

**INVESTMENT FOR SALE (BUSINESS UNAFFECTED)**

**AT THE CENTRE OF THE CAMBRIDGE NORWICH TECH CORRIDOR**

**KEYSTONE INNOVATION CENTRE**

**CROXTON ROAD, THETFORD, NORFOLK, IP24 1JD**



**Francis Darrah Chartered Surveyors**  
2 Redwell Street, Norwich, NR2 4SN

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## INVESTMENT SUMMARY

- **Modern, purpose-built, multi let, office building constructed in 2006 with a total NIA of approximately 16,292 sq ft and a GIA of approximately 26,000 sq ft.**
- **Site area of approximately 1.39 acres.**
- **Car park providing 64 spaces.**
- **Restaurant and additional meeting rooms on ground floor.**
- **Currently operated as a Business Centre with staffed reception during normal office hours.**
- **Approx 12,200 sq ft of office space arranged over first, second and third floors.**
- **Potential to convert ground floor to provide additional office space of approximately 4,092 sq ft (NIA).**
- **Passenger lift.**
- **Current rental income of approximately £108,500 pax (assuming ground floor lease granted to Keystone Development Trust), with potential to increase to approximately £173,700 pax when fully let or higher subject to conversion of ground floor to office space.**
- **Offers sought in excess of £1.45 million (One million, four hundred and fifty thousand pounds), exclusive of VAT for the freehold interest.**

## LOCATION

Thetford, situated at the centre of the Cambridge Norwich Tech Corridor <https://www.techcorridor.co.uk/> has a population of approximately 24,340 (2011 Census) with over 250,000 people within a 30 minute drive time. The town is identified for significant growth with 6,000 more homes planned.

Thetford has excellent road communication to Cambridge situated 34 miles to the south west and to Norwich situated 31 miles to the north east via the A14 and A11 dual carriageways.

Thetford is located approximately 88 miles north-east of London with an approx. travel time of 1 hr 40 min via the A11 and M11. On an average day there are 121 trains travelling from Thetford to London, the fastest route taking 1 hr 35 min.

The Keystone Innovation Centre is situated at the junction of Mundford Road (A1066) and Croxton Road approximately half a mile north east of Thetford town centre and approximately one mile south from the junction of the A1066 and the A11. The building is within a few minutes walk of the train station with access into the car park off Croxton Road which is shared with the adjacent Thetford Community Healthy Living Centre.

## ACCOMMODATION

The Keystone Innovation Centre is a modern purpose-built 4 storey building constructed in 2006 providing flexible office accommodation of a quality unavailable elsewhere in Thetford. The first, second and third floors provide office suites ranging in size from between approx. 200 sq ft – 2,000 sq ft, benefiting from comfort cooling and heating, accessible raised floors, key card access, fibre optic broadband and carpet tiles. On each floor there are ladies, gents and disabled WCs and there is access by means of a lift and staircase.

The ground floor comprises approximately 4,092 sq ft and as currently operated provides a staffed reception during normal office hours together with a restaurant and additional meeting and training rooms which are currently available for rent on an individual time basis.

The first floor office space comprises 4,175 sq ft, the second floor 4,175 sq ft and the third floor 3,850 sq ft providing a total provision of 16,292 sq ft.

Each floor has a GIA of approximately 6,500 sq ft with the building providing a total area of approximately 26,000 sq ft. There is potential to increase the net lettable area if converted to more open plan office accommodation.

## FLOOR AREAS

The property has been measured in accordance with the guidelines as described in the RICS Code of Measuring Practice (6<sup>th</sup> Edition), and comprises the following net internal areas (NIA):-

<b>Ground Floor:</b>		
Restaurant	1,499 sq ft	131.8 sq m
Meeting Rooms/Seminar Rooms	<u>2,593 sq ft</u>	<u>248.4 sq m</u>
	4,092 sq ft	380.2 sq m
<b>First Floor:</b>	4,175 sq ft	387.87 sq m
<b>Second Floor:</b>	4,175 sq ft	387.87 sq m
<b>Third Floor:</b>	<u>3,850 sq ft</u>	<u>357.67 sq m</u>
<b>TOTAL</b>	16,292 sq ft	1,513.61 sq m

## TENANTS AND FINANCIAL INFORMATION

There are a diverse range of tenants within the Keystone Innovation Centre ranging from charities providing fostering services, health care and learning facilities to engineering and marketing companies and Forestry England.

Whilst the majority of tenants hold relatively short term leases, occupancy rates have generally been high throughout the letting history of the Keystone Innovation Centre and many tenants have renewed their leases upon expiry, some several times. The flexibility in terms of both the size of office suites and the length of lease term available have been key attractions in securing representation from smaller start ups to established companies or organisations.

In addition, 10 companies currently use the Keystone Innovation Centre as a registered office and 14 companies use the Virtual Office Space generating an income of £4,320 pa.

Copies of leases and financial information on each tenant is available in the Data Room. The Tenancy Schedule overleaf is accurate at the time of going to print but may be subject to change. An updated Schedule is available upon request.



<b>TENANCY SCHEDULE INCORPORATING POTENTIAL INCOME ON VACANT SPACE</b>					
<b>Floor &amp; Unit</b>	<b>Tenant</b>	<b>Area (sq ft)</b>	<b>Rent (£ pax)</b>	<b>Rent (£ psf)</b>	<b>Comments</b>
<b>Ground</b>			<b>18,420</b>		Ground floor lease to Keystone Development Trust available by negotiation.
<b>First Floor</b>					
1.02	Hilton Care	517	6,200	12.00	Lease Expiry 23/2/2023
1.03	Manorcourt Care	843	11,400	13.52	Holding over
1.05	Rock Paper Click	228	3,293	14.50	Holding over
1.06	Danaher & Walsh	479	5,987	12.50	Holding over
1.07	Vacant	208	<b>2,600</b>	12.50	Estimated Rental Value
1.08	K-OS Visuals	220	1,976	12.50	Lease expiry 1/1/2022
1.11	Keystone own use	548	<b>6,850</b>	12.50	Estimated Rental Value
1.12-1.14	7 x Business Pods	1,132	<b>14,141</b>	12.50	Estimated Rental Value
<b>Second Floor</b>					
2.02	Vacant	519	<b>6,500</b>	12.50	Estimated Rental Value
2.03	Safehouses	843	10,836	12.85	Rolling breaks
2.05 – 2.08	Vacant	1,133	<b>14,162</b>	12.50	Estimated Rental Value
2.11 – 2.14	Catch 22	1,680	17,642	10.50	Lease Expiry 10/12/2023
<b>Third Floor</b>					
3.01	Vacant	1,241	<b>15,512</b>	12.50	Estimated Rental Value
3.1A	LMH	240	3,480	14.50	Holding over
3.02	Forestry England	891	12,000	13.46	Lease Expiry 19/1/2025
3.03	Evans Close	807	10,000	12.40	Holding over
3.04	AR Traffic Management	236	2,950	12.50	Lease Expiry 7/12/2022
3.05 & 3.06	Vacant	<u>435</u>	<b>5,437</b>	12.50	Estimated Rental Value
		<b>12,200</b>	<u>169,386</u>		
	<b>Virtual Office Space</b>		<u>4,320</u>		
			<b>173,706</b>		Potential Rental Income
		<b>Say</b>	<b>£173,700</b>		

### SERVICES

Mains electricity, gas and water are connected to the premises. Interested parties are advised to make their own enquiries of the relevant service and utility providers. No warranty can be given in respect of the condition or working order of services or fixtures and fittings.

### PLANNING

The property has consent to be used as “Business start up units, café, Keystone Development Trust offices and ancillary facilities”. Interested parties should satisfy themselves as to the suitability of the current planning consent for their proposed use of the premises by contacting the Local Planning Authority, Breckland Council.

### RATEABLE VALUE

We understand from the Valuation Office Agency website that the property has a rating assessment of £197,300 with effect from 1 April 2017. Interested parties are advised to make their own enquiries.

### ENERGY PERFORMANCE CERTIFICATE

The property has an energy rating of E. Further details are available upon request.

### SERVICE CHARGE

A service charge is payable by all occupiers of the Keystone Innovation Centre for the maintenance of the interior of the building and the communal areas of the property and for the upkeep of the common parts including external areas. The service charge also covers building insurance and shared use of toilets, electricity, lighting, water supply and maintenance of burglar and fire alarms. Full details upon request.

### VAT

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

### DATA ROOM

Access to an online Data Room is available upon request which contains the following information:-

- Title Documents
- Occupational Documents
- Planning Consent
- Floor Plans
- Property Management Information
- EPC
- Service Charge Payments
- Rating Assessments
- Full Tenancy Schedule

### TENURE

Freehold.



## RENTAL INCOME OPTIONS

The owner of the Keystone Innovation Centre, The Keystone Development Trust (KDT), currently employs members of staff to run the Reception area and to manage the booking of the seminar and meeting rooms on the ground floor.

The purchaser would have the option to take on the operation of the ground floor facilities or, alternatively, the KDT will enter into a new 5 year lease outside the Landlord and Tenant Act 1954 with the purchaser on the ground floor area at an annual rent of £18,420 pax plus service charge. Either way, the KDT is willing to work closely with a suitable purchaser in order to enable a smooth handover or continue with the operation of the ground floor facilities.

A third option would be for the purchaser to obtain vacant possession of the ground floor and convert the whole of the area into additional office accommodation (subject to obtaining all necessary consents). Applying our estimated rental value this could potentially increase the rental income by approximately an additional £50,000 pax.

## SUMMARY

1	Current rental income including Virtual Office Space and assuming a new 5 year lease on the ground floor granted to KDT.	Approx £108,500 pax
2	As above in 1, plus potential rental income assuming fully let on upper parts adopting ERV's at £12.50 psf.	Approx £173,700 pax
3	As above in 2 (excluding lease of ground floor to KDT), plus potential rental income assuming ground floor converted to office space adopting ERV's at £12.50 psf.	Approx £206,000 pax

## PROPOSAL

We are instructed to seek offers in excess of **£1,450,000 (One Million, Four Hundred and Fifty Thousand Pounds)**, subject to contract and exclusive of VAT for the freehold interest.

A purchase at this level at the current rental income of approximately **£108,500** pax (assuming ground floor lease granted to KDT) would reflect a net initial yield of approximately **7.0%** assuming purchaser's costs of 6.8%.

If the Keystone Innovation Centre is fully let based on our estimated rental value at approximately **£173,700** pax, then the net initial yield increases to approximately **11.2%** and there is the potential to increase the rental income further to approximately **£206,000** pax (subject to obtaining all necessary consents), which would reflect a net initial yield of approximately **13.3%** assuming, in each instance, purchaser's costs at 6.8%.

## ANTI MONEY LAUNDERING

In accordance with Anti Money Laundering Legislation, the purchaser will be required to provide proof of identity and address to the selling agents prior to solicitors being instructed.

## COSTS

Each party to be responsible for their own surveyor and legal costs incurred in the transaction.

## CONTACT DETAILS

For more information please contact: -

### Francis Darrah Chartered Surveyors

Contact: Graham Mackintosh or Francis Darrah

Tel: 01603 666630 01603 666630

Email: [graham@fdarrah.co.uk](mailto:graham@fdarrah.co.uk) [francis@fdarrah.co.uk](mailto:francis@fdarrah.co.uk)

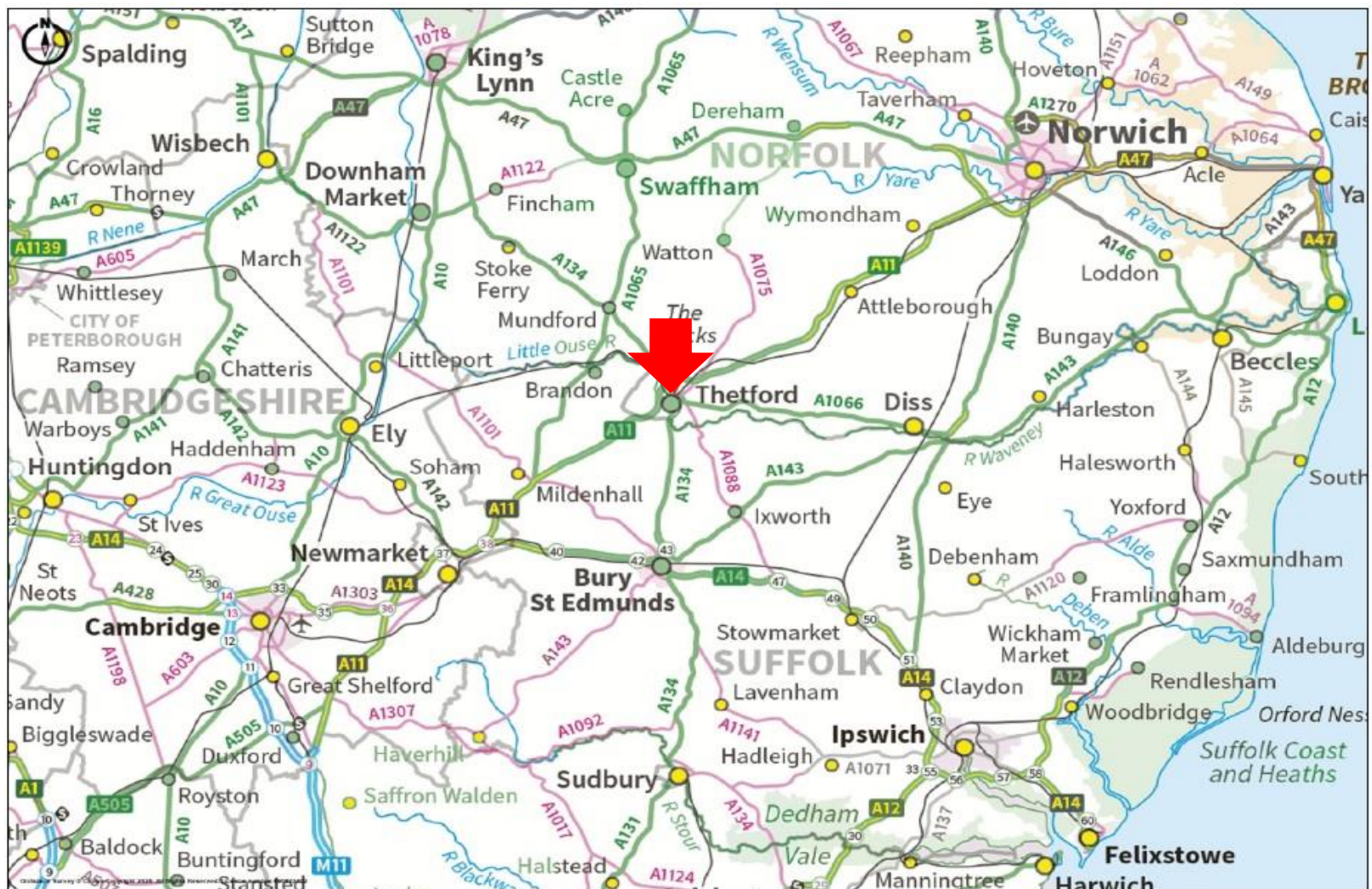
## SUBJECT TO CONTRACT

September 2021



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