

CHARTER BUILDING, UXBRIDGE

A. Business Plan Summary

Financial Year Ending	2024/2025	2025/2026	2026/2027
Predicted Rental Income pa	£	£	£
Predicted Vacancy Rate	%	%	%
Rent Variance from Market Rent	%	%	%
Irrecoverable Revenue Expenditure *	£	£	£

Key Asset Management Initiatives (in rank order)		Target date	Impact on Income £	Capital Value Impact
1	Undertake separation works to 2nd floor to enable next phase of lettings	Jun-23	TBC	£
2	Secure lettings on 2nd floor - assume 15,000 sq ft let by June-23 and next 15,000 sq ft by Dec-23 and Jun-24 respectively. 5 year lettings at ERV (£32-£34 psf +/- growth) with 15 months rent free.	Jun-23	-	-
3	Complete proposed lease of ground floor retail unit to Tempur Sealey (lease until 2030 at £30 psf with 6 months rent free)	Mar-23	TBC	TBC
4	Installation of Building Manager's office, plus occupier totem to north elevation	Mar-23	£	£
Key Sustainability Initiatives (in rank order)		Target Date	Estimated Cost £	Capital Value Impact
1	Review current sustainability credentials for the building and identify areas for improvement	Jun-23	£	£
2	Implement BUBL energy management system to all new occupiers in the building, to reduce energy use and allow greater tenant control of heating and cooling within their specific areas	Jun-23	£	£
3	Install additional EV charging points within basement car par. Assume 10 installed in 2023 and an additional 10 in 2024	Jun-24	£	£
Threats (in rank order)		Target date	Impact on Income £	Capital Value Impact
1	Leasing activity is affected by market downturn- assume no new leases entered into during FY23/24	Dec-23	£	£
2	LB of Hillingdon implement completion notices on vacant accommodation and charge for all business rates	Apr-23	£	£
3	Spaces default on Ground Floor and 1st floor leases	Sep-23	£	£

B. Progress Since Business Plan (approved January 2023)

- 2nd floor separation works inc building managers office being tendered – completion due August 2023
- Tracelink – dispute over Ground Floor West suite – surrender completing w/c 12 June; all monies paid to end March 2023 and fully separated and

Appendix 2A

refurbished suite handed back, ready for marketing. Net additional income of £178k secured since May 2022 break operated.

- Review of EV charging being undertaken. Potential for tenants to pay for the costs of installing dedicated charging stations, or for SBC to pay in return for lease regears.
- BUBL energy management system continues to be rolled out to new occupiers
- Filming licence agreed on 2nd floor with HTM (“Trigger Point 2”) between March and May 23.
- Caffe Kix turnover and profit continues to improve
- Tempur Sealy lease delayed while tenant confirms proposed fit out
- Terms proposed to Pizza Express for lease on 2nd floor of c 5,500 sq ft

C. 12 month Strategy for period commencing April 2023

- Maintain Charter Building profile as best office building in Uxbridge town centre through tenant engagement/events; updated website and marketing; and continued letting success with announcements in industry press and via social media.
- Aim to reduce vacancy rate to approximately 8% in line with business plan by financial year end, through new lettings on 2nd floor.
- Enhance rents in the building from current (April 2023) levels through new lettings on 2nd floor and former Tracelink unit on ground floor.
- Secure uplifts from June 2023 rent reviews on ground and 1st floor leases to IWG/Spaces.
- Maintain current position with LB Hillingdon to ensure business rates are appropriately mitigated
- Caffe Kix performance to be monitored with potential soft marketing to other coffee shop operators in Q2/Q3 2023, so that break option can be operated in June 2024 (Dec-23 notice) if necessary.

D. Medium Term Strategy 2023-2026

- To enhance income and reduce void costs through new lettings on the 2nd floor, plus retaining existing tenants through active asset management (i.e. removing break options and early renewal of leases).

Notes

** Revenue includes holding costs for vacant accommodation (business rates, service charge etc) and/or costs associated with a new letting (e.g. refurbishment costs, letting and legal fees etc).*

** CapEx of £ each year for installation of additional electric vehicle charging points*