

MODERN OFFICE INVESTMENT

SIR CHRISTOPHER HARDING HOUSE  
NORTH SHORE ROAD  
WHITEHAVEN  
CUMBRIA CA28 7XY

SECURELY LET TO:



10.5% NET INITIAL YIELD



christopher  
property investment dee . . .



## INVESTMENT SUMMARY

- Modern office investment located in Whitehaven, the centre of Britain's Energy Coast.
- Whitehaven is the primary business location for the UK's nuclear industry and is rapidly developing into a global centre of excellence.
- Let to the secure covenants of the Nuclear Decommissioning Authority and United Utilities Plc.
- Both tenants have been in occupation for a number of years and have just extended their lease agreements.
- Measuring 45,391 sq ft (4,217 sq m) with a cleared floorplate of over 22,000 sq ft and 275 car parking spaces.
- Occupationally linked to the Nuclear Decommissioning Authority (100+ year contract) at Sellafield Nuclear Power Station and is United Utilities' principal UK call centre.
- Total passing rent of £609,818 per annum.
- Income equates to just £12.25 psf on the office space. The recent lease renewals reflect a 21% uplift on the previous passing rent and is still 31% below the highest rent achieved in the area.
- Car park income is RPI linked.
- **We are instructed to seek offers in the region of £5,450,000 (Five Million Four Hundred and Fifty Thousand Pounds), reflecting a Net Initial Yield of 10.5% having allowed for purchasers' costs @ 6.61%.**
- Low capital value of just £120 per sq ft.

**To discuss this opportunity and the general market activity within the area please contact Chris Bathurst or Adam Wildig:**

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## COMPARE COSTS

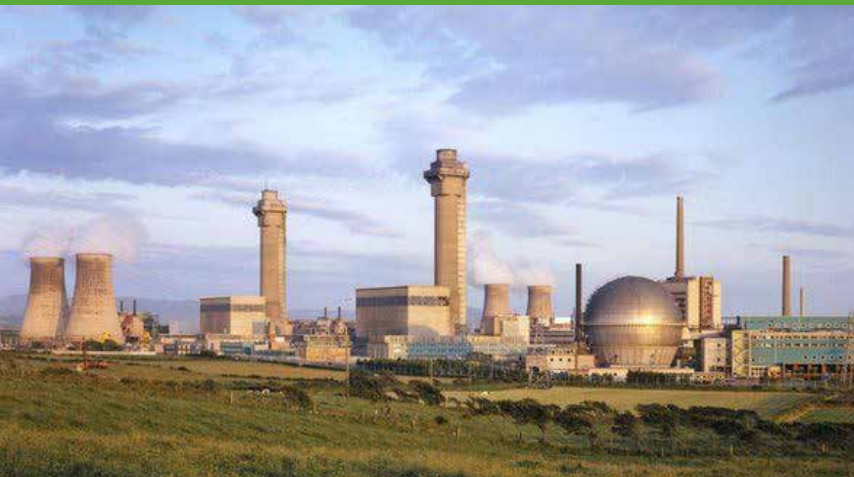
**Decommissioning cost of Sellafield £121bn**

Crossrail **£20bn**

HS2 **£43bn**

Third runway at Heathrow **£18.6bn**

Two new QE class aircraft carriers **£6.2bn**



SIR CHRISTOPHER HARDING HOUSE



### LOCATION

Whitehaven lies approximately 40 miles (64 km) south west of Carlisle, 45 miles (72 km) west of Penrith, and 45 miles (72 km) north of Barrow-in-Furness.

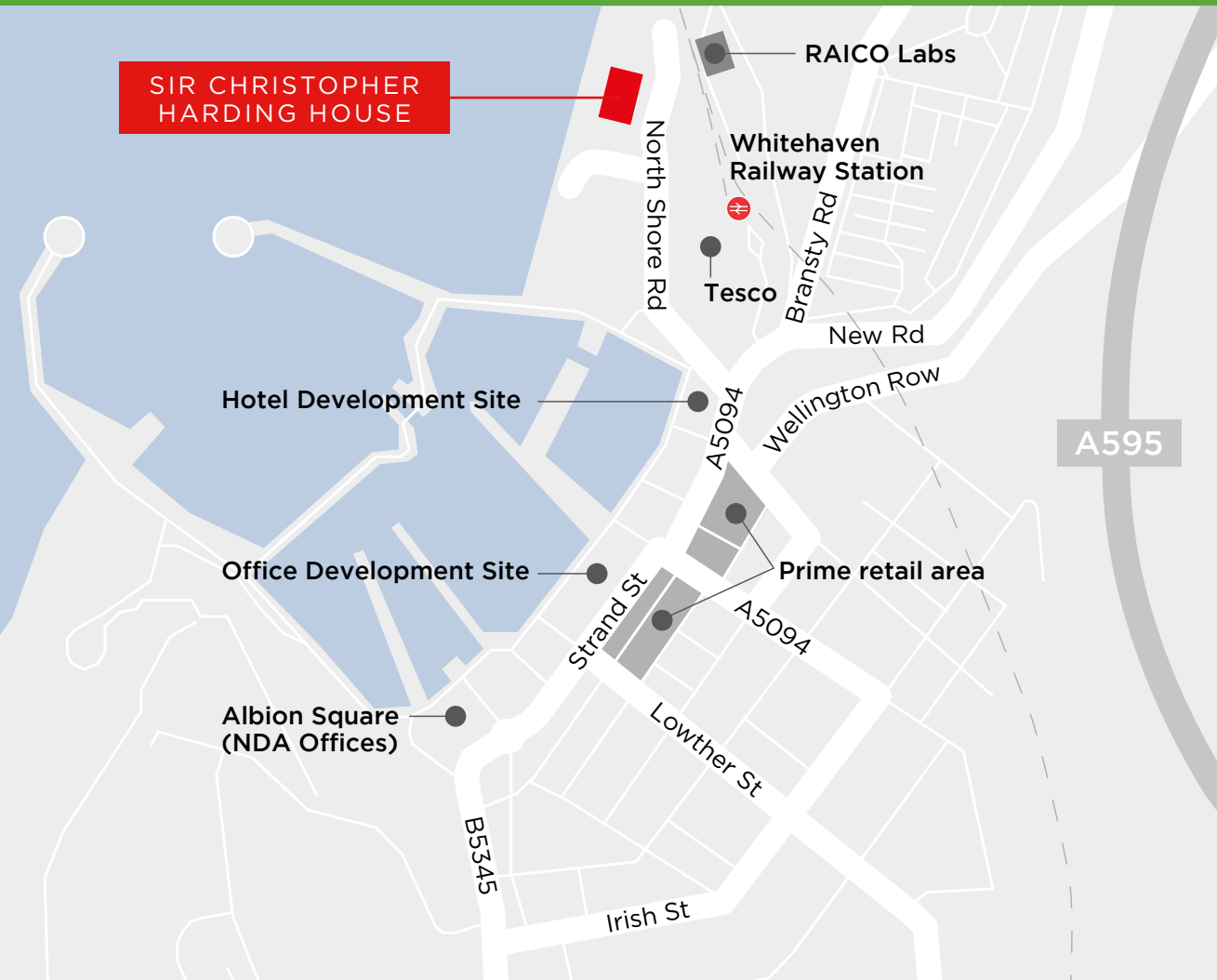
The town is intersected by the A595 which provides access to Workington and Carlisle to the north and the Sellafield Nuclear Site to the south. The M6 Motorway is approximately 40 miles (64 km) to the east, and accessed via the A66.

The town is connected to the national railway network with regular services to Carlisle, Workington and Barrow-in-Furness and regular services to London Euston can be made via Carlisle.



### Major office occupiers in Workington

- Morgan Sindall
- Atkins
- AMEC
- Doosan Babcock Energy
- Thales
- Carillion
- University of Manchester



## SITUATION

The property is located on the west side of North Shore Road, just to the north of Whitehaven town centre and marina (2 minute walk).

Whitehaven railway station is immediately to the east providing easy access to the wider region.

RAICO 1 is located adjacent to S.C.H.H., a joint venture between University of Manchester and Sellafield to develop robotics and artificial intelligence to aid in decommissioning. RAICO 2, a more substantial facility, is proposed in Whitehaven Town Centre.

## WHITEHAVEN OFFICE MARKET

Whitehaven's office market is dominated by the nuclear industry and supporting businesses across both the public and private sector. The NDA (Nuclear Development Agency) developed and occupied Albion Place in 2010. A high specification office building that now houses 1,000 office workers that have relocated from Sellafield. The ongoing decommissioning work at Sellafield will result in a potential further 4,000 staff relocated along the coastline with substantial development proposed in Whitehaven.

As major contracts are awarded by the NDA, international businesses are being tasked with securing office space in the town (fundamental to securing the contracts), in a limited market place.

Accordingly, the two most recent lettings in Whitehaven (at Westlakes Science Park) have resulted in prime rents pushing to £17.90 psf, most notably Jacobs Engineering taking 20,000 sq ft with no tenant incentive.

As such, with a minimum of a further 70 years decommissioning work at Sellafield **there is a pipeline of office demand in the area that will result in strong rental growth as buildings are developed.**



## DESCRIPTION

Sir Christopher Harding House is a modern two storey detached office block developed in 2001. It is of steel frame construction with brick elevations and over clad steel panels and a shallow pitched roof.

Internally the building provides double glazed windows, an 8-person passenger lift, CAT II lighting, raised floors, integral ducted air conditioning and gas fired central

heating throughout. There are male and female WC's on each floor and a disabled WC on the first floor.

The building has recently benefitted from an M+E overhaul with one of the chillers being replaced.

There is a surface level car park with 275 spaces, which provides an excellent parking ratio of 1:165 sq ft.

**UNITED UTILITIES**  
COMPREHENSIVE REFIT  
OF OFFICES IN 2021



Sir Christopher Harding House is a modern two storey detached office block



# SITE PLAN

We calculate the site area to be approximately 1.26 hectares (3.12 acres) with an exceptionally low site cover of approximately 32% thereby allowing further development, subject to planning.



## ACCOMMODATION

Floor areas have been measured in accordance with IPMS 3 and provide the following:

	Sq m	Sq ft
Ground Reception	77 sq m	825 sq ft
Ground Office	2,053 sq m	22,100 sq ft
First Floor	2,087 sq m	22,466 sq ft
<b>Total</b>	<b>4,217 sq m</b>	<b>45,391 sq ft</b>

The property benefits from 275 car spaces providing an excellent ratio of 1:165 sq ft/space.

## TENURE

The property is held Freehold.

## TENANCY

The tenants have consistently shown commitment to the building and we expect this to continue beyond the current lease expiries.

The property is now let in accordance with the following tenancy schedule:

Demise	Tenant	Lease Commenced	Lease Expiry	Rent Review	Rent Pa (£ Psf)	Comment
Ground Floor (92 car park spaces)	Nuclear Decommissioning Authority	4 Dec 2021	3 Dec 2031	5 yearly	£270,700 (£12.25)	12 months @ half rent to 3 Dec 2022. T.B.O. on 3 Jun 2024, 3 Dec 2026 and 3 Dec 2029. If T.B.O. on 3 Jun 2024 not exercised additional 12 months @ half rent.
First Floor (96 car park spaces)	United Utilities Water Ltd. (02366678)	4 Dec 2011	3 Dec 2025	—	£280,000 (£12.28)	Service Charge cap at £270,843 p.a. T.B.O. on 4th June 2023. 6 months notice.
Car Park (87 spaces)	United Utilities Water Ltd. (02366678)	4 Dec 2020	3 Dec 2025	Linked to RPI	£59,118.30 (£680/space)	Service Charge cap at £5,000 p.a. (RPI linked), inc. utilities. T.B.O. on 4th June 2023. 6 months notice.
<b>TOTAL</b>					<b>£609,818</b>	



## COVENANT STATUS



**The Nuclear Decommissioning Authority (NDA)** is a non- departmental public body created through the Energy Act 2004. The NDA takes responsibility on behalf of the government and tax payer’s for overseeing the clean-up and decommissioning of 17 UK civil public sector nuclear sites which date back as far as the 1940’s and cover as much as 800 hectares of nuclear licensed land.

They are an executive Non Departmental Public Body (NDPB) reporting to the Department of Energy and Climate Change (DECC). The DECC and HM Treasury set out annual operational budgets for the NDA with the total spend for the 2019/20 year amounting to £3.2 billion. The cost of running the NDA itself for last year amounted to £40 million, of which 60% of spend was at their largest and most complex site, Sellafield.



**The principal role of Sellafield Limited (1002607)** is to operate nuclear sites under a site licence and a Services Agreement between itself and the NDA in a safe, secure, efficient and cost effective manner. The Company is effectively responsible for the decommissioning and clean-up of the UK’s nuclear legacy, as well as fuel recycling and the management of low, high and intermediate level waste activities on behalf of the Nuclear Decommissioning Authority.

Sellafield Ltd. employs over 10,000 staff and the Company’s primary site is the Sellafield nuclear site in Cumbria. Under the terms of the new Service Agreement with the NDA the Company does not earn fees but all costs incurred under management are recoverable under the terms of the Service Agreement with the NDA. For the year ending 31 March 2017 this amounted to £1,997,000,000.



**United Utilities Water Ltd. part of United Utilities Plc, (2366678)** is the UK’s largest listed water company. They own and manage the regulated water and wastewater network in the North West of England, servicing a population of approximately seven million people and businesses.

Of the 1,700 million litres supplied every day, well over half is from Cumbria and Wales and their two largest reservoirs are Thirlmere and Haweswater in Cumbria. They also own and manage over 56,000 hectares of land, making them the largest corporate landowner in England.

Their latest accounts are shown below:

Financial Year	31 March 2021	31 March 2020	31 March 2019
	(£'m)	(£'m)	(£'m)
Turnover	£1,796.6	£1,849.9	£1,798
Pre-Tax Profits	£505.7	£327.4	£401.7
Shareholder’s Equity	£2,397	£2,067.4	£2,421.3





## EPC

The property has an EPC rating of E (124). The certificate can be provided upon request.

## VAT

The property is elected for VAT and it is anticipated the sale will be undertaken as a Transfer of a Going Concern (TOGC).

## PROPOSAL

We are instructed to seek offers in excess of **£5,450,000 (Five Million Four Hundred and Fifty Thousand Pounds)** for our client's Freehold interest.

A purchase at this level reflects an attractive **10.5% Net Initial Yield**, after allowing for purchaser costs @ 6.61% and a low capital value of just **£120 psf**.

**For further information or to arrange an inspection, please contact:**

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