

JOHN DEERE HOUSE

METEOR COURT | BARNWOOD
GLOUCESTER | GL4 3GG



Freehold Office Investment Opportunity



Investment Summary

- Fully let office investment
- Detached three storey building totalling 8,190 sq ft
- Excellent communication links being two miles from M5 (J11) and three miles from Gloucester city centre
- Highly desirable office location with nearby occupiers including NHS, Lloyds Finance, Barclays, EDF, GCHQ and TSB
- Let to the strong covenants of John Deere Bank and Roke Manor Research Ltd
- Weighted average unexpired lease term of 5 years to expiry and 1.9 years to breaks
- Excellent parking provision of approximately 1:240 sq ft
- Rental income of £92,295 per annum, £11.53 per sq ft
- ERV of £120,030 per annum, £15.00 per sq ft

Proposal

We are instructed to seek offers in the region of **£1,090,000 (One Million and Ninety Thousand Pounds)** reflecting a **net initial yield of 8.00%** assuming purchasers costs at 5.84%. A purchase at this level would reflect a **capital value of £133 per sq ft**.



Location

Gloucester is the county city of Gloucestershire and is served by the M5 motorway which runs to the east of the city, south to Bristol and north to the west Midlands.

The M5 also connects with the M4 just north of Bristol. The A38 runs north-south through Gloucester connecting the city with Tewkesbury and Bristol, with the A40 connecting the city to Cheltenham and Oxford.

Gloucester Railway Station provides regular services to London Paddington, Cheltenham Spa, Bristol Temple Meads and Cardiff Central. Birmingham and Bristol airports are approximately a one hour drive to the north and south respectively. Both airports provide extensive UK and European flight schedules, with Birmingham offering flights to over 140 destinations.

Gloucester is the home of Cheltenham & Gloucester Building Society and other major employers include EDF Energy, Mears Group Plc, Safran, Ecclesiastical Insurance and The University of Gloucestershire.



Drive Times

18 mins
Cheltenham

49 mins
Bristol

1 hr 16mins
Birmingham

21 mins
Tewkesbury

1 hr 15 mins
Oxford

2 hrs 33 mins
London

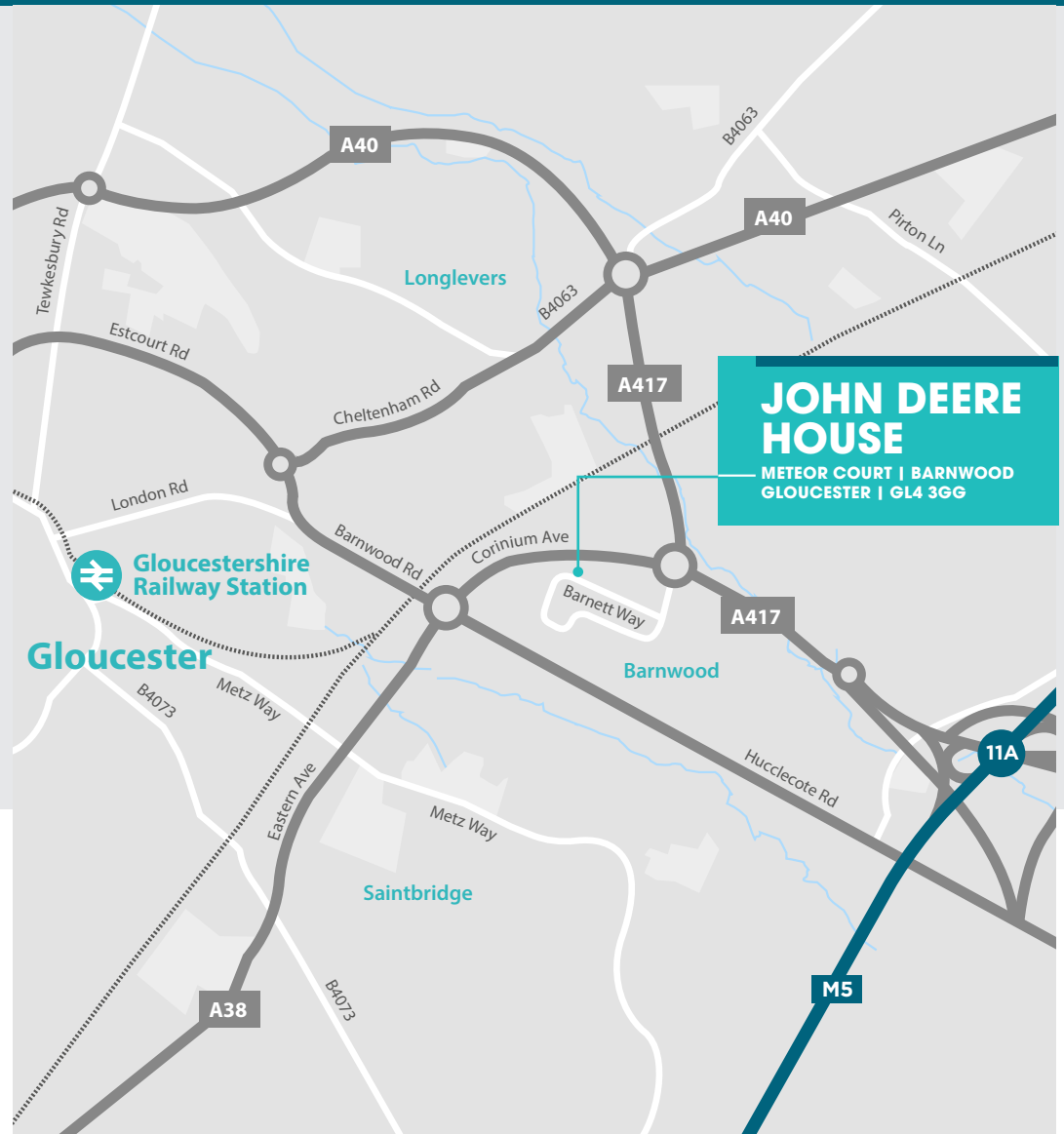
Situation

John Deere House is located within Meteor Court on an established mixed commercial location on the north east edge of the city. It is located in the Barnwood Fields development and is adjacent to the A417 bypass.

Barnwood Fields is a popular office and industrial location and it sits between Gloucester and Cheltenham with excellent access to both major local centres as well as direct dual carriageway access to junctions 11 and 11a of the M5 motorway.

Meteor Court is a strong commercial location with other firms including Pitt Godden & Taylor in Ambrose House and Thinkproject in Welland House. The surrounding occupiers include Barclays Bank, GCHQ, Lloyds Banking Group, TSB, Booker Wholesale and a Sainsbury superstore.

Gloucester has a population of approximately 128,500 with circa 63,500 employees within the office centre. The population has seen an increase of 11.4% since 2006. Employment is focused on finance, business services, ICT and administration.



Local Occupiers

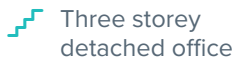


Description

John Deere House is a three storey detached office building with brick elevations beneath a pitched tiled roof.

The internal specification includes raised access floors, carpeting throughout, gas fired central heating with perimeter radiators and suspended ceilings incorporating recessed light fittings.

There is lift access to the upper floors and male and female WCs on each floor.



Three storey detached office



Gas fired central heating



WCs on each floor



Lift access to upper floors



Suspended ceilings with light fittings



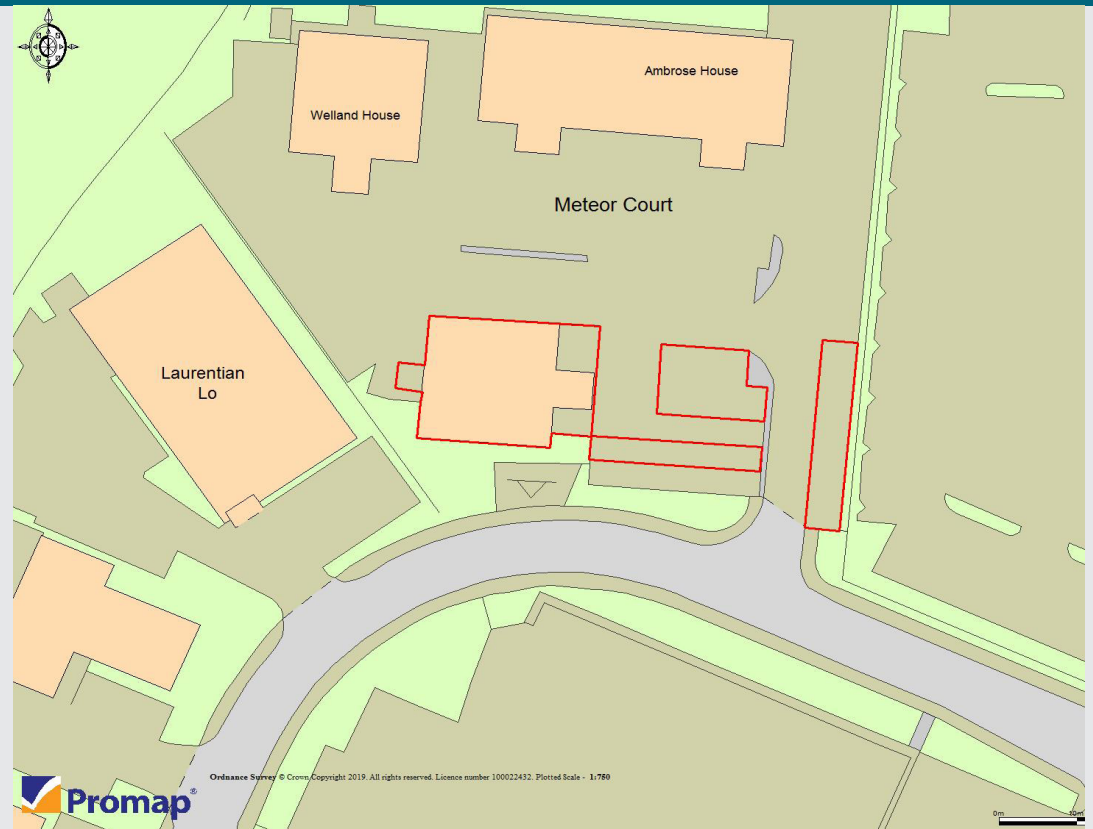
Carpeted raised access floors



Accommodation

The property provides the following approximate net internal floor areas:

Floor	Sq ft	Sq m
Ground Reception	188	17.5
Ground	2,639	245.2
First	2,749	255.4
Second	2,614	242.9
Total	8,190	761.0



Car Parking

 The property benefits from 34 car parking spaces, a generous ratio of 1:240 sq ft.



Tenancy Schedule

The property is multi-let producing a total rent roll of £92,295 per annum, reflecting an average rent of £11.53psf. The Weighted Average Unexpired Lease Term (WAULT) is 1.9 years.

Unit/Floor	Size	Tenant	Lease Start	Lease Expiry	Rent Per Annum	Rent per sq ft	Comments
Ground & First	5,388	John Deere Bank SAUK Branch	20/07/2015	19/07/2025	£60,000	£11.14	Excluded from the security of tenure provisions within the L&T Act 1954.
Second	2,614	Roke Manor Research Ltd	01/05/2021	30/04/2024	£32,295	£12.35	Excluded from the security of tenure provisions within the L&T Act 1954. Lease includes a photographic schedule of condition.
Total	8,002				£92,295	£11.53	

ERV

We consider the passing rent to be reversionary to around £120,030 reflecting £15.00psf.

Property	Tenant	Size sq ft	Rent per annum	Rent per sq ft	Term (years)	Date
Henley House, Barnwood Fields	Digitel UK	1,100	£22,200	£20.18	5	Feb-22
18C Ley Court, Barnwood Fields	BABTAC	2,355	£35,325	£15.00	5	Jul-21
19D Brighthouse Court, Barnwood Fields	Spa Medica	5,624	£84,360	£15.00	10 (5 yr TBO)	Feb-21
Welland House, Barnwood Fields	Thinkproject UK	7,874	£121,500	£15.43	5	Jan-19

Covenant

Both John Deere Bank S.A and Roke Manor Research Limited offer excellent covenant strength. Please see headline financial results below:

John Deere Bank S.a

John Deere Bank S.A. was established in 2000 and has headquarters in Luxembourg and is regulated by the CSSF. It is a wholly-owned subsidiary of Deere & Company, the world's leading producer of agricultural equipment. In addition to the headquarters in Luxembourg, there are also John Deere Bank Branches, subsidiaries or representative offices in Germany, Spain, Switzerland and the United Kingdom.

	Oct-22	Oct-21	Oct-20
Turnover	£145,817,000	£106,552,000	£97,920,000
Pre Tax Profit	£70,194,000	£49,277,000	£42,595,000
Net Worth	£494,708,000	£438,603,000	£391,649,000

Roke Manor Research Limited

Roke Manor Research is a world-class electronics engineering consultancy who enables their clients to maximise investments in science and technology. Roke deliver technology-based R&D services, provide independent advice and solve technically challenging problems.

	Oct-21	Oct-20	Oct-19
Turnover	£81,168,000	£74,370,000	£64,420,000
Pre Tax Profit	£19,136,000	£13,036,000	£14,433,000
Net Worth	£20,562,000	£20,482,000	£26,562,000



Further Information

Tenure

Freehold

EPC

The EPC rating is 92D.

Data Room

Access to the data room is available on request.

VAT

The property has been elected for VAT and this will be payable on the purchase price or dealt with by way of a TOGC.

AML

A successful bidder will be required to provide relevant information to satisfy AML requirements when Heads of Terms are agreed.

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Further Information

For further information or to arrange an inspection, please contact the sole agents:

alder king

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