

FOR SALE



DEAN CLARKE
HOUSE

SOUTHERNHAY EAST, EXETER EX1 1AP



HECTOR PEARCE
Intelligent real estate

● 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 £650,000 (+ VAT) which reflects an initial yield of 13.61% on the existing gross income (before deducting management costs for the serviced office space) after allowance for purchaser's costs of 5.18%. This equates to a capital of £153 psf.

The rental income potential will increase depending upon the letting strategy adopted, either for traditional leases or flex space. Assuming the remaining suites are let on a serviced basis the potential gross rents receivable will increase from £93,020 per annum to £132,620 per annum assuming a per desk rate of £275 pcm. Management costs are currently circa £35,000 per annum.



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EXETER CENTRAL STATION

CATHEDRAL GREEN AND EATERIES

EXETER HIGH STREET

PRINCESSHAY

PRINCESSHAY SHOPPING PRECINCT

SOUTHERNHAY

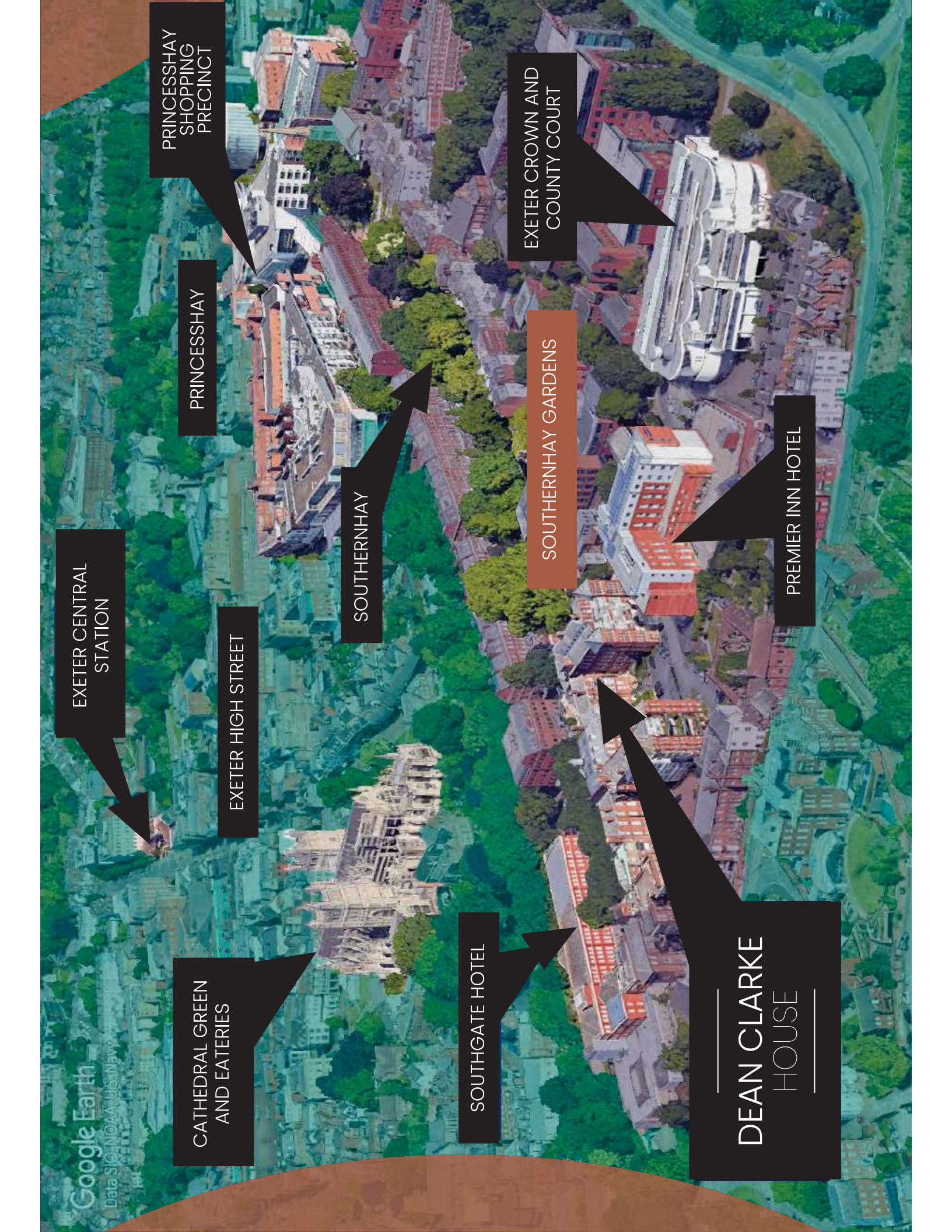
SOUTHGATE HOTEL

SOUTHERNHAY GARDENS

EXETER CROWN AND COUNTY COURT

DEAN CLARKE HOUSE

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 University of Exeter, 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.



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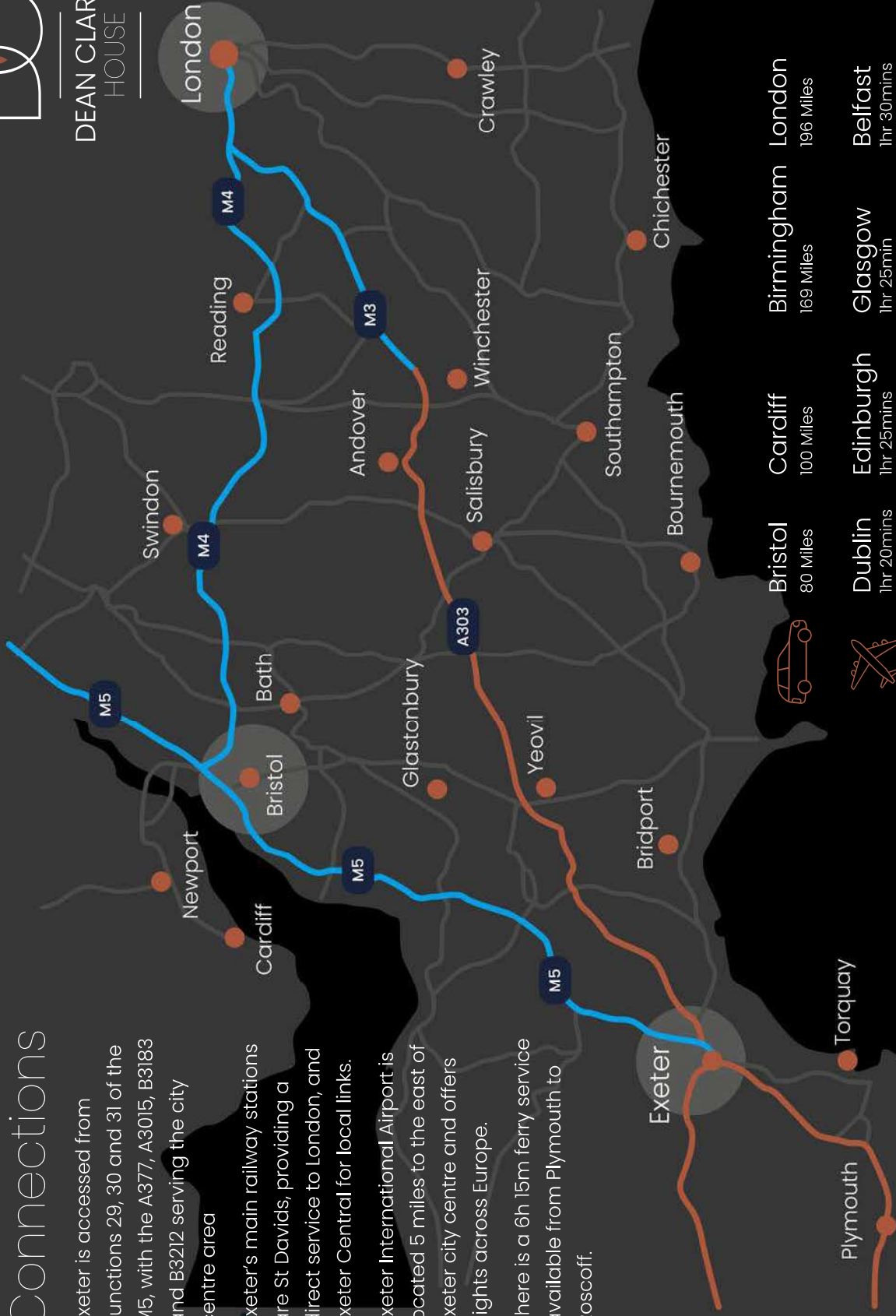
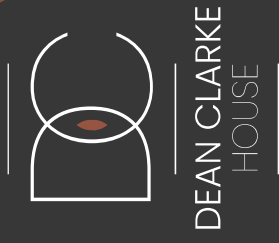
Connections




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 6h 15m ferry service available from Plymouth to Roscoff.



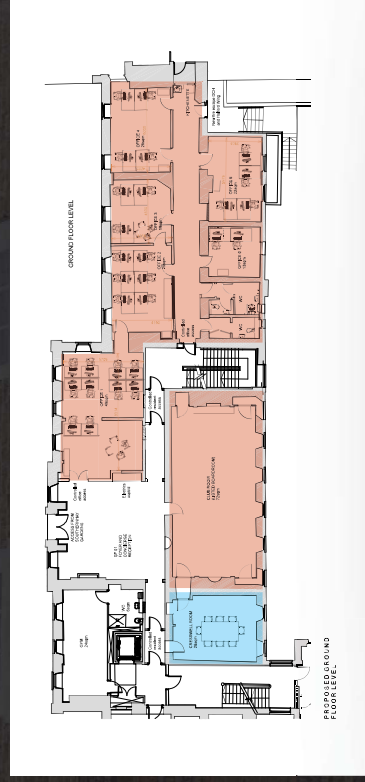
	Bristol	80 Miles	Birmingham	169 Miles	London	196 Miles
	Dublin	1hr 20mins	Edinburgh	1hr 25mins	Glasgow	1hr 30mins
	Bristol	58mins	London	2hr 20mins	Birmingham	2hr 30mins
					Manchester	4hr 20mins



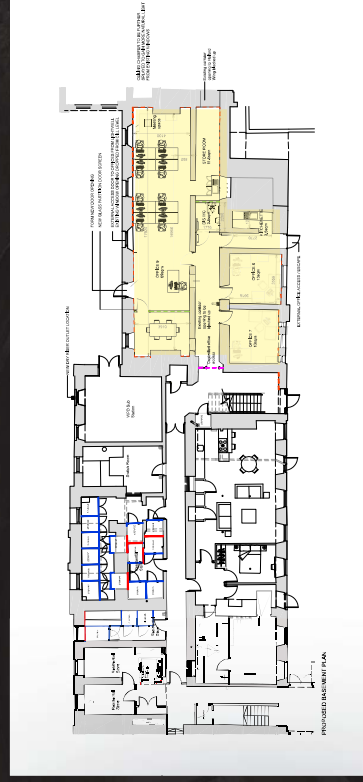
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Accommodation

Ground floor



Lower Ground floor



Freehold Demise



Parking





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Tenancy Schedule

Offices 1-6 and the Club Room are let to Handelsbanken on a new 10 year internal repairing and insuring lease from 2nd July 2024 by way of a capped service charge with a tenant only break option at the 5th anniversary of the term on 2nd July 2029. If the tenant does not exercise the break option a further 6 months rent free will be granted. Office No 9 is let out on a serviced agreement which has expired and the tenant is holding over under that agreement.

Unit	SqFt	Tenant	Tenure	No. of desks	Desk rate £/pm	£psf	Current Gross Rent £ pa	Fully Let Gross Rent £ pa	Comments
GF Offices 1 - 6 + Club Room	2,296	Handelsbanken	Lease			20.00	58,520	58,520	
GF Cresswell	301	Quoting	Licensed - Serviced	6	£275		0	19,800	
LGF Office 7	140	Quoting	Licensed - Serviced	3	£275		0	9,900	
LGF Office 8	140	Quoting	Licensed - Serviced	3	£275		0	9,900	
LGF Office 9	743	IMP Software	Licensed - Serviced	15	£275		28,500	28,500	Concession rate for current tenant
Parking Space 1		Handelsbanken	Lease				1,500	1,500	
Parking Space 2		Handelsbanken	Lease				1,500	1,500	
Parking Space 3		Handelsbanken	Lease				1,500	1,500	
Parking Space 4		Quoting	License				1,500	1,500	
Total	4,250						93,020	132,620	

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



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Exeter Office Market

Dean Clarke House is in the prime central business district of Southernhay, 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 The Senate 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.

	£,000:		£,000:	
Handelsbanken	31/12/2023	31/12/2022	31/12/2021	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. For further information on the service charge contact the agents.

Additional Information

All capital allowances will be retained by the Vendor.

EPC

The current EPC is a D.



Investment Proposal

Offers in the region of £650,000 are invited for the long leasehold interest.
For further details contact the agents.



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Business Rates

The Rateable Values have been re-assessed for the 2016 list. For further information visit the VOA website or contact the agents.

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).



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HECTOR PEARCE
Intelligent real estate

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