

investment

5A Little Oak Drive
Sherwood Park, Annesley
Nottinghamshire NG15 0DR



SALE OF INDUSTRIAL BUILDING LET TO ROLLS ROYCE PLC

Investment Summary

- Modern 47,504 sq ft industrial building situated in prime business park
- Situated 0.2 miles from Junction 27 of the M1 motorway
- Let to **Rolls Royce Plc** (the main Rolls Royce covenant) for 20 years from 18th August 2011
- Annual rental income **£280,196**
- Large skilled local workforce
- Rolls Royce have invested heavily in the plant and have plans to invest significantly more
- Quoting price in excess of **£4.5M** for the virtual freehold interest
- A purchase at this price would show a net initial yield of **5.89%**, after purchasers costs of 5.8%
- 20 year swap rates at date of this publication are 3.3%

Location

Sherwood Park is a prime 67 hectare (165 acre) business park, situated in a strategic position at the heart of England, benefiting from excellent communications.

The park is just 0.2 miles from Junction 27 of the M1 motorway, approximately 11 miles north of Nottingham.

Swift access is afforded through the motorway network to the north east ports and most major UK cities. The park is only 13 miles from East Midlands Airport - the UK's 2nd largest cargo transporting airport, providing regular flights to over 50 European destinations.

Situation

This industrial building is located on Little Oak Drive, which connects with Willow Drive, forming the northern perimeter road of Sherwood Business Park.





Local Occupiers

Almost 6500 people are employed in Sherwood Park's industrial, warehouse and office buildings, which are set in an attractive greenbelt environment.

Well known occupiers include Rolls Royce, Turbine Surface Technologies, L'Oreal, E-on, Prolog, Boots and Eddie Stobart.

The Site

The approximate site area, which has been scaled from an Ordnance Survey Plan, is 1.219 hectares (3.01 acres).

The Building

This detached modern industrial building was constructed in 1999 to provide industrial, office and ancillary accommodation for Rolls Royce on ground and first floors with the following approximate gross internal floor areas.

| Floor | Use | Size (sq ft) |
|------------------|--------------------|---------------------|
| First | Office | 4,280 |
| First | Plant | 1,287 |
| Ground | Industrial | 36,187 |
| Ground | Office / Ancillary | 3,894 |
| Ground | Plant | 1,856 |
| Total GIA | | 47,504 sq ft |

The building is of steel portal frame construction with panelled cladding to the front elevation and a profiled metal sheet roof.

The unit has an internal eaves height of 7.95m (max internal height 11.23m) in the main workshop area, increasing to an internal eaves height of 12.15m (max internal height 13.69m) at the rear. There are 2 loading bays with eaves heights of 4m and 4.98 m respectively, and there is an automatic passenger lift from the ground floor reception to the first floor offices.

There is a covered loading yard and there are ample marked car parking spaces at the front of the building.



Tenure

The building is held on a 999 year lease from 25th December 1995, subject to a peppercorn rent.

The building is let in its entirety to Rolls Royce Plc on a full repairing & insuring lease for 20 years from 18th August 2011, subject to 5 yearly upward only rent reviews. The passing rent is £280,196 per annum exclusive of all outgoings and VAT.

Covenant Information

Rolls Royce Plc is the main Rolls Royce covenant, which was established in 1906 and is fully listed on the London Stock Exchange. Accounts to 31st December 2010 reported revenue of £11,085m, underlying profit of £955m and net asset value of £3,817m.

The market capitalisation of Rolls Royce Plc is approx. £12 billion at date of publication.

Proposal

The 999 year long leasehold interest of this property is being offered for sale at a price in excess of **£4.5M**, subject to contract. A sale at this level would show a net initial yield of **5.89%**. The building is VAT registered.

Viewing

By appointment through sole agent.

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Asset Managers



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