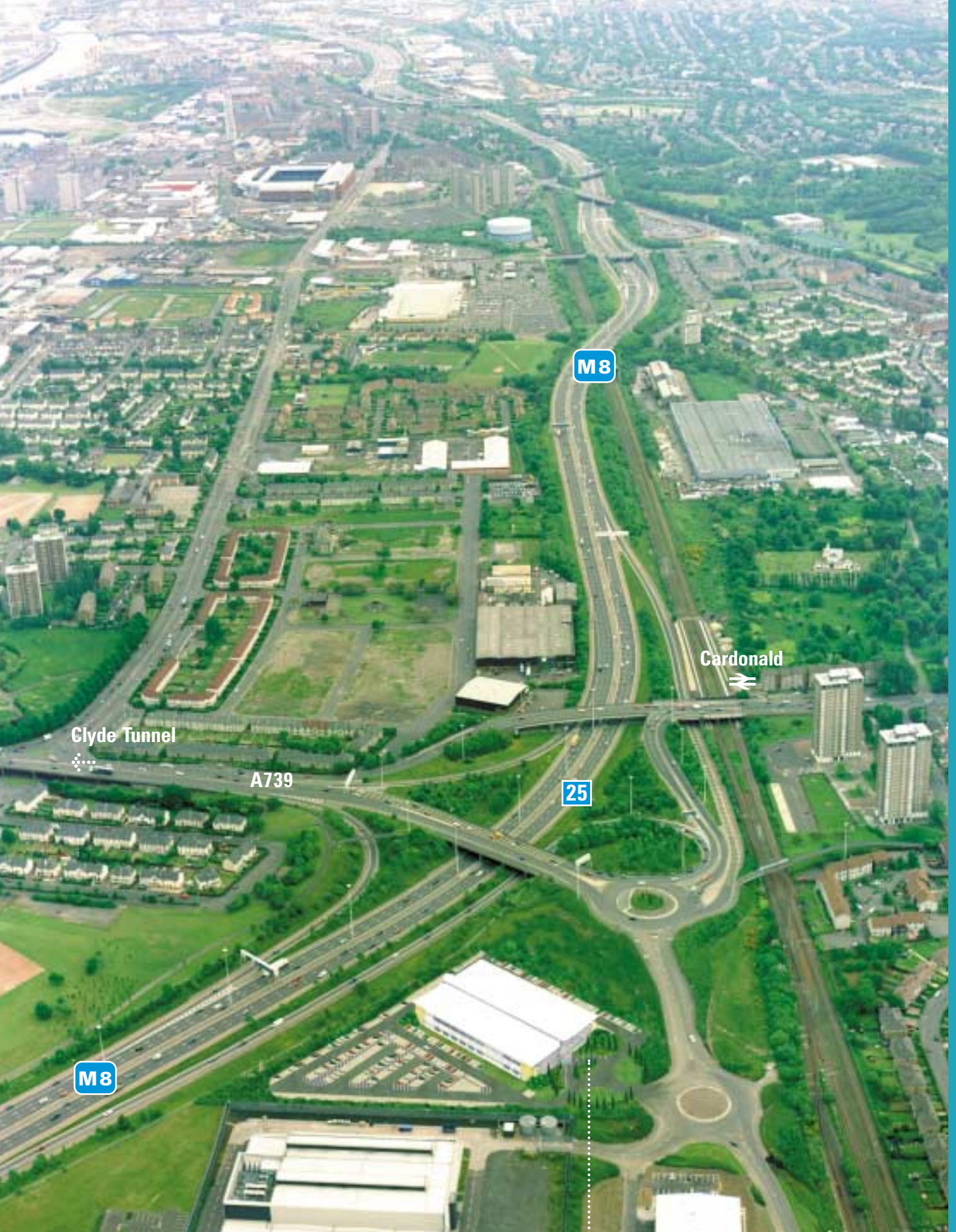


Prime Office Investment



Cardonald Park Glasgow



Cardonald Park Glasgow

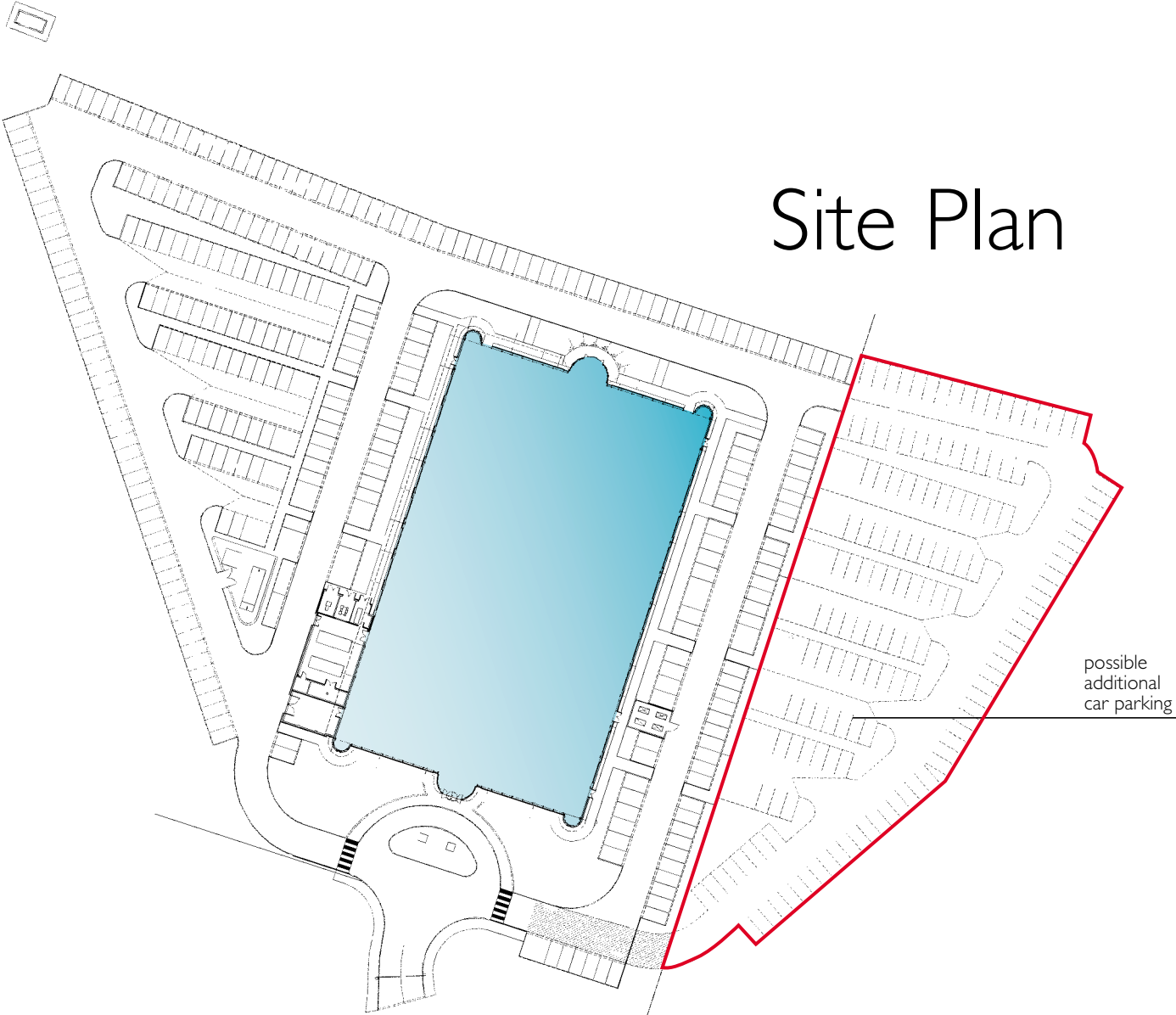
Investment Considerations

- Strategically located 6.75 kms (4.20 miles) west of Glasgow city centre and 6.11 km (3.80 miles) east of Glasgow Airport.
- Adjacent to Junction 25 of the M8 motorway and the A739, which links with the Clyde Tunnel.
- High specification building incorporating double glazed curtain walling, metal deck raised access floors (with a 600mm void), voice and data wiring, sixteen person passenger lift, comfort cooling and CCTV for external areas.
- Let to Lunn Poly Limited on full repairing and insuring terms for a period of 15 years from practical completion. Lunn Poly's lease obligations are guaranteed by Thomson Travel (Holdings) Ltd.
- Initial rent estimated to be £650,000 per annum, which equates to £106.24 per sq.m. (£9.87 per sq.ft.).
- Rent to be reviewed to 82.6% of the annual rent which will provide a purchaser with a substantial reversion at lease expiry.
- Estimated rental value: estimated to be in the region of £761,720 per annum, based upon £150.70 per sq.m. (£14.00 per sq.ft.).
- Offers in excess of £8,480,000, exclusive of VAT, on the basis of a forward commitment to purchase at practical completion.
- Net initial yield: 7.25%
- Reversionary yield (November 2005): 8.49%
- Equivalent yield: 8.09%
- Equivalent yield on a quarterly in advance basis: 8.50%





Cardonald Park Glasgow



Location

Glasgow is the largest commercial centre in Scotland and is a major financial, administrative and industrial location. The city has an estimated residential population of approximately 620,000 and an estimated catchment population of 2,400,000. Glasgow has a diverse economy with the main employment sectors being public administration, banking, financial services, electronics, manufacturing and the legal and accountancy professions.

In recent years the city has had considerable success in attracting large high profile occupiers from the financial and business service sectors including National Australia Group, Abbey National Life, Direct Line, JP Morgan, Unisys and Barclays Stockbrokers. Glasgow is also an important retail centre being the second largest in the UK after London.

Glasgow benefits from excellent transport communications with the M8 motorway, which bounds the city centre to the west and north, providing access to the M74, M80 and M77. The city also has the benefit of two major railway stations with Glasgow Central providing regular services to the south and Glasgow Queen Street providing services to Edinburgh and the north. Glasgow Airport is situated approximately 12.8 kms (8 miles) west of the city centre and provides comprehensive domestic and international services.

Situation

Cardonald Park is strategically located 6.75 km (4.20 miles) west of Glasgow city centre and 6.11 km (3.80 miles) east of Glasgow Airport. The Park is adjacent to junction 25 of the M8 motorway and the A739 which links with the Clyde Tunnel. Cardonald Park also has excellent accessibility to the public transport infrastructure with Cardonald Railway Station, which is close to the site, providing regular services to Glasgow Central Station (journey time 7 minutes) and Paisley at 30 minute intervals, with additional peak hour services.

In addition, numerous bus services traverse Shieldhall Road with approximately 300,000 people (20%) of the Greater Glasgow catchment population estimated to be able to access these services (Source: Dougall Baillie Associates).

Braehead Shopping Centre, which provides 55,740 sq.m. (600,000 sq.ft.) of shopping facilities is located 2.57 km (1.6 miles) west of the site.



Description

The property will comprise a purpose built office building which will be utilised by Lunn Poly as a call centre. The building will be of steel framed construction with concrete floors. The roof will be formed by profile decking with a Sarnafil membrane and the external elevations will be constructed with facing brick corner stair towers and Kingspan microfibre cladding incorporating double glazed curtain walling and double glazed windows. The property will have the benefit of metal deck raised access floors (with a 600mm void), male and female toilets, a restaurant, a sixteen person passenger lift, voice and data wiring, comfort cooling, CCTV for external areas and 321 car parking spaces (1:19.06 sq.m. (1:205 sq.ft.)).

A full specification for the property can be provided to interested parties.

Accommodation

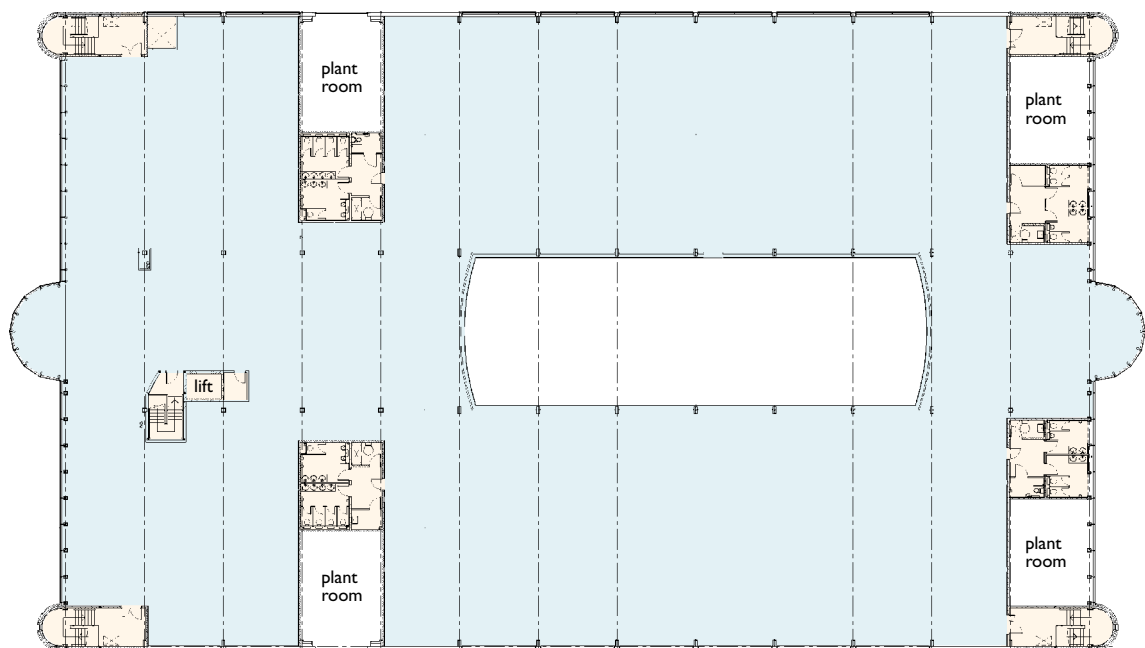
The property is estimated to have a net internal area of 6,119.32 sq.m. (65,870 sq.ft.). The net internal area will be finalised by completion of a measurement survey which will be undertaken closer to practical completion of the property.

	sq.m.	sq.ft.
Ground Floor	3,242.21	34,900
First Floor	2,877.11	30,970
Total	6,119.32	65,870





Ground Floor Plan



First Floor Plan

Tenancy

Lunn Poly Limited have entered into an agreement to lease the premises on full repairing and insuring terms for a period of 15 years from the date of practical completion, which is scheduled for November 2000. The rental will be calculated by applying £106.24 per sq.m. (£9.87 per sq.ft.) to the net internal area for the property.

The lease will contain a five yearly upwards only rent review provision with the first review being due on the fifth anniversary of the date of entry. The rent will be reviewed to 82.6% of the greater of:

- i) The annual rent for the premises as a whole; or
- ii) The annual rent for the premises based upon comparables for properties of approximately 1,858 sq.m. (20,000 sq.ft.).

The tenant's lease obligations will be guaranteed by Thomson Travel Group (Holdings) Ltd.

Lunn Poly have an option over the adjacent site (which is highlighted in red) until 26 July 2004. If this option is exercised our clients, Shepherd Developments, are obliged to construct an additional 175 car parking spaces on this land for Lunn Poly's use. Lunn Poly will enter into a lease in respect of this car parking area at a rental which will be calculated by reference to the development cost. This lease will be co-terminus with the lease for the main building and the rent reviews will be linked to the increase in the rent for the main building.

Lunn Poly Limited

Lunn Poly Limited, which is a wholly owned subsidiary of Thomson Travel Group Plc and the retailing division of Thomson Travel, is one of the UK's leading travel agents and has approximately 800 shops throughout the UK employing in the region of 6,000 people.

For the financial year ending 31 December 1998, the company had a turnover of £144.5 million, a pre-tax profit of £24.62 million and total current assets of £152 million. The company has a Dun & Bradstreet rating of 4A1, which indicates a financial strength of £15 million to £35 million and an overall condition which is strong.

Further information regarding Lunn Poly can be obtained at the companies website: www.lunnpoly.co.uk <<http://www.lunnpoly.co.uk>>.

Thomson Travel

Thomson Travel (Holdings) Ltd are also a wholly owned subsidiary of Thomson Travel Group Plc.

For the financial year ending 31 December 1998 the company had total current assets of £184.8 million and a Dun & Bradstreet rating of 5A1 which indicates a financial strength in excess of £35 million and an overall condition which is strong.

Estimated Rental Value

The property will be let at a rental which equates to £106.24 per sq.m. (£9.87 per sq.ft.). This letting was agreed over six months ago and in the intervening period the office market in Glasgow has improved dramatically with a number of new lettings being agreed and the supply of modern Grade A space eroding.

The rent is to be reviewed to 82.6% of the greater of the value of the premises as a whole or the value of the premises based upon comparables for properties of approximately 1,858 sq.m. (20,000 sq.ft.).

We are of the opinion that the estimated rental value of the property is in the region of £761,720 based upon £150.70 per sq.m. (£14.00 per sq.ft.).

We set out below a number of comparables which support our opinion of value.

Property	Tenant	Transaction	Date	Area sq.m.	(sq.ft.)	Rent sq.m.	(sq.ft.)
Europa Building, Glasgow	The Scottish Ministers	New Letting	April 2000	3,795.24	(40,853)	£161.46	(£15.00)
Citypoint, Glasgow	Thus plc	New Letting	April 2000	3,026.68	(32,580)	£165.23	(£15.35)
1 Pacific Quay, Glasgow	Scottish Criminal Records Office	New Letting	June 2000	2,750.95	(29,612)	£161.46	(£15.00)

Tenure

Feudal (Scottish equivalent of English Freehold).

Value Added Tax

Our client has elected to waive exemption to value added tax, therefore, VAT will be payable in respect of the purchase price.

Capital Allowances

An initial assessment has been carried out and details are available to interested parties upon request.

Environmental Reports

Environmental and ground condition reports can be made available to interested parties upon request.

Proposal

We are instructed to seek offers in excess of £8,480,000 for this property on the basis of a forward commitment to purchase at practical completion. Assuming an agreed rental of £650,000, we calculate that the asking price equates to a net initial yield of 7.25%, a reversionary yield of 8.49% (November 2005) and an equivalent yield of 8.09%, after deduction of purchaser's costs at 5.75% of the purchase price. The equivalent yield on a quarterly in advance basis is 8.50%.

Our clients will also grant a purchaser an option to purchase the adjacent car parking area, in the event that Lunn Poly exercise their option to lease, at a price calculated by applying a net initial yield of 7.25% to the agreed rent payable for the car parking.



taken 4 July 2000

1/2 Martin Dawes Call Centre, Runcorn

3 First Direct Banking, Hamilton

4 First Direct Banking, Leeds

5 BT Cellnet, Northampton



Shepherd Developments

Shepherd Development Company Limited develops all forms of commercial property, selling the completed schemes to long term investors. The Company operates from regional offices in Birmingham, Leeds, London and York. Shepherd Development Company Limited is a subsidiary of Shepherd Building Group Limited, one of the largest privately owned building orientated companies in Europe.

The building is being constructed by Shepherd Construction Limited, also a subsidiary of Shepherd Building Group Limited, who have constructed numerous large projects throughout the Country, relevant examples of which are displayed above.

Cardonald Park Glasgow



Prime Office Investment

Viewing and Further Information

For further information or to arrange a viewing, contact either Mark McCluskie, Stuart Spalding or Scott Campbell at the sole selling agents:



150 St Vincent Street Glasgow G2 5ND

www.joneslanglasalle.com

Fax: 0141 221 9032

e-mail:

mark.mccluskie@joneslanglasalle.com

stuart.spalding@joneslanglasalle.com

scott.campbell@joneslanglasalle.com

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Date of Preparation of Details: July 2000