INVESTMENT MARKET DASHBOARD

INVESTMENT VOLUMES YTD
£2.26bn

INVESTMENT VOLUMES Q3
£1.00bn

PLUS TWO PORTFOLIO DEALS FOR NATIONAL BUSINESS PARKS TOTALLING C. £1.2BN

INVESTMENT VOLUMES Q3 VS PREVIOUS YEARS

<table>
<thead>
<tr>
<th>Year</th>
<th>Investment Volumes</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>£1.00bn</td>
</tr>
<tr>
<td>2016</td>
<td>£941m</td>
</tr>
<tr>
<td>2015</td>
<td>£983m</td>
</tr>
<tr>
<td>2014</td>
<td>£656m</td>
</tr>
<tr>
<td>2013</td>
<td>£808m</td>
</tr>
</tbody>
</table>

INVESTOR SENTIMENT
6/10
Trend: Stronger

PRIME YIELDS
5.25%
Trend: Stable

INVESTOR DEMAND
CBD VS OUT OF TOWN

INVESTMENT SUPPLY LEVELS
7/10
Trend: Stronger

Q3 BUYER PROFILE

- Overseas: 3.9%
- Funds: 22.8%
- Private Equity: 5.4%
- Property Company: 11.6%
- Council: 21.0%
- Private: 34.7%
- Owner Occupier: 0.5%
**QUARTERLY SOUTH-EAST OFFICE INVESTMENT MARKET SNAPSHOT**

**OCTOBER 2017**

**HEADLINE RENTS**
- Trending: Stable

**INCENTIVES**
- Trending: Stable

**VOIDS**
- Trending: Stable

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**RENTAL MAP**

[Map of South-East England showing various towns and cities with rental prices and other real estate details.]

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**INVESTMENT MARKET DASHBOARD**

- **CBD VS OUT OF TOWN**
  - Trending: Stable

- **KINGS PLACE AND CONQUEST HOUSE,**
  - Trending: Stable

- **NATS, BUILDINGS 1-5 4000 PARKWAY,**
  - Trending: Stable

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**Q3 BUYER PROFILE**

- **PRIVATE EQUITY**
- **PROPERTY COMPANY**
- **OVERSEAS**

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**CONTACTS**

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  - 07377 869621

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**ASSURANCE SOCIETY**

- **CENTRAL LONDON**

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**SOLD**

- **£808m**
- **£941m**
- **£983m**

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**21.0%**

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**2017**

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**VENDOR L&G**

**PASSING RENT £PA**

**WAULT /YEARS/ 5.4**

**TENANCY DETAILS MULTI-LET**

**AREA /SQ FT/ 81,403**

**DATE TO MARKET OCT/17**

**CAP VAL /PSF/ £1,598,889 /£20.75/**

**VENDOR GOLDMAN SACHS & CO**

**PASSING RENT £PA**

**WAULT /YEARS/ 4.3**

**TENANCY DETAILS LEGAL AND GENERAL**

**AREA /SQ FT/ 25,974**

**DATE TO MARKET OCT/17**

**PURCHASE PRICE £12,875,000**

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**L&G and Goodman selling to TPG on their investment program**

---

**Increased activity by Local Authorities motivated by central government control**

---

**Greater London accounted for c. 30% of the investment activity and continues**

---

**Improvement in the availability and quality of prime and core plus investment stock**

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**Out-of-town offices continue to represent "real" value**

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**Improvement in the availability and quality of prime and core plus investment stock**
• Improvement in the availability and quality of prime and core plus investment stock

• Greater London accounted for c. 30% of the investment activity and continues to be a focus for investors

• Increased activity by Local Authorities motivated by central government control on their investment program

• Significant office portfolio activity – notably L&G and Goodman selling to TPG and Oaktree and Patrizia selling to Frasers – a new entrant to the national market

• Out-of-town offices continue to represent “real” value
INVESTMENT MARKET SNAPSHOT

• Secondary assets' investor appeal to remain subdued
• Out-of-town office parks to receive greater and broader appeal
• Out-of-town offices continue to represent “real” value
• Increased activity by Local Authorities motivated by central government control
• Greater London accounted for c. 30% of the investment activity and continues
• Improvement in the availability and quality of prime and core plus investment stock

INVESTMENT MARKET DASHBOARD

- Q3 BUYER PROFILE
  - Trending: Stronger
  - 7/10

- PRIME YIELDS
  - Trending: Stable
  - Trending: Stable
  - Trending: Stable
  - 7/10

- 0.6% 3.9%

- ASSURANCE SOCIETY

- £941m

- OCTOBER 2017

KEY INVESTMENT TRANSACTIONS & KEY INVESTMENT AVAILABILITY

KEY DEALS

EALING GATEWAY, EALING

- DATE TRANSACTED: SEP-17
- PURCHASE PRICE: £50,259,000
- NIY: 3.94%
- CAP VAL (PSF): £383
- AREA (SQ FT): 86,128
- TENANCY DETAILS: MULTI-LET
- WAULT (YEARS): 6.0
- PASSING RENT EPA (£PSF): £2,116,045 (£28.21)
- PURCHASER: AVIVA INVESTORS

WORLD BUSINESS CENTRE 4, HEATHROW AIRPORT

- DATE TRANSACTED: SEP-17
- PURCHASE PRICE: £47,250,000
- NIY: 4.85%
- CAP VAL (PSF): £362,185 (£30.64)
- AREA (SQ FT): 261,049
- TENANCY DETAILS: MULTI-LET
- WAULT (YEARS): 5.4
- PASSING RENT EPA (£PSF): £399
- PURCHASER: CAPITAL LONDON

KINGS PLACE AND CONQUEST HOUSE, KINGSTON-UPON-THAMES

- DATE TRANSACTED: JUL-17
- PURCHASE PRICE: £42,568,000
- NIY: 4.91%
- CAP VAL (PSF): £383
- AREA (SQ FT): 77,934
- TENANCY DETAILS: MULTI-LET
- WAULT (YEARS): 6.0
- PASSING RENT EPA (£PSF): £291
- PURCHASER: CONFIDENTIAL

DEVONHURST PLACE, HEATHFIELD TERRACE, CHISWICK

- DATE TRANSACTED: SEP-17
- PURCHASE PRICE: £12,875,000
- NIY: 5.0%
- CAP VAL (PSF): £2,026,449 (£15.88)
- AREA (SQ FT): 84,324
- TENANCY DETAILS: MULTI-LET
- WAULT (YEARS): 4.4
- PASSING RENT EPA (£PSF): £1,557,378 (£19.48)
- PURCHASER: VENDOR GREENRIDGE

- VENDOR COLONY CAPITAL and Oaktree and Patrizia selling to Frasers – a new entrant to the national market

- Partner

- WWW.ACRELLP.COM
INVESTMENT MARKET SNAPSHOT

- Secondary assets’ investor appeal to remain subdued
- Out-of-town office parks to receive greater and broader appeal in locations benefitting from regeneration or infrastructure improvements
- Achievable pricing for prime and refurbished core plus assets to harden especially

Greater London accounted for c. 30% of the investment activity and continues

Improvement in the availability and quality of prime and core plus investment stock

<table>
<thead>
<tr>
<th>TENANCY DETAILS</th>
<th>AREA (SQ FT)</th>
<th>CAP VAL (PSF)</th>
<th>NIY</th>
</tr>
</thead>
<tbody>
<tr>
<td>NATS (EN ROUTE) PLC</td>
<td>81,403</td>
<td>£397</td>
<td>6.75%</td>
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<tr>
<td>MULTI-LET</td>
<td>25,974</td>
<td>£261</td>
<td>5.50%</td>
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<td>GREENRIDGE</td>
<td>120,060</td>
<td>£399</td>
<td>6.75%</td>
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<tr>
<td>COLONY CAPITAL</td>
<td>98,209</td>
<td>£4,577,977</td>
<td>3.94%</td>
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<tr>
<td>KAMES</td>
<td>95,711</td>
<td>£333</td>
<td>6.98%</td>
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<tr>
<td>L&amp;G</td>
<td>120,060</td>
<td>£310</td>
<td>7.39%</td>
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HARMAN HOUSE, UXBRIDGE

<table>
<thead>
<tr>
<th>DATE TO MARKET</th>
<th>OCT-17</th>
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<tbody>
<tr>
<td>QUOTING PRICE</td>
<td>£51,500,000</td>
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<tr>
<td>NIY</td>
<td>6.35%</td>
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<tr>
<td>CAP VAL (PSF)</td>
<td>£399</td>
</tr>
<tr>
<td>AREA (SQ FT)</td>
<td>120,060</td>
</tr>
<tr>
<td>TENANCY DETAILS</td>
<td>MULTI-LET</td>
</tr>
<tr>
<td>WAULT (YEARS)</td>
<td>4.4</td>
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<tr>
<td>PASSING RENT LPA (EPSF)</td>
<td>£2,635,505 (£26.70)</td>
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<tr>
<td>VENDOR</td>
<td>PRAMERICA</td>
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RIVERSIDE HOUSE, WINDSOR

<table>
<thead>
<tr>
<th>DATE TO MARKET</th>
<th>OCT-17</th>
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</thead>
<tbody>
<tr>
<td>QUOTING PRICE</td>
<td>£55,400,000</td>
</tr>
<tr>
<td>NIY</td>
<td>6.05%</td>
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<tr>
<td>CAP VAL (PSF)</td>
<td>£395</td>
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<tr>
<td>AREA (SQ FT)</td>
<td>20,060</td>
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<tr>
<td>TENANCY DETAILS</td>
<td>MULTI-LET</td>
</tr>
<tr>
<td>WAULT (YEARS)</td>
<td>4.3</td>
</tr>
<tr>
<td>PASSING RENT LPA (EPSF)</td>
<td>£907,483 (£35.59)</td>
</tr>
<tr>
<td>VENDOR</td>
<td>GOLDMAN SACHS &amp; SQUARE MERRILL</td>
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</tbody>
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ACRE CAPITAL EXPECT

- Achievable pricing for prime and refurbished core plus assets to harden especially in locations benefitting from regeneration or infrastructure improvements
- Out-of-town office parks to receive greater and broader appeal
- Secondary assets’ investor appeal to remain subdued

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