



Driver & Vehicle  
Licensing  
Agency

DVLA, Sandringham Park, Swansea, SA6 8AJ

Grade A Business Park Office Investment Let to the Government



GERALDEVE

# INVESTMENT SUMMARY

- **Modern well specified Swansea office investment** in an established business area.
  - **Highly accessible location** 4 miles north of Swansea city centre and adjacent to Junctions 44 and 45 of the M4 motorway.
  - **Single-let office building totalling 66,855 sq ft.**
  - Let in its entirety to **The Secretary of State for Transport** and occupied by the **Driver and Vehicle Licensing Agency (DVLA)**.
  - The property is DVLA's sole UK contact centre and the tenant occupies two other buildings on Sandringham Park.
  - The tenant has been in occupation since the building was constructed in 2004 and **recently regeared their lease for a further 10 years**, expiring 29 August 2029, subject to a tenant break option on 30 August 2024, reflecting **11.25 yrs WAULT to expiry and 6.25 years to break**.
  - Rent to be topped up to **£800,000 per annum, equating to £12 psf**.
  - Site area of approximately 1.24 hectares (3.07 acres), which reflects a **low site density of 25%**.
  - **125 year Long Leasehold** from 20 December 2002.
  - We are instructed to seek offers in excess of **£9,300,000**, subject to contract and exclusive of VAT. A purchase at this level would reflect an attractive **Net Initial Yield of 8.00%** and a **low capital value of £138 psf**, assuming purchasers costs of 7.57%.
- Assuming the tenant does not activate their option to break in 2024, the fixed rental uplift in 2027 reflects a **highly attractive reversionary yield of 9.00%**.





# LOCATION



M4 Junction 44  
1.5 miles / 4 mins



M4 Junction 45  
3 miles / 5 mins



Swansea Train Station  
4.3 miles / 10 mins



Swansea City Centre  
4.9 miles / 15 mins



Cardiff Airport  
36 miles / 53 mins



Cardiff City Centre  
42 miles / 25 mins



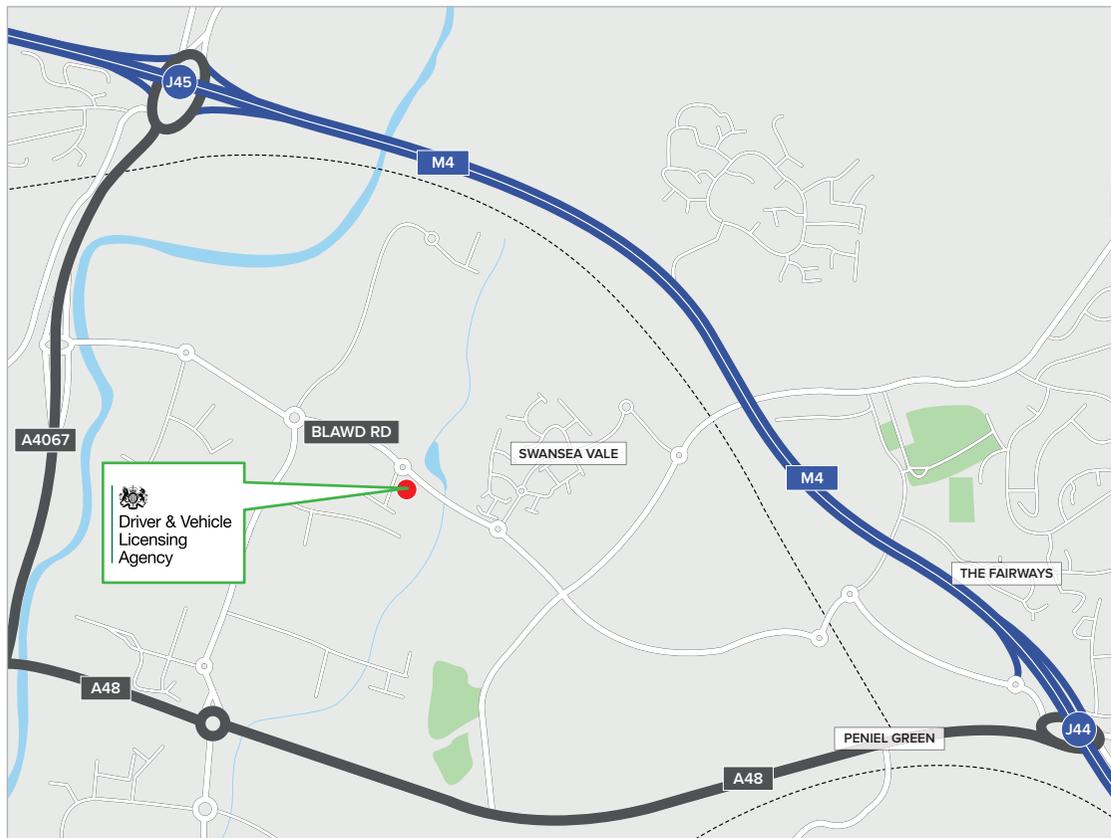
Bristol City Centre  
80 miles / 1 hr 20 mins



# SITUATION

The property is situated within the Swansea Vale, an extension of Swansea Enterprise Park, which has been at the heart of Swansea's regeneration and development for over 25 years, attracting thousands of jobs and millions of pounds of investment to the local economy.

The property is situated on Sandringham Park, within Swansea Vale, approximately 4 miles north of the city centre and lies adjacent to Junction 44 and 45 of the M4 motorway. Sandringham Park is within the second phase of Swansea Enterprise Park which comprises 335 acres of mixed use commercial, residential and leisure facilities.



## SWANSEA DEMOGRAPHICS



Swansea has a population of 244,500



Swansea has a daily inflow of 15,500 people



Two million people live within an hours drive of Swansea and six hundred thousand within a half an hours drive



There is a student population of 24,000

## MAJOR OCCUPIERS IN THE VICINITY INCLUDE:

**arvato**  
BERTELSMANN



**Handelsbanken**



Driver & Vehicle  
Licensing  
Agency



a.f. **blakemore**  
& son ltd



## DESCRIPTION

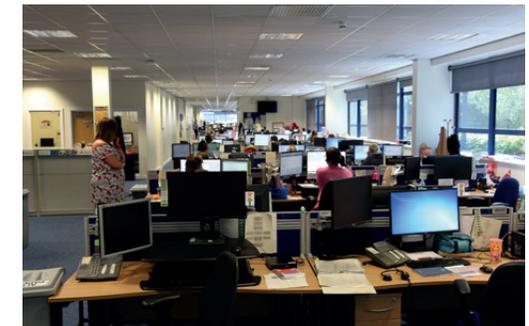
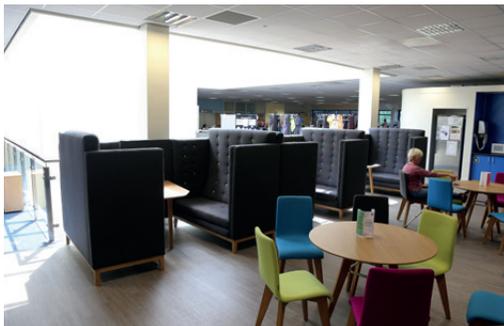
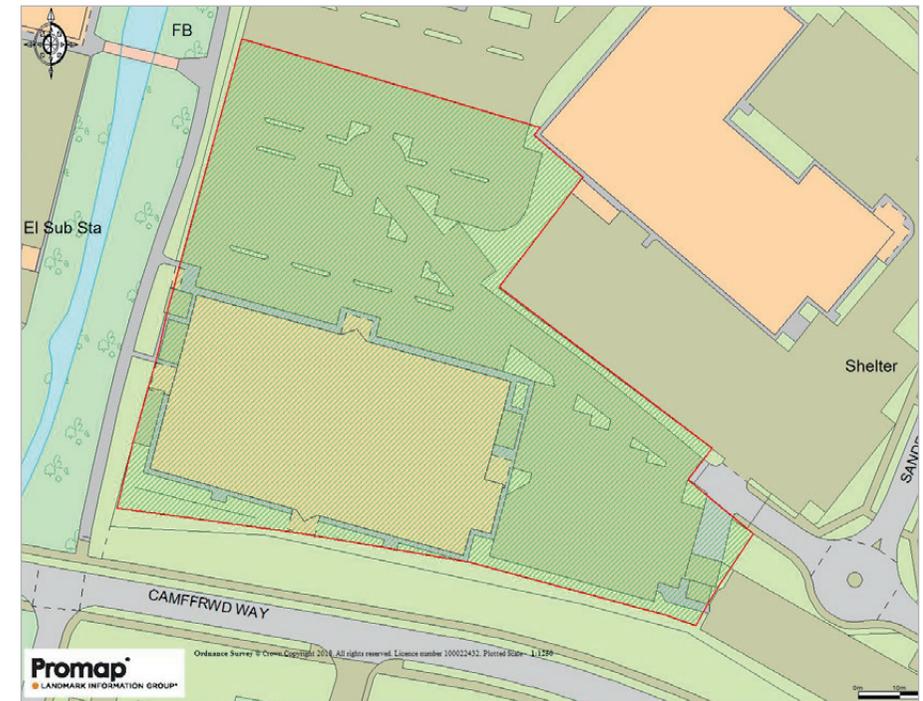
The property comprises a Grade A office building constructed in 2004 totalling 66,855 sq ft over ground and first floors.

The property is of steel portal frame construction beneath a pitched roof and part brick/clad elevation benefitting from the following specification:

- Full raised access floors
- Suspended ceilings incorporating recessed fluorescent strip lighting
- Fully air-conditioned
- Two 10 person passenger lifts
- Three feature atriums
- Male/female/disabled WC facilities on each floor
- Highly secure facility with 24 hour manned reception area
- Excellent car parking ratio of 1:275
- Significant tenant fit-out which includes a fully-fitted canteen/kitchen facility for 850 staff together with seven additional breakout areas and a back-up power generator
- The building is IL3 accredited offering the highest level of security in terms of data storage processing with secure government internet connections.

## SITE

The site extends to approximately 1.23 hectares (3.03 acres) equating to a site coverage of c. 25%.



## TENANCY

The property is let to The Secretary of State for Transport (occupied by the DVLA) who have occupied the facility from completion in 2004. DVLA have recently agreed a new reversionary 10 year lease commencing 30 August 2019 with a break option at the end of the fifth year, demonstrating their continuing commitment to the location.

The tenant incentive was granted by way of a stepped rent, which will be topped up to £800,000 per annum.

## TENURE

The property is held on a Long Leasehold basis under Title number CYM203929 from Swansea City Council for a term of 125 years from 20 December 2002 at a fixed rent of £500 per annum.

Tenant Name	Total Area (sq ft)	Lease Start	Lease Expiry (break)	Contracted Rent per annum	Rent (psf)	Comments
The Secretary of State for Transport	66,855 sq ft	30/08/2019	29/08/2029 (30/08/2024)	£800,000	£12.00	<p>FRI Lease subject to a Schedule of Condition.</p> <p>Passing rent to 29/08/2019: £670,000 p.a.                      Rent from 30/08/2019-29/08/2022: £564,500 p.a.                      Rent from 30/08/2022-29/08/2024: £800,000 p.a.                      Rent from 30/08/2024-29/08/2025: £225,000 p.a.                      Rent from 30/08/2025-29/08/2027: £800,000 p.a.                      Rent from 30/08/2027-29/08/2029: £900,000 p.a.</p> <p>*The tenant will receive the equivalent of 8.5 months rent free, if they do not activate their break clause in 2024.</p>

## COVENANT



The entire property is let to the undoubted covenant of The Secretary of State for Transport and occupied by the DVLA, who have occupied the facility as their main contact centre since the property was constructed in 2004.

The Driver & Vehicle Licensing Agency (DVLA) is an executive agency sponsored by the Department of Transport. The DVLA hold over 48 million driver records and over 40 million vehicle records, collecting around £6 billion a year in vehicle excise duty (VED). They maintain the registration and licensing of all drivers in Great Britain, together with the collection and enforcement of VED in the UK.

The property is used as the DVLA's sole contact centre for the UK and Northern Ireland following the recent closure of all other 39 local DVLA offices. They currently employ 1,100 staff at the facility and the contact centre deals with in excess of one million calls per month. The DVLA are the biggest employer in Swansea, with two further buildings on site – a Learning and Development Centre and an Innovation centre, and three further buildings in the region, including their Headquarters in Morrision.

The building has specific infrastructure in accordance with the Government data storage/processing requirements. There is a 5 yearly PPM programme in place.

For further information, please see [www.dvla.gov.uk](http://www.dvla.gov.uk).



## OCCUPATIONAL MARKET

- Swansea Enterprise Park is Swansea's key office location and is at the heart of the regions economic growth and regeneration, attracting thousands of jobs and millions of pounds of investment to the local economy.
- There is very limited modern well specified office availability in Swansea, with only c.13,000 sq ft of comparable quality stock available in the region, split across three buildings.
- Prime office rents in Swansea currently range from £12 - £14 psf, with Swansea Enterprise Park and Swansea waterfront ('SA1') commanding the highest rents.



## INVESTMENT MARKET

- The regional investment market continues to attract strong interest from a diverse range of domestic and international investors who are attracted by the greater returns compared to the Central London and South East markets.
- Demand for business park assets has strengthened over the past 12 months with investors attracted to the greater returns on offer and more favourable occupational market dynamics. This resulted in 2017 business park investment volumes of c. £3.25bn, up c.35% on 2016 levels.
- There is robust demand from investors for good quality business park assets in core regional markets. The subject facility offers investors secure government income in a long established location, whilst also offering significant return on capital investment.

Property	Sq Ft	Tenant	AWULT	Purchase Price	NIY	Cap Val (psf)	Date
Riverside Office Park, Stoke-on-Trent	83,076	Michelin Tyre Plc	7.0 yrs	£14.0m	8.00%	£169	Mar-18
500 Aztec West, Bristol	102,483	Atkins Ltd	8.2 yrs	£32.25m	6.69%	£315	Mar-18
Renaissance House, Lakeside, Warrington	40,679	Secretary of State	8.8 yrs	£10.50m	5.69%	£258	Feb-18
One and Two Charter Court, Wolverhampton Business Park	22,819	Charter Court Financial Services	10.0 yrs	£4.565m	6.45%	£200	Feb-18
Sonova House, Warrington	43,392	Phonak	10.5 yrs	£11.425m	4.96%	£263	Dec-17
Bristol Business Park, Bristol	85,788	Babcock	15.0 yrs	£30.1m	5.00%	£351	Oct-17

## EPC

---

Energy Performance Certificate is available upon request.

## VAT

---

The property is elected for VAT and it is anticipated that the transaction will be treated as a Transfer of Going Concern (TOGC).

## DATA ROOM

---

Data room access will be provided upon request.

## PROPOSAL

---

We are instructed to seek offers in excess of **£9,300,000**, subject to contract and exclusive of VAT. A purchase at this level would reflect an attractive **Net Initial Yield of 8.00%** and a **low capital value of £138 psf**, assuming purchasers costs of 7.57%.

Assuming the tenant does not activate their option to break in 2024, the fixed rental uplift in 2027 reflects a **highly attractive reversionary yield of 9.00%**.



## FURTHER INFORMATION

---

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

**Callum Robertson**

T: 0161 259 0480  
E: CRobertson@geraldeve.com

**Peter Graham**

T: 029 2038 1877  
E: PGraham@geraldeve.com

**Charlotte Campbell**

T: 0161 259 0469  
E: CCampbell@geraldeve.com

**Jason Nearchou**

T: 020 3486 3475  
E: JNearchou@geraldeve.com



**GERALDEVE**

Conditions under which these particulars are issued

All details in these particulars are given in good faith, but Gerald Eve LLP for themselves and the Vendors/Lessors of this property for whom they act give notice that:-

1. These particulars do not and shall not constitute, in whole or in part, an offer or a contract or part thereof, and Gerald Eve LLP have no authority to make or enter into any such offer or contract.
2. All statements contained in these particulars are made without acceptance of any liability in negligence or otherwise by Gerald Eve LLP, for themselves or for the Vendors/Lessors.
3. None of the statements contained in these particulars is to be relied on as a statement or representation of fact or warranty on any matter whatsoever, and intending purchasers must satisfy themselves by whatever means as to the correctness of any statements made within these particulars.
4. The Vendors/Lessors do not make, give or imply, nor do Gerald Eve LLP or any person in their employment have any authority to make, give or imply, whether in these particulars or otherwise, any representation or warranty whatsoever in relation to the property.

The statement does not affect any potential liability under the Property Misdescriptions Act 1991. Particulars issued June 2018.

© 2018 Gerald Eve LLP. All rights reserved.

Gerald Eve LLP is a limited liability partnership registered in England and Wales with registered number OC339470 and its registered office at 72 Welbeck Street, London, W1G 0AY