



MULBERRY BUILDING, KEMBREY PARK, SWINDON, SN2 8UY



WELL SECURED OFFICE INVESTMENT





INVESTMENT SUMMARY

- High quality **well secured** office investment .
- Established office location on **Kembrey Park**, to the north of Swindon town centre.
- **Freehold.**
- Two storey self-contained HQ office building totalling **22,571 sq ft.**
- Let to two good covenants with AWULT of **5.25 years.**
- Rental income of **£300,985 per annum**, which equates to a low rental base of just **£13.34 per sq ft** providing excellent prospects for rental growth.
- Offers are sought in excess of **£3,140,000 (Three Million One Hundred and Forty Thousand Pounds)** subject to contract and exclusive of VAT. A purchase at this level provides an attractive net initial yield of **9%**, after the deduction of purchaser's costs of 6.46%.
- Low capital value of **£139** per sq ft overall.
- The asset is held in a clean **UK Ltd SPV** which can be acquired.



LOCATION

Swindon is the principal town and the main commercial centre for Wiltshire. The town lies approximately 40 miles east of Bristol, 80 miles west of London, 47 miles west of Reading and 30 miles south west of Oxford.

The town has good road communications being located adjacent to the M4 motorway (Junctions 15 and 16) which provides access to the M25 motorway and London to the east, and Bristol, the M5 motorway and South Wales to the west. The A417/419 dual carriageway links the M4 (Junction 15) to the M5 at Gloucester to the north.

Rail services from Swindon provide access to London, Wales and the South West with journey times of approximately 56 minutes to London Paddington, 1 hour 30 minutes to Cardiff and 40 minutes to Bristol.

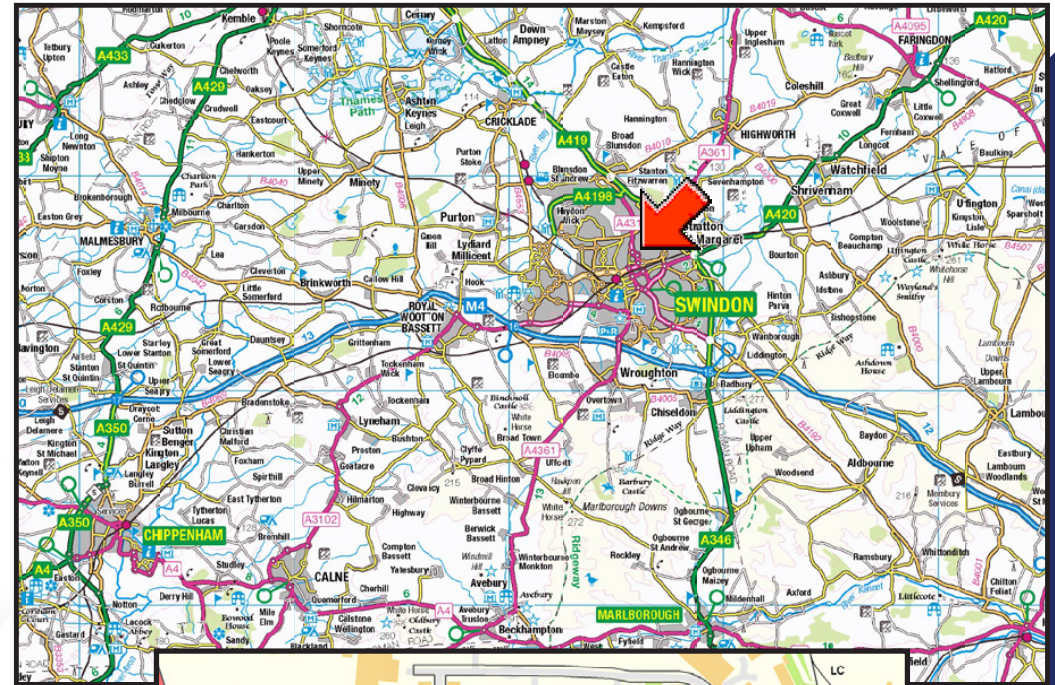
The nearest airports are Bristol, 49 miles to the south west and Heathrow 68 miles to the east. Swindon has attracted some high profile occupiers including Nationwide Building Society, Zurich Insurance, British Telecom, Honda, The National Trust and Nokia who have been attracted by the excellent communication links, affordable accommodation and strong employment pool.

SITUATION

Kembrey Park is one of the regions most established and prestigious business parks providing a range of high quality office, warehouse and light industrial accommodation totalling in excess of 700,000 sq ft. The park benefits from a range of on-site facilities including a Premier Inn Hotel, a health & fitness club, a Brewers Fayre pub/restaurant, café and conference suite. There is also on-site management, 24 hour on-site security and CCTV. The park provides a well managed and landscaped environment.

The Park has been successful in attracting a number of major occupiers including Thames Water, Honda Trading, G4S, together with a number of other office and industrial occupiers.

Further information can be found on the Park's dedicated website www.kembrey.co.uk.





DESCRIPTION

Mulberry Building comprises a self-contained two-storey office building of steel portal frame construction with a mixture of glass and smooth aluminium panelling to the elevations. The building was refurbished in 2012 and the internal specification includes:

- Full air conditioning
- Full access raised floors
- 8 person passenger lift
- Fully landscaped central courtyard

The property benefits from 91 car parking spaces, providing an excellent ratio of 1:248 sq ft.

The landlord has recently undertaken a further refurbishment programme that includes new WC's on both floors, new lighting to the first floor and a new roof covering.



ACCOMMODATION

The property has been measured in accordance with the RICS Code of Measuring Practice (6th edition) and provides the following net internal area:

Description	NIA (sq m)	NIA (sq ft)
Ground Floor	1,036.61	11,158
First Floor	1,060.30	11,413
TOTAL	2,096.91	22,571





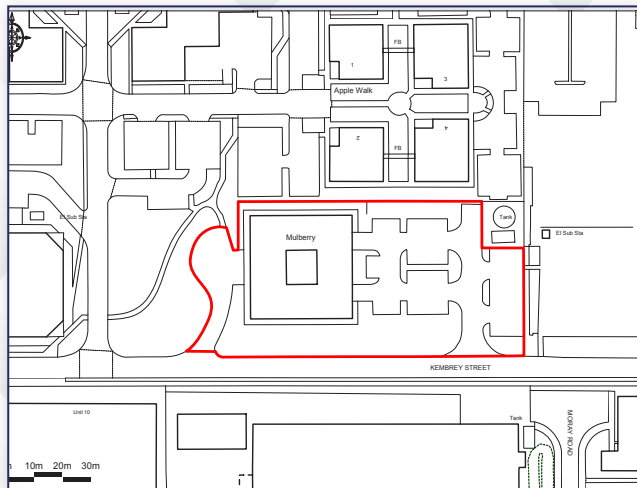
TENURE

Freehold.

TENANCIES

The property is let in accordance with the following tenancy schedule and produces a rental of £300,985 per annum.

Floor	Tenant	Sq m (Sq ft)	Lease Start	Lease Expiry	Rent p.a.	Rent per sq ft	Comments
Ground	Sirva Relocation (No 1) Ltd	1,036.61 (11,158)	04/12/2012	03/12/2022	£145,165	£13.01	Rent review on 04/12/2017. Outside Act. 43 parking spaces.
First	Honda Trading Europe Ltd	1,060.30 (11,413)	20/12/2012	19/12/2022	£155,820	£13.65	2017 break not exercised. Rent until 19/12/17 is £145,165 pa, then £100,170 until 19/12/18 and from 20/12/18 its £155,820 pa. The vendor will top the rent up. 48 parking spaces. Service charge capped at £4.93 with RPI indexation.
		2,096.91 (22,571)			£300,985	£13.34	



RENTAL EVIDENCE

The property has a low base rental of £13.34 per sq ft overall. We are of the opinion that there is good growth potential from this level and a rental uplift should be achieved at the December 2017 rent review on the ground floor, as evidenced by the comparable table below:

Property	Date	Tenant	Size (Sq Ft)	Lease Term	Rent
Unit 1100, Delta Business Park	March 16	Dialogue	15,000	10 years (5 year break)	£15.00
Links House, Southmead Close	Aug 16	Animal Friends Insurance Services Ltd	5,670	10 years (5 year break)	£18.23
Isambard House, Fire Fly Avenue	Oct 16	Pets at Home	17,732	15 years (10 year break)	£16.50
1 Apple Walk	Feb 17	Structa	3,097	5 years (3 year break)	£14.50
Cherry Orchard East, Kembrey Park	U/O	Confidential	19,000	10 years	£14.50





COVENANT INFORMATION

Honda Trading Europe Ltd

Honda Trading Europe Ltd is a 100% subsidiary of the Honda Motor Corporation. The subject property provides their UK headquarters, and the wider company is the largest employer in Swindon due to their nearby manufacturing plant at South Marston. The company has a D&B rating of 4A1, reflecting a minimum risk of business failure. Their latest available accounts are summarised below:

	31 Mar 2017	31 Mar 2016	31 Mar 2015
Sales Turnover	452,280,000	347,690,000	373,182,000
Profit/(loss) Before Taxes	5,656,000	2,812,000	4,484,000
Tangible Net Worth	31,178,000	26,973,000	25,952,000
Net Current Assets (Liabilities)	31,322,000	27,917,000	26,075,000

Further information is available at www.hondatrading.com

Sirva Relocation (No. 1) Ltd

Sirva are a leading worldwide provider of relocation and moving solutions and form part of Sirva Inc where global turnover is in the order of £1.3 billion. The company is Headquartered in Chicago and have 31 offices in 17 countries, while operating in 170 countries. The subject building is the UK headquarters for the company. The company has a D&B rating of B2, reflecting a lower than average risk of business failure. Their latest available accounts are summarised below:

	31 Dec 2015	31 Dec 2014	31 Dec 2013
Sales Turnover	50,613,604	34,056,054	21,588,266
Profit/(loss) Before Taxes	(1,873,150)	(200,147)	(471,559)
Tangible Net Worth	287,348	2,160,498	2,360,645
Net Current Assets (Liabilities)	5,189,993	1,995,614	2,154,452

Further information is available at www.sirva.com





CAPITAL ALLOWANCES

All available capital allowances will be passed onto a purchaser. Further information is available upon request.

EPC

The property has an Energy Certificate rating of D83. Further information is available upon request.

VAT

The property has been elected for VAT and we would therefore envisage the sale being treated as a Transfer of Going Concern.

PROPOSAL

Offers are sought in excess of **£3,140,000 (Three Million One Hundred and Forty Thousand Pounds)** subject to contract and exclusive of VAT.

A purchase at this level provides an attractive net initial yield of **9%**, after the deduction of purchaser's costs of 6.46% and **£139 per sq ft** overall.

The asset is held in a clean **UK Ltd SPV** which can be acquired.





CONTACT DETAILS:



RICHARD WORRALL

Avison Young

Telephone: 020 7046 6512

richard.worrall@avisonyoung.com

MARK HOLLIDAY

Avison Young

Telephone: 020 7046 6511

mark.holliday@avisonyoung.com



SIMON BENNETT

JLL

Tel: 0117 930 5717

simon.j.bennett@eu.jll.com

ROSS WIGLEY

JLL

Tel: 0117 930 5792

ross.wigley@eu.jll.com

Important Notice

1. No description or information given about the property or its value, whether written or verbal or whether or not in these particulars ("information") may be relied upon as a statement of representation or fact. Neither Avison Young nor its Joint agents, JLL, have any authority to make any representation and accordingly any information given is entirely without responsibility on the part of Avison Young, JLL or the seller/lessor. 2. Any photographs (and artist impressions) show only certain parts of the property at the time they were taken. Any areas, measurements or distances given are approximate only. 3. Any reference to alterations to, or use of any part of the property is not a statement that any necessary planning, building regulations or other consent has been obtained. These matters must be verified by any intending buyer/lessee. 4. Any buyer/lessee must satisfy himself by inspection or otherwise as to the correctness of any information given. September 2017

