
VOLVO UK HEADQUARTERS

SCANDINAVIA HOUSE | NORREYS DRIVE | MAIDENHEAD | SL6 4FJ



VOLVO

A UNIQUE OPPORTUNITY TO ACQUIRE VOLVO UK'S HEADQUARTERS, A PRIME SOUTH EAST OFFICE INVESTMENT



INVESTMENT SUMMARY

- Located in Maidenhead in the heart of the Thames Valley office market, one of the most established office locations in the South East. Central London lies 31 miles to the east and Reading 14 miles to the west.
- Strategically situated adjacent to Junction 9A of the A404(M) providing direct access to Junction 8/9 of the M4 Motorway, just 1.5 miles to the south.
- Fully refurbished imposing three storey HQ office building, totalling 22,827 sq ft, benefiting from 101 car parking spaces providing an excellent parking ratio of 1:226 sq ft. The property, provides a BREEAM rating of “very good”.
- Freehold.
- Let to Volvo Car UK Limited, on a new 15 year lease on full repairing and insuring terms from September 11th 2012, at an initial rent of £607,000 per annum, reflecting £26.59 per sq ft.
- The lease is subject to 5 yearly, open market upward only rent reviews, however, at the first review the rent will increase to the higher of £682,875 per annum or the open market rent at that time.
- We are instructed to seek offers in excess of **£9,180,000 (Nine Million One Hundred and Eighty Thousand Pounds)**, subject to contract, which reflects a net initial yield of 6.25% and a reversionary yield (2017) of 7.03%, after allowing for usual purchaser's costs of **5.80%**.



LOCATION

Located in Maidenhead in the heart of the Thames Valley office market, one of the most established office locations in the South East.

Maidenhead has a district population of 133,626. The population is extremely affluent with 42.25% classified as Symbols of Success against the UK average of 10.53%.

The town is one of the most established commercial locations for global conglomerates in the South East. Attracted by the skilled labour force Maidenhead has a high concentration of HQ companies from a variety of sectors, particularly those in pharmaceutical, telecoms and technology. Major occupiers located in Maidenhead include GlaxoSmithKline, Johnson & Johnson, Seiko, Costain, Mattel, Siemens, Fujitsu and Toys'R'Us.

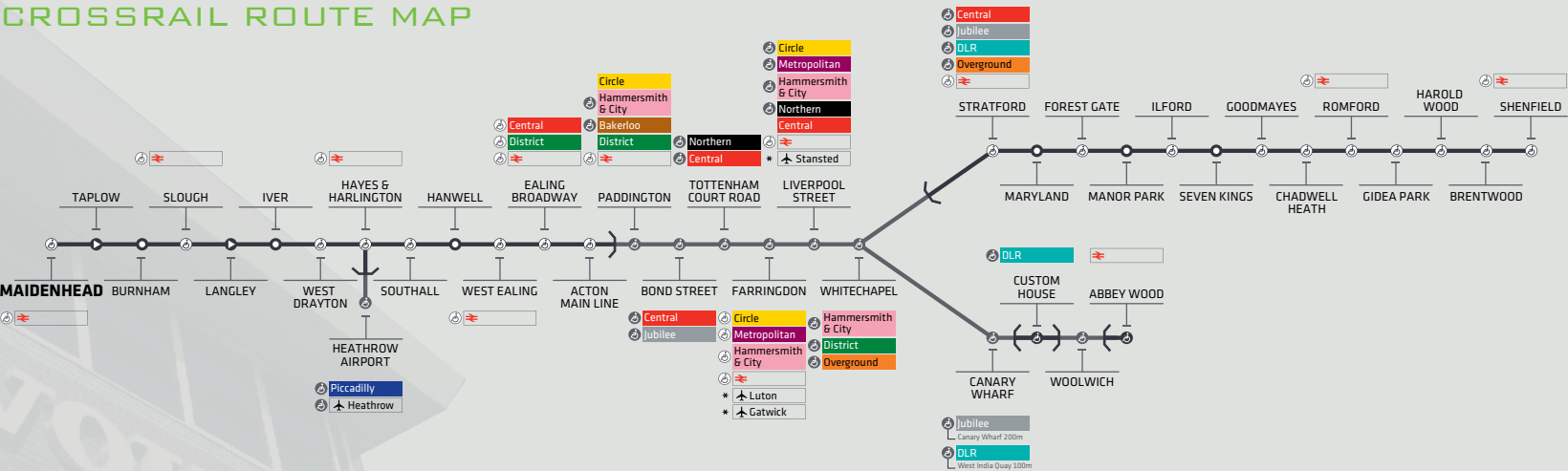
Maidenhead has excellent communication links, with Junction 8/9 of the M4 motorway located approximately 1.5 miles to the south while the M40 is accessed at Junction 4 via the A308 and A404 dual carriageway 7 miles to the north.

Connectivity is further improved with Heathrow Airport only 16 miles to the east and a fastest journey time by train to London Paddington of 24 minutes. The arrival of Crossrail which is due to open in 2018 will further improve the links with direct access being provided into and through Central London with journey times from Maidenhead to Bond Street station in 40 minutes.



Not to scale

CROSSRAIL ROUTE MAP



Key

- Step-free access from street to train
- Step-free access from street to platform
- Step-free access in direction of arrow only
- Station which requires the use of steps or escalators
- Surface line
- Tunnel
- Portal (tunnel entrance and exit)
- National Rail connection
- Airport connection

* Airports not on the Crossrail route - to travel to these airports passengers will need to travel on other connecting rail services. Step-free travel is possible but assistance will be required to get on and off some trains. Travel from Luton Airport Parkway Station to Luton Airport is via an accessible bus.

SITUATION

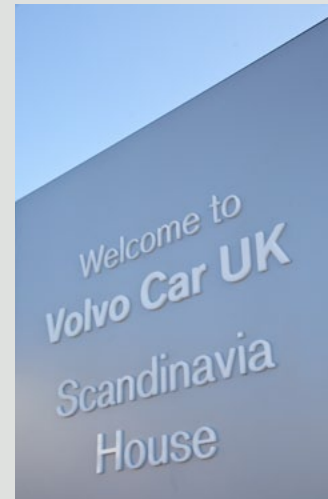
Scandinavia House is strategically situated on Norreys Drive, the established out of town office location in Maidenhead and adjacent to Junction 9A of the A404(M) providing direct access to Junction 8/9 of the M4 motorway. The property's immediate neighbours include occupiers such as Lucent Technologies, GlaxoSmithKline, Fujitsu and a 197 bedroom Holiday Inn hotel.

The property is adjacent to Vanwall Business Park, regarded as Maidenhead's premier out of town business park and comprises 14 office buildings set within a secure landscaped environment. Major occupiers located on the park include Pfizer, Abbott Laboratories, SAP, Hiscox Insurance, Penna, Siemens, Compuware, Biogen Idec, Toys 'R' Us, TSL, Mattel and Persimmon.

Maidenhead town centre is approximately 2 minutes drive away, giving easy access to the railway station along with shopping, leisure and business facilities.



Not to scale



DESCRIPTION

The Property was originally constructed in 1996. The current vendor undertook a comprehensive grade A refurbishment of the property in 2012, which now provides a stunning 3 storey HQ building and new home for Volvo UK. The property provides open plan office accommodation over ground and two upper floors. It is of steel frame construction with brick elevations and double glazed aluminium casement windows under a tiled pitched roof. The works included a new imposing glazed entrance and a new glazed curtain wall building frontage.

The new entrance benefits from electronic automatic sliding doors leading through to a refurbished reception area with new ceramic floor tiles and a new reception desk. Volvo has permission from the landlord to display one of their signature vehicles as a main feature in the reception area. At first floor level there will be glazed partitioning overlooking the atrium, reception area and car display. Volvo undertook their fit-out late 2012, at an estimated £2m and are now in full occupation.

Internally, the accommodation will provide high quality grade A specification incorporating the following:-

- Raised access floors
- Suspended ceilings with LG7 compliant recessed lighting
- New four pipe fan coil air-conditioning system
- New concealed plumbing system and a new gas fired boiler

The property further benefits from a under-croft and ground level block pavloured parking area for 101 cars providing an excellent car park ratio of 1:226 sq ft. The property occupies a site of 0.67 acres (0.27 hectares) and currently provides 22,827 sq ft of accommodation on a net internal area basis.

The open plan offices will be directly accessible from the central reception area. The building is served by a single 13-person lift and central staircase with male, female and disabled WC facilities available on each floor. There is tenant's storage space within the roof along with the building plant. The building has a BREEAM rating of "very good" and an EPC rating of "C".



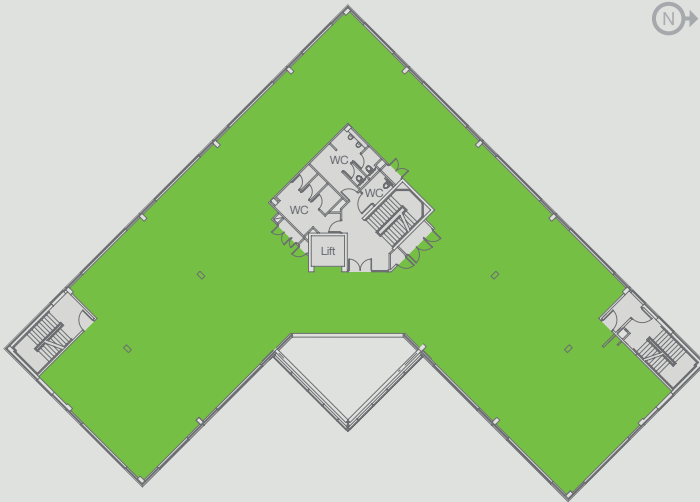


ACCOMMODATION

The property totals approximately the following net internal floor areas:

Floor	sq ft	sq m
Reception	1,023	95.03
Ground	6,822	633.76
First	7,219	670.64
Second	7,219	670.64
Roof level storage	544	50.53
Total	22,827	2,120.60

TYPICAL FLOOR PLAN

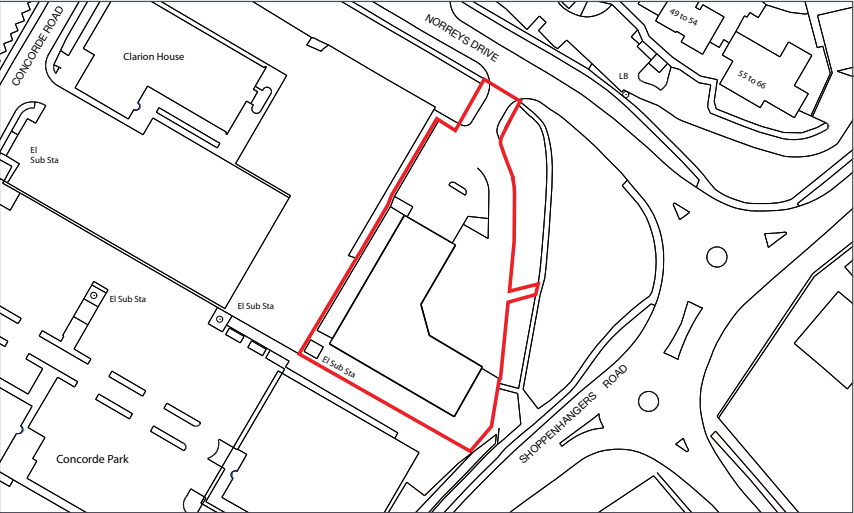


Floor plan not to scale. For indicative purposes only.



TENURE

Freehold.



TENANCY

The property is let in its entirety to Volvo Car UK Limited for a term of 15 years (without break) from September 11th 2012. After a lengthy search by Volvo to relocate from Marlow, the location, prominence and flexibility of the office accommodation and the full and comprehensive refurbishment undertaken by the current owner were the deciding factor for choosing the subject property. The property enabled Volvo to enhance with their style and work ethic which is evident after a major fit-out, throughout the whole property.

The rent agreed reflects an initial rent of £607,000 per annum (£26.59 per sq ft). The lease will be subject to 5 yearly, open market, upward only rent reviews. However at the first review the rent will increase to the higher of £682,875 per annum or the open market rent at that time. The remaining review will be open market only.

The lease is subject to a Schedule of Condition which was agreed on the finished refurbishment works by the current owner and Volvo. This reflects the parts of the property not affected by these works, a copy is available on request.

COVENANT

Volvo Car UK Limited (Company Number 02281044) is part of Volvo Car Corporation and has an excellent credit safe rating of 95/100. In 2010 Volvo Cars was acquired by Zhejiang Geely Holding Group of China and the growth strategy is now to establish China as the company's second home market. Relative to the strength of the brand, Volvo Cars is a comparatively small producer, with market shares of 1%–2% in its main markets.

The largest market, the US, represented some 14.4% of Volvo's total sales volume in 2010, followed by Sweden (14.2%), the UK (10.2%), China (8.2%) and Germany (6.7%). The credit safe report and Volvo Car UK Limited's annual accounts for 2010 are available in Appendix 5 along with a copy of Volvo's Corporate Report for 2010/11, which details the company's current structure and corporate strategy for the coming years.

The UK arm sells some 10 models of Volvo autos imported from Sweden, Belgium, and The Netherlands. Volvo Car UK also operates a successful corporate fleet division with 80% of its business generated by the corporate sector. Volvo also offers financing through Volvo Car Finance, insurance through Volvo Owners Insurance, as well as roadside assistance and parts and service to Volvo owners.

Despite a difficult couple of years for the motor industry Volvo remains one of the major motor car brands. Trading has proved resilient despite the wider consumer downturn, with the most recent financials as below:

Year End	31/12/2011	31/12/2010	31/12/2009
Turnover	£673,598,000	£736,680,000	£610,386,000
Pre Tax Profit	£2,177,000	£4,901,000	£5,539,000
Net Worth	£18,164,000	£30,618,000	£26,085,000



MARKET COMMENTARY

Occupational activity and sentiment increased significantly through 2011/2012, pushing prime headline rents back towards their 2007/2008 peak.

Maidenhead average yearly take-up stands at 200,000 sq ft, of which approximately 67% is located on the town's business parks. 2011 saw approximately 250,00 sq ft of take-up, the highest annual rate since 2000.

The main source of demand has been from the technology and pharmaceutical sectors, with a preference for Grade A office accommodation. Availability in Maidenhead stood at approximately 560,000 sq ft, equating to a vacancy rate of 12.5%, at the end of 2012. Maidenhead, compared to other Thames valley centres has a solid supply of Grade A stock, new build or refurbished which accounts for 52% of the market availability.

The increased demand for Maidenhead as an office location has prompted several speculative offices schemes, namely Kames Capital and Capella Estates 76,000 sq ft scheme on Market Street, which is due for completion May 2013 and RREEF, Rockspring and Bell Hammer speculative development of the 65,000 sq ft Tor, due for completion Q4 2014.

Prime headline rents in Maidenhead stand at £29.50 per sq ft, which remains just below the 2007/2008 peak of £32.50 per sq ft. Market dynamics and expectations are that this figure can be achieved during 2013. This is supported by the impressive IPD rental growth projections for Maidenhead, with an average annualised increase of 4.6% over the next 4 years. This coupled with the arrival of Crossrail in 2018 will only strengthen Maidenhead as a prime office location outside of London.





CAPITAL ALLOWANCES

There are significant capital allowances that may be made available to the purchaser. More information can be provided upon request.

VAT

The property is elected for VAT and we understand the property will be treated as a Transfer of Going Concern.

EPC

The property has an EPC rating of C. A full EPC is available on request.

CONTACT

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PROPOSAL

We are instructed to seek offers in excess of **£9,180,000 (Nine Million One Hundred and Eighty Thousand Pounds)**, subject to contract, for the freehold interest, which reflects the following yield profile after allowing for the usual purchaser's costs of **5.80%**:

Net Initial Yield:	6.25%
Reversionary Yield (2017):	7.03%
Equivalent Yield:	6.81%

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