




High Yielding Government Let Office Investment

 Job Centre Plus, Upper Lichfield Street, Willenhall, United Kingdom, WV13 1DH

FOR SALE  PRIVATE TREATY

£ 905,000 Guide price

Location



Willenhall is a densely populated West Midlands town in the Metropolitan Borough of Walsall. The town is located approximately 8 km (5 miles) west of Walsall, 5.6 km (3.5 miles) east of Wolverhampton and 22 km (14 miles) north-west of Birmingham.

The town benefits from good road communications and is served by the A454 Black Country Route which links directly to Junction 10 of the M6 Motorway approximately 4.8 km (3 miles) to the east. The A454 is one of the main arterial routes in the West Midlands and connects to Walsall to the east and Wolverhampton City Centre to the west.

Wolverhampton railway station is approximately 4.8 km (3 miles) to the west and provides regular direct services to London Euston with a fastest journey time of 1 hour 40 minutes. Birmingham Airport is approximately 32 km (20 miles) to the south-east.

Willenhall has been identified as a key area of sustainable growth within the West Midlands Region due to the imminent arrival of a new train station in the town which is expected to open this year and opportunities to deliver housing growth. The Willenhall Framework Plan sets out a 10-year vision and strategy aimed at promoting the town and raising its profile within the region.

Summary

- Town centre office building
- Corner site with gated car park
- Undoubtable income being let to the UK Government
- Tenant in occupation for over 20 years
- 4.5 years unexpired with no breaks
- Future repurposing potential, subject to planning
- Freehold
- £905,000, subject to contract
- 9.25% Net Initial Yield
- Capital value of £95 per sq ft / £1,019 per sq m
- Residential capital values are approx. £210 per sq ft / £2,260 per sq m.

Situation

The property occupies a convenient position on the corner of Upper Lichfield Street and Little Wood Street in the town centre.

The immediate vicinity is mixed use with a large Morrisons Supermarket to the east, the town centres retail offering to the south and west, industrial accommodation to the north and residential accommodation throughout.

Description

The property is an approximately 0.35 acre (0.143 hectare) detached corner island site, currently comprising an office building arranged over ground and first floors with a gated car park.

The property is predominantly arranged as office and meeting accommodation with multiple access and exit points from the front, sides and rear.

The property may lend itself well to a first floor extension over the ground floor and to a variety of alternative uses, such as residential, subject to planning permission.

Accommodation

The property has been measured by BKR Floor plans and provides the following net initial and gross internal floor areas:

Ground Floor NIA	706.6 sq m	7,606 sq ft
First Floor NIA	81.38 sq m	876 sq ft
Total NIA	787.98 sq m	8,482 sq ft

Ground Floor GIA	762.24 sq m	8,205 sq ft
First Floor GIA	125.88 sq m	1,355 sq ft
Total GIA	888.12 sq m	9,560 sq ft

Site area approximately 0.35 acre (0.143 hectare).

A measured survey and set of floor plans are available to download. This will be assigned to a purchaser at a cost of £680 + VAT.

Tenure

Freehold.

Tenancy

The property is let to The Secretary of State for Levelling-Up, Housing and Communities (trading as Job Centre Plus) on a full repairing and insuring lease for a term of 10 years from 1st April 2018, expiring 31st March 2028.

Therefore, there are 4.5 years unexpired with no breaks.

The passing rent is £88,475 per annum. Based on the measured survey, the passing rent equates to £9.25 on the gross internal area and £10.43 on the net internal area.

The tenant has been in occupation for over 20 years.

Covenant

Jobcentre Plus is the public facing arm of the UK Department for Work and Pensions, providing direct employment support services. The services include training, employment opportunities and administration of benefit claims.

The unemployment landscape in the United Kingdom is such that the need for the Jobcentre Plus service is essential.

All the lease obligations and to UK Government, offering undoubtable income and covenant.

Estimated Rental & Capital Value

Our research suggests that 1- and 2-bedroom flats in this location with parking are worth in the order of £110,000 per flat or £210 per square foot / £2,260 per square metre.

Our research also suggests that the estimated rental value for a town centre office building with parking is in the order of £10.50 – £12.50 per square foot / £113 – £135 per square metre.

The price reflects a capital value of £95 per square foot / £1,019 per square metre. This is a significant discount to the estimated residential value.

VAT

The property has been registered for VAT and it is anticipated that the sale will be treated as a Transfer of a Going Concern (TOGC) so that VAT will not be payable on the purchase price.

Proposal

We are instructed to seek offers of **£905,000** (Nine Hundred and Five Thousand Pounds), subject to contract, reflecting a Net Initial Yield of **9.25%**, assuming standard purchaser's costs of 5.64%.

Please note that a purchaser will be re-charged the costs of the measured survey (£680 + VAT), the searches (**£1,029.63**) which are provided in the data room and a transaction fee of 1% + VAT.

Investment Considerations

1. The tenant is the Government body, offering undoubted income;
2. The property sits on a 0.35 acre (0.143 hectare) site;
3. Located within a mixed use town centre;
4. The property benefits from a gated car park;
5. With unemployment on the rise, the tenant is providing vital services;
6. Freehold;
7. Tenant in occupation for over 20 years
8. The property offers repurposing potential in the future, subject to planning;
9. The price reflects a capital value of £95 per square foot / £1,019 per square metre;
10. Attractive lot size to an investor;
11. High net yield of 9.25%;
12. The price reflects a capital value which is 50% lower than the approximate residential capital values in this location.

Selling on behalf of TTG



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