



SWALLOWFIELD ONE

**PRIME LONG LET OFFICE
INVESTMENT OPPORTUNITY**

AA | Swallowfield One | Wolverhampton Road | Oldbury | Birmingham | B69 2AG



**RARE OPPORTUNITY
TO ACQUIRE A
HEADQUARTERS OFFICE
BUILDING WITH IN EXCESS
OF 10 YEARS UNEXPIRED
WITHOUT BREAK**

INVESTMENT SUMMARY

Swallowfield One is an imposing and highly prominent long-let headquarters office building located in Oldbury, Greater Birmingham.

- **Strategically located in the centre of the Greater Birmingham conurbation**, directly adjacent to Junction 2 of the M5 Motorway, providing unparalleled access to the nearby M6 and M42 Motorways, and the national motorway network
- Birmingham is the UK's second city and the economic and cultural capital of the Midlands region. **Birmingham is at the heart of a powerful, fast growing City Region economy**, which benefits from a GDP within the top 10 in Europe
- Occupied by The Automobile Association (AA), which has been established for over 100 years and is the market leader in the UK Automotive Services sector. **Swallowfield One provides The AA with its principal UK Centre of Excellence**
- **The AA have recently affirmed their commitment to Swallowfield One** through a lease renewal on the whole property, taking a coterminous lease over additional parking spaces, and undertaking a refurbishment programme to upgrade the property
- **Swallowfield One comprises a modern four storey Headquarters office building** with impressive central feature atrium, constructed in 2003, providing a total net internal floor area of 10,283.20 sq m (110,686 sq ft). 734 car parking spaces provide an unrivalled car parking ratio of 1:151 sq ft
- Fully let to Automobile Association Developments Ltd, with guarantee from AA Plc, a FTSE 250 listed company, with lease expiry in 23 June 2028. This provides an **attractive unexpired lease term in excess of 10 years**
- Current passing rent of £1,662,785 per annum, which reflects a **very low and rebased overall rent of £14.56 per sq ft**. Set against the current prime rent in the Greater Birmingham Out of Town markets of £23.00 per sq ft, this provides excellent prospects for future growth
- **Freehold**

PROPOSAL

We are instructed to seek offers in excess of **£23,075,000** subject to contract and exclusive of VAT.

A purchase at this level reflects an attractive Net Initial Yield of **6.75%** and a low capital value of **£208 per sq ft**, assuming standard purchaser costs.



GREATER BIRMINGHAM

Swallowfield One is located in Oldbury, forming part of the Sandwell Metropolitan Borough located in the centre of the Greater Birmingham conurbation.

Birmingham is the administrative and cultural capital of the West Midlands and is firmly established as the UK's second city. With a population of circa 1.125 million (2016) it is the largest regional centre in the UK in both population and economic terms. The larger Greater Birmingham / West Midlands conurbation has a population of over 2.86 million (2016), providing one of the largest regional labour pools in the UK.

Greater Birmingham has a strong and well balanced economy and is a major engine of UK growth. The city region is one of the fastest growing in the United Kingdom and Europe. Greater Birmingham has the 10th largest city economy in Europe producing £100 billion + GDP per annum (2015 estimate), ranking Birmingham ahead of Manchester (UK), Hamburg and Munich (Germany), Stockholm (Sweden) and Lyon (France). Birmingham is host to over 75,000 companies, including 1,200 international businesses.

Greater Birmingham's business and financial services sector is the second largest in the UK, employing over 350,000 people, with further growth of 30% expected by 2025. The region is a key target for commercial investment and has seen more successful inward relocations than any other regional centre in the last 5 years. This is highlighted by HSBC's decision to relocate the headquarters of its HSBC UK retail bank to Birmingham city centre, moving 1,000 jobs from London, continuing the impressive inward investment trend set by HS2 and Deutsche Bank.

Oldbury is located at the heart of the Greater Birmingham conurbation, a major engine of UK growth

The region's success is, in part, due to a skilled workforce, with the West Midlands region producing over 45,000 graduates a year from its twelve top class universities. 57% of UK based graduates from West Midlands Universities choose to stay and work in the region, providing valuable talent and knowledge to a range of industries in the West Midlands.

Greater Birmingham is one of the leading cities for events in Europe. With facilities such as the National Exhibition Centre in Solihull and the International Convention Centre in Birmingham city centre, the region accounts for around 40% of the UK's conference and exhibition trade each year.

In summary Greater Birmingham is:-

- The **largest regional economy** in the UK outside of London and the fastest growing economy in the UK
- A dynamic **economic powerhouse** with the largest financial and professional services sector outside London; the fastest growing sector in the region, already employing **350,000+** people
- Host to over **75,000** companies, including **1,200** international businesses
- **Home to major employers** continuing to invest in the region including Jaguar Land Rover, E.On Energy, JCB, Mondelez, HSBC, HS2 and Deutsche Bank
- **Birmingham is the youngest major city in Europe**, with under 25's accounting for nearly **40%** of population
- One of the UK's top university regions, producing over **45,000** graduates a year from its twelve top class universities, with **57%** remaining in the West Midlands post graduation
- An engine for growth – the Midlands Engine partnership aims to create a region that powers the UK economy and competes on the **world stage**
- A **key target** for inward investment and infrastructure projects, subject to **more infrastructure investment than any other European city**
- The future heart of the UK's **high speed rail network**, consolidating the West Midlands' position at the heart of the UK's infrastructure platform



HSBC at Arena Central



National Exhibition Centre



Birmingham Airport



Jaguar Land Rover



Centre of the National Motorway Network



Birmingham Council House



Over 45,000 graduates a year from its twelve top class universities



Library of Birmingham

AGENDA FOR GROWTH

West Midlands Combined Authority

The West Midlands Combined Authority (WMCA) comprises 18 local authorities, including all seven Metropolitan Boroughs, and four Local Enterprise Partnerships (LEPs). The WMCA, headed by former John Lewis managing director Andy Street as Mayor, is working to move powers from Whitehall to Greater Birmingham and the West Midlands aiming to create jobs, enhance skills, develop prosperity and drive economic growth in the region. An agreement with Central Government will see annual contributions worth £40 million made for 30 years, to support an overall investment package that will unlock £8 billion, alongside the creation of up to half a million jobs.

High Speed 2

Phase 1 of HS2 will connect London and Birmingham by 2026, with a dedicated city centre terminus at Birmingham Curzon Street. Phase 2 of the project will connect Birmingham with Manchester and Leeds, placing the city at the heart of the new national high speed network. The forecast journey time from London to Birmingham will reduce to 48 minutes. A new HS2 station will also be located at Birmingham Airport, allowing passengers to reach the terminal from London in just 44 minutes.

Midlands Engine

The Midlands Engine is a partnership of Local and Combined Authorities, Local Enterprise Partnerships, Universities and Businesses working together in new and transformative ways to invigorate the £207 billion Midlands economy. Home to over 10 million people and 440,000 large and small businesses, the Midlands has huge potential and the Midlands Engine Partnership is focused on delivering global success. The core purpose of the Midlands Engine is to create a region that powers the UK economy and competes on the world stage.

Commonwealth Games

Birmingham has recently been announced as the host city for the 2022 Commonwealth Games, the biggest sporting event to be awarded to an English city since the London Olympics in 2012. Venues in and around the Greater Birmingham area will host competitions in seventeen sports. A new 5,000 seater Aquatics Centre is planned to be constructed for the games in Sandwell, within close proximity to Swallowfield One. The event is worth £1.1 billion to the UK economy, with half invested in the West Midlands and will support over 4,500 jobs in Birmingham each year until 2022.

Midland Metro

The Midland Metro opened in 1999 and is one of the UK's most successful light rail projects. The system currently links Birmingham city centre to Wolverhampton via tram services running at a peak frequency of every 6 minutes. The Midland Metro Alliance plans to expand the Metro network by approximately 34 km, encouraging social and economic regeneration across the West Midlands. Five extension projects are currently planned, including an extension to Dudley town centre and Brierley Hill, which will bring the Midland Metro within close proximity to Swallowfield One following completion in 2022.

**The West Midlands
Combined Authority
aims to support
future growth and
unlock
investment
of over
£8 billion**



Midland Metro

High Speed 2 Terminus



Victoria Square 2022

LOCAL CONNECTIVITY

Swallowfield One benefits from exceptional local, national and international connections via the world class, multimodal, integrated transport infrastructure afforded by the Greater Birmingham area.



Road

Swallowfield One is strategically located directly adjacent to Junction 2 of the M5 Motorway, offering direct access to the Birmingham Motorway Box (formed of the M5, M6 and M42 Motorways), providing unparalleled access to the wider national Motorway network. The A4123 Wolverhampton Road dual carriageway runs adjacent to the property and provides alternative access to both Birmingham and Wolverhampton city centres.



Rail

The Greater Birmingham area benefits from extensive national and regional rail services. Swallowfield One is served by two nearby railway stations; Sandwell & Dudley and Langley Green. Sandwell & Dudley Railway Station offers regular direct Virgin Trains services to London Euston (1 hour 37 minutes), Birmingham New Street (9 minutes) and Wolverhampton (11 minutes). Langley Green Railway Station offers regular direct West Midlands Railway services to Birmingham Snow Hill (12 minutes).



Midland Metro and Bus

The Greater Birmingham area benefits from the comprehensive Midland Metro tram system, one of the UK's most successful rapid transport systems, currently operating between Birmingham and Wolverhampton via West Bromwich and Wednesbury. Future extensions are funded and will connect the system to Dudley town centre, Merry Hill, Edgbaston and Birmingham Airport. Local buses, operated by National Express West Midlands, run from Swallowfield One to Birmingham and Wolverhampton city centres every 10 minutes Monday to Friday and every 20 minutes at weekends.



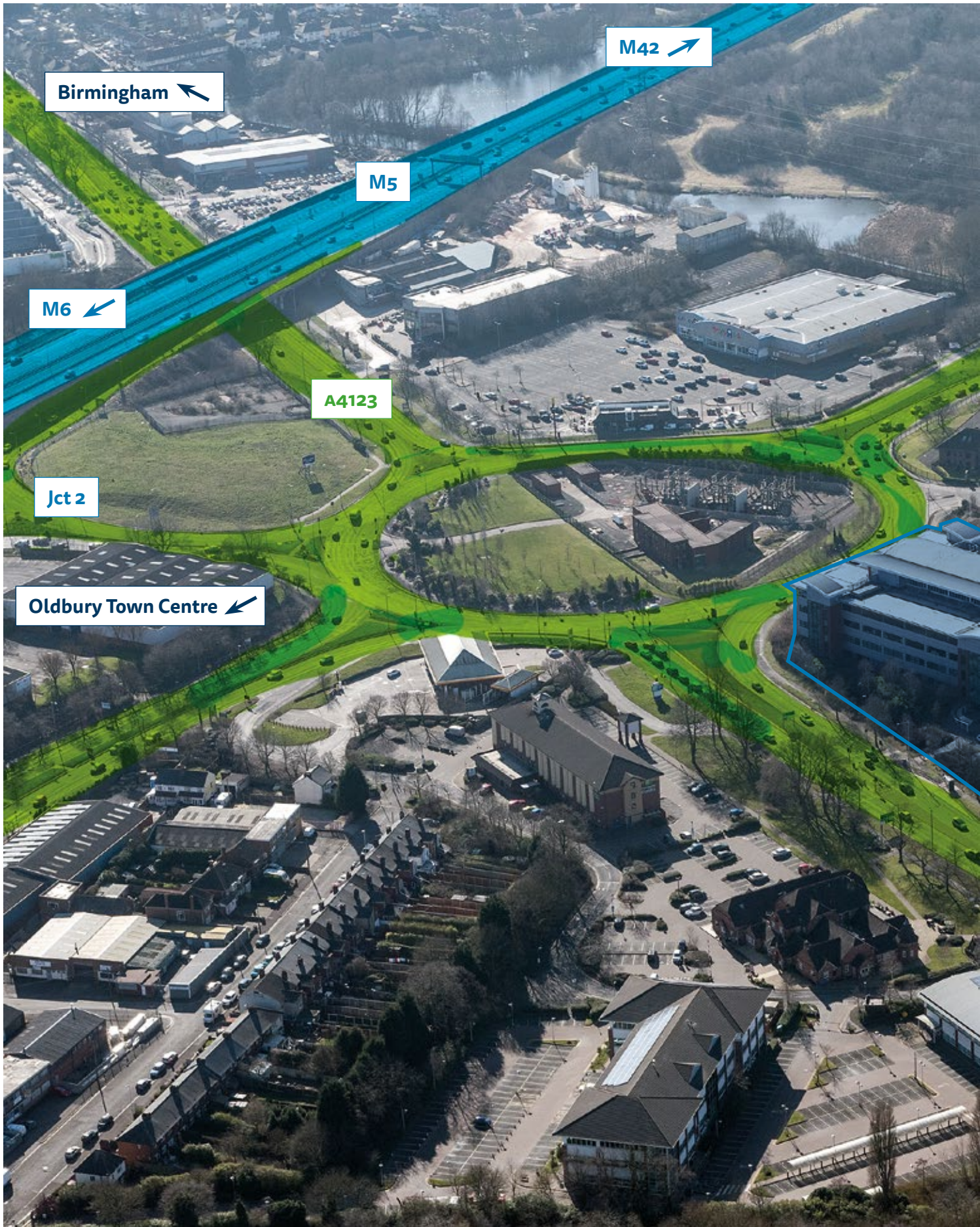
Air

Birmingham Airport, the UK's third largest airport outside London, lies 19.7 km (12.2 miles) south-east of Swallowfield One and serves 143 national and international destinations. Over £300 million has been invested in the Airport over the past 10 years, providing state-of-the-art infrastructure including a runway extension, which brings new long-haul destinations within direct range for the first time, including the Far East, the West Coast of the USA, South America and South Africa.



Map Key

- Motorways
- Railway Lines
- Train Stations
- HS2 Lines
- HS2 Stations





SWALLOWFIELD
ONE

A4123

Wolverhampton →

SITUATION

Swallowfield One is strategically located in Oldbury, mid way between Birmingham and Wolverhampton city centres, and centrally located within the Greater Birmingham Conurbation.

Swallowfield One is situated in a highly prominent position, directly adjacent to Junction 2 of the M5 Motorway. The property overlooks Birchley Island, a major road intersection of the M5 Motorway, A4123 and A4034 dual carriageways, positioned approximately 1.60 km (1 mile) south of Oldbury town centre, 11.25 km (7 miles) to the north east of Birmingham city centre and 12.80 km (8 miles) to the south east of Wolverhampton city centre.

The property's situation affords excellent public transport connectivity. The nearest bus stop is situated less than 25m from the property and offers frequent services to Birmingham and Wolverhampton city centres. In addition, Sandwell & Dudley and Langley Green Railway Stations are located 1.8 km (1.1 miles) and 1.3 km (0.8 miles) from Swallowfield One and offer extensive intercity and regional train services.

The surrounding area provides a mix of commercial and amenity uses including modern office developments, retail warehousing, food retailing, industrial, trade counter and car showrooms. Oldbury town centre, Oldbury Green Retail Park, Sainsburys and ASDA supermarkets are all in close proximity. Other nearby occupiers include NPower, Toys R Us, Halfords, Dunelm Mill, CD Transport, McDonalds, Fayre & Square Public House, Holiday Inn and SEM Consultancy.

The site for a future planned 200,000 sq ft Designer Outlet Village is directly adjacent to Swallowfield One, with a full planning application expected to be submitted by Autumn 2018. The development will create 2,000 jobs, bring a £200m investment to the area and provide additional high quality amenity and retail provision in the immediate vicinity of the property.

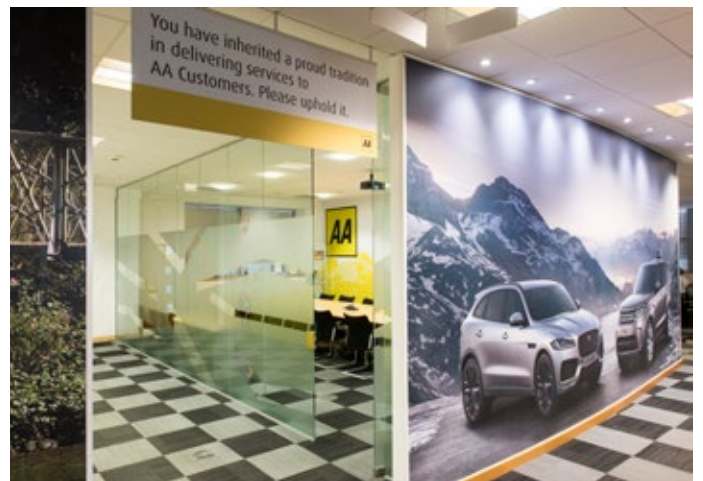
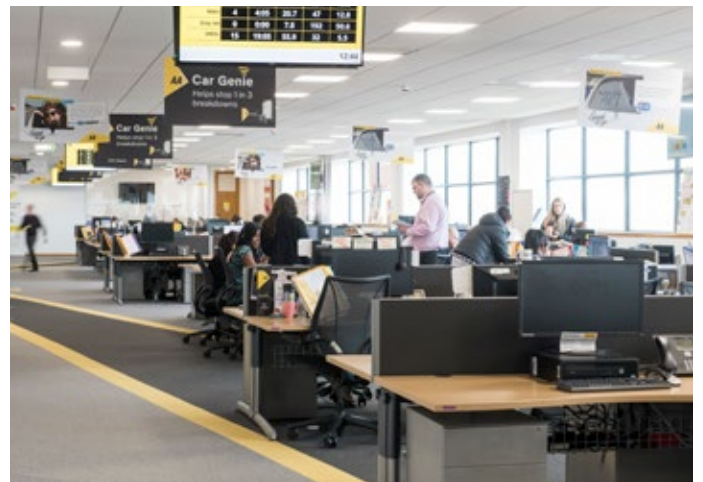
Swallowfield One is accessed via an estate road, shared with the adjacent Swallowfield Courtyard office scheme, that links with the A4123 Wolverhampton Road; a principle arterial route that runs between Birmingham and Dudley / Wolverhampton.





Map Key

- Motorways
- Railway Lines
- 🚉 Train Stations
- - - Metro Line
- - - Future Metro Extension



DESCRIPTION

Swallowfield One comprises a modern four storey Headquarters office building, with impressive central feature atrium, constructed in 2003 and providing a total net internal floor area of 10,283.20 sq m (110,686 sq ft). The property is a landmark building in the area and is highly prominent, being visible from the M5 Motorway.

The property benefits from an impressive full height glazed feature reception area, leading to circulation cores and a feature central atrium providing break out and amenity facilities. The office accommodation is arranged over ground to third floors, providing highly flexible office space suitable for future subdivision if required. Each office floor provides approximately 26,000 sq ft of accommodation split into two interconnected wings of approximately 13,000 sq ft. Each wing is accessed from both main circulation cores and benefit from excellent natural light from external glazing to all sides and internal views into the atrium.

Swallowfield One is of strategic occupational importance for The AA, who have recently affirmed their commitment to the property through a lease renewal and a high quality rolling internal refurbishment programme to upgrade the property. The AA's upgrade works will include a comprehensive refitting of all office accommodation with the provision of new carpeting, redecoration and LED lighting to fit with The AA's updated corporate branding. The upgrade works will be staged over the course of 2017 and 2018, and will allow The AA to consolidate UK Centre of Excellence operations into Swallowfield One.

The AA have recently committed to a new long term lease

and are undertaking a rolling refurbishment of the building

Specification

The property is of steel frame construction, with a mix of profile clad and infill glazed elevations, covered by a predominantly flat roof with elevated central feature butterfly section. The layout enables highly flexible occupation, either as a whole, on a floor by floor basis, or sub divided into further suites.

Swallowfield One was built to a high institutional specification, with additional design features to allow for high density occupation, including the following design features;

- Feature full height, fully glazed reception
- 4 passenger lifts serving all floors (three in the main core, one in the secondary core)
- Air conditioning
- Additional perimeter gas fired central heating
- Suspended ceiling with mineral fibre tiles
- Recessed LED lighting (in the process of being installed by The AA)
- Fully accessible raised floors throughout
- Generous finished floor to a ceiling height of 3 metres
- Kitchen / break out areas located on each wing
- Male, Female and Disabled WC's on each floor

On-site parking provision is unrivalled, with a total of 734 car parking spaces, providing an exceptional parking ratio of 1:151 sq ft. Swallowfield One therefore benefits from a superior parking provision to almost any other office building in the region. 550 parking spaces are provided immediately adjacent to Swallowfield One, and a further 184 additional car parking spaces are provided on adjacent land.

Swallowfield One occupies a substantial 2.75 hectare (6.80 acre) site, split across a principle site extending to 2.30 hectares (5.68 acres) and an additional car parking site extending to 0.45 hectares (1.12 acres).

ACCOMMODATION

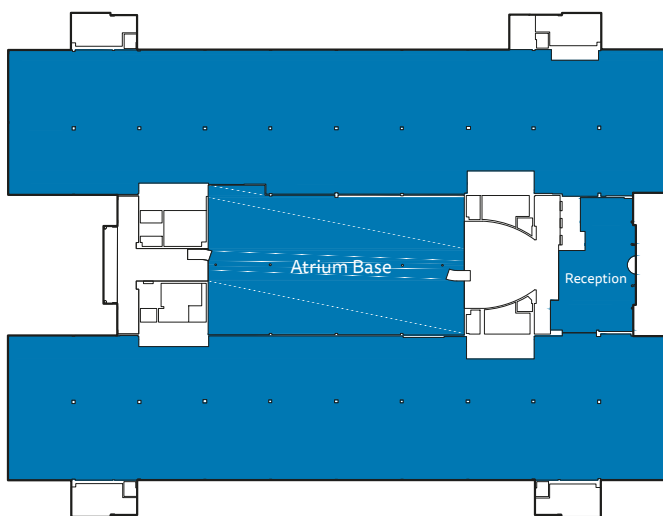
Plowman Craven have undertaken a measured survey which can be assigned to the Purchaser. This survey is available on request.

The Property has been measured in accordance with the new RICS Property Measurements (1st Edition), which incorporates the new International Property Measurement Standards (IPMS) and RICS Code of Measuring Practice (6th Edition), respectively, to provide the following IPMS and NIA floor areas:

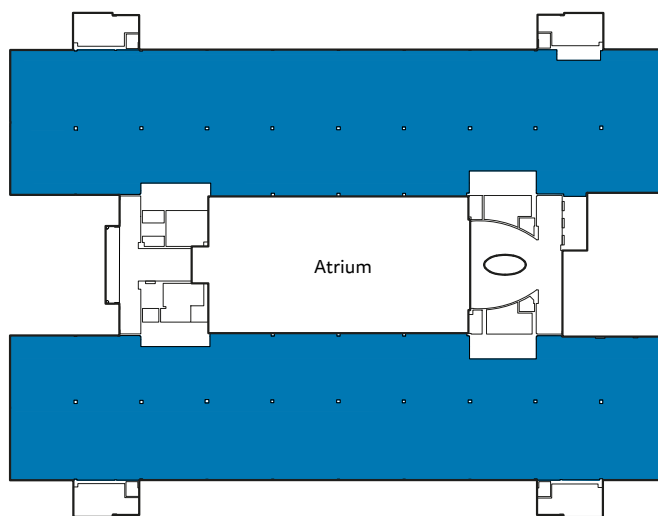
Floor	Use	IPMS		NIA	
		Sq m	Sq ft	Sq m	Sq ft
Ground	Reception	229.60	2,471	118.20	1,272
	Atrium	535.10	5,760	469.90	5,058
	Offices	2,444.00	26,307	2,393.60	25,765
	Break Out	15.20	164	13.70	147
First	Offices	2,521.30	27,139	2,414.00	25,984
	Break Out	15.20	164	13.70	147
Second	Offices	2,525.10	27,180	2,417.70	26,024
	Break Out	15.20	164	13.70	147
Third	Offices	2,525.10	27,294	2,415.00	25,995
	Break Out	15.20	164	13.70	147
Total		10,851.60	116,807	10,283.20	110,686

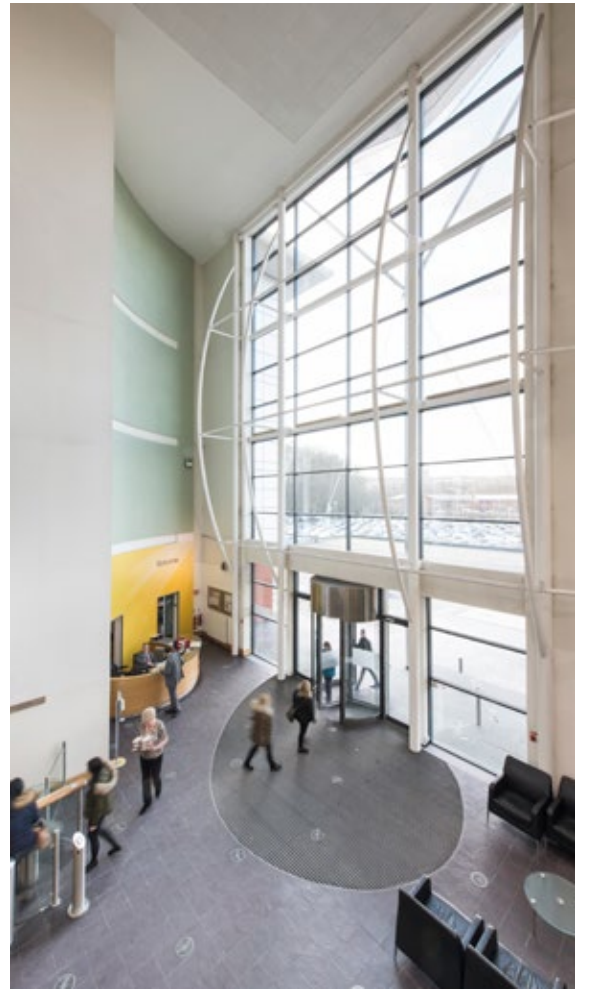
Note: All references to rental analysis, parking ratios and capital values per sq ft are analysed on the basis of NIA.

Ground Floor



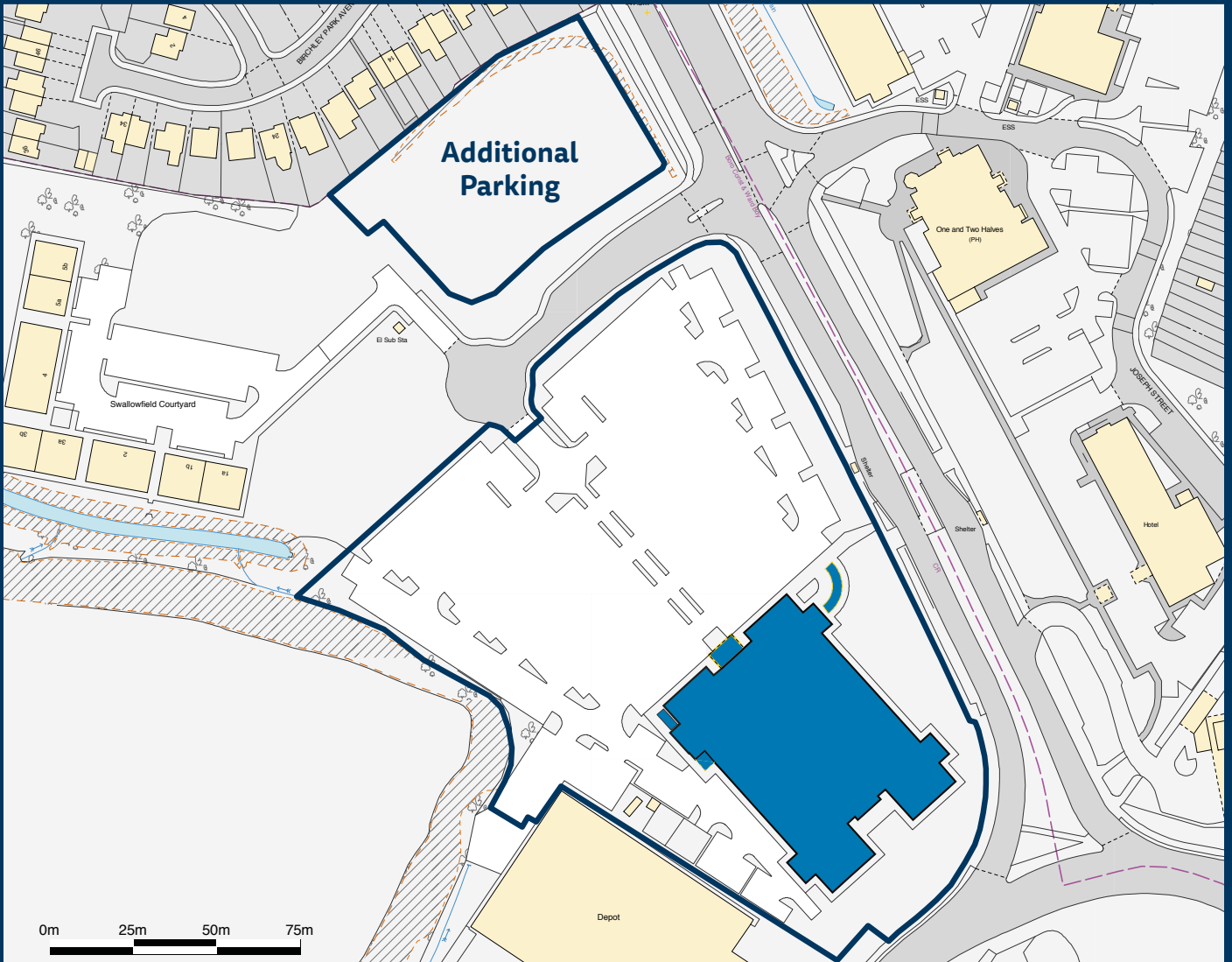
Typical Upper Floor





TENURE

Swallowfield One and the additional car parking site are both held freehold.



TENANCY & COVENANT

Tenancy

Swallowfield One is fully let to Automobile Association Developments Ltd, with guarantee from AA Plc, a FTSE 250 listed company, with lease expiry on 23 June 2028. This provides an attractive unexpired lease term in excess of 10 years, without break.

The total current passing rent is £1,662,785 per annum, which reflects a very low and rebased overall rent of £14.56 per sq ft.

The property is let by way of two full repairing and insuring leases, secured against the same tenant and guarantor, with coterminous expiry dates. The principal lease is for the main building and associated car park, with a supplementary lease for the additional car park;

- **Principal Lease** - Swallowfield One and Associated Car Park - Expiring 23 June 2028, without break, at a rent of £1,561,585 per annum reflecting £14.56 psf on the office building, with 550 car parking spaces included in the rent
- **Supplementary Lease** - Additional Car Parking – Expiring 23 June 2028, without break, at a rent of £101,200 per annum reflecting £550 per parking space on the 184 additional car parking spaces

The principal lease is subject to 5 yearly upwards only rent reviews, with the next being due June 2023. The additional parking lease has a rent review on the same date, with the rental uplift linked to the percentage increase in rent under the principle lease.

The AA is the largest roadside assistance provider in the UK, with approximately **40% market share**

Covenant

The Automobile Association (AA) is the UK's leading automotive services company. The AA currently provides breakdown cover, car insurance, driving lessons, loans, motoring advice, road maps and other services.

The company is listed on the London Stock Exchange, and is a constituent of the FTSE 250 Index (LSE: AA).

The AA is by far the largest roadside assistance provider in the UK, with approximately 40% market share. The AA has three principal divisions – Roadside Assistance (over 75% of revenue), Insurance Services and Driving Services.

The AA, founded as The Automobile Association in 1905, currently has in excess of 15 million members and over 7,400 employees. The AA has approximately 3,000 patrols attending an average of around 10,000 breakdowns by cars, motorbikes, caravans and vans every day.

Automobile Association Developments Ltd (Tenant) have a Dun & Bradstreet rating of 5A1, representing a minimum risk of business failure. Recent financial accounts are summarised below;

Year End	31/01/2017 (000's)	31/01/2016 (000's)	31/01/2015 (000's)
Sales Turnover	£595,500	£661,800	£566,723
Profit / (Loss) Before Taxes	£87,800	£101,400	£169,870
Tangible Net Worth	£1,297,700	£1,301,000	£1,123,904
Net Current Assets (Liabilities)	£1,059,500	£989,400	£1,104,238

AA Plc (Guarantor) have a Dun & Bradstreet rating of N1, representing a minimum risk of business failure. Recent financial accounts are summarised below;

Year End	31/01/2017 (000's)	31/01/2016 (000's)	31/01/2015 (000's)
Sales Turnover	£933,00	£973,000	£983,500
Profit / (Loss) Before Taxes	£100,000	£17,000	£60,800
Tangible Net Worth	(£3,196,000)	(£3,254,000)	(£3,512,100)
Net Current Assets (Liabilities)	(£138,000)	(£190,000)	(£11,400)

OFFICE MARKET

Swallowfield One sits at the heart of Greater Birmingham, within the wider Out of Town Office Market.

Located directly adjacent to Junction 2 of the M5 Motorway, the property capitalises on an unparalleled central location and benefits from excellent access to all of the Greater Birmingham conurbation and wider national motorway network.

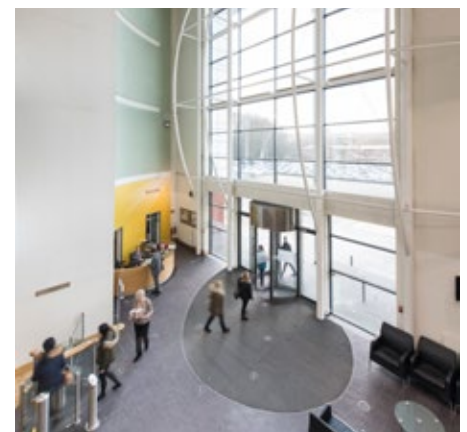
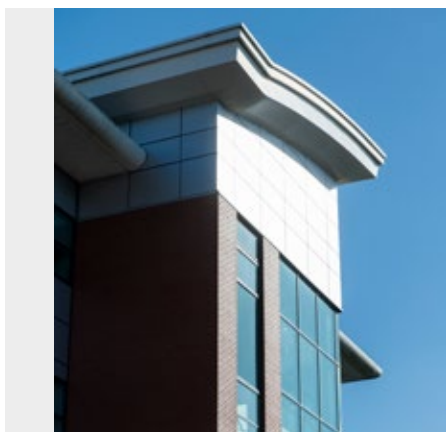
Coupled with well-established rail, metro, bus and air links, occupiers enjoy unrivalled connectivity and benefit from a large, diverse and skilled labour market within a short commute. In turn, the Greater Birmingham Out of Town market has become a sought after location for office occupiers and is home to a range of major employers.

Major occupiers in the immediate vicinity include Npower, BT Group, Department for Work and Pensions, Tarmac, RAC, Charter Court Financial Services and both Sandwell & Dudley Metropolitan Borough Councils.

Rental levels are rising, with the prime headline rents in the Birmingham Out of Town market now in excess of £23 per sq ft, well above the current passing rent of £14.56 per sq ft at Swallowfield One.

Key letting transactions include:

Property	Size (sq ft)	Tenant	Term	Headline Rent (per sq ft)	Date
2 Exchange Court, Wolverhampton Business Park	24,606	Charter Court Financial Services	10 years	£20.25	Jul-17
Building 7, Quinton Business Park, Birmingham	7,804	Lovell Construction	10 years	£16.00	Jul-17
One Central Boulevard, Blythe Valley Park	17,810	PFK	10 years	£22.00	Jan-17
Plot F3, Blythe Valley Park	15,284	Prologis	15 years	£23.25	Nov-16
Building 2, Fore Business Park	10,484	Taylor Wimpey	10 years	£22.50	Aug-16
Lansdowne Gate, Solihull	14,958	Phoebus Software	11 years	£22.00	Apr-16
Compton House, Birmingham Business Park	32,692	Uniper UK Limited	10 years	£20.00	Mar-16



INVESTMENT MARKET

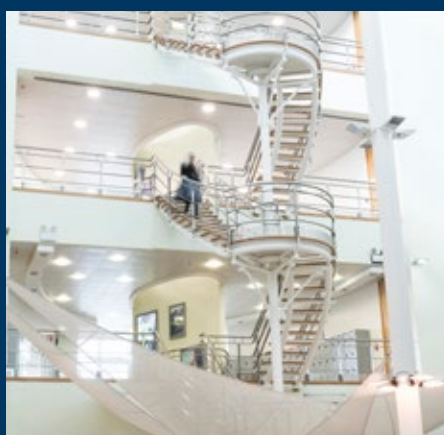
The UK commercial investment market was subject to exceptionally strong performance in 2017 with transactional volumes totalling £62.1bn, some 27% higher than 2016, with office investment rising by circa 25% to £26.5bn.

Investment activity in the UK regions soared to £8.4bn in Q4 2017, giving the strongest quarter in 10 years, and accounted for in excess of 60% of all UK investment transactions, well above the 5-year average of 45%. This robust investment activity has been underpinned by strong occupier fundamentals within core regional markets.

Prime long-let office investments are subject to strong investor demand, with wide spread interest from Institutions, Local Authorities and Overseas Investors, who continue to benefit from a favourable exchange rate.

Numerous key headquarter office and business park investments have transacted recently, as evidenced below:

Property	Tenant	Area (sq ft)	Unexpired Term	Purchaser	Price	NIY	Capital Price (per sq ft)	Date
Barclaycard House, Northampton	Barclaycard	310,491	9 years	Barclays Bank	£60.1m	6.61%	£194	Jan-18
Birmingham International Park, Solihull	Robert Half, Fair Isaac Services, ECC	71,662	4 years	Columbia Threadneedle	£17.0m	7.10%	£237	Dec-17
Wildwood Drive, Worcester	Worcester County Council	64,331	17 years	Private Investor	£11.2m	5.66%	£174	Aug-17
Nunnery Square, Sheffield	DSG Retail	71,699	13 years	Bracknell Forest Council	£17.1m	6.20%	£238	Jun-17
Lansdowne Gate, Solihull	National Grid, Phoebus Software	60,999	10 years	Columbia Threadneedle	£20.0m	6.25%	£328	Mar-17
Legal & General Campus, Surrey	Legal & General	253,486	8.5 years	Legal & General	£65.3m	6.17%	£257	Feb-17
Oxfam House, Oxford Business Park	Oxfam	87,341	8.5 years	Sutton Borough Council	£29.9m	5.29%	£338	Nov-16





INVESTMENT RATIONALE

- Occupied by The Automobile Association (AA), established over 100 years ago and the market leader in the Automotive Services sector
- Let to Automobile Association Developments Ltd, with parent company guarantee from AA Plc, a FTSE 250 listed company. Both tenant and guarantor have Dun & Bradstreet ratings representing a minimum risk of business failure
- Let for in excess of 10 years without break, offering long term income security
- Swallowfield One provides The AA with a critical 'Centre of Excellence' facility, benefitting from extensive operational flexibility, exceptional car parking ratio and unparalleled access to the national motorway network by virtue of its strategic central location
- The AA have recently affirmed their commitment to Swallowfield One through a lease renewal on the whole property, while also taking a coterminous lease over additional parking spaces. The AA are undertaking a refurbishment programme to upgrade the property and consolidating several operations into this facility



- Very low passing rent of £14.56 per sq ft, which is extremely attractive to the tenant, and amongst the lowest rental levels in the Greater Birmingham area, offering potential for future growth
- Located at the heart of Greater Birmingham, the second largest city region in the UK, with high profile infrastructure projects, such as HS2 and the Midland Metro extensions, illustrating the ongoing inward investment in the region
- Exceptional political capital, with the newly established West Midlands Combined Authority and Midlands Engine raising the profile of the Greater Birmingham city region, ensuring significant inward investment for the future

RETURNS

At the debt terms highlighted below, Swallowfield One can provide day one gross cash on cash returns to an investor in excess of 9.00% per annum. Margin pricing and LTV assumptions may vary depending on the sponsor, their track record and debt aspirations, all of which could potentially drive even higher cash on cash returns.

Based on the passing rent and quoting price, this investment has the potential to generate the following cash on cash returns;

		LTV		
		50% Interest Only	55% Interest Only	55% 1% amort p.a.
ALL IN INTEREST COSTS	3.50%	9.57%	10.15%	8.23%
(Assuming margin over 5 year swap rate)	3.75%	9.35%	9.88%	7.96%
	4.00%	9.13%	9.62%	7.70%

FURTHER INFORMATION

VAT

The property has been elected for VAT. It is anticipated the sale will be treated as a Transfer of a Going Concern (TOGC).

Energy Performance Certificate

Swallowfield One has an EPC rating of C75. The Energy Performance Certificate is available to view on request.

Estate Service Charge

There is an estate service charge relating to the ongoing upkeep and maintenance of the estate access road and associated common areas. The tenant of Swallowfield One is liable for 50.1% of the annual maintenance costs, which totalled £500 in 2017. Further information is available on request.



PROPOSAL

We are instructed to seek offers in excess of **£23,075,000** subject to contract and exclusive of VAT.

A purchase at this level reflects an attractive Net Initial Yield of **6.75%** and a low capital value of **£208 per sq ft**, assuming standard purchaser costs.

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