



DC

DEAN CLARKE HOUSE

SOUTHERNHAY EAST, EXETER, EX1 1AP

PRIME CITY CENTRE OFFICE INVESTMENT



# INVESTMENT SUMMARY

- ◆ Attractive investment opportunity in the prime Southernhay office quarter
- ◆ Part of a historic Grade II\* listed, mixed use development
- ◆ Anchored by a new lease to Handelsbanken
- ◆ Potential for increasing rental income
- ◆ Co-working, serviced or flex space
- ◆ Four car parking spaces

## PROPOSAL

We are instructed to seek offers with a guide of £985,000 + VAT which reflects an initial yield of 7.16% after allowance for purchaser's costs of 6.69%. This equates to a capital value of £232 psf.

The rental income potential will increase depending upon the letting strategy adopted, either for traditional leases or flex space. Assuming the vacant suites are let on a serviced basis the net rents will be circa £104,320 per annum. This reflects a reversionary yield of 10.02%. There is potential to increase the serviced office rents based upon £275 per desk pcm to £128,440 per annum net of running costs.





EXETER CENTRAL STATION

PRINCESSHAY SHOPPING PRECINCT

CATHEDRAL GREEN AND EATERIES

PRINCESSHAY

EXETER HIGH STREET

SOUTHERNHAY

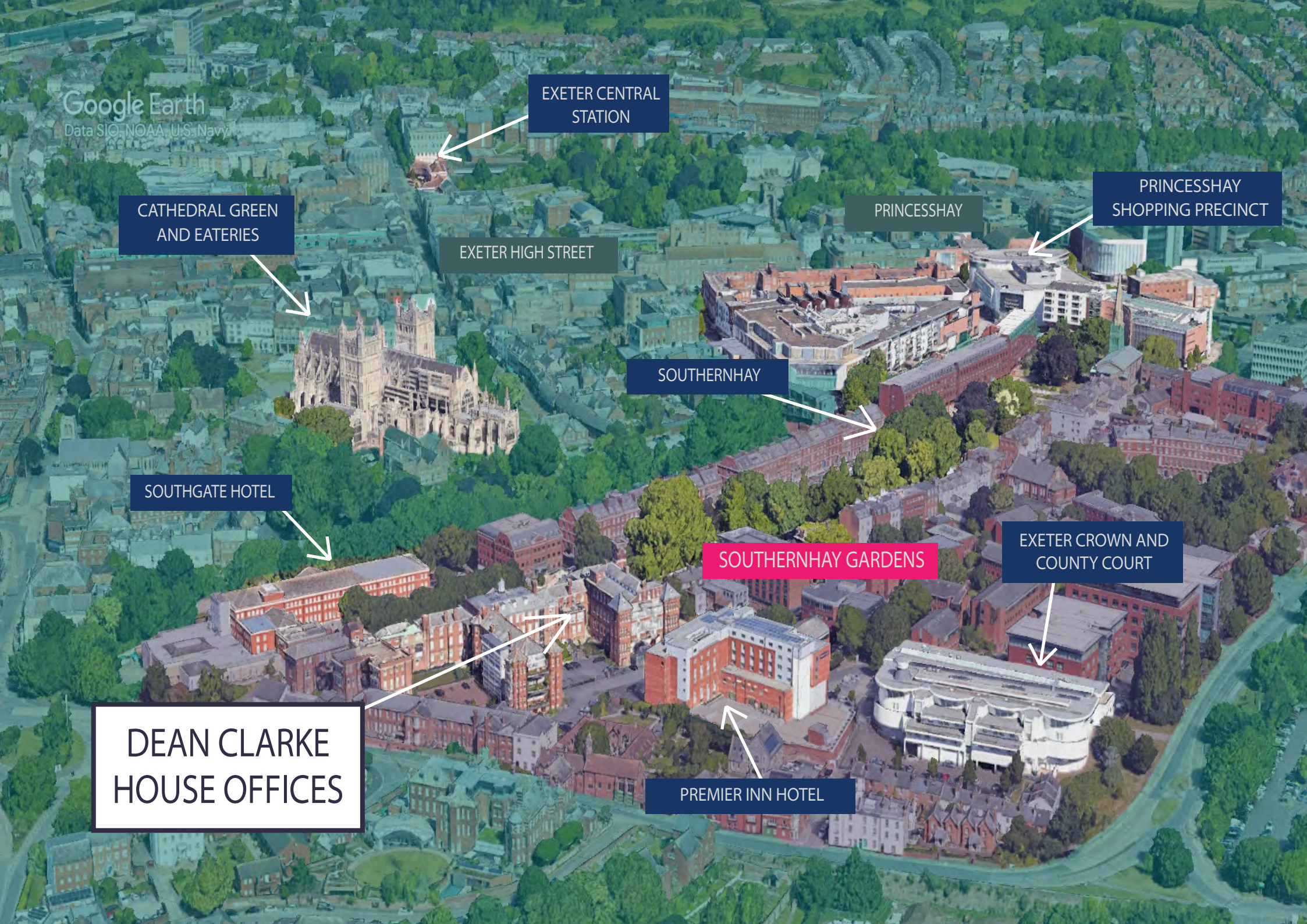
SOUTHGATE HOTEL

SOUTHERNHAY GARDENS

EXETER CROWN AND COUNTY COURT

DEAN CLARKE HOUSE OFFICES

PREMIER INN HOTEL





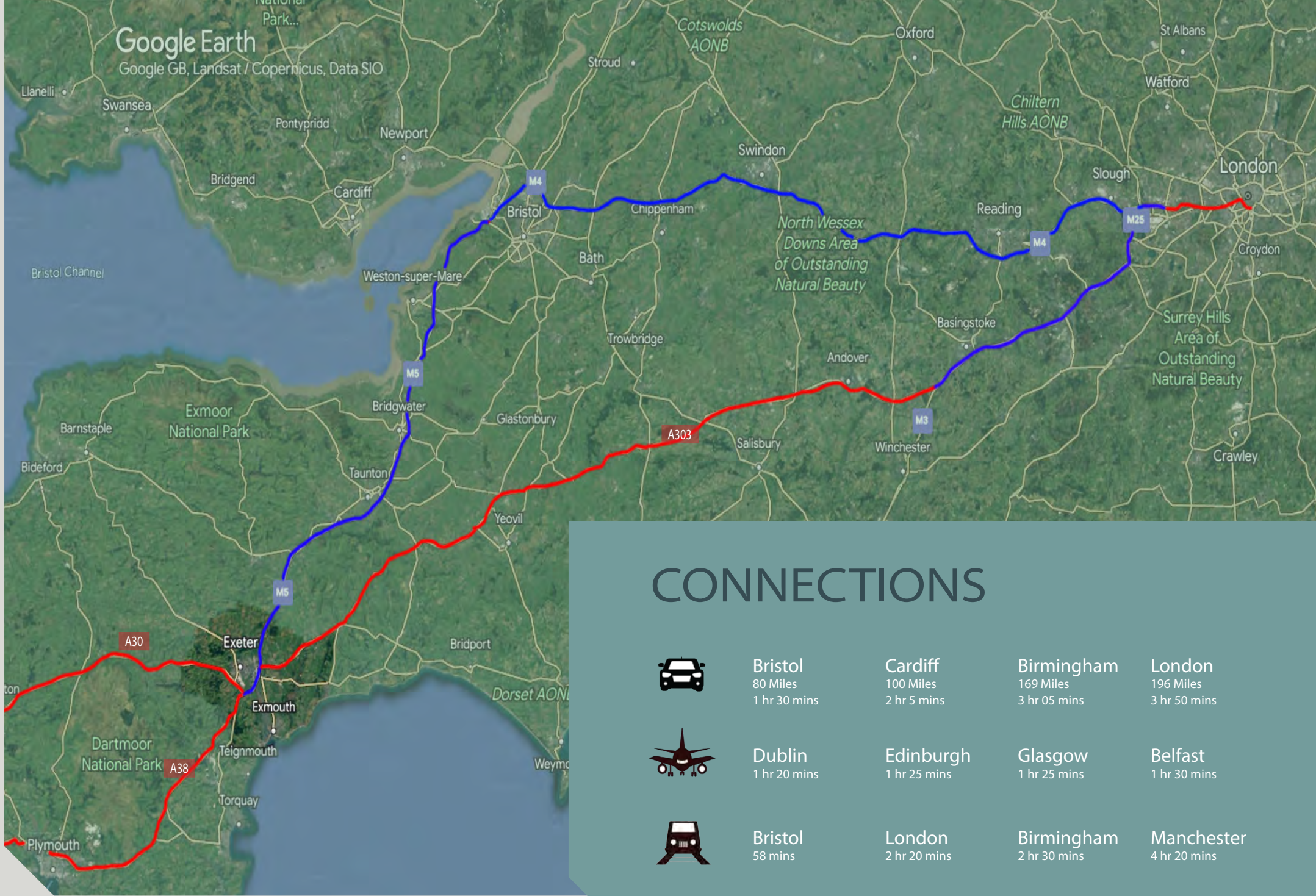


## EXETER

Exeter, a historic city in the southwest of England, serves as both a professional and student hub, and is the primary commercial centre for Devon. Boasting a population of around 132,000 and a catchment area of approximately 300,000, it hosts the prestigious Exeter University, a leading Russell Group institution with some 30,000 students. Projected as one of the UK's fastest-growing cities, Exeter consistently earns accolades as one of the nation's best places to live and it is increasingly attracting new businesses and organisations.

The city enjoys excellent transportation links, with convenient access to the A30 and A377. The A30, a key route in the southwest, connects Land's End to southwest London. Junction 31 of the A30 provides access to the M5 motorway, offering a direct route to Bristol and Birmingham in the north.





# CONNECTIONS



**Bristol**  
80 Miles  
1 hr 30 mins

**Cardiff**  
100 Miles  
2 hr 5 mins

**Birmingham**  
169 Miles  
3 hr 05 mins

**London**  
196 Miles  
3 hr 50 mins



**Dublin**  
1 hr 20 mins

**Edinburgh**  
1 hr 25 mins

**Glasgow**  
1 hr 25 mins

**Belfast**  
1 hr 30 mins



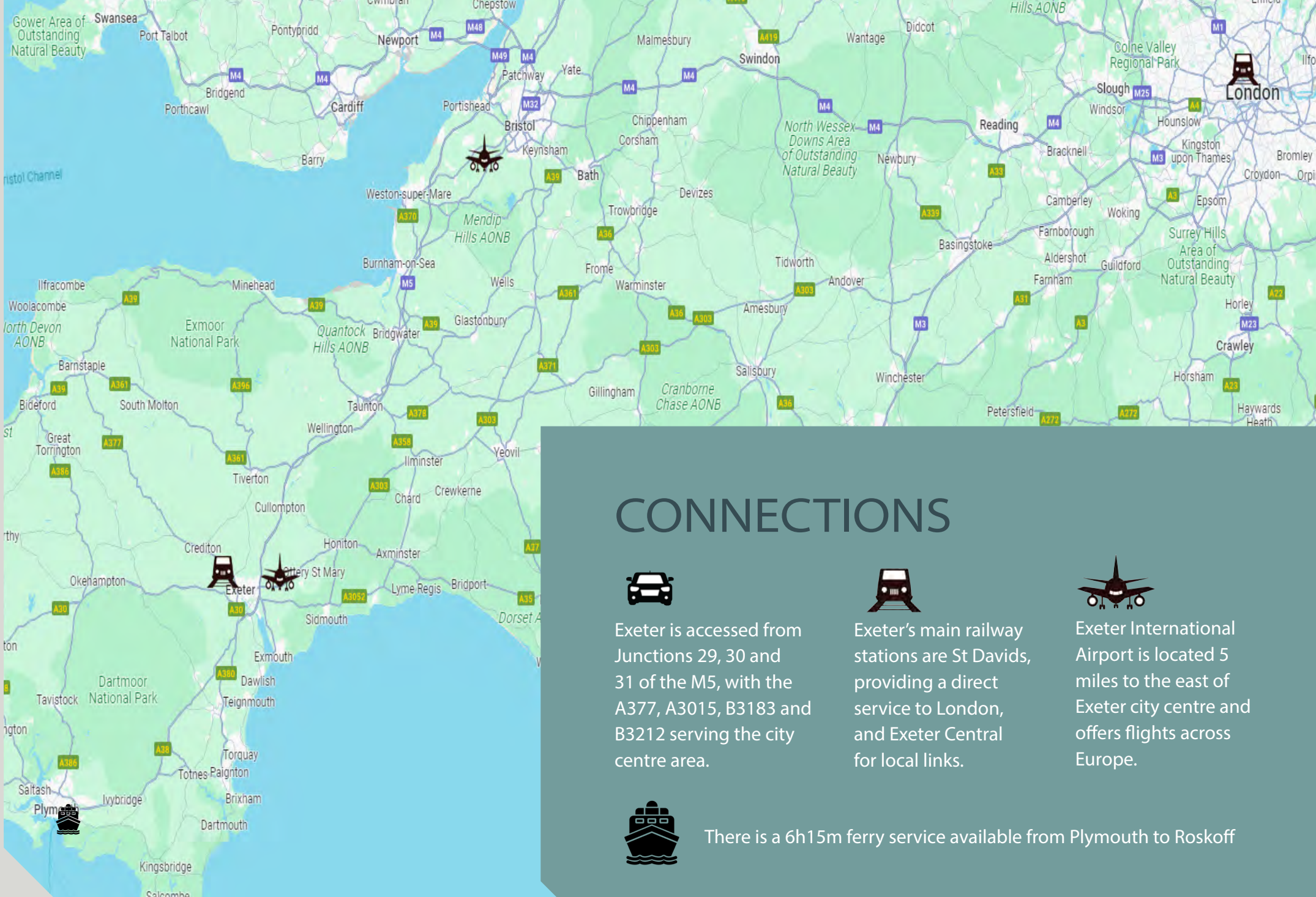
**Bristol**  
58 mins

**London**  
2 hr 20 mins

**Birmingham**  
2 hr 30 mins

**Manchester**  
4 hr 20 mins





# CONNECTIONS



Exeter is accessed from Junctions 29, 30 and 31 of the M5, with the A377, A3015, B3183 and B3212 serving the city centre area.



Exeter's main railway stations are St Davids, providing a direct service to London, and Exeter Central for local links.



Exeter International Airport is located 5 miles to the east of Exeter city centre and offers flights across Europe.



There is a 6h15m ferry service available from Plymouth to Roskoff

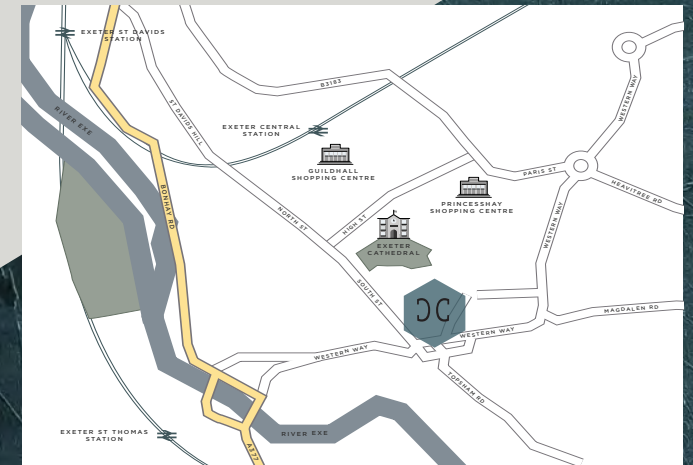
# SITUATION

Dean Clarke House is situated in an exclusive position in Southernhay, Exeter's prominent office district. The property offers the best of both worlds, sat within walking distance of both the bustling city centre and the busy and popular Exeter quay. A number of car parks and hotels nearby offer optimum convenience for those travelling from outside the city. The property is just a 5 minute walk from eateries, shopping, and leisure amenities. St Sidwell's Point is just 10 minutes walk, offering high quality gym and swimming pool facilities. Southernhay is a legal centre of excellence and office occupiers include Stephens Scown Solicitors, Family Law, The Courts Service, Foot Anstey, The Insolvency Service, Browne Jacobson, Trowers & Hamlin and many other professional practices.

# DESCRIPTION

Designed and built by North Devon born architect John Richards in the 18th Century, Dean Clarke House began life as a city hospital. The building was both the brain child and namesake of Dr A Clark, Dean of Exeter in 1874, who sadly did not live to see the building completed. Constructed in two stages, the central and southern wings were built first, with the Northern wing adding balance to the building nearly six years later. It acquired 'Royal status' in 1899, following a visit from the Duke and Duchess of York, and was newly named the Royal Devon and Exeter Hospital.

Sadly the building was eventually abandoned and had become dilapidated - until Burrington Estates purchased it in December 2012. They began extensive renovations that took over 3 years to complete and restored the building to its former glory. Today, this prominent Grade II\* Georgian property has been transformed into luxurious residential and business accommodation, the latter of which has now come to market, offering a prime investment opportunity in a historic property within this prominent location.

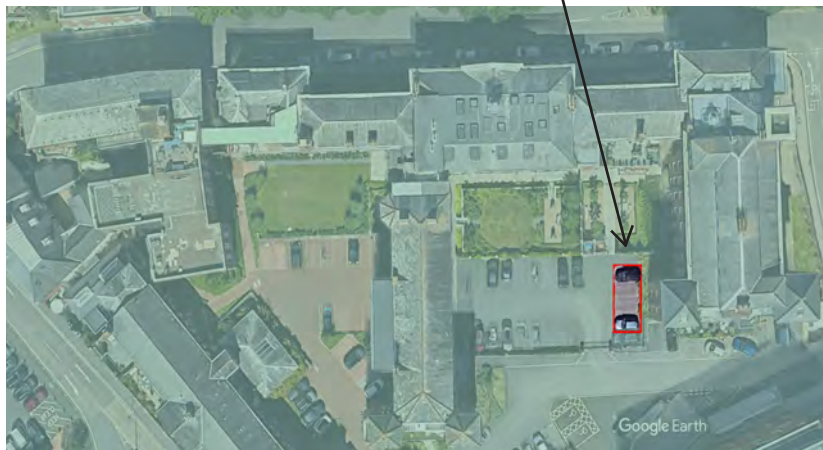




# FREEHOLD DEMISE

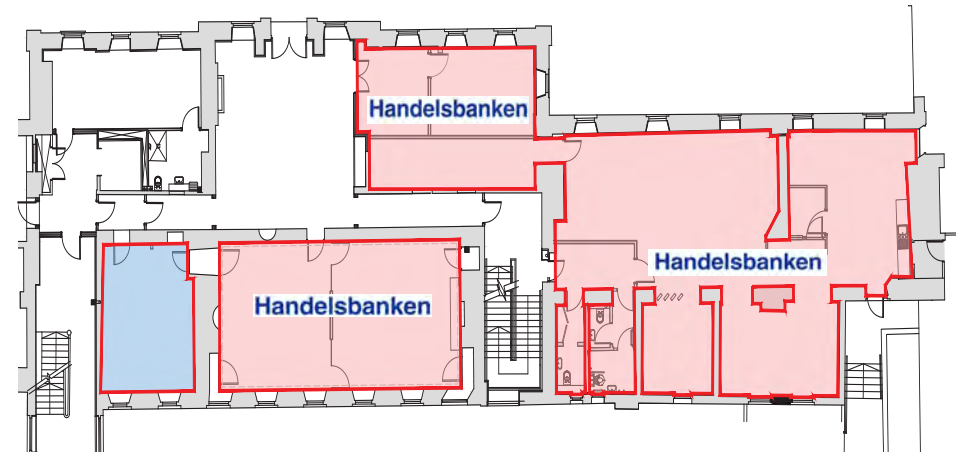


# PARKING

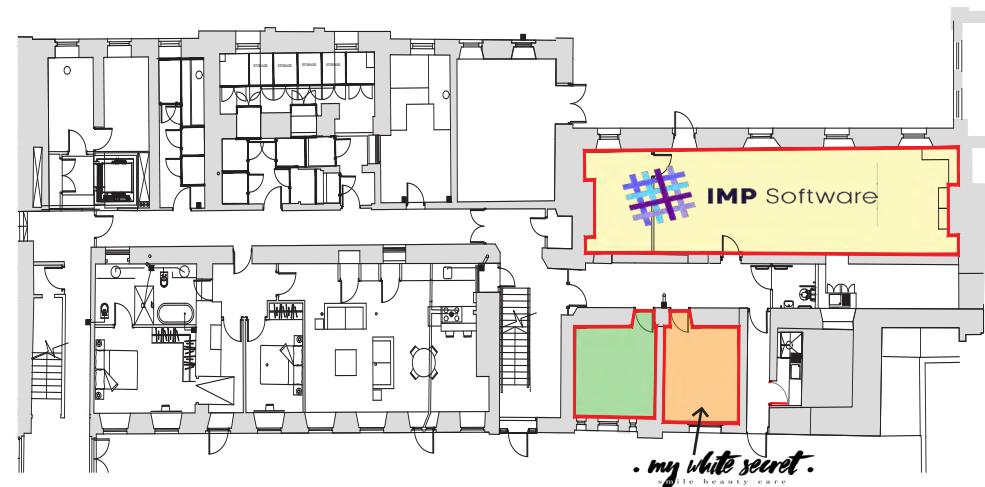


# ACCOMMODATION

## GROUND FLOOR



## LOWER GROUND FLOOR





# TENANCY SCHEDULE

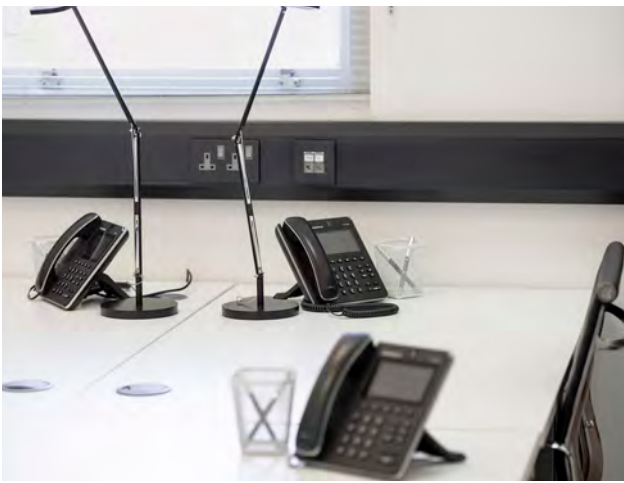
Handelsbanken



Offices 1-6 and the Club Room are let to Handelsbanken on a new 10 year internal repairing and insuring lease by way of service charge with a tenant only break option at the 5th anniversary of the term. Offices 8 & 9 are let on serviced agreements. The Cresswell Room is let out on an ad hoc basis to existing tenants at an hourly rate of £25 per hour but could be let on a serviced basis.

Unit	Sq Ft	Tenant	Tenure	No. of desks	Desk rate £pm	£psf	Current Gross Rent £ pa	Fully let gross rent £pa	Target Gross Rent (ERV) £ pa	Comments
GF Offices 1 - 6 + Club Room	2,926	Handelsbanken	Lease			20.00	58,520	58,520	58,520	
GF Cresswell	301	Quoting	Licence - Serviced	6	£275		0	19,800	19,800	
LGF Office 7	140	Quoting	Licence - Serviced	3	£275		0	9,900	9,900	
LGF Office 8	140	My Secret Ventures	Licence - Serviced	3	£275		6,600	6,600	9,900	Concession rate for current tenant
LGF Office 9	743	IMP Software	Licence - Serviced	15	£275		28,500	28,500	49,500	Concession rate for current tenant
Parking Space 1		Handelsbanken	Lease				1,500	1,500	1,500	
Parking Space 2		Handelsbanken	Lease				1,500	1,500	1,500	
Parking Space 3		Handelsbanken	Lease				1,500	1,500	1,500	
Parking Space 4		Quoting	Licence				1,500	1,500	1,500	
<b>Total</b>	<b>4,250</b>						<b>Gross</b> <b>99,620</b>	<b>129,320</b>	<b>153,620</b>	
							Costs	(25,000)	(25,000)	(25,000)
							<b>Net</b>	<b>74,620</b>	<b>104,320</b>	<b>128,620</b>





## AMENITIES



Manned reception lobby with concierge services



Connection to a network of members and users



Shared shower facility



24/7 access available via electronic door fob system



Meeting / boardroom facility



Communal courtyard garden and secure terrace



Bike storage provision



Secure car parking



# EXETER OFFICE MARKET

Dean Clarke House is in the prime central business district of outhernhay, close to Southernhay Gardens where rents are in excess of £20 psf, plus parking. A new letting in Broadwalk House recently achieved a headline of £23 psf, with £25 psf being quoted for Grade A refurbishments in Manor Court Terrace and Longbrook House. The headline rent agreed on the ground floor letting is at £20 psf plus parking, and the serviced office rates reflect an all in price at a rate of £275 per desk per month.



## COVENANT INFORMATION

The investment is anchored by the letting to Handelsbanken Plc. They are an undoubted covenant and have a Fitch rating of AA and a Standard & Poor's of AA - representing minimal risk. They have been rated as Europe's safest commercial bank in Global Finance Magazine's ranking of the World's Safest Banks 2022 and 2023.

The recent audited accounts are summarised below.

### Handelsbanken

	£,000: 31/12/2023	£,000: 31/12/2022	£,000: 31/12/2021
Interest Income	£918,200	£912,438	£571,072
Net Profit Before Tax	£476,400	£348,916	£135,366



# SERVICE/ESTATE CHARGES

A service charge is levied to cover the cost of providing the heating, lighting, maintenance and cleaning of the common areas of Dean Clarke House, and the maintenance of the landscaping and parking in the courtyard. The managing agents are Whitton and Laing. For further information on the service charge contact the agents.

# ADDITIONAL INFORMATION

All capital allowances will be retained by the Vendor.

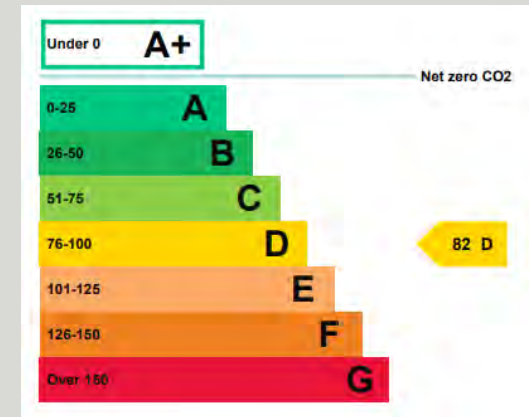
# BUSINESS RATES

From enquiries of the VOA (Valuation Office Agency) website, the entry appearing in the 2017 Rating List is:

Address	Description	Rateable Value £
Office 1- 6 and Club Lounge	Office and Premises	To be assessed
Office 7, Dean Clarke House	Office and Premises	£820
Office 8, Dean Clarke House	Office and Premises	£800
Cresswell Room Dean Clarke House	Office and Premises	£3,400

# EPC

The current EPC is a D.



# TENURE

The property is offered on a 199 year Full Repairing and Insuring Lease at a peppercorn. A copy of the lease is available from the Agents.

# VAT

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



# INVESTMENT PROPOSAL

Offers in the region of £985,000 are invited for the long leasehold interest.

The freehold may also be available which includes a number of ground rents. For further details contact the agents.





# Contact Us

For further information and to arrange a viewing contact:



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