



EMPEROR HOUSE

PRIME FREEHOLD HEADQUARTERS
OFFICE INVESTMENT

Grenadier Road, Exeter Business Park,
Exeter, Devon, EX1 3LH



Investment summary



Emperor House is situated in a prominent position on Exeter's Premier Business Park fronting junction 29 of the M5 motorway



Strategic location with easy access to Exeter city centre



Exeter out of town office market has attracted many high profile occupiers including the Met Office, EDF and Royal Mail



High specification Grade A office building with VRV comfort cooling, double glazing and solar panels



Total area of 22,660 sq ft (2,105.18 sq m)



Let to 5A1 covenant Liverpool Victoria Friendly Society Ltd Plc with 9.37 years remaining to expiry and 4.37 years to break



Total income of £432,525 per annum which equates to £19.08 per sq ft

Investment proposal

Seeking offers in the region of **£5,000,000 (FIVE MILLION POUNDS)** for the Freehold Interest subject to contract, reflecting a Net Initial Yield of 8.11%, assuming purchasers' costs of 6.59%. A purchase at this level reflects a low Capital Value of £217 per sq ft.

The property is held within an Special Purchase vehicle (SPV) which is also available to acquire.



Exeter

Exeter is a historic Cathedral and University city located in the south west of England and is the principle commercial centre of Devon. Exeter has an estimated population of 132,000 and a catchment of approximately 300,000 people. Exeter University is one of the top Russell Group universities in the UK with approximately 30,000 students.

Exeter is projected to be one of the UK's fastest growing cities and is consistently rated as one of the UK's best places to live and is becoming increasingly popular with a number of businesses and organisations.

The city benefits from excellent road and train links with easy access to both the A30 and A377. The A30, one of the major roads in the south west provides a link between Land's End and south west London. In addition, the M5 motorway can be accessed from the A30 at Junction 31. The M5 motorway provides a direct link to Bristol and Birmingham to the north.

Communications

ROAD

Exeter is accessed from Junctions 29, 30 and 31 of the M5, with the A377, A3015, B3183 and B3212 serving the city centre. The M5 connects the South West region to the national motorway network.

RAIL

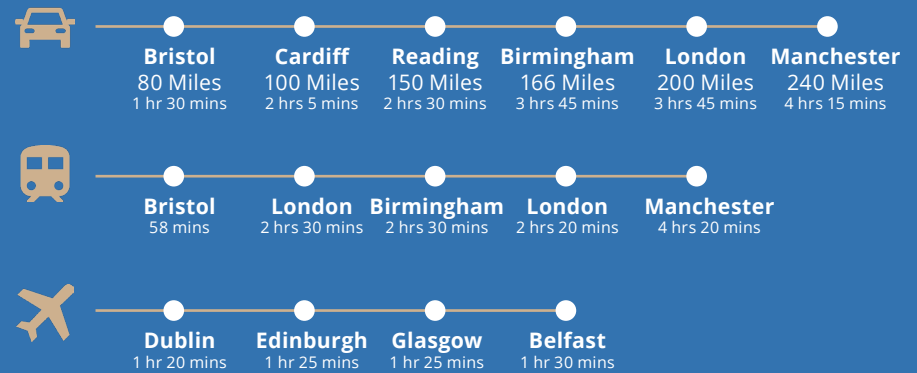
Exeter has a main railway station, St David's which provides a direct service to London Paddington, as well as the local station Exeter Central. Intercity rail services from St David's Railway Station to London Paddington run approximately twice an hour with a journey time of 2 hours 30 minutes.

AIR

Exeter International Airport is located 5 miles to the east of Exeter city centre and offers scheduled flights to several European destinations.



Travel times



Situation

Emperor House is prominently situated on Exeter's premier out of town business park located off junction 29 of the M5 motorway, approximately 4 miles east of Exeter city centre. Exeter Business Park offers excellent accessibility to the national motorway network, A30 and A38 Devon Expressway.

Other occupiers on the park include EDF, Exeter Medical, Vistry Partnerships, First Databank UK Ltd, Select Statistical Services Limited, Oxygen Conservation, Atass and Ashfords Solicitors.

Description

Constructed in 2017, Emperor House comprises a Grade A office headquarters building totalling 22,660 sq ft, with a surface car park providing 80 spaces (including 4 disabled).

High specification Grade A office building including:



VRV comfort cooling (heat recovery)



Photovoltaic roof panels



Fully accessible raised floors



Suspended ceilings with high frequency lighting



2 x 8-person passenger lifts



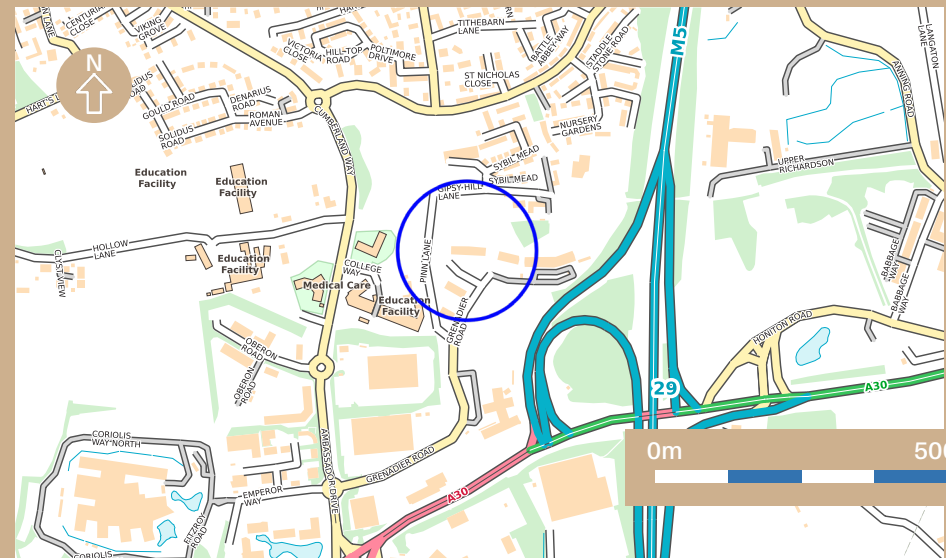
Showering facilities



Divisible floor layout



Site plan



Location plan



Tenancy

EPC

The property has an EPC rating of A (12)

TENURE

Freehold

TENANCY

The property is let to Liverpool Victoria on an fully repairing and insuring lease for a term of 15 years, expiring on 6th September 2032, with a tenants break clause in 7th September 2027.

The passing rent is £432,525 per annum which equates to £19.08 per sq ft.

The tenant is currently seeking to sublet the second floor.

COVENANT PROFILE

Liverpool Victoria Friendly Society is an undoubted covenant and has a Dun & Bradstreet rating of 5A1 representing minimal risk. The recent audited accounts are summarised below.

	To year end 31/12/2021 (in 000's)	To year end 31/12/2020 (in 000's)	To year end 31/12/2019 (in 000's)
Sales turnover	562,000	340,000	390,000
Profit (loss) before taxes	(104,000)	37,000	15,000
Tangible net worth	1,023,000	7,028,000	7,032,000

Liverpool Victoria Friendly Society was founded in 1843 and has traded since 2007 as LV=. LV= offers a wide range of insurance products, including, home, pet, travel, life, pensions and retirement. Previously associated as the 'penny policy' life insurance, LV= now offer different products to help and protect both individuals and families.

ACCOMMODATION

Floor	Area sq m	Area sq ft
Second	710	7,650
First	710	7,650
Ground	685	7,360
Total	2,105	22,660

Exeter office market

The Exeter out of town market comprises of 3,000,000 sq ft and can be divided into three premier locations being west of the M5 within the Exeter city boundaries which includes Pynes Hill, Peninsula Park and Exeter Business Park, and east of Junction 29 and 30 of the M5 including the Science Park and Skypark.

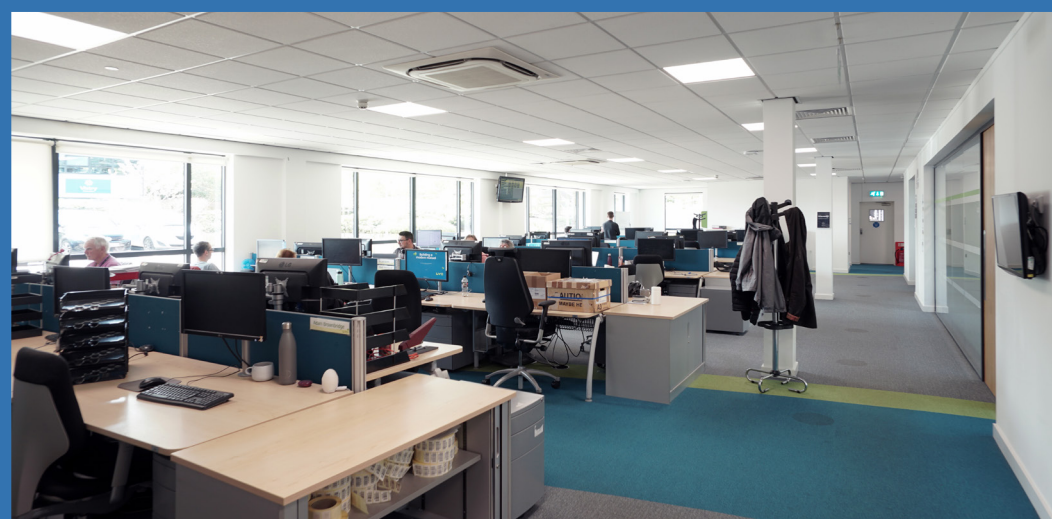
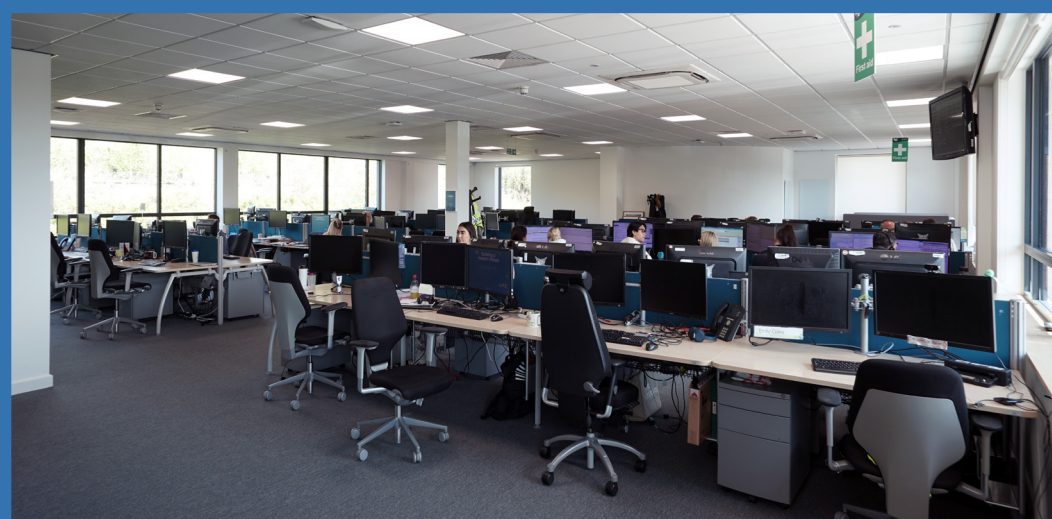
The out-of-town market remains attractive due to the city centre becoming difficult to access at peak travel times and has attracted many national occupiers over recent years including the Met Office, EDF Energy Plc, Ashfords Solicitors and Devon and Cornwall Police.

Rents remain on an upward trend as shown by Pynes Hill which is achieving £20.00 psf, similarly at Exeter Business Park, £24.00 psf at Winslade Park and £25.60 psf which is being quoted at the Science Park.

Property	Date	Area	Term (years)	Break (years)	Global rent	PSF
3rd floor, Longbrook House	Mar 2023	11,721	15	10	£263,722	£22.50
Part first floor, Aperture West, Pynes Hill	Jan 2023	5,996	10	5.75	£104,930	£17.50
Stratus House, Emperor Way	Sept 2022	5,145	8	5	£106,634	£18.50
Milford House, Pynes Hill	Apr 2022	21,907	15	5	£427,187	£19.50
Winslade House, Manor Drive	Jan 2022	5,247	10	5	£104,940	£20.00

REGIONAL OFFICE INVESTMENT MARKET ACCOMMODATION

Property	Date	Area	Sale price	NIY	Capital value
240 Bristol Business Park	Aug 2022	18,314	£4,900,000	7.08%	£268
720 Aztec West, Bristol	Jun 2022	8,333	£2,520,000	6.22%	£302
Monarch Court, Emersons Green	Mar 2021	15,300	£3,100,000	7.83%	£203
1 Emperor Way, Exeter Business Park	Dec 2019	20,472	£4,550,000	6.78%	£222





Additional information

CAPITAL ALLOWANCES

All capital allowances will be retained by the vendor.

VAT

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

Investment proposal

Seeking offers in the region of **£5,000,000 (FIVE MILLION POUNDS)** for the Freehold Interest subject to contract, reflecting a Net Initial Yield of 8.11%, assuming purchasers' costs of 6.59%. A purchase at this level reflects a low Capital Value of £217 per sq ft.

The property is held within an Special Purchase vehicle (SPV) which is also available to acquire.

Contact



Olly Paine
JLL
Head of Capital Markets
+44 (0)7767 204 854
oliver.paine@jll.com

William Robinson
JLL
Surveyor
+44 (0)7562 205 764
william.robinson@jll.com



Andrew Pearce
Pearce Property Consultants
Director
+44 (0)7971 278 386
andrew@pearceproperty.com

The material herein, dated April 2023 is intended as a guide only, no liability for negligence or otherwise is assumed for the material contained herein by Jones Lang LaSalle, its principal or its servants or its agents. No material contained herein shall form the basis of or be part of any agreement and no warranty is given or implied as to the accuracy of the whole or any part of the material. Prospective purchasers/tenants should not rely on the material but should make their own enquiries and satisfy themselves of all aspects of the material. Any liability by Jones Lang LaSalle, its principal, its servants or its agents in any way connected with the brochure, whether or not such liability results from or involves negligence, will not exceed £1,000. Designed by 86k.co.uk