



**Nova Barton 84**

Unit 1 Bridford Road | Marsh Barton Trading Estate | Exeter | EX2 8QX



# Nova Barton 84

Description	Total including VAT (£)
Purchase price	910,000
Stamp duty	35,000
Legal costs	9,600
Mortgage arrangement fee	0
Agents fees	10,920
Lewis purchase fee	30,030
Float	9,450
Valuation	3,000
<b>Total</b>	<b>£1,008,000</b>

## The Investment

We are inviting LLP investments from suitably knowledgeable and experienced investors.

The Immediate Income investors will accrue their share of the rent from day one.

For further information please contact your personal adviser at Lewis.

## Potential Return

The syndicate is buying this property at a gross yield of 6.54%.

## Immediate Income

Income will be paid monthly in advance at 5.55% per annum before tax.

An investment of £40,000 will receive income of £ 185.00 per month.



The objective is to form a syndicate whose members can transfer in circa **£1,008,000** of funds. The syndicate will not borrow against this property. Investing in the LLP will result in taxation.

Lewis' annual fee is 4% plus VAT of the rental income (currently **£ 2,384 + VAT** per annum), paid quarterly in advance. Lewis Property Services UK Ltd annual fee is 2% plus VAT of the rental income (currently **£1,192 + VAT** per annum). If future rents increase, then so too will Lewis' on-going fees.

## The Property

<b>Purchase Price:</b>	£910,000
<b>Tenure:</b>	Freehold (rare in Exeter)
<b>Tenants:</b>	<b>Majestic Wine Warehouses Ltd</b>
<b>Repairs:</b>	Tenants responsible for all repairs
<b>Current Rent:</b>	£59,600 per annum
<b>Review:</b>	25th December 2018 upwards only



Exeter is a thriving historic city and is the principle commercial centre of Devon with an estimated population of 124,000 and a catchment of approximately 300,000 people.

The property is located on the corner of Bridford Road and Trusham Road which forms the main thoroughfare through the centre of Marsh Barton Trading Estate. The estate is approximately 3km to the south-east of Exeter City Centre, with good road access to both the A30 and A38 Devon Expressway/M5 motorway.

The building comprises an attractive brick built warehouse, situated adjacent to one of the main trunk roads through Exeter's principle trading estate and thereby has excellent prominence to passing traffic.

The property extends to 4,434 sq ft of accommodation on ground floor, but in our opinion could accommodate some additional mezzanine accommodation at first floor should a subsequent occupier require it. Also, being an end of terrace unit could benefit from parking down its flank, which adds to its attraction.

Whilst the building has the benefit of a valuable A1 planning use, the building could (subject to planning) lend itself to a number of other uses, due to its location, roadside visibility and appearance.

Majestic Wine Warehouse has made a recent announcement that it is going to focus on its recently acquired 'Naked Wines' and strengthen their online model. They intend to close a number of stores serving smaller catchments, but our research suggests that the Exeter store is unlikely to be affected by this move.

## SUMMARY

We are delighted to recommend this investment property to you for the following reasons :-

- ◆ We feel that we are buying this freehold at a good price.
- ◆ We believe that this property has lots of merits, with a good plc tenant.
- ◆ The location is very close to the M5 motorway, with good links to Devon and Cornwall, but also to Bristol, the Midlands and London.
- ◆ Demand for units like this is currently very strong in Exeter.
- ◆ We really like properties like this that are in a great location, freehold and with numerous options for future use.

Best wishes

Tim Lewis



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## Risk Factors

These will be detailed in your personal recommendation report, but key risks to consider are:-

- Inflation can have positive and negative effects on commercial property. Low interest rates tend to be beneficial where a mortgage is being repaid.
- Vacancy risk is twofold. Firstly an empty property has liabilities, like maintenance and empty business rates. Additionally, a failed tenant or lease expiry may require that the mortgage is paid whilst a new tenant is found. A location's general economic profile and demand for property may change over time.
- Although rent reviews tend to be upward, there is no guarantee that the rent will increase. Property yields and values can fall as well as rise and the costs tend to be high at purchase.
- The value of the property and the income from it may fall or rise. Past property market values are not a guide to future property values and you may not get back what you invested.

## Liquidity Issues

- Commercial property is a long term holding; generally for no less than 6 years.
- A member can leave the syndicate at any time. Under the terms of the Syndicate Rules any share to be sold will initially be offered to the remaining members. If they do not wish to purchase the entire share any remaining share will be offered to non-syndicate members.
- If a purchaser cannot be found the property will be sold. Due to the nature of the investment a sale may not be immediate.

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