



OFFICE INVESTMENT FOR SALE

18-22

GRENVILLE STREET
ST HELIER
JERSEY JE4 8PX

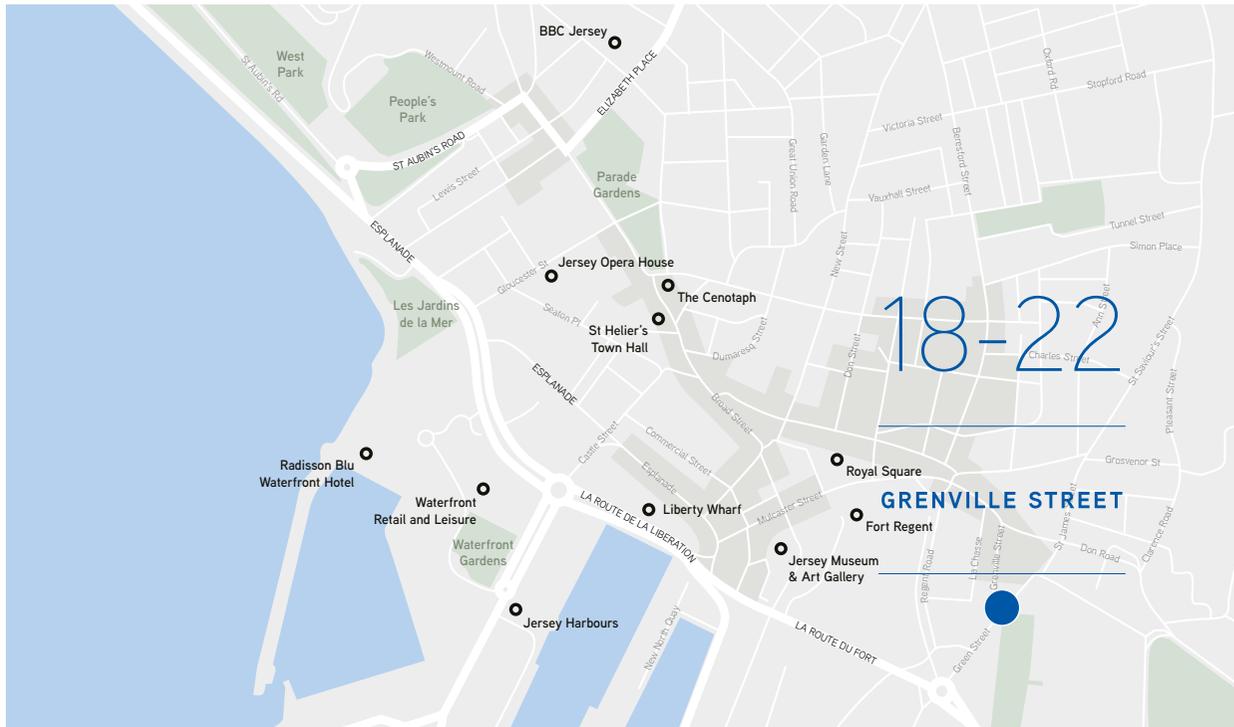


- SECURE INVESTMENT OPPORTUNITY
- LET TO MOURANT WITH LP GUARANTEE
- 2% FIXED ANNUAL RENTAL UPLIFT
- LEASE TO APRIL 2025
- REFURBISHED INTERNALLY
- ATTRACTIVE NIY OF 8.5%
- OFFERS IN EXCESS OF £18,500,000

INVESTMENT SUMMARY

- An opportunity to purchase the headquarters of Mourant, one of Jersey's leading offshore law firms.
- Let to Mourant's on two leases both expiring on the 22nd April 2025.
- Guaranteed by Mourant LP.
- Annual passing rent of £1,578,700.
- Approximately 6 years unexpired.
- Rent reviews fixed at 2% uplift per annum.
- 48,970 sq ft, freehold office building arranged over 4 floors.
- Exceptionally strong investment market in Jersey with 3 recent major sales to international capital.
- 15 on site car parking spaces.
- Central location within St Helier.
- Offers sought in excess of £18.5m, subject to contract and exclusive of GST (if applicable).
- The sale will be a corporate transaction by way of shares in the holding company. A purchase at this level reflects a net initial yield of 8.5% after deduction of purchaser's costs of 1.5%, which equates to a capital value of £377 per sq ft.





MAJOR OCCUPIERS IN ST HELIER

- Royal Bank of Canada
- State Street Bank
- HSBC
- Barclays
- UBS
- BNP Paribas
- SG Hambros
- Royal Bank of Scotland
- KPMG
- Ogier
- Aztec
- PWC
- Deloittes
- Sanne
- Applebys
- Ernst and Young

LOCATION

Jersey is the largest of the Channel Islands, situated 14 miles off the north west coast of France and 85 miles from the south coast of England.

The island is well served by sea and air links to both the UK and Europe. Jersey Airport is located five miles from St Helier and provides regular services to the UK, France and Switzerland, principally with British Airways and EasyJet. Journey times from London Gatwick and London City airports are 1 hour and 1 hour 15 minutes respectively. Ferry services from the UK to Jersey operate regularly, with a fastest journey time of 4 hours 30 minutes from Poole.

The island has a total population of approximately 102,700, which has increased by nearly 13% over the past 10 years. Forecasts indicate the population will rise to over 115,000 by 2025.

Jersey is a Crown Dependency and is therefore self-governing and operates within its own financial and legal systems, with its own Courts of Law. Jersey's local economy revolves largely around the finance and professional advisory industries.

SITUATION

18-22 Grenville Street is located at the junction of both Grenville Street and Green Street, an established business district within St Helier.

Occupiers within the vicinity include State Street Bank, The States of Jersey, Jersey Telecom, JP Morgan and Zedra.

The island's main retail and hospitality areas of King Street and Liberation Square, offering a wide range of shops, restaurants and hotels are within a few minutes' walk.

ECONOMY

Jersey is a renowned financial centre with a strong and prosperous economy. Financial services dominate the economy, employing nearly 22% of the working population and contributing to more than 40% of GDP. As a result, there are 32 registered banks on the island. Total banking deposits on the island is estimated to be £108 billion, with the value of funds under administration as £320 billion, an increase of 66% since 2013.

The Jersey Financial Services Commission is responsible for the regulation, supervision and, within its legal remit, the development of the financial services industry on the island. Further information is available at www.jerseyfsc.org.

Aside from financial services, the island is reliant on tourism, which accounts for over 20% of GDP. The island attracts over 700,000 visitors per annum, with the majority coming from the UK and mainland Europe.

DESCRIPTION

18-22 Grenville Street consists of two interlinked office buildings and form the Jersey Headquarters for Mourant.

Constructed in 1985 and 1995, the building provides 48,970 sq ft (4,593 sq m) of prime office accommodation arranged over ground and three upper floors.

Externally 18-22 Grenville Street presents a stone façade under a pitched natural slate roof with an imposing and extremely well known corner feature marking it out as a land mark building island site.



SPECIFICATION

Over the last 2 years Mourant's have injected significant capital in refurbishing, on a floor by floor basis, the office floors, overall facilities and the mechanical plant and equipment. These refurbishment works are scheduled to complete later this year.

These works include:

- A full replacement of the air conditioning system to include new Daikin chillers and ceiling mounted fan coil units throughout .
- Flat panel LED lighting throughout
- New ceiling tiles
- New carpets
- Complete redecoration on all floors
- Total refurbishment of the male, female and shower facilities
- Refurbishment of the lobbies and stairwells
- New staff kitchen and break out areas
- Refurbishment and significant upgrade of the client reception, meeting and board rooms

In addition the general specification includes:

- Fully accessible raised access flooring throughout
- Three passenger lifts
- Feature entrance and client reception area
- Separate staff entrance lobby

ACCOMMODATION

18 Grenville Street

Ground floor reception	246 sq ft
Ground floor offices	6,347 sq ft
First floor	6,034 sq ft
Second floor	5,222 sq ft
Third floor	3,051 sq ft
Lower Ground floor	2,003 sq ft
Total	22,903 sq ft

3 covered car parking spaces and 2 uncovered parking space

22 Grenville Street

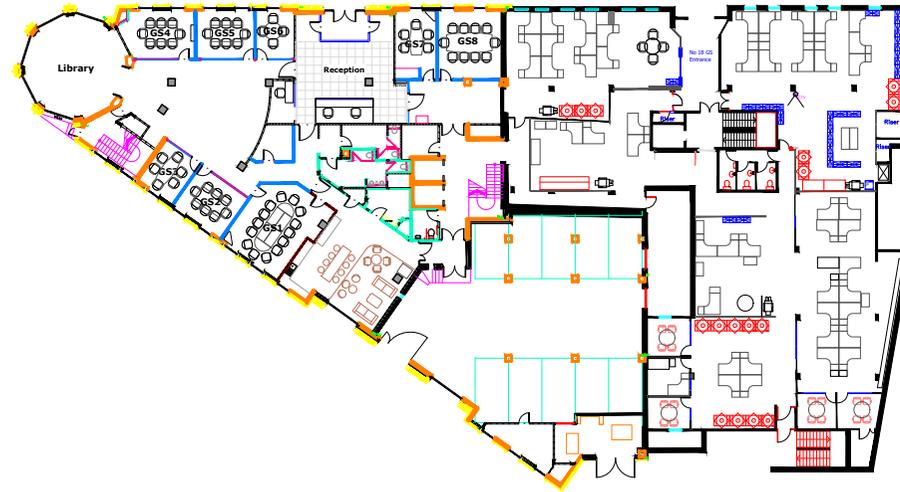
Ground floor reception	680 sq ft
Ground floor offices	4,141 sq ft
First floor	7,766 sq ft
Second floor	7,860 sq ft
Third floor	5,620 sq ft
Total	26,067 sq ft

10 covered car parking spaces

Overall Total 48,970 sq ft

There are three residential units on the first, second and third floors each of approximately 645 sq ft within the demise of 22 Grenville Street.

GROUND FLOOR



SECOND FLOOR





TENURE

The property is held freehold.

TENANCY

18-22 Grenville Street is let in its entirety to Mourant (Grenville Street) Limited, guaranteed by Mourant LP.

The two leases are identically structured each for a term of 21 years commencing on the 23rd April 2004 and expiring on the 22nd April 2025.

Each lease is subject to fixed annual uplifts in the passing rent, calculated at 2% per annum.

The total rent, as of the 23rd April 2019 is £1,578,700 calculated as split:

- 18 Grenville Street £710,618.00
- 22 Grenville Street £868,083.00

ANNUAL RENTAL INCOME

The rent of £1,578,700.00 increases by 2% per annum every April.

We calculate the rental profile as follows:

Date	Annual Rental
April 2019	£1,578,700.00
April 2020	£1,610,274.00
April 2021	£1,624,480.00
April 2022	£1,675,329.00
April 2023	£1,708,835.00
April 2024	£1,743,012.00

RENTAL ANALYSIS

We analyse the passing rent as follows:

18 Grenville Street	22,903 sq ft	@ £28.00 per sq ft
22 Grenville Street	26,067 sq ft	@ £31.00 per sq ft
Car parking	15 spaces	£3,000.00 per space
Flats	3	£800.00 p.c.m/flat

COVENANT STRENGTH

Mourant is one of the world's leading offshore legal practices, headquartered in Jersey with offices in Guernsey, British Virgin Islands, Cayman, Hong Kong and London.

The practice currently employs nearly 500 people throughout six jurisdictions and specialises in offshore legal services for international corporations, public organisations, private equity houses, investment funds as well as ultra-high net worth individuals and family offices.

The accounts of both Mourant (Grenville Street) Limited and Mourant LP can be released upon the agreement of terms and on entering into an appropriate non-disclosure agreement.

JERSEY OCCUPATIONAL MARKET

Jersey's total office stock is over 3 million sq ft, of which the majority is concentrated in St Helier.

Demand for space within the prime business district has continued, with take up in 2018 exceeding the 5 year average of 100,000 sq ft.

With a majority of developments agreeing pre-lets, few offices are speculatively developed, and the availability of Grade A office stock in Jersey is limited, resulting in continued rental growth in the short and medium term. Occupational demand remains strong and we anticipate further pre-lets being announced during 2019.

Historically the island has had a very low vacancy rate and this currently stands at less than 5.0%. However, an estimated 800,000 sq ft of office stock is functionally or locationally obsolete and does not provide the quality of accommodation required by modern occupiers.

Prime rents now stand in the region of £36.00 per sq ft plus for 15 year lease terms, as demonstrated in the table below. For lettings below 10,000 sq ft rents now stand at £40.00 per sq ft, as demonstrated by recent lettings at the Jersey International Finance Centre (JIFC).

Date	Property	Area (sq ft)	Tenant	Lease Term (Break)	Rent (£psf)
Nov-18	Building 5, JIFC	35,000	Sanne	24 years (15 years)	£36.00
Jan-18	Building 4, JIFC	2,596	Foundation Services Ltd	21 years	£40.00
Aug-17	Building 4, JIFC	3,676	ED Capital	15 years	£40.00
Jul-17	Building 4, JIFC	24,000	BNP Paribas	15 years	£35.00
May-17	Building 4, JIFC	3,296	Laing O'Rourke	15 years	£40.00 (£42.00 fixed uplift)
May-17	27 Esplanade	29,600	JTC Group	15 years	£34.00 (£35.00 fixed uplift)
Apr-17	Building 4, JIFC	16,500	UBS	25 years (15 years)	£34.50
Oct-16	Gaspé House, 66-72 Esplanade	90,380	Royal Bank of Canada	21 years (15 years)	£34.00
Sep-16	Gaspé House, 66-72 Esplanade	10,700	Deloitte	9 years	£34.00





JERSEY INVESTMENT MARKET

Jersey's office investment market has performed exceptionally strongly over the past 18 months with 3 major sales all attracting international capital into the Island.

Jersey's reputation of stability is proving highly attractive to investors for both prime and good quality secondary stock, attracted by the strength and resilience of the finance sector, the quality of the buildings and their tenants, long leases and a positive pattern of rental growth either through market reviews or fixed uplifts.

A schedule of recent investment transactions in the Channel Islands is set out below:

Date	Property	Area (sq ft)	Tenant (Term Certain)	Price	NIY	Purchaser
May 19	Liberte House, St Helier	18,282	States of Jersey	£6.94m	6.5% quoting	Under offer
Nov 18	IFC 1, St Helier	70,382	Sanne Group and others (12.6 years)	£43.7m	5.94%	Klesch Family office
Nov 18	Gaspé House, St Helier	164,298	Royal Bank of Canada and others (14.5 years)	£90.0m	6.15%	Private Consortium
Oct 18	Sir Walter Raleigh House, St Helier	21,000	Multi Let (4 years)	£7.4m	7.99%	Private Investor
Oct 18	Charter Place, St Helier	35,120	Multi Let (8.85 years)	£11.5m	8.57%	Henley Investments
Dec 17	37 Esplanade	70,000	KPMG, PwC and others	£45.0m	6.55%	Sidra Capital
Sept 16	Liberation House & Windward House, St Helier	86,700	Multi Let (7 years)	£34.0m	7.5%	Channel Islands Property Fund
Aug 16	13/14 Esplanade	26,000	Appleby Global (17.5 years)	£10.75m	6.75%	Comprop

In addition, Guernsey is also achieving record breaking investment sales identified with:

Date	Property	Area (sq ft)	Tenant (Term Certain)	Price	NIY	Purchaser
Apr 19	Dorey & Martello Court, St Peter Port	87,000	Royal Bank of Canada, ABN AMRO and Aon (11 years)	£60.65m	6.35%	Middle Eastern based investor
Aug 17	Royal Chambers, St Peter Port	60,000	Mourant Ozannes and others (14 years)	£34.0m	6.75%	Channel Islands Property Fund

GOODS AND SERVICES TAX (GST)

VAT is not applicable in Jersey. Goods and Services Tax (GST) may be applicable. All figures quoted in this brochure are exclusive of GST and we would recommend that prospective purchasers make their own enquiries as to the liability.

PARISH AND ISLAND OCCUPIER RATES

Occupier rates are very low in Jersey compared to the United Kingdom. The 2017 assessment was circa £1.82 per sq ft. This is a significant benefit to occupiers when assessing overall occupation costs.

PROPOSALS

Offers are sought in excess of **£18,500,000 (eighteen million five hundred thousand pounds)** subject to contract and exclusive of GST (if applicable).

A purchase at this level reflects a net initial yield of 8.5%, after deduction of purchaser's costs of 1.5% and a capital value of £377 per sq ft.



CONTACT DETAILS

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

Tony Rowbotham

+44 (0) 1481 742288
tony.rowbotham@savills.gg

Savills
22 Smith Street
St Peter Port
Guernsey GY1 2JQ

savills.gg

Tom Subba Row

+44 (0) 20 7409 8740
tsrow@savills.com

Savills
33 Margaret Street
London
W1G 0JD

savills.co.uk

DATA ROOM

Access to the data room is upon request.



Important Notice

Savills, their clients and any joint agents give notice that:

1. They are not authorised to make or give any representations or warranties in relation to the property either here or elsewhere, either on their own behalf or on behalf of their client or otherwise. They assume no responsibility for any statement that may be made in these particulars. These particulars do not form part of any offer or contract and must not be relied upon as statements or representations of fact.
2. Any areas, measurements or distances are approximate. The text, photographs and plans are for guidance only and are not necessarily comprehensive. It should not be assumed that the property has all necessary planning, building regulation or other consents and Savills have not tested any services, equipment or facilities. Purchasers must satisfy themselves by inspection or otherwise.

Designed and Produced by Savills Commercial Marketing: 020 7499 8644 | June 2019