pleasant, Pheonix Place

- Developer: Taylor Wimpey
- Practical Completion of first phase from 2022
- 681 residential units, 45,854 sq ft of office space and 24,218 sq ft of retail

TENURE

Freehold.

VAT

The property is not elected for VAT.

EPC

The property has an Energy Performance Certificate rating of D86.

DATASITE

Further information, including; Title pack, measured survey, EPC and other relevant documentation can be accessed on the sale datasite, details of which can be made available upon request.

PROPOSAL

We are instructed to seek unconditional offers in excess of **£14,940,000** (£840 per sq ft), subject to contract for the freehold interest, allowing for purchasers costs of 6.8%.

Further information is available by contacting the sole agents:

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