



## **RARE FREEHOLD OFFICE INVESTMENT**

Willow Court, Minns Business Park, Oxford OX2 OJB

**Carter Jonas**



# WILLOW COURT, MINNS BUSINESS PARK, OXFORD OX2 0JB

## SUMMARY

- Rare Oxford freehold office investment
- Seeking offers in excess of **£8,500,000** showing a net initial yield of **5.81%** and reversionary yield of **6.57%**, based on normal purchasers' costs and ERV of £595,413
- WAULT of 6 years 9 months to lease expiry
- Strong occupier profile minimising risk
- Proven office location with limited competition
- Fully refurbished including M&E
- Future reversionary rental potential
- 57 car parking spaces (1:395) and approx. 400m to Park and Ride / Main Bus route

## LOCATION

Minns Business Park occupies a prominent location in Botley and has emerged over the last decade as a prime business location. Existing Park occupiers include Oxford University Innovation, Barclays, RBS, Dehns and Charles Stanley.

The Park is fully developed, with the exception of a single storey high tech building to the rear of the subject property shortly due to be redeveloped for residential purposes.

The Park is situated approximately 1.2 miles from Oxford mainline railway station and the city centre. It adjoins Botley Road, one of Oxford's main arterial routes, in turn providing a main bus route into the city and direct access to the A34 via the nearby junction.

The location benefits from pay to use parking at Seacourt Park and Ride, which is approximately 400m away. This has a current capacity for 749 spaces and plans to extend to 1,500.

Nearby amenities including shops and cafes can be found within 10 minutes' walk at both West Way and

## RARELY AVAILABLE, MULTI-LET OXFORD OFFICE INVESTMENT WITH OPPORTUNITY TO REALISE REVERSIONARY RENTS

Seacourt Retail Park, with West Way being the subject of an £82M redevelopment to include hotel, retail and student accommodation.

The immediate vicinity has a range of attractive walks and picnic areas in North Hinksey Nature Reserve as well as local pubs.

## DESCRIPTION

Willow Court comprises of a modern detached office building completed in 2004.

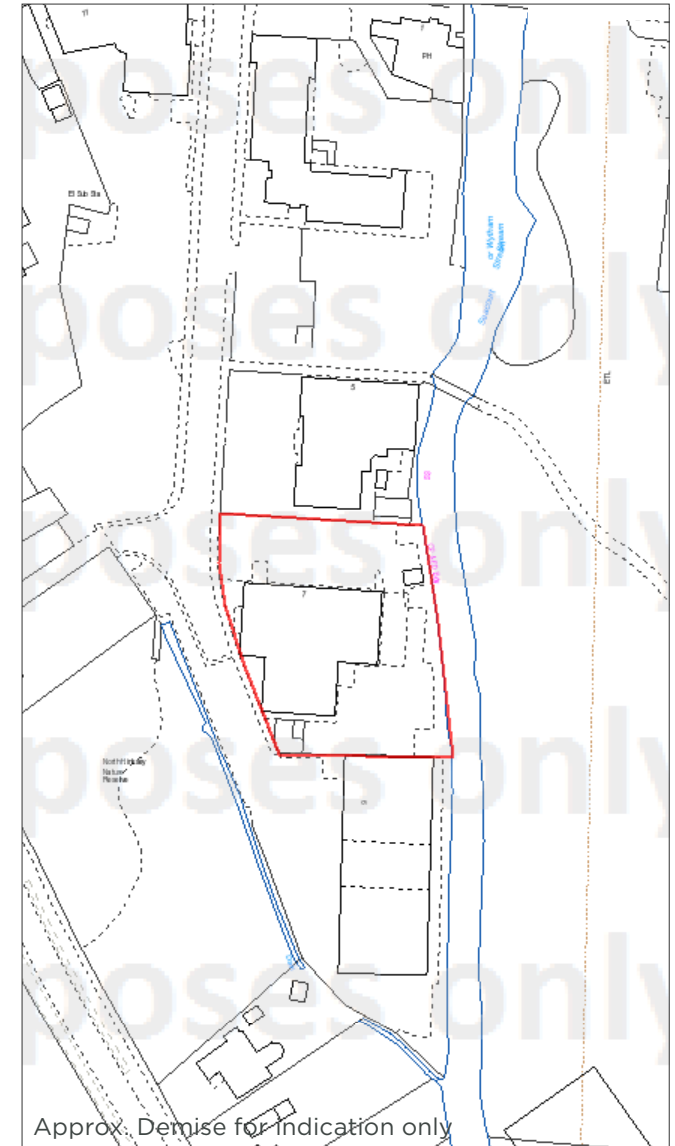
Arranged over ground, first, second and third floors the accommodation was originally constructed to provide single floorplates, however has since been split at both ground and second floor to enable dual occupancies. Willow Court has a combination of brick and part glazed elevations.

Each floor benefits from raised access floors, suspended ceilings with inset LED lighting and combined heating and cooling air conditioning systems.

The building has an impressive double height glazed atrium with communal toilet facilities on each floor.

Willow Court has been the subject of a refurbishment programme over recent years with works including the comprehensive overhaul to the air conditioning system, communal areas and toilets.

Internally the building has lift access to the second floor, with access to the third floor via stairs. Externally there are 57 on-site car parking spaces at a ratio of 1:395 sq ft.



## ACCOMMODATION

The building has the following approximate Net internal floor areas:

Floor / Description	Floor area sqm	Floor area sq/ft	Parking spaces
Ground floor	523.22	5,632	16
First floor	629.87	6,780	17
Second floor	739.6	7,961	21
Third floor	191.47	2,061	3
<b>Total</b>	<b>2,084.17</b>	<b>22,526</b>	<b>57</b>

Approximate site area is 0.57 acres with the site coverage being approximately 30%.

All measurements are approximate and calculated in accordance with the RICS Property Measurement (incorporating International Property Measurement Standards) 1st Edition May 2015.

## TENURE

The property is to be sold Freehold subject to the existing leases.

## TENANCIES

The property has 5 principle tenants let on effective FRI leases subject to service charges producing a net annual income of £526,477;

There is a service charge operated for the whole building which is prepared by Carter Jonas who manage the building on behalf of the current owner. The Service charge for the year ending 24th March 2020 is budgeted at £163,800 per annum equating to £7.31 psf.



Floor / Description	Tenant	Lease start	Expiry	Rent review	Break date	Passing rent £/pa	Psf rent	Inside The Act	Comments
Ground floor part	RBS	25/10/2019	24/10/2024	-	-	79,367	26.50	No	Renewing in part subject to AFL
Ground floor part	Vacant	-	-	-	-	*71,199	27.00	-	*Rent guarantee provided for 12 months
First floor	Dehns	30/06/2011	29/06/2026	30/06/2021		138,990	20.50	Yes	
Second floor part	Charles Stanley	30/10/2017	29/10/2027	29/10/2022	30/10/2023	77,165	23.00	No	
Second floor part	Oxentia	01/09/2019	31/08/2029	01/09/2024	01/09/2024	119,756	26.00	No	
Third floor	Smith Institute	01/08/2019	31/07/2029	01/08/2024	01/08/2023	40,000	19.41	No	
<b>Total</b>			<b>WAULT - 6 yrs 9 months</b>		<b>WAULT - 4 yrs 2 months</b>	<b>526,477</b>			



## COVENANTS

We confirm the following Dun & Bradstreet ratings and information for the current occupiers, with interested purchasers otherwise responsible for undertaking their own verification.

### NATWEST

Originally formed in 1968 due to a merger of National Provincial Bank and National Westminster Bank NatWest provides banking and financial services to private and commercial clients. In 2000, The Royal Bank of Scotland Group acquired NatWest to create one of the largest financial services groups in the world.

NatWest Plc has a Dun & Bradstreet rating of 5A1

### DEHNS

Founded in 1920, the company has grown to become one of Europe's largest firms of patent and trademark attorneys specialising in the sciences, tech and bio sectors.

The Lease is held in the name of four Partners with partnership accounts unavailable as public record. The Partnership has been in occupation since 2011 with an unblemished rental payment record.

### CHARLES STANLEY

Charles Stanley are a UK investment management company established in 1792 specialising in advising the private sector as well as national charities, trusts and professional institutes.

Charles Stanley & CO. Limited has a Dun & Bradstreet rating of 5A1

### OXENTIA

Having started life as an Oxford University Spin-out, Oxentia has grown rapidly. Oxentia advises companies in achieving their commercialisation objectives and providing support to companies.

Oxentia Ltd has a Dun & Bradstreet rating of B1

### SMITH INSTITUTE

The Smith Institute specialises in analysing and processing data to understand key business objectives allowing them to advise clients and maintain commercial advantages.

The Smith Institute has a Dun & Bradstreet rating of O2

## ASSET MANAGEMENT OPPORTUNITIES

We are of the opinion that Willow Court provides an excellent opportunity for investors wishing to acquire a modern, fully income producing asset with the principle capital expenditure items having been undertaken by the current landlord.

The immediate opportunities which will give the greatest value add impact to the building include;

- Letting of the vacant ground floor suite
- Driving rental tone at lease review and lease renewal
- Re-gearing shorter unexpired leases and removing break dates

It is our opinion that a demonstrable ERV for the building is £27.00 psf on the basis of recent transactional evidence in the market place.





## OXFORD OFFICE MARKET

Oxford's office market is characterised by a lack of stock, particularly within the city centre, which has resulted in ripple effects to the city fringe, including Botley, as occupiers look further afield. This has resulted in a rapid increase in rental tone over the past 24 months.

Carter Jonas's half yearly market report for the county shows 2019 county take up in H1 of 96,150 sq ft, a 10 year six-monthly average of 150,000 sq ft and prime rentals in excess of £36.00 psf within the city. Our full market update is available in the data room.

The market over the past 24 months has been dominated by science and knowledge based occupational requirements with a particular feature being the emergence of well-funded, University spin-out organisations.

Botley is an established office location which benefits from its proximity to the City centre, A34 dual carriageway, Sea Court Tower Park and Ride and improving amenity offering. The location is favoured by professional firms, including Blake Morgan, Knights, Barclays and RBS with a number of companies having relocated from the city centre over the past 5 years including Dehns, Charles Stanley and Vencap International.

Given the restrictions imposed by Oxford's green belt and flood plains there are no obvious short term sites within the immediate vicinity to develop additional stock and as such we are of the opinion that the location will continue its popularity and improvement in rental tone.

A summary of recent letting activity is stated below;

## PLANNING

Willow Court was constructed under original planning consent ref P17/V3116/FUL, with full details provided within the data room.



Leasehold Deals							
Date	Property	Size sq ft	Rent £/psf	Lease length (yrs)	Break (yr)	rent free (months)	Occupier
2019	Willow Court	2,995	£26.50	5	-	3.5	RBS*
2019	Seacourt Tower	1,704	£26.50	5	-	-	Catalyst Works
2019	Midland House	5,699	£26.00	10	5	6	Redrow
2019	Seacourt Tower	1,800	£26.50	10	5	3	Cafcass
2019	Willow Court	4,606	£26.00	10	5	4**	Oxentia
2018	Midland House	2,642	£25.00	5	-	3	Optical Express
2017	Willow Court	3,420	£23.00	10	6	8	Charles Stanley
2017	Seacourt Tower	5,692	£22.00	10	5	6	Vencap

\*RBS have assigned an Agreement For Lease pending completion of the substantive Lease

\*\* The Oxentia lease has 4 months rent free at lease commencement with a further 3 conditional on the break clause

## PROPOSAL

The property is available to purchase freehold by way of a traditional asset disposal.

We are instructed to seek offers in excess of £8,500,000 (**eight million, five hundred thousand**) showing a net initial yield of **5.81%** and a reversionary yield of **6.57%** assuming normal purchasers costs.

The property is alternatively available through a company purchase of Habagou Properties Ltd (Co. No. RC81759), set up in December 2001 for the purposes of owning this asset.

## EPC

The property has an EPC rating of B - 46

## VAT

All prices quoted are exclusive of VAT where applicable and chargeable at the prevailing rate.

## FURTHER INFORMATION/VIEWING

Full supporting information including floor plans, legal documents and EPC's are available via the data room:

**[www.willowcourtoxford.co.uk](http://www.willowcourtoxford.co.uk)**

Viewing and further information is otherwise available via the sole selling agents, Carter Jonas

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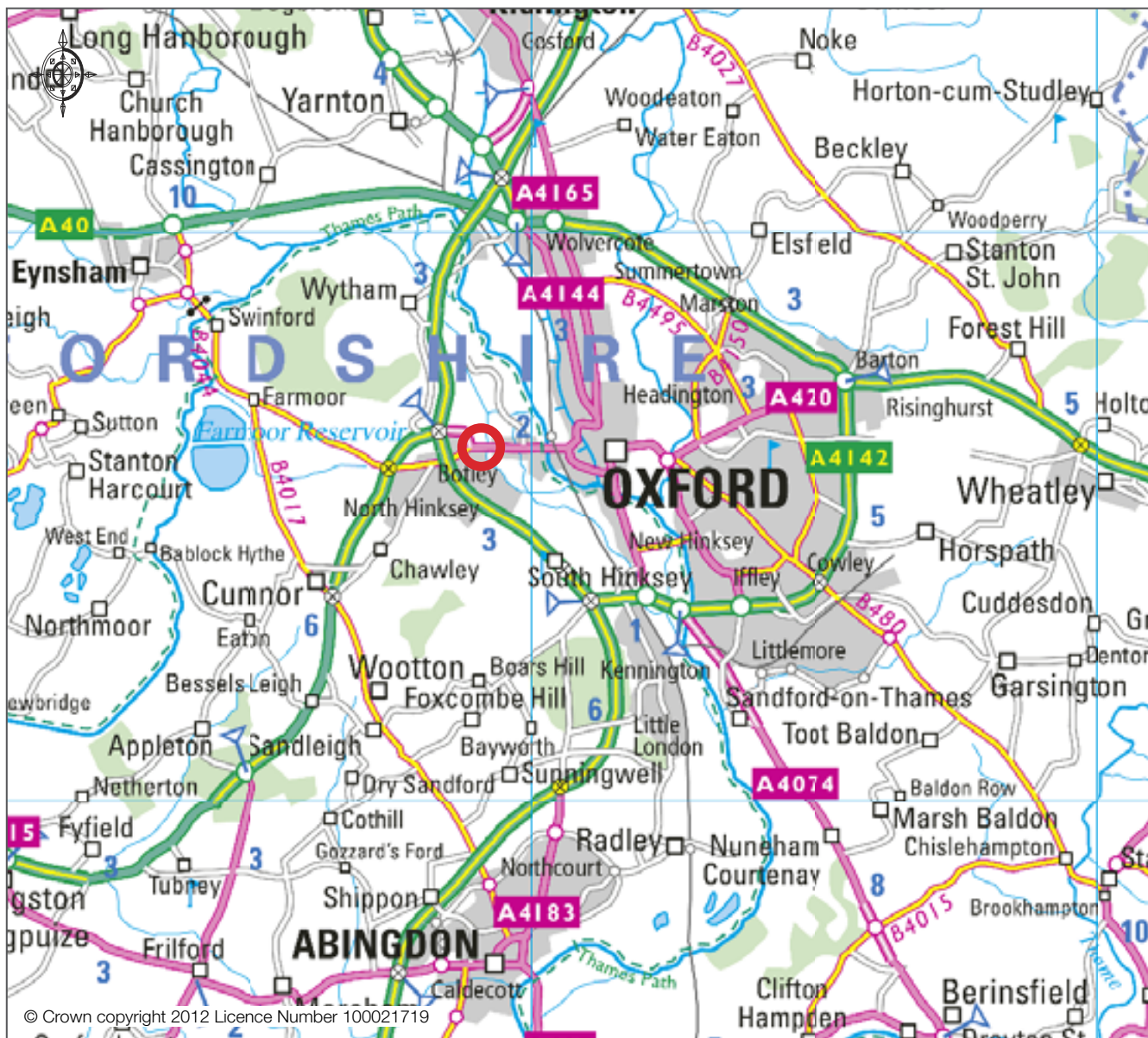
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Offices throughout the UK

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