



2700
OXFORD
BUSINESS
PARK

Lambert
Smith
Hampton

PRIME OXFORD LIFE SCIENCE OPPORTUNITY



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INVESTMENT SUMMARY

- 2700 Oxford Business Park offers a unique opportunity to acquire a headquarters office building located on the prestigious Oxford Business Park, with rare short term repositioning opportunity
- Oxford Business Park has a long-standing reputation as a leading UK office and life science destination. The Park is undergoing a comprehensive realignment in order to meet this demand and become one of the **UK's premier Life Science Clusters**
- **Freehold**
- The property comprises a prominent **88,324 sq ft** office building, situated on a **4 acre site**, with a **very low site coverage of just 20%**
- A very attractive car parking ratio of 1:286 sq ft significantly exceeding modern planning allocations
- Let entirely to the globally recognised **Oxfam (5A1 D&B rating)** on an FRI lease for a term of 20 years expiring 23rd March 2025, providing an unexpired lease term of 2.85 years
- The passing rent is **£1,685,446 per annum equating to just £19.47 per sq ft**, with an outstanding rent review from March 2020.
- A feasibility study has been undertaken supporting the buildings **ability to be transformed into a multitude of Lab-Enabled configurations** in order to meet a range of potential occupier requirements
- A structural repositioning of demand in the sector, has resulted in an exceptional depth of identified demand for laboratory enabled accommodation, for which there is an extremely limited existing supply
- Unrivalled vicinity and access to the Oxford University College network and spin-out funding resources

PROPOSAL

Offers are invited in excess of **£60,000,000 (Sixty Million Pounds)** for the freehold interest subject to contract and exclusive of VAT.

A purchase at this price reflects the following yield profile (allowing for purchaser's costs of 6.78%):

- Net Initial Yield – 2.63%
- Reversionary Yield (Rent Review) – 3.00%
- Reversionary Yield (Lab Enabled) – 6.00%
- Reversionary Yield (Fitted labs serviced) – 14.65%
- Capital Value – £680 psf

'An opportunity to capture the growing demand from the Life Science community by repositioning the site into a state-of-the-art laboratory facility, in a premier Life Science Community cluster in Oxford'



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PARK

A40 & M40 (J8a)

A4142

Proposed New Rail Hub

Oxford City Centre &
Oxford University

A4142

A34 & M4 (J13)

OXFORD-CAMBRIDGE ARC

The arc between Oxford and Cambridge is famously recognised as the area with the greatest growth potential outside London. Supported by two world-renowned university clusters, combined with a concentration of high value employment, it has an amalgamation of activity and asset not found anywhere else in the UK.



UNIVERSITY OF
OXFORD

UNIVERSITY OF
CAMBRIDGE



The corridor houses
3.7M people



Contributes
**£111Bn
GVA**



Need for
**c. 9.6M sq ft
floor space**



10 Universities
contributing
£13Bn GVA



Creates
2M Jobs



Forecast to provide
**1,000,000
homes**

ARC.

OXFORD BUSINESS PARK

Oxford Business Park offers a high-quality, mixed-use business park environment on a site of approximately 88 acres. The Park is situated 2 miles south east of Oxford city centre and is accessed directly off the A4142 eastern bypass.

Oxford Business Park is now part of the ARC (Advanced Research Cluster) group which was established by Brookfield in 2022. They are set to build Europe's leading science, innovation and technology real estate platform, which aims to bring organisations together in 'unique ecosystems' that stimulate innovation to accelerate commercial growth.

There are currently 37 businesses situated on the park in over 600,000 sq ft.

The reopening of the Cowley Branch Line is getting closer. This will provide direct services from Oxford Business Park, to Oxford and on to London.

Just some of the occupiers on Oxford Business Park include:

EXACT SCIENCES

accession
therapeutics

Perspectum

ULTROMICS

NHS

EVOX
THERAPEUTICS

CANCER RESEARCH UK

ivyfarm
technologies

Jazz Pharmaceuticals

TFP
Oxford Fertility

OxfordBioMedica

nielsen

OXFORD BIODYNAMICS



Major Occupiers

- | | |
|--|-----------------------|
| 1. Wiley | 9. Oxford Biodynamics |
| 2. Pennington Manches
Cowper/Oxford BioMedica | 10. NHS |
| 3. Evox | 11. Centrica |
| 4. Exact Sciences | 12. IRS |
| 5. Harley-Davidson Europe | 13. Oxbotica |
| 6. Freeths/
Jazz Pharmaceuticals | 14. Audi |
| 7. Royal Mail | 15. Animal Dynamics |
| 8. Perspectum Diagnostics | 16. AC Nielsen |
| | 17. Ivy Farm |
| | 18. Ultromics |

Amenities

- Petrol station
- Kidsunlimited Day Nursery
- Premier Inn Hotel and Longwall restaurant
- David Lloyd Racket & Health Club
- Tesco Superstore
- Retail Park including: Next; Boots Marks & Spencer; Sports Direct; Burger King
- Market Place

Site Key

- | | |
|------------------------|---|
| ● Existing development | ● Park Management Office & Oxford Factory |
| ● Land for development | ● Land proposed for the direct Rail service to Oxford City Centre and London Marylebone |
| ● PLOT 1 - 3.4 acres | ● Bus stops |
| ● PLOT 2 - 1.4 acres | ● Amenities |
| ● PLOT 3 - 2.8 acres | |
| ● PLOT 4 - 3.0 acres | |

DESCRIPTION

Building 2700 is a prominent self-contained office building, constructed in 2005.

The property totals 88,324 sq ft and is set over ground and two upper floors, arranged in two separate wings which are orientated around an impressive full height atrium.

There is an expansive dual height reception and the tenant has provided both open-plan and modular office space effectively throughout the building.

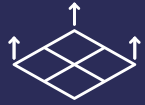
There are 309 surface level car parking spaces, providing an excellent car parking ratio of 1:286 sq ft.





SPECIFICATION

The building benefits from the following internal specification:



Fully accessible
raised floors



Suspended ceilings and
recessed LG3 lighting



3.25m to 3.55m slab to
slab heights



Car parking ratio of
1:286 sq ft



Double glazing



An EPC rating
of C(62)



Male, female and
disabled WCs on
all floors



Active chilled beam zoned
cooling system



Two 17-person
passenger lifts

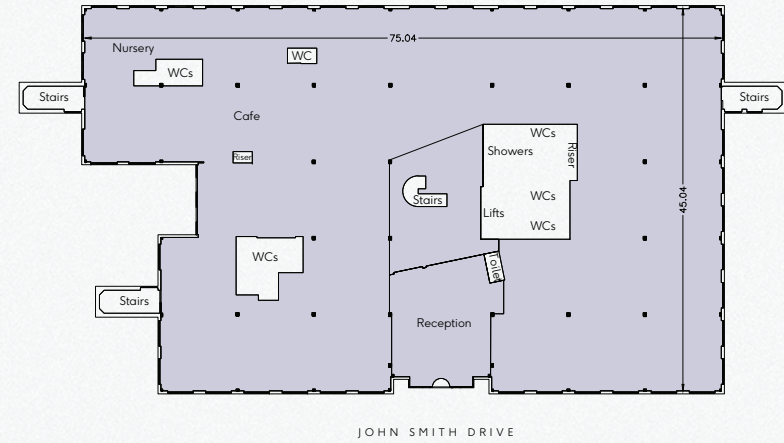
ACCOMMODATION

The property has been measured in accordance with the RICS Code of Measuring Practice (6th Edition) to provide the following floor areas:

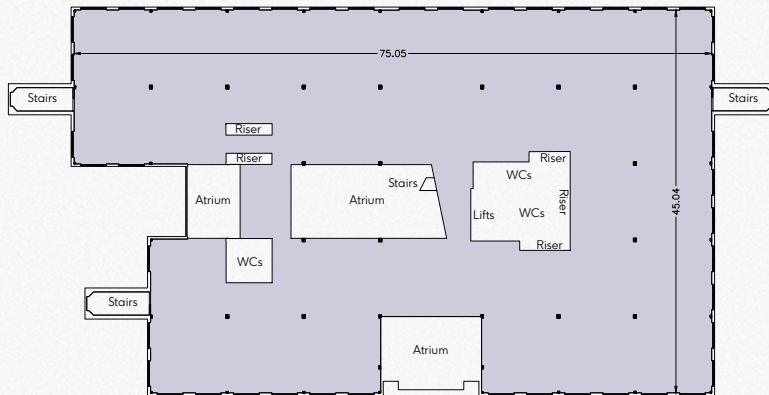
Floor	GIA sq ft	NIA sq ft	IPMS-3 sq ft
Roof Plant	3,731	-	-
Second	33,854	29,108	29,456
First	33,077	28,436	28,667
Ground	34,110	27,235	27,475
Reception & Atrium	-	3,545	3,545
Total	104,772	88,324	89,143

An assignable measured survey from Lane & Frankham is available.

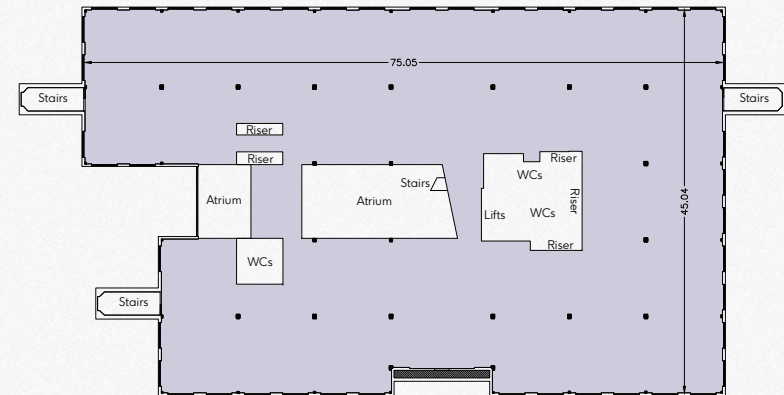
GROUND FLOOR



FIRST FLOOR



SECOND FLOOR



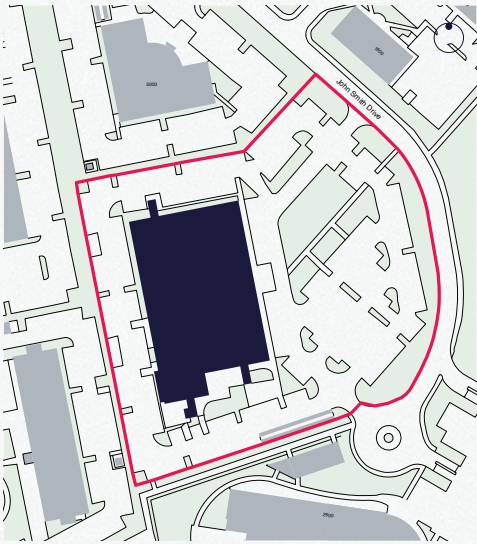
Not to scale

SITE

The property benefits from a large site totalling 3.99 acres (1.62 ha), equating to a low overall site coverage of 20%.

TENURE

The property is held freehold.



Not to scale indicative only



TENANCY

The building is let to Oxfam on full repairing and insuring terms for 20 years from 24th March 2005, expiring 23rd March 2025, leaving an unexpired lease term of 2.85 years.

The passing rent is £1,685,446 per annum equating to £19.47 per sq ft, assuming a half rate on the reception/atrium area.

The lease is subject to a 5-yearly upwards only rent review to market rent. The 24th March 2020 rent review is currently outstanding. The purchaser will have the opportunity to conclude these negotiations.

RENT REVIEW

There is strong evidence to support an uplift at the outstanding review, we would highlight the following key comparables:

Date	Building	Area (sq ft)	Rent (per sq ft)	Tenant
Q1 2022	King Charles House, Oxford	4,500	£42.00	Smart Ariandi
Q1 2022	Jam factory, Oxford	2,500	£49.50	Mills & Reeve
Q3 2021	Winchester House, Oxford Science Park	8,500	£34.50	Oxgene
Q2 2021	Part First Floor, Beaver House, Oxford	8,000	£30.00	Oxford Business College
Q1 2021	Ground Floor, Spires House, Oxford Business Park	11,000	£25.00	Freeths
Q3 2017	Building 2600 Oxford Business Park	82,258	£24.14	Centrica

COVENANT

Oxfam GB is a registered charity in England and Wales (202918) and Scotland (SC039042) and is a globally recognised aid and development charity.

Oxfam has a D&B rating of 5A1, representing a minimum risk of business failure.

	Mar-21	Mar-20	Mar-19
Sales Turnover	£344,300,000	£367,400,000	£434,100,000
Profit / Loss Before Tax	−£24,500,000	−£22,600,000	£36,000,000
Tangible Net Worth	£44,100,000	£96,200,000	£118,800,000
Net Current Assets / Liabilities	£74,900,000	£97,600,000	£120,000,000

OXFAM

Since its foundation in 1942 Oxfam has continued to evolve, looking for new and progressive ways to challenge injustice. Oxfam GB's purpose is to help create lasting solutions to the injustice of poverty. As stated in its Memorandum of Association, the objectives for which Oxfam is established for the public benefit are:

- To prevent and relieve poverty and to protect vulnerable people, including through humanitarian intervention.
- To advance sustainable development.
- To promote human rights, equality and diversity, in particular where to do so contributes to the prevention and relief of poverty; in all cases working anywhere in the world.

HIGHLIGHTS 2020/21



THE OXFORD LIFE SCIENCE MOVEMENT

ARC.

ARC OXFORD

Brookfield has recently launched its Advanced Research Clusters (Arc) platform, which incorporates over 1.5 million sq ft of existing clusters in London and Oxfordshire. Oxford Business Park is a key focus for future investment and development with Allies and Morrison instructed on a new Master Plan exercise, which is nearing completion. This will totally revamp and revitalize the park with ambitions to create an innovation district which will be recognized globally.

CITY CENTRE CONNECTION

Oxford Business Park is the only managed commercial environment within Oxford Ring Road. The proposed reopening of the Cowley branch line will bring greater connectivity with Oxford city centre. Direct services will bring employees from Oxford train station to Oxford Business Park.

Oxford Business Park is also closest in proximity to Oxford University, Churchill John Radcliffe Hospitals and the University's Incubator at the Old Road Campus.



SPIN-OUTS AND OSE;

A recent report, sponsored by the Royal Academy of Engineering, lists Oxford University as No. 1 for turning academic research into spin-out companies. It has identified 193 spin-outs emerging from Oxford University since 2011, ahead of Cambridge University in second place with 137, with Imperial College London and University College London ranked third and fourth, with 106 and 88 spin-outs respectively.

Oxford was also found to have the most active cluster for spin-outs, with 90 such firms based in the local authority for Oxford alone.

The COVID-19 pandemic has also put Oxford University and Oxford in the global spotlight. This has created market confidence to drive even more external funding and investment interest in the Oxfordshire market leading to rapid growth in a number of companies including Oxford Nanopore, Exscientia, Oxford Biomedica, Oxgene, Oxford Immunotech, Immunocore Adaptimmune, Evotec, Vaccitech amongst others.

Beauhurst reports that Oxford University secured the highest number of equity deals for its spin-outs in 2021, compared to other UK institutions and also by volume of equity. In addition of the top investment deals into spin-outs by equity in 2021, 3 of the top five were Oxford companies raising a total of £478m.



No 1.
Global University



No 1.
for Clinical and Health



No 3.
for Life Sciences



No 1.
for Computer Sciences

THE OPPORTUNITY

'Building 2700 is uniquely placed to take advantage of the meteoric growth in the UK Life Science market and capture the exceptional latent demand from expanding Oxford occupiers'

The building benefits from a range of strong fundamentals that would enable it to be reconfigured into a fully lab enabled offering. With the following opportunities available to be explored (stp):

- Large, flexible floor plates to allow for ultimate flexibility in laboratory configuration from a serviced incubator facility all the way through to a single-let HQ opportunity
- Opportunity to introduce dry or wet labs into the building
- Slab to slab heights generous enough to accommodate additional air handling
- The central atrium encourages circulation around building, facilitating the movement of clean and dirty goods
- Potential to relocate reception and gain an increase in lettable area
- Ability to incorporate an additional goods entrance for deliveries
- Floor loading capacity
- Low site density supporting additional plant storage, gas storage, external risers and external goods lift

'The low site density and generous grade level car parking would enable whole scale redevelopment of the 4 acre site, providing a significant increase in potential massing on the site' (stp)

The low site density encourages future development. The opportunity exists to increase and maximize the footprint of the floor plates and add additional floors to the existing footprint and design a state-of-the-art laboratory facility which will align with future aspirations of Arc Oxford.



Reference: Highrise laboratory development - Fulton Market, Chicago

OCCUPATIONAL MARKET

GENERAL COMMENTARY

The Oxfordshire laboratory market has been subject to rapid change over the last 2-3 years and whilst the market is still in its infancy, it is very dynamic.

There has been significant growth in demand, mainly from Oxford University created spin-out companies and buoyed by the Covid-19 pandemic which has seen an investment focus into the Life Science sector. Growth in demand continues with a number of occupiers having recently successful funding rounds and additional occupiers currently undergoing fund raises. There is a direct correlation between successful funding and property requirements and there is a noticeable increase in size of requirements with a handful of named enquiries in the market at c. 100,000 sq ft.

MARKET SNAPSHOT



TAKE-UP

- 2021 take-up of 360,000 sq ft. 75% of that from Science and Tech occupiers.
- Oxford Business Park saw c. 90,000 sq ft of take-up in 2021.



DEMAND

- c. 800,000 sq ft of current laboratory demand.
- Oxford university now produces on average 20 spin-out companies per year.



SUPPLY

- Only 1,800 sq ft of fitted laboratory accommodation available within Oxford ring road.
- c. 556,000 sq ft of standing stock immediately available in the greater Oxford ring road area. Of which only 322,000 is readily available and not marked for redevelopment.



PIPELINE

- We anticipate that just 145,000 sq ft of fitted laboratory or lab enabled space will be delivered into Oxford in 2023.
- There is a clear supply/ demand imbalance.



Date	Building	Area (sq ft)	Rent (per sq ft)	Tenant	Comments
Q2 2022	4000 Oxford Business Park	16,000	Quoting £65.00	Confidential	Lab/office *under offer
Q2 2022	King Charles House, Oxford	4,500	£42.00	Smart Ariandi	2nd hand Office
Q2 2022	Jam Factory, Oxford City Centre	2,500	£49.50	Mills & Reeve	Grade A refurbished office
Q3 2021	Bellhouse, Oxford Science Park	6,000	£65.00	Enara Bio	Lab/office
Q3 2021	Bellhouse, Oxford Science Park	3,700	£65.00	Scancell	Lab/Office
Q3 2021	1st & 2nd Floors, Sherard Building, Oxford Science Park	12,600	£95.00 (or £105 including service charge)	Exact Sciences	Fitted labs/offices
Q2 2021	4050 Oxford Business Park	18,000	£48.50	Ivy Farm	Fitted labs/offices
Q2 2021	3500 Oxford Business Park	17,800	£38.50	Exact Sciences Innovation	Lab enabled
Q2 2021	3rd Floor, Sherard Building, Oxford Science Park	7,300	£95.00 (or £105 including service charge)	T-Cypher Bio	Fitted labs



INVESTMENT MARKET

UK LIFE SCIENCE INVESTMENT

The Life Science & Biotech industry has grown significantly across the globe in recent years, catalysed by a surge in Government, Private Equity and Venture Capital investment into the sector.

Record levels of capital were deployed into the UK Life Sciences sector in 2021, highlighting both the sector's importance and resilience as an asset class in testing markets. Total capital deployed last year increased by 61% to £2.43bn from £1.47bn in 2020, which accounts for 11% of office investments across the UK.

Venture capital, a key driver of Life Science company growth escalated significantly throughout 2021 to a total of £5.9bn, according to Pitchbook. Venture Capital funding for Life Science companies in Europe has surpassed £13.5bn over the past 5 years, equating to an annualised growth rate of 16% per annum. Additionally, £66.7bn of Private Equity capital has been raised since 2015, which reflects an annualised growth rate of 24%.

The UK remains a dominant market in Europe, accounting for 40% of venture capital. Based off the 5-year CAGR of 48%, venture capital is expected to grow to £8.7bn in the UK in 2022.

SOUTH EAST OFFICE SECTOR

Since the pandemic struck in Q1 2020, c. £3.0bn has been deployed to secure assets used by, or targeted at, science occupiers in the region, representing over a third of total volume.

Oxford and Cambridge are firmly established among the world's leading Life Sciences clusters and, consequently, both cities have attracted a significant share of this investment. Substantial volume in Q4 2021 was due in part to major deals in each of the cities - Prologis purchased of a 50% stake in the Cambridge Biomedical Campus for £225m while GIC Real Estate purchased a 40% stake in Oxford Science Park for £160m. Both transactions involve plans to fund major expansions.

Key Investment Transactions

Date	Property	Purchaser	Price	Yield	Cap Val psf
U/O	Eastpoint Business Park	TBC	c. £35m	N/A	£495
May-22	Oxford Technology Park	Life Science REIT Plc	£183m	4.75%	TBC
Feb-22	Northbrook House	Oxford Science Park	£20.4m	N/A	£680
Feb-22	Trinity House	Breakthrough Properties	£41m	N/A	£1,589
Jan-22	2600 Oxford Business Park	RLAM	£61.45	2.90%	£747
Dec-21	Oxford Innovation Park	Ellison Institute	£40m	N/A	TBC

INVESTMENT RATIONALE

- Oxford is still in the early phases of its meteoric rise in the **Life Science sector**.
- Oxford and Cambridge are considered a **Global Top 3 Life Science Hub**.
- **Freehold office building** on an established business park in Oxford.
- The building sits within a **3.99 acre site**, with only **20% site coverage**. Allowing for the opportunity to create value on the remainder of the site.
- Opportunity to capture the growing demand from the Life Science community by refurbishing the building into a **state-of-the-art laboratory facility**.
- The passing rent of **£1,685,446 per annum** equates to an extremely low **£19.47 per sq ft**.
- Exploit the reversionary rent review backdated to March 2020.





FURTHER INFORMATION

EPC

The building has an EPC rating of C(62).

VAT

We understand the property has been elected for VAT and it is intended that the sale will be treated by way of Transfer of a Going Concern (TOGC).

PROPOSAL

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A purchase at this price reflects the following yield profile (allowing for purchaser's costs of 6.78%):

- Net Initial Yield – 2.63%
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- Reversionary Yield (Lab Enabled) – 6.00%
- Reversionary Yield (Fitted labs serviced) – 14.65%
- Capital Value – £680 psf

CONTACTS

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Made by Tayler Reid



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