

Peter House

St Peter's Square
Manchester M1 5AN

**Prime Long-Income City Centre
Investment Opportunity**



SPACES.

PETER HOUSE

SPACES.

PETER HOUSE

Investment Summary

An outstanding opportunity to acquire a prime, office-led investment in the heart of Manchester city centre, providing a secure, predominantly long-term income profile with strong reversionary potential.



- Freehold, the building totals **94,654 sq ft (8,821.5 sq m)** across **11 storeys** and **38 basement car parking spaces**. The newly refurbished Grade A office accommodation totals **82,274 sq ft (7,957.4 sq m)** with the ground floor leisure/retail accounting for **12,380 sq ft (836.2 sq m)**.
- **100% prime location** facing into St Peter's Square - Manchester's principal civic and office district. Peter House is an **island site** situated adjacent to the recently completed 1 and 2 St Peter's Square and the newly restored Library, Town Hall and Public Realm.
- Trading as 'Spaces', the property is **over 90% let** to Manchester Oxford Street Centre Limited, with the substantial covenant of Regus Plc, offering a significant staged guarantee over the remaining lease period (**14.25 years term certain**). Including the ground floor leisure and retail income the property provides an AWULT of **13.85 years** (to earliest termination).
- Fully refurbished to provide Grade A accommodation, large feature reception, roof terraces and new M&E throughout. The Category A works completed in August 2018 with Category B works completing in forthcoming stages, with final completion in February 2019. In total **£12.5m** is committed to be spent on the refurbishment of the office accommodation during this period, equivalent to **£146 per sq ft**.
- A highly reversionary passing rent of **£2,467,750 per annum**, equating to only **£23.75 per sq ft** for the office accommodation, retail/leisure at **£33.18 per sq ft** and **£2,700 per car parking space**.
- Estimated Rental Value (ERV) of **£2,835,025 per annum**, equating to **£27.50 per sq ft** for the office accommodation, retail/leisure at **£37.03 per sq ft** and **£3,000 per car parking space**.
- The passing rent on the office element at Peter House equates to a discount of over **30%** to prime Grade A Manchester rents of **£34.00 per sq ft**.

Offers for the freehold interest are sought in excess of **£44,000,000 (Forty Four Million Pounds)**. An acquisition at this level reflects the following yield profile (assuming purchaser costs of **6.78%**):

Net Initial Yield **5.25%**

Equivalent Yield **5.85%**

Reversionary Yield **6.03%**

Low capital value of **£449 per sq ft** (assuming car parking at **£40,000** per space).





Metrolink

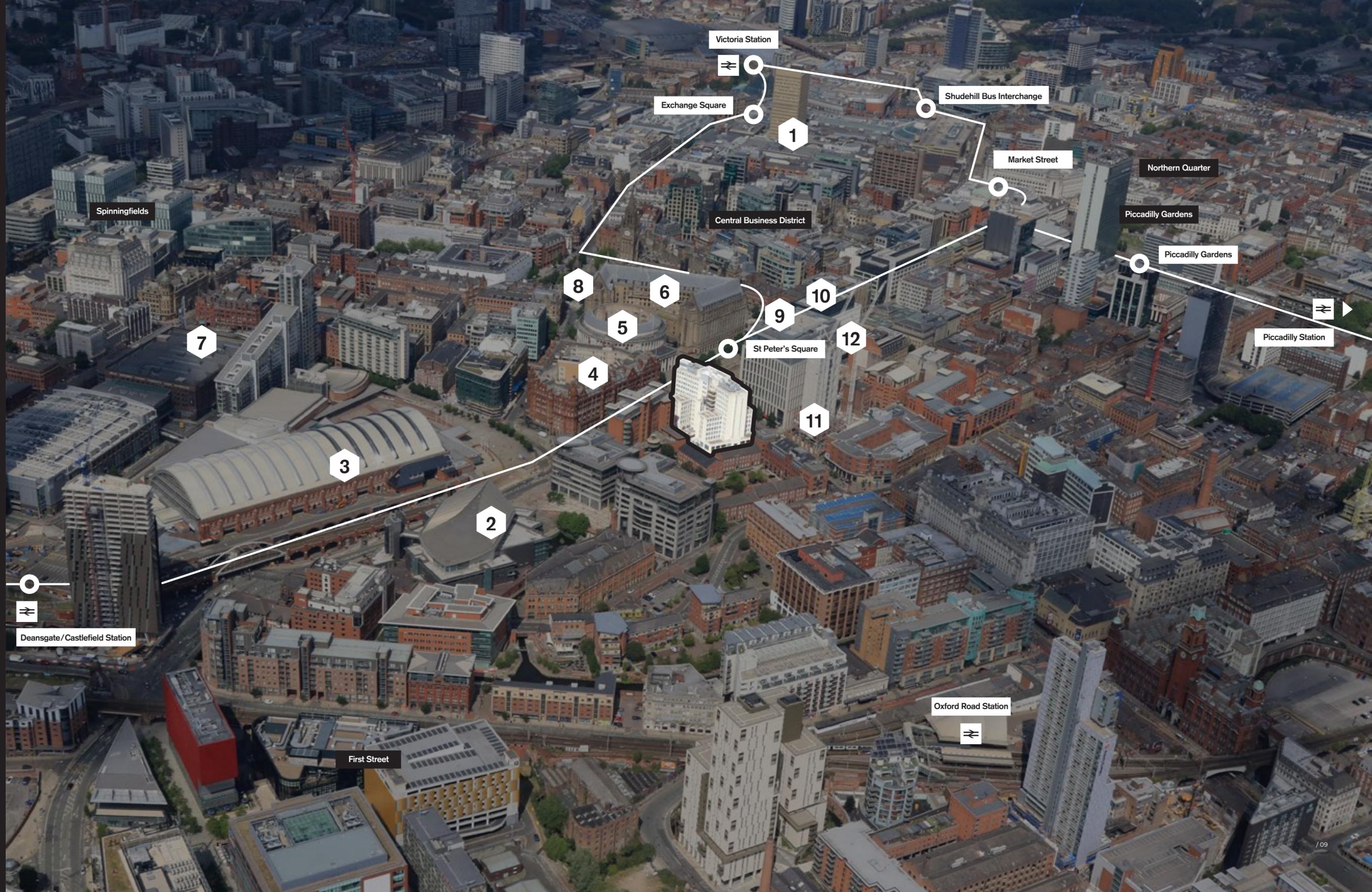


Rail Station



Landmarks

- 1. Manchester Arndale
- 2. Bridgewater Hall
- 3. Manchester Central
- 4. Midland Hotel
- 5. Central Library
- 6. Town Hall
- 7. Great Northern Warehouse
- 8. Albert Square
- 9. 1 St Peter's Square
- 10. 2 St Peter's Square
- 11. Landmark
- 12. Motel One and Staycity



Deansgate/Castlefield Station

Spinningfields

7

3

2

8

4

5

6

9

10

12

11

St Peter's Square

Central Business District

Exchange Square

Victoria Station

Shudehill Bus Interchange

Market Street

Northern Quarter

Piccadilly Gardens

Piccadilly Gardens

Piccadilly Station

Oxford Road Station

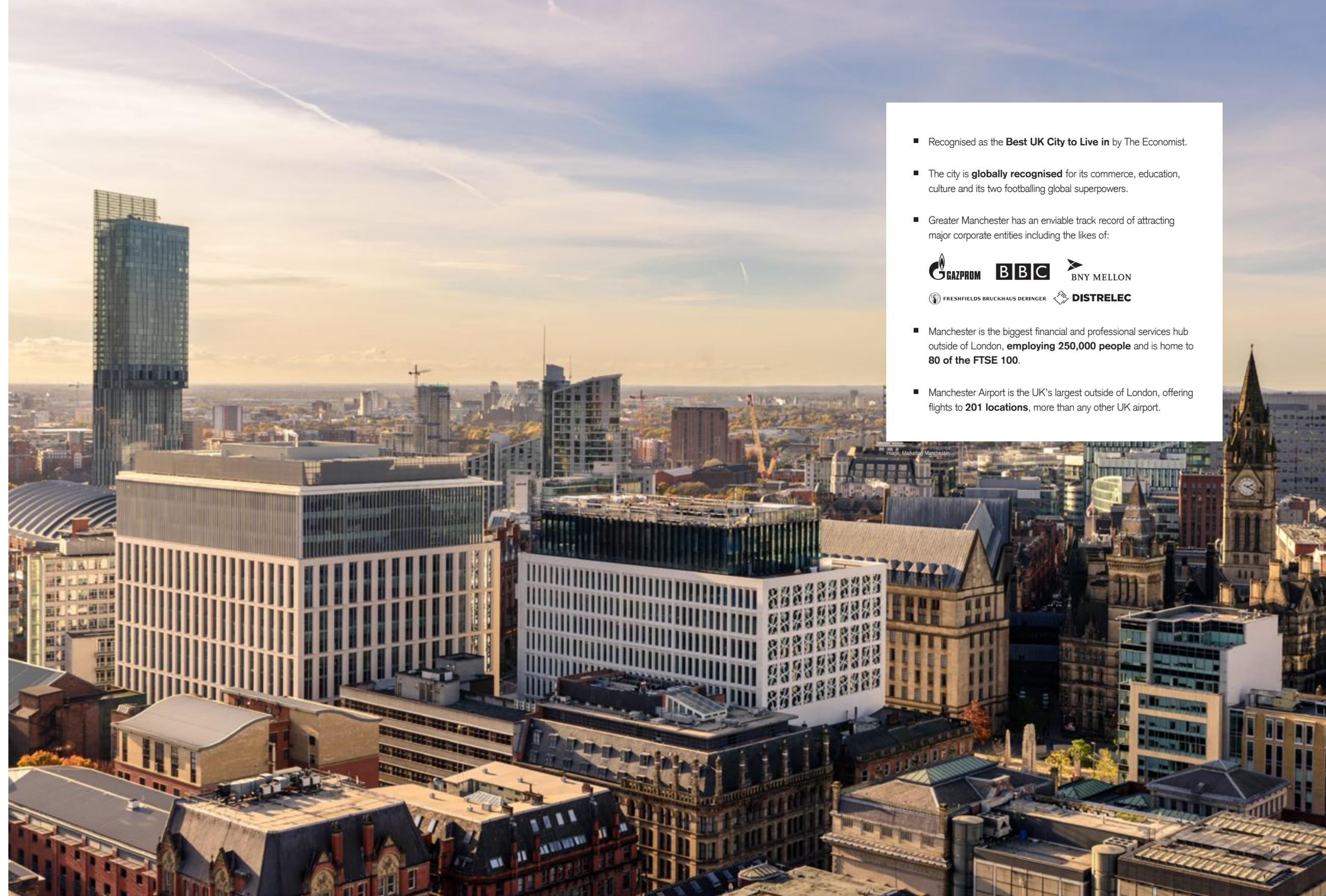
First Street

Manchester

Outstanding City

UK's 2nd City

Manchester has firmly established itself as the UK's 2nd city. It is the largest and fastest-growing regional capital and the economy has a Gross Value Added of £56bn (ONS).



- Recognised as the **Best UK City to Live in** by The Economist.
- The city is **globally recognised** for its commerce, education, culture and its two footballing global superpowers.
- Greater Manchester has an enviable track record of attracting major corporate entities including the likes of:



- Manchester is the biggest financial and professional services hub outside of London, **employing 250,000 people** and is home to **80 of the FTSE 100**.
- Manchester Airport is the UK's largest outside of London, offering flights to **201 locations**, more than any other UK airport.

Image: Marketing Manchester

Outstanding Micro-Location

St Peter's Square

- Peter House is situated in the civic and commercial heart of Manchester's thriving city centre – St Peter's Square.

£250m

The Square has recently undergone extensive repositioning and renovation with £185m of public sector spending and in excess of £250m of private investment at Manchester's premier office addresses – 1 and 2 St Peter's Square.

- In addition to the established core of St Peter's Square, significant development is underway to the east of the Square with Landmark, a 180,000 sq ft, 14 storey new-build office development, currently under construction. Adjacent to this, 3 St Peter's Square is pre-let to Motel One and Staycity and will provide additional amenity to the outstanding micro-location.
- Excellent connectivity and accessibility via road and public transport. Manchester's Metrolink is located adjacent the property.
- Rich in cultural amenity with Manchester Central, Bridgewater Hall, The Midland Hotel and the Manchester Art Gallery within the immediate surrounds.



Outstanding Asset

Peter House

- The asset provides an investor with a rare opportunity to benefit from a secure income stream, with 90% of the income guaranteed by the substantial Regus PLC covenant with an Experian rating of 98/100 reflecting "very low risk" for a considerable remaining term.
- A truly mixed-use asset offering accommodation in one of the most prime and accessible locations within the city. No short to medium term requirement for any further capital expenditure owing to the recently completed, comprehensive refurbishment works, and the FRI lease obligations.
- Opportunity to further grow retail/leisure rents through active management and reconfiguration of the ground floor units.
- Undoubted reversionary potential with the current passing office rent at £23.75 per sq ft against a prime rent of £34 per sq ft – a 30%+ discount, and current ERV at £27.50 per sq ft.
- Robust rental growth prospects for office accommodation with prime Grade A office rents forecast by CBRE to grow by 2.8% per annum over the next four years.
- Highly flexible floor plates providing ultimate long-term potential.
- Highly liquid asset within the Manchester investment market.
- Low capital value for the quality of location and income length.



90%

of income guaranteed by the substantial Regus PLC covenant



St Peter's Square

- 1 St Peter's Square
- 2 St Peter's Square
- 3 Motel One and Staycity
- 4 Landmark
- 5 Midland Hotel
- 6 Central Library
- 7 Town Hall
- 8 Town Hall Extension



Why Manchester?

Manchester is the premier regional centre in the UK and the centre of a thriving city region. It is the largest economic area outside London **with a gross value added of £56bn.**

The city is home to **80 of the FTSE 100** and is home to the UK's largest university, world-class research and Europe's largest student population. Manchester's highly skilled workforce of over 7m people are within an hour's commute of the city centre, making it an ideal business location. Google, HSBC and BBC are just a selection of the big names to call Manchester home.



No other city in Europe has invested as much in its media and digital scene as Manchester, with £3.5bn spent creating the 2nd largest hub for creative industries on the continent.

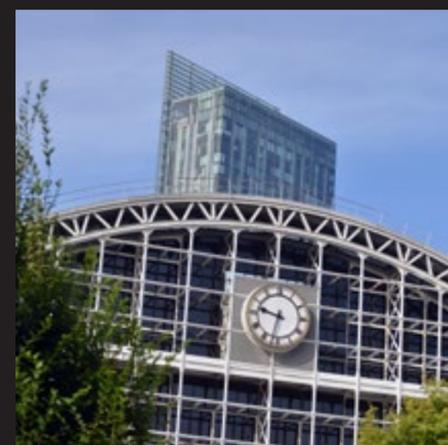
Manchester is the only city in the UK to offer next generation broadband, putting it 10 years ahead of other UK cities in terms of access to digital communications.

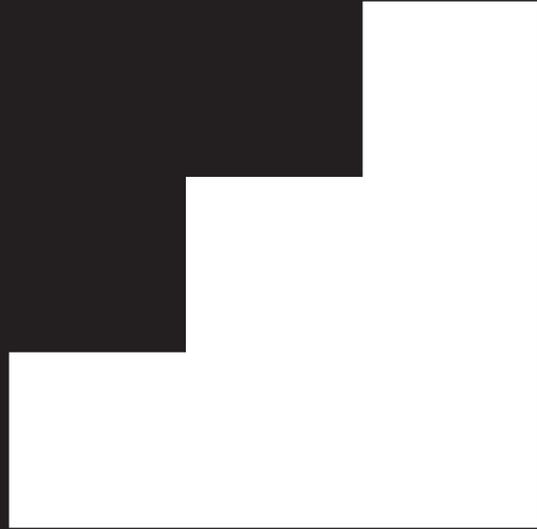
- Vision to be a top 20 global city by 2035.
- A key international gateway to the UK and from the UK to the World.
- 80 of the FTSE 100 represented in Manchester.
- Forecasted 2% growth per annum in office-based employment over the next 10 years.
- UK's 3rd largest airport with a £1bn investment programme commenced.

▪ **105,000** students with the best graduate retention outside of London. Students from more than 160 countries study in Manchester – making it the best UK destination for international students.

▪ **£7.5bn** tourism economy.

- Manchester has up to 40% lower operation costs than London.





Economy

- Manchester's economy has almost doubled in size in the last 20 years.
- Manchester City Council has a strong reputation for driving infrastructure improvements and securing inward investment.
- Manchester has long been considered one of Europe's top 20 commercial cities.
- Greater Manchester has a visitor economy worth £7.5bn, with 115m visitors every year.

▪ **51%**
of the North West's total economic output is produced by the Greater Manchester region.

- Largest travel-to-work area of any conurbation in the UK outside of London, with 7m people living within one hour's drive of the city centre.

▪ **£88m**
International visitors made a significant contribution towards the £88m generated from business conferences.



Education

- Greater Manchester is home to five universities.

▪ **60,000**
The city of Manchester is home to two large universities: University of Manchester and Manchester Metropolitan University (MMU), which combined host approximately 60,000 students.

- Greater Manchester's universities continue to attract the highest calibre of researchers and teachers, with the University of Manchester boasting 25 Nobel Prize winners and more Nobel laureates on their staff than any other UK university.

▪ **94%**
of University of Manchester graduates go straight into employment.

- The University of Salford is one of the UK's most diverse universities with over 3,500 students from over 100 countries. 94% of University of Manchester graduates go straight into employment or further study and its high-profile alumni include Professor Brian Cox and Lord Norman Foster.

▪ **£220m**
In 2015, international students generated £220m for the University of Manchester alone.

- The University of Salford opened a brand new digital learning, teaching and research space at MediaCityUK in 2012, which is now home to over 1,500 students.



Transport and Connectivity

With a population of approximately 2.6m and over 11m within a 50 mile radius, Manchester has the largest travel-to-work conurbation outside London. All the UK's major cities and centres of commerce are readily accessible with a consumer market of 20m within a two-hour drive of the city.



Road

Manchester benefits from one of the most extensive regional motorway networks in the country, comprising 20% of the total UK motorway system. The M60 Orbital provides easy access to the surrounding motorways including the M6, M61, M62 and M56 providing access to major UK cities including London, Leeds, Liverpool, Bristol, Birmingham, Glasgow and Edinburgh.

Air

Manchester Airport is situated 5 miles (8 km) to the south of the city centre and remains the UK's 3rd busiest airport and largest outside of London. Serving 22m passengers annually, Manchester Airport provides regular flights to the UK, Europe and internationally to over 225 destinations.

The £1bn investment programme led by Manchester Airports Group (MAG) over the next 10 years is set to transform Manchester Airport, expanding services and allowing it to double the number of passengers it handles each year to more than 45m.

Metrolink

The Metrolink network is one of the most successful light rail systems in the UK. The Metrolink has 7 lines and 92 stations which connect Central Manchester with the suburbs and carry over 31m passengers every year.

Greater Manchester Passenger Transport Executive (GMPTE) have spent in excess of £1.5bn upgrading the existing network to provide further expansion to both the airport and to include a 2nd city crossing, linking St Peter's Square and Exchange Square. The network is currently expanding further with works underway on a new £350m Trafford Line, linking the city centre with the intu Trafford Centre.

Peter House benefits from a Metrolink Station directly opposite (St Peter's Square), providing fast and efficient access to the outlying conurbations including Ashton, Oldham, Bury, Altrincham and Didsbury.

Rail

Manchester city centre has a number of mainline railway stations linking the city to the wider national rail network. There are 46 trains daily from Manchester to London with a journey time of approximately 2 hours. The proposed High Speed 2 line will provide high-speed connectivity between London and Manchester. When completed, journey times will be reduced to 1 hour 8 minutes.

Manchester Oxford Road and Manchester Piccadilly are the closest mainline railway stations to Peter House, providing unrivalled connectivity to the following destinations:

Manchester Airport	15 mins
Liverpool	35 mins
Leeds	45 mins
Birmingham	1 hour 30 mins
London	2 hours
Edinburgh	3 hours 20 mins

Bus

Greater Manchester and the inner city centre are served by an extensive bus network. The primary bus interchange is situated in Piccadilly Gardens and the city centre is also served by a free shuttle bus system running 3 circular routes between the mainline stations of Piccadilly, Victoria and Manchester Oxford Road.

Situation

With access directly off Oxford Street, the property occupies an extremely visible position facing directly into St Peter's Square, 1 St Peter's Square and the under construction 180,000 sq ft office scheme to be known as 'Landmark'. Immediately adjacent to the west is the famous Midland Hotel, whilst to the rear (south) is the city's main conferencing facility, Manchester Central.

Being the primary civic centre of the city and one of the main commercial districts, St Peter's Square is steeped in history and provides a fascinating contrast between old and new styles of architecture. The Square is also evidence of Manchester's commitment to regeneration and modernisation of the city's public buildings and spaces.

Peter House occupies an island site, offering excellent opportunity for future redevelopment.



Major office occupier in the immediate vicinity include:



The Building

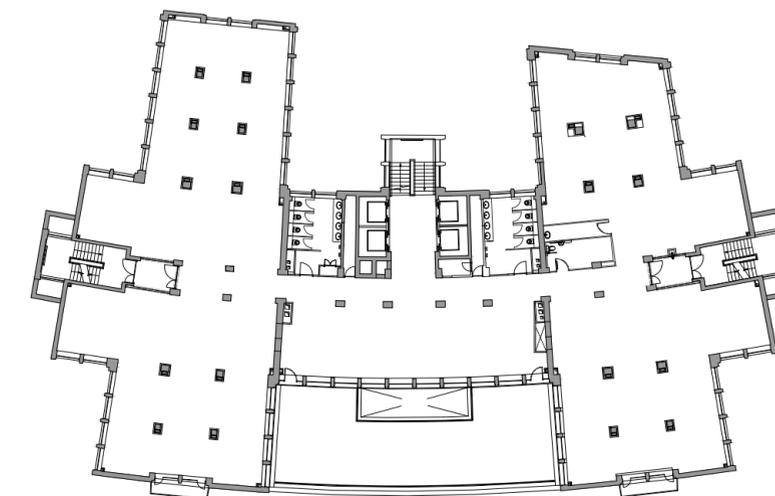
Peter House is an eleven storey building with basement car parking, totalling **94,654 sq ft (8,821.5 sq m)** of prime, newly refurbished, Grade A office space and ancillary retail and leisure accommodation.

The properties specification is as follows:

- Fully refurbished Grade A office accommodation including predominantly new M&E.
- Enhanced, double-height office reception, customer lounge and roof terraces.
- Four ground floor leisure and retail units.
- 38 basement car parking spaces.



Typical Floor Plan



Accommodation Schedule

Floor	Use	Area (Sq Ft)	Area (Sq M)
10 th	Office	5,845	543.0
9 th	Office	5,810	539.7
8 th	Office	5,826	541.2
7 th	Office	5,825	541.1
6 th	Office	5,910	549.0
5 th	Office	10,035	932.3
4 th	Office	10,046	933.3
3 rd	Office	10,035	932.3
2 nd	Office	9,971	926.3
1 st	Office	11,594	1,077.1
Ground (Reception)	Office	1,377	127.9
Ground (1)	Retail	4,820	447.8
Ground (2)	Retail (Extended Reception)	1,950	181.2
Ground (3)	Retail (Extended Reception)	1,429	132.8
Ground (4)	Retail	2,311	214.7
Ground (5)	Retail	944	87.7
Ground (6)	Retail	926	86.0
		94,654	8,793.4

Refurbishment Works Summary

The office accommodation and exterior have recently benefited from a comprehensive refurbishment. All works comply with the British Council for Offices 'Guide to Specification' 2014 (The BCO Guide).

Summary of works are as follows:

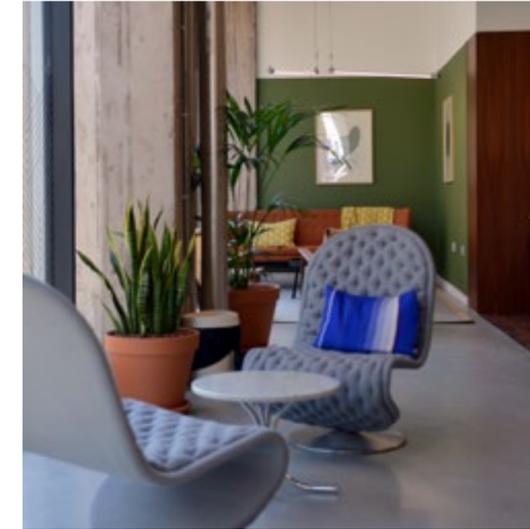
- Office accommodation: New suspended ceilings, raised access floors, floor coverings and complete redecoration.

General Interior:

- WCs: Complete replacement and redesign.
- Lift Lobbies and Stair Cores: Refurbished to complement the office accommodation.
- Reception: Refurbished to a high standard and modern finish complimenting the Grade A office floors.
- Basement: Refurbished with new bike and shower facilities.
- Doors: Complete replacement to FD60 regulations.

**Comprehensive refurbishment
and complete redecoration**



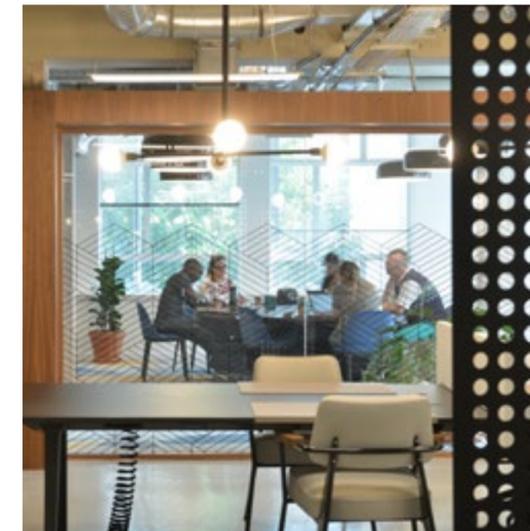


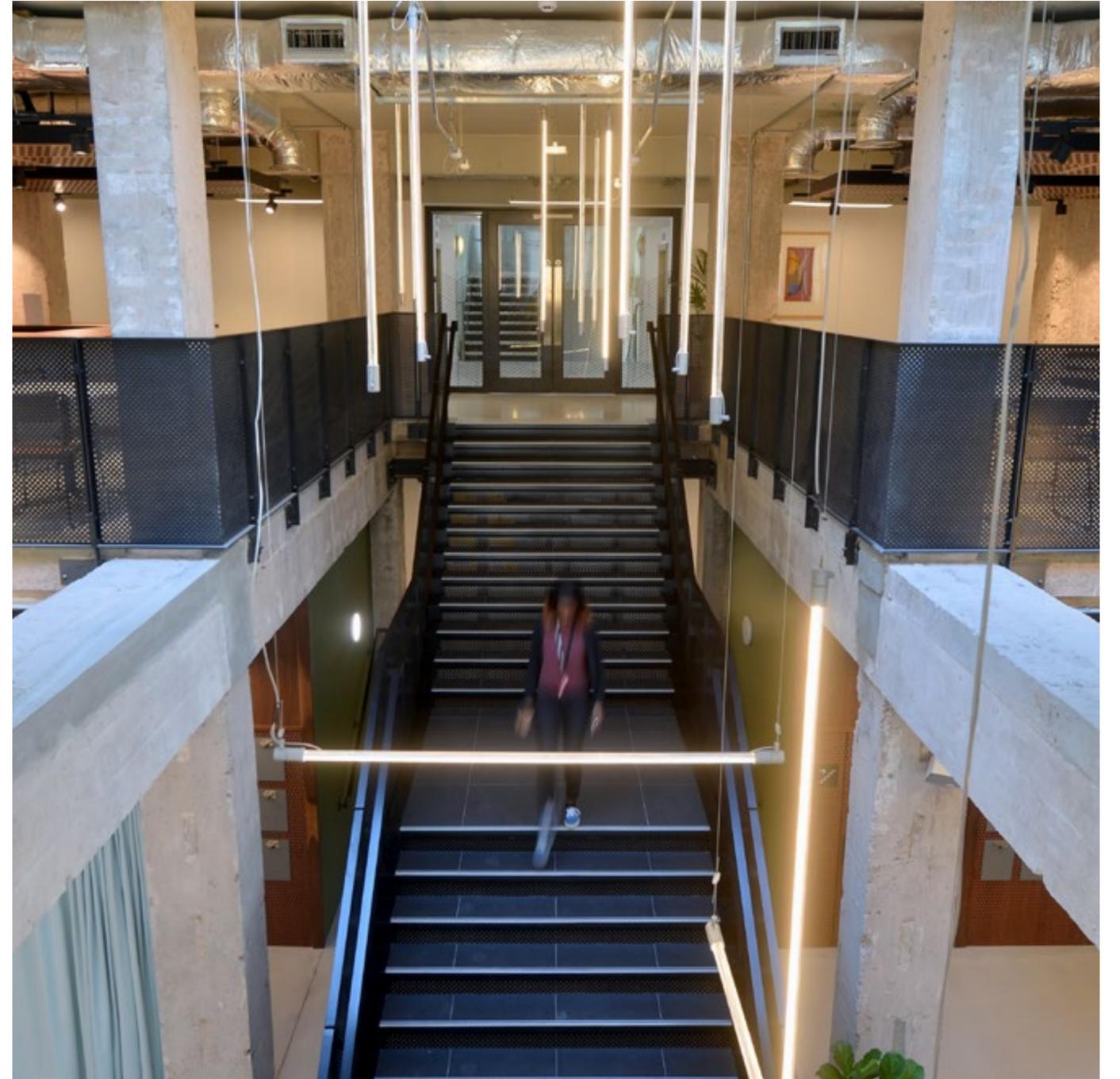
External Envelope:

- Roofs: All existing asphalt areas refurbished and recoated. Insulation upgraded.
- Elevations: Redecoration and treatment of balconies. Cleaning of coping stones.
- Windows: Refurbishment of all double glazed units.

Mechanical and Engineering:

- Comfort Conditioning: Complete replacement to a new three-pipe simultaneous heating and cooling VRF fan coil unit installation.
- Lifts: The 5 lifts have been fully replaced in line with current BCO standards.
- Ventilation: Refurbished with new necessary elements replaced.
- Above Ground Drainage: Part-new and part-refurbished system.
- Water Services: Replacement of the domestic water systems and cold water storage tanks.
- Building Managed System (BMS): Stripped out with new digital system installed.
- Small Power: Existing system stripped out and replaced.
- Lighting: All existing installations throughout all areas stripped out and replaced in accordance with CIBSE Code for Lighting. New emergency and escape lighting system installed.
- Fire Alarm: Stripped out and replaced with new compliant system.
- Security and Access Control: New security protection systems and access controls installed.





Tenancy Schedule

Peter House is let in accordance with the tenancy schedule set out below.
The property has an AWULT of **13.85 years** (to earliest termination).

All leases are fully repairing and insuring (FRI), with communal areas and externals managed by way of a managed service charge.

	Use	Guarantor	Area (Sq Ft) (N/A)	Term	Lease Start	Lease Expiry	Next Rent Review Date	Next Break Date	Passing Rent		ERV		Cars	Comments
									£pa	£psf	£pa	£psf		
Manchester Oxford Street Centre Limited	B1	Regus PLC	82,274	15 yrs	09/02/2018	08/02/2033	09/02/2023	None	£2,057,000	£23.75	£2,376,535	£27.50	38	Passing rent of £1,954,400 plus £2,700 per car parking space. ERV based upon £27.50 psf plus £3,000 per car parking space. Lease guaranteed by Regus PLC*. 5 yearly rent reviews to Open Market Value. The vendor will top up the existing rent free period expiring 9 th Feb 2019, but additional rent free periods of 6 months at 5 th and 10 th anniversaries of the lease commencement will not be topped up.
Manchester Oxford Street Centre Limited	B1	Regus PLC	1,950	15 yrs	09/02/2018	08/02/2033	09/02/2023	None	£80,000	£41.03	£80,000	£41.03	-	Lease guaranteed by Regus PLC*. 5 yearly rent reviews to Open Market Value. Unit used as extended Regus reception which for rent review purposes will be based upon the hypothetical use of A1 or A3 under the Town and Country Planning Act 1990. The vendor will top up the existing rent free period expiring 9 th Feb 2019, but additional rent free periods of 6 months at 5 th and 10 th anniversaries of the lease commencement will not be topped up.
Manchester Oxford Street Centre Limited	B1	Regus PLC	1,429	15 yrs	09/02/2018	08/02/2033	09/02/2023	None	£60,000	£41.99	£60,000	£41.99	-	Lease guaranteed by Regus PLC*. 5 yearly rent reviews to Open Market Value. Unit used as extended Regus reception which for rent review purposes will be based upon the hypothetical use of A1 or A3 under the Town and Country Planning Act 1990. The vendor will top up the existing rent free period expiring 9 th Feb 2019, but additional rent free periods of 6 months at 5 th and 10 th anniversaries of the lease commencement will not be topped up.
Ask Ventures Limited	A3	Adam Sadiq Karim	4,820	15 yrs 2 m	27/06/2016	15/08/2031	29/09/2022	None	£152,000	£31.54	£154,240	£32	-	Open Market Rent Reviews.
Giorgio One Limited	A3	N/A	2,311	20 yrs	10/03/2003	09/03/2023	08/03/2023	None	£56,000	£24.23	£67,000	£29	-	March 2018 rent review outstanding. Notice served at £67,000.
Papa Johns (GB) Limited	A5	Papa Johns International INC	944	15 yrs	27/11/2012	26/11/2027	27/11/2022	None	£30,000	£31.78	£40,000	£42	-	November 2017 rent review outstanding. Notice served at £40,000.
Terence Paul (Manchester) Limited	A1	N/A	926	15 yrs	30/01/2004	29/01/2019	None	None	£32,750	£35.37	£57,250	£62	-	Tenant vacating. Under offer to Greggs. 10 year lease. Break 5 th anniversary. £57,250 pa. 6 months rent free.
			94,654						£2,467,750		£2,835,025			

*See Regus section for more details on the guarantee.

SPACES.

'Originating in Amsterdam, Spaces was built on the idea that success breeds more success. We want to redefine the way work is done. That's why we've cultivated a community of thinkers, achievers and imagineers. Plug into our energy and watch your world accelerate.'

Operating across 26 locations throughout the UK, Spaces forms part of the largest service operator in the world, IWG Plc. After significant success in the southeast, and recent openings in Liverpool and Sheffield, the Spaces model will be the first to operate in Manchester.

Spaces at Peter House is let to Manchester Oxford Street Centre Limited (07949456). For the accounts dated 31st December 2016 prior to the refurbishment, the company produced a turnover of £3.918m.

Major occupiers in Spaces Manchester include:



Regus Covenant / Business Information



Guarantor to Manchester Oxford Street Centre Limited

Regus PLC will provide a rental guarantee equivalent to 36 months' rent from years 1-5 of the lease, 24 months from years 6-10 and 12 months from years 11-15 (resetting on each occasion). This provides for the following minimum financial cover:

Years 1 to 5 – Cumulative total of **£7,909,200** inc VAT

Years 6 to 10 - Cumulative total of **£5,272,800*** inc VAT

Years 11 to 15 – Cumulative total of **£2,636,400*** inc VAT

*Based on passing rent but will be subject to increases in line with the open market following the rent reviews.

Founded in 1989, Regus is the world's largest provider of flexible workspace solutions with customers including some of the most successful entrepreneurs, individuals and multi-billion pound corporations.

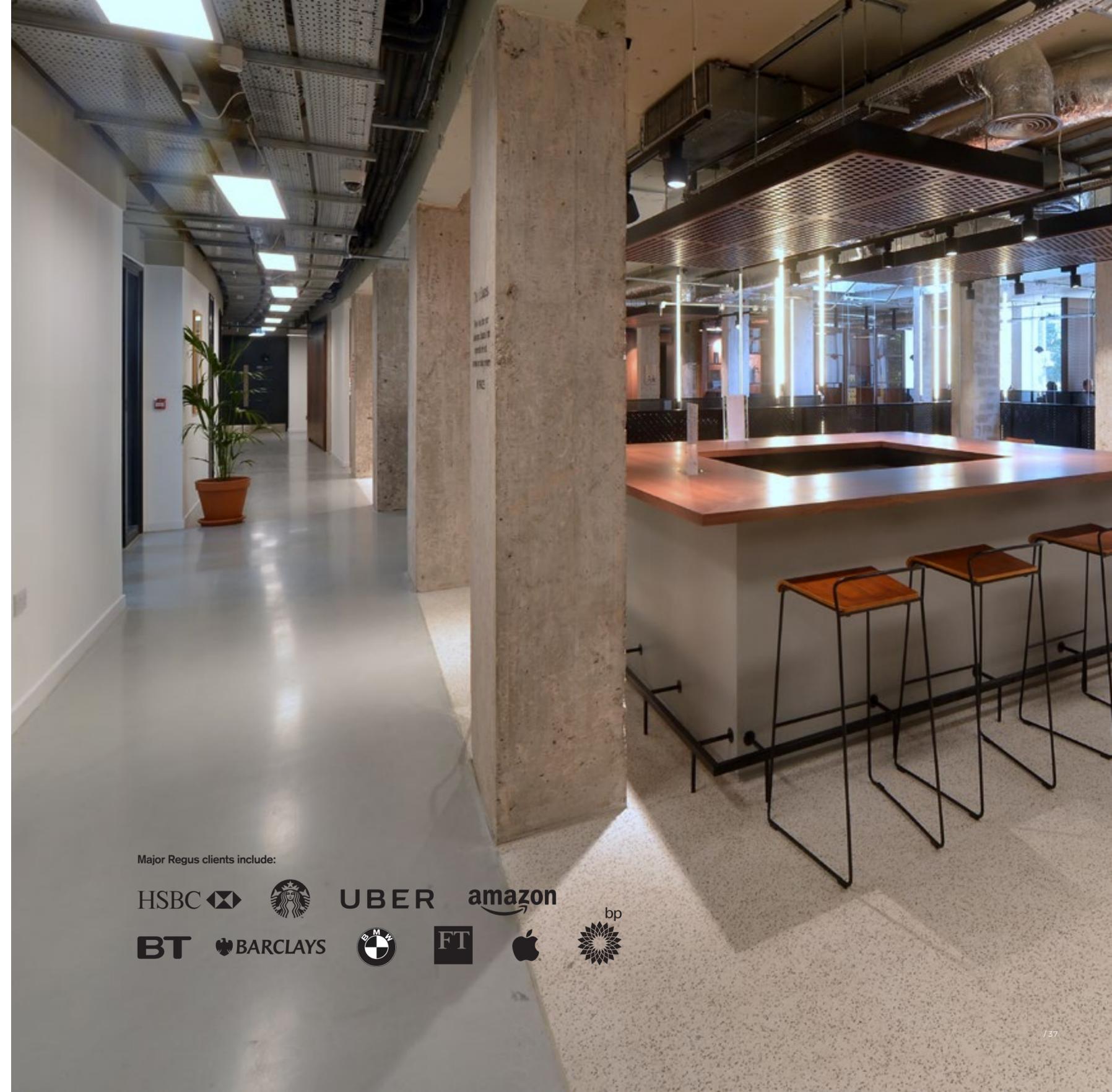
The company is listed on the London Stock Exchange and in 2016 accounts showed a turnover of £2.233bn and a pre-tax profit of £176.1m.

Employing over 8,500 people, the office network includes over 3,000 business centres, spanning 1,000 cities across 110 countries. Through the company's range of office formats, as well as growing mobile virtual offices, and workplace recovery businesses, Regus provides the ultimate flexible suite of workplace solutions. Regus has a global community of 2.5m members, offering unparalleled reach across the sector.

A summary of Regus PLC (Company number - J101523) financial results are as follows:

	31/12/2017 (£000's)	31/12/2016 (£000's)	31/12/2015 (£000's)
Turnover	£2,341,000	£2,233,400	£1,927,000
Pre-tax Profit	£167,200	£176,100	£145,700
Net Assets	£826,900	£739,100	£583,700

Experian rates Regus PLC as 98/100 reflecting a very low risk business.



Major Regus clients include:





Manchester Market



2.8%
Prime office rents
forecast to grow

Image: Marketing Manchester

Overview

Greater Manchester is the UK's best-performing and largest office market outside of London.

The average annual take-up is 1.1m sq ft within the city centre, and 2018 is on course to achieve a record year in excess of 1.4m sq ft of take-up (having achieved 770,000 sq ft during H1 in 2018).

Take-up in 2017 was over 1.2m sq ft for the 3rd consecutive year. This is set against an acute shortage of Grade A space and above average named occupational demand. The key highlights being:

- The 2018 development pipeline is 100% pre-let or under offer.
- Strong tenant interest in the limited development pipeline of 2019 and 2020.
- Prime office rents forecast to grow 2.8%.
- Strong occupier demand with over 1m sq ft of named occupier requirements.

Supply

- The city centre of Manchester has a total office stock of 22.25m sq ft.
- Current Grade A availability of just 180,000 sq ft within the city centre (c4.0% vacancy rate).
- Based on average Grade A take up over the past 10 years (approx. 400,000 sq ft) there is less than 6 months supply.
- The only new-build development due for completion in 2018, 8 First Street, is either pre-let, or under offer.
- The 2019 committed development pipeline consists of three developments providing just 370,000 sq ft of accommodation.
- All of the most recent speculative office developments completed in Manchester since 2015 have achieved 80% occupancy by practical completion and we expect this trend to continue given the imbalance between demand and supply.



Demand

- There is currently exceptional occupier demand across all grades of the market, with in excess of 1 m sq ft of named occupier requirements seeking space in the market.
- Manchester benefits from a healthy and diversified occupational demand profile, with the creative sector showing strong growth in particular.
- No single sector dominates take-up figures, and over the last 5 years, take-up has been recorded across the sectors shown in the adjacent chart.

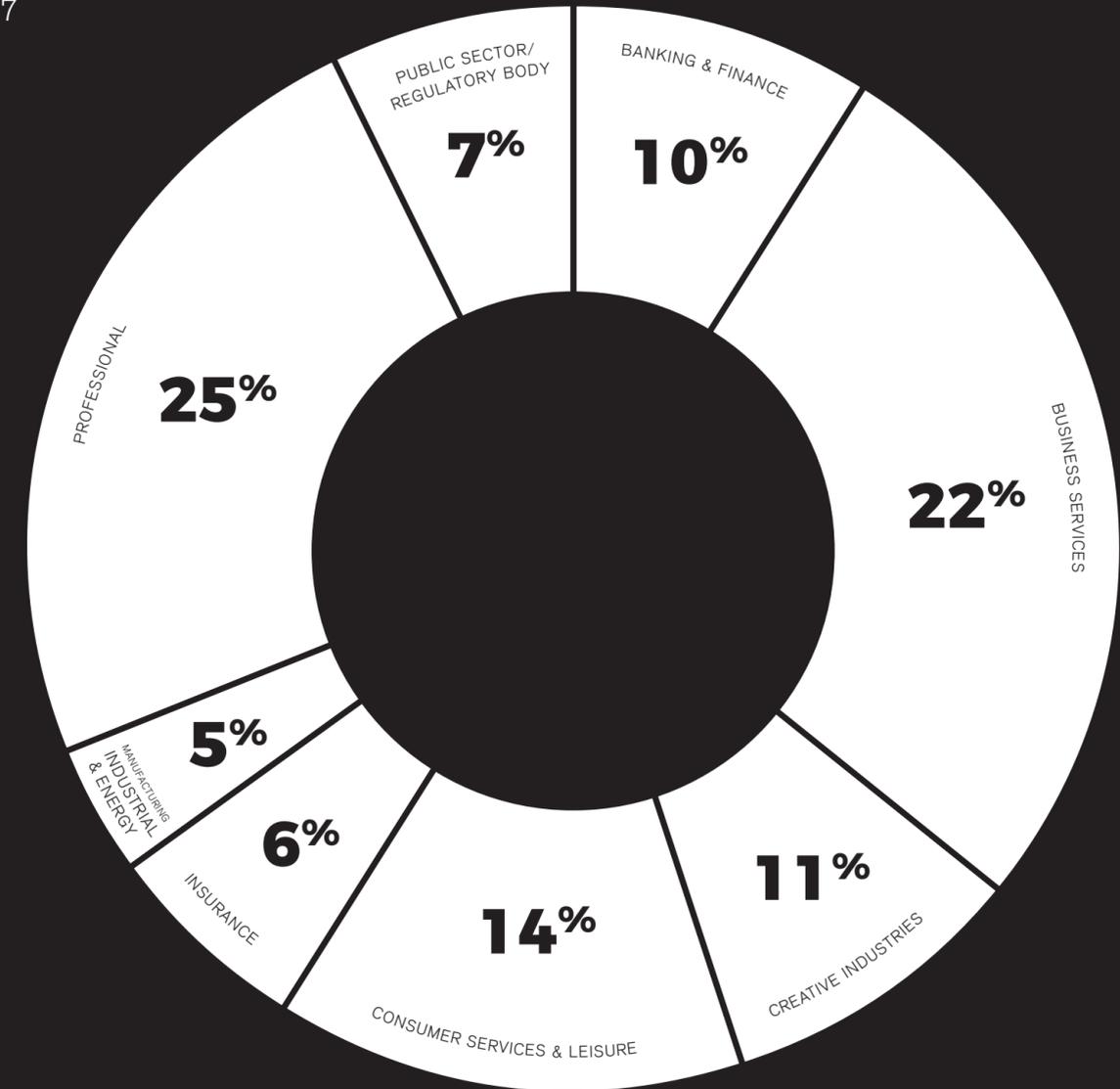
Rents

- Current prime headline rents in Manchester stand at £34 psf, with prime refurbished buildings now achieving £30 psf.
- Rental growth in Manchester since 1992 has been one of the best performing major provincial office markets producing annualized average rental growth of 3.2% per annum.
- CBRE forecasts that prime New Build rents in Manchester will increase by 2.8% per annum over the next 4 years.

Manchester Office Take-Up by Sector

2010-2017

Source: CBRE



Leasing Comparables

	Tenant	Date	Size	Rent psf
101 Barbirolli Square	Handelsbanken	June 2018	39,943 sq ft	1 st / 2 nd - £28.50 3 rd - £30.00
80 Mosley Street	Real Estate Investment Partnership Ltd	June 2018	2,119 sq ft	£32.50
Windmill Green	Ourspace	May 2018	14,000 sq ft	£32.00
Arkwright House	Ramboll UK	March 2018	6,975 sq ft	£30.00
Union	City Press	October 2017	9,428 sq ft	£27.00



Investment

Manchester city centre has established itself as the most dominant office investment market in the UK regions. In 2017, 22 transactions were recorded totalling £908m, exceeding the 5 yearly average of c£750m per annum, with average lot size traded being £40m, demonstrating that it is a highly liquid and sought after market.

Prime yields currently stand at 4.75%.

Set out below are two schedules evidencing:

Prime Manchester Office Investment Transactions

Date of Completion	Address	Purchase Price (Cap Val psf)	NIY	Tenancy Details	AWULT (years)	Purchaser
Sept-18	76 King Street	£18.25m (£440 psf)	4.85%	Fully let, 50% of income to OREGA via mgt agreement	4.0	HPPUT
Aug-18	The Observatory	£20.50m (£375 psf)	5.37%	Multi let - 25% vacancy via rent guarantee	2.25	Artmax
Jun-2018	The Zenith Building	£31.45m (£425 psf)	5.25%	Multi let - 5% vacancy via rent guarantee	4.09	Bet 365
Mar-2018	81 Fountain Street	£22.50m (£560 psf)	4.25%	Single let to Kier	19.00	Blackrock
Dec-2017	3 Hardman Square	£107.25m (£580 psf)	4.90%	Multi let - 20% vacancy via rent guarantee	5.40	Royal London Asset Management
Dec-2017	The Meridian	£24.35m (£465 psf)	4.85%	Single let to Esure	11.25	Fidelity
Nov-2017	1 New York Street	£52.65m (£470 psf)	5.05%	Multi let - 15% vacancy via rent guarantee	5.75	Royal London Asset Management
Nov-2017	1 Spinningfields	£208.00m (£630 psf)	4.85%	Multi let - 10% vacancy via rent guarantee	13.00	Schroders
Jul-2017	101 Embankment	£104.25m (n/a)	5.25%	Single let to Swinton Insurance	12.00	M&G

Prime Regional Single-Let Office Transactions:

Date of Completion	Property	Purchase Price	NIY	Cap Val (per sq ft)	Tenant	AWULT (years)	Purchaser
Jun-2018	Leeds, No 1 Park Row	£35,600,000	4.43%	£450	Pinsent Masons LLP	6.25	CCLA
Mar-2018	Manchester, 81 Fountain St	£22,500,000	4.25%	£561	Kier Ltd	19.00	Blackrock
Jan-2018	Leeds, 6 Queen Street, Queen Street	£37,230,000	5.40%	£519	Burberry	10.00	Mayfair Capital
Dec-2017	Manchester, The Meridian	£24,350,000	4.85%	£465	Esure	11.25	Fidelity
Nov-2017	Bristol, 10 Canons Way, Harbourside	£95,500,000	5.20%	£540	Scottish Widows Limited	16.75	Knight Frank IM
Feb-2017	Birmingham, One Eleven Edmund Street	£22,544,750	5.10%	£504	Gateley PLC	14.90	Alduwaliya

Further Information

Proposal

Offers for the freehold interest are sought in excess of **£44,000,000 (Forty Four Million Pounds)**. An acquisition at this level reflects the following yield profile (assuming purchaser costs of **6.78%**):

Net Initial Yield **5.25%**

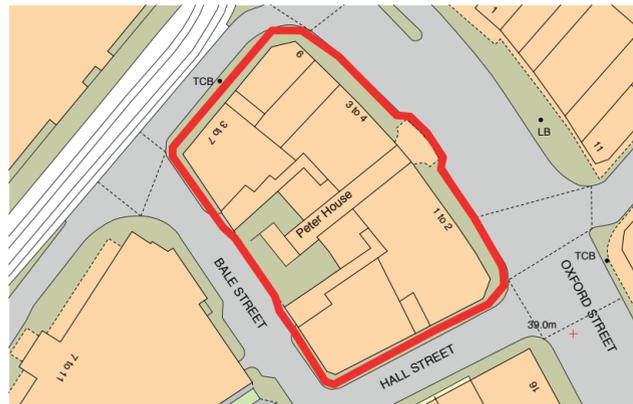
Equivalent Yield **5.85%**

Reversionary Yield **6.03%**

Low capital value of **£449 per sq ft** (assuming car parking at **£40,000** per space).

Tenure

The property is held freehold. Peter House occupies an island site, offering excellent opportunity for future redevelopment.



Corporate

The property is held within a Jersey domiciled SPV. Our client would be willing to consider a sale by way of a corporate transaction. Further information available upon request.

Dataroom

A dataroom is available. Please contact CBRE or King Street Commercial for further information.

Capital Allowances

Substantial capital allowances are available by way of separate negotiation. Further information available upon request.

EPC

The EPC certificate is available upon request.

VAT

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

Investment Contacts



Ted Murray

Direct Dial: 0161 850 0497

Email: ted@kingstreetcommercial.com

Matt Cox

Direct Dial: 0161 850 0498

Email: matt@kingstreetcommercial.com



Will Kennon

Direct Dial: 0161 233 5609

Email: will.kennon@cbre.com

Colin Thomasson

Direct Dial: 0161 233 5645

Email: colin.thomasson@cbre.com

Luke Wilson

Direct Dial: 0161 233 5436

Email: luke.wilson2@cbre.com

Misrepresentation Act 1967, Unfair Contract Terms Act 1977, The Property Misdescriptions Act 1991. These particulars are issued without any responsibility on the part of the agent and are not to be construed as containing any representation or fact upon which any person is entitled to rely. Neither the agent nor any person in their employ has any authority to make or give any representation or warranty whatsoever in relation to the property. Designed by 90degrees Design and Marketing 0161 833 1890. September 2018.

