

Longley Industrial Estate and New England House, Brighton & Hove

Heads of Terms in respect of conditional offer from Arcus pcd to Brighton & Hove City Council for the long leasehold interest of the Longley Industrial Estate, New England Street, Brighton

The terms and conditions of this offer are as follows:

1. Property

The leasehold interest for a term of 250 years in the Longley Industrial Estate and such part of the adjoining car park between it and the Council's New England House as agreed. The property principally comprises an industrial estate of c32,570 sq ft GIA and is subject to a 125 year leasehold interest granted 1 November 1982 (approximately 92 years remaining) and currently held by Maplebright LLP.

2. Purchase Price

Covered under Part 2 of this agenda.

3. Seller

Brighton & Hove City Council ("BHCC") Kings House, Grand Avenue, Hove, BN1 2LS

4. Buyer/Funder

Pension Fund clients of LaSalle Investment Management ("LaSalle") One Curzon Street, London, W1J 5HD

5. Developer

Arcus pcd, 84 Brook Street, London, W1K 5EH

6. Funding

This purchase will be funded entirely from the Funder's cash reserves without recourse to a third party debt.

7. Conditions

The offer is made subject to the following conditions:

- Contract
- Satisfactory Title

- LaSalle Investment Committee approval
- Satisfactory measured, environmental and business surveys
- Verification of property and tenancy information
- Planning permission for the development of not less than 105,000 sq ft NIA of Class B1(a) office floorspace, together with ancillary communal café/restaurant and meeting facilities available for New England House tenants; and 120,000 sq ft NIA of private rented residential accommodation, with an affordable housing component of not more than 30% provided as affordable rent accommodation capable of being let at 80% of Open Market Rent, and a serviced apartment component of not less than 25% of units provided.
- Acquisition by the Buyer, either by agreement or from the Seller through the exercise of its statutory powers, of the leasehold interest held by Maplebright LLP
- Each party to bear their own costs in relation to this transaction

8. Approvals

The transaction will require LaSalle Investment Management UK Investment Committee approval and satisfaction of completion of the conditions listed above.

9. Timescales

To be agreed between the parties.

10. VAT

We assume that the Council have not elected the property for VAT and will not be charging VAT upon this transaction.