



# DEAN CLOSE FOUNDATION

**LITTLE TREES  
DAY NURSERY**

Celtic Springs Business Park,  
Spooner Close, Newport,  
NP10 8FZ



DEAN CLOSE  
FOUNDATION

**20 YEAR TERM CERTAIN WITH  
INDEX LINKED REVIEWS**

FREEHOLD NURSERY  
INVESTMENT



**Knight  
Frank**

# INVESTMENT SUMMARY

- Freehold, modern, long let index linked Nursery Investment.
- Prominent commercial location on Celtic Springs, Newport's premier business park, with surrounding occupiers including Airbus, Microsoft, NHS, Welsh Water and Wales & West Utilities.
- Porsche are currently relocating to a new, state of the art location on Celtic Springs Business Park. Their new facility will be home to over 100 employees. The £16m facility is set to complete in Q1 2024.
- Well located in a prominent location off Junction 28 of the M4 Motorway, 3.4 miles from Newport City Centre on the arterial route between the city and Cardiff (immediately to the west). This is a popular commuter route and ideal location for the facility.
- 9,200 sq ft of modern flexible accommodation originally designed as a Grade A office.
- Newport forms part of the Cardiff Capital Region with a population of 1.5m.
- Let to The Dean Close Foundation on a new 20-year lease from 1st February 2023 with no Tenant break option.
- 5 yearly RPI rent reviews, capped at 5% and collar at 2%.

- Producing £150,000 per annum (£16.62 per sq ft).
- The nursery is very popular and is fully subscribed with a waiting list. The tenant is a charity with reserve funds of £18.04m for 2020 (up from £17.36m in 2019).
- Revisionary yield of 6.47%. This assumes the RPI Inflation forecast provided by Oxford Economics and takes into account the cap and collar of 2% and 5%.



Seeking offers in excess of **£2,550,000 (Two Million, Five Hundred and Fifty Thousand Pounds)** reflecting an attractive **Net Initial Yield of 5.50%**, after deducting purchaser's costs of 6.96%.



# SITUATION

The property is situated on Spooner Close in Celtic Springs Business Park, one of the most prestigious office addresses on the M4 Corridor in Wales. The location is just off Junction 28 of the M4 Motorway. Newport City Centre (2 Miles) and Cardiff (10 Miles) are both within easy reach via the M4 and A48.

Surrounding occupiers are largely office occupiers including Airbus Group, Acorn Recruitment, Wales & West Utilities, Welsh Water, Target, Go Compare and Office for National Statistics. The business park is also home to a Holiday Inn Express Hotel, a pub, a coffee shop and a Greggs.

In addition there has been notable recent investment in the area by Microsoft who purchased c. 1,000,000 sq ft at the former LG premises and Dick Lovett having purchased c. 12 acres of land and submitted planning to build a new "flagship Porsche centre" within close proximity to the property are enhancing Celtic Springs commercial reputation further as a desired corporate location. Finally, Vantage operate one of the largest data centres in Europe in the vicinity.

Investment in education, skills and entrepreneurialism has been at the heart of Newport's regeneration. We now have an award-winning university campus in the city centre, which forms part of the University of South Wales (USW). The university is a key player in the economic growth of southeast Wales. With a turnover of £190m the university is a major partner to UK government, industry, Welsh government and a broad range of businesses. A core USW strength is to deliver industry relevant education and research that is applied to real life.












///prospers.volunteered.riverside



# DESCRIPTION

The property is of steel frame construction, originally designed as Grade-A office space but was subsequently utilised as a private children's day care centre. The property comprises 9,200 sq ft over two storeys, with a floor to ceiling height of 2.75m. Each floor plate has clear internal space and is open plan throughout.

The property was constructed in 2007 and features:

-  Reception area
-  8 – person lift
-  Car parking ratio of 1:176 sq ft (50 spaces)
-  Recessed lighting
-  Raised access flooring
-  Air conditioning
-  Enclosed garden area
-  WC on each floor level
-  Kitchen area and additional kitchenettes

# SITE

The site area extends to approximately 0.73 acres (0.298 Hectares).



# ACCOMMODATION

The property has been measured in accordance with the RICS Code of Measuring Practise (6th Edition) and shows the following Gross Internal Areas:

Demise	Sq Ft	Sq M
Ground Floor	4,600	427.34
First Floor	4,600	427.34
Total	9,200	854.68



# EPC

The property has an EPC Rating of B(42).



# TENURE

The property is held Freehold under title numbers CYM858449 & CYM345410.



# TENANCY

The property is let on a Full Repairing & Insuring Basis to The Dean Close Foundation for a term of 20 years from 1st February 2023 at an initial annual rent of £150,000 per annum.

The rent is subject to 5 yearly upward only rent reviews linked to RPI with a collar of 2% and cap of 5%, compounded annually.

# COVENANT PROFILE

The Dean Close Foundation was established in 2001 and originates from the Dean Close School that was founded in 1886. It is an educational Registered Charity (number 1086829), which comprises five schools and six nurseries within Gloucestershire, Chepstow and Newport region. The charity's aim is to provide high-quality education and care for day and boarding pupils from nursery age through to upper sixth level. In the year ending August 2022 they showed a Turnover of £28.1m and employed 678 staff.

The subject property is a nursery that accommodates children between 3 months and 4 years and first opened in 2008. The most recent lease is the 3rd lease they have signed at the property demonstrating how well it works for the tenant and their commitment to the location.



The nursery currently accommodates 115 children and we understand it is over-subscribed with a waiting list in place for new joiners.

The demand for places is underpinned by the quality of the offering with the Nursery's Care Inspectorate Wales Report's rating the nursery was 'good' in 3/4 categories.



The nursery is well-located for a parents who are commuting from Newport to Cardiff (and vice-versa) as well as those located in the surrounding suburbs of Duffryn, Rogerstone and Bassaleg.







**Cardiff**  
8.6 miles  
16 mins

**Newport**  
4.2 miles  
10 minutes

**M4 Motorway**

**Wales & West Utilities**

**Multi-let offices**

**Sys IT Group**

**Acorn Recruitment**

**Dŵr Cymru Welsh Water**

**Airbus Group Campus**

**Development site**

**Rutherford Cancer Care**

**Little Trees Day Nursery**

**SSCL (HMPS/MOJ)**

**New Porsche Premises  
Under Construction**

# VAT

The property has been elected for VAT and it is envisaged the sale will be treated as a Transfer a Going Concern.

**NOTE.**  
Photographs were taken out of operating hours due to avoid safeguarding issues.

# PROPOSAL

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# CONTACT



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