

HIGHLY REVERSIONARY MULTI LET FREEHOLD OFFICE INVESTMENT IN BRISTOL CITY CENTRE



FINN
& CO.

NEW BOND HOUSE, BOND STREET, BRISTOL, BS2 9AG



NEW BOND HOUSE | BOND STREET | BRISTOL | BS2 9AG

INVESTMENT SUMMARY

- + Bristol is the fifth largest UK City
- + Prominent city centre building located opposite Cabot Circus
- + Freehold
- + Arranged over lower ground, ground, first, second and third floors
- + 23 car parking spaces, providing an excellent city centre car parking ratio of 1:954 spaces per sq ft
- + Totals approx. 21,955 sq ft
- + Multi let to 6 tenants with an AWULT to expiry of 3.11 years and 2.51 years to break
- + Total rent of £219,945 pa
- + The property is a significant discount to prime Bristol rents at £29.00 - £30.00 per sq ft
- + The average passing rent of £10.02 per sq ft is therefore considered to be highly reversionary
- + The property has the potential for alternative uses, such as residential or student housing, subject to obtaining the necessary consents
- + Quoting offers in excess of £2,950,000 (TWO MILLION, NINE AND FIFTY HUNDRED THOUSAND POUNDS), being subject to contract and exclusive of VAT
- + Net initial yield of 7%
- + Very low capital value of £134 per sq ft CV

LOCATION:

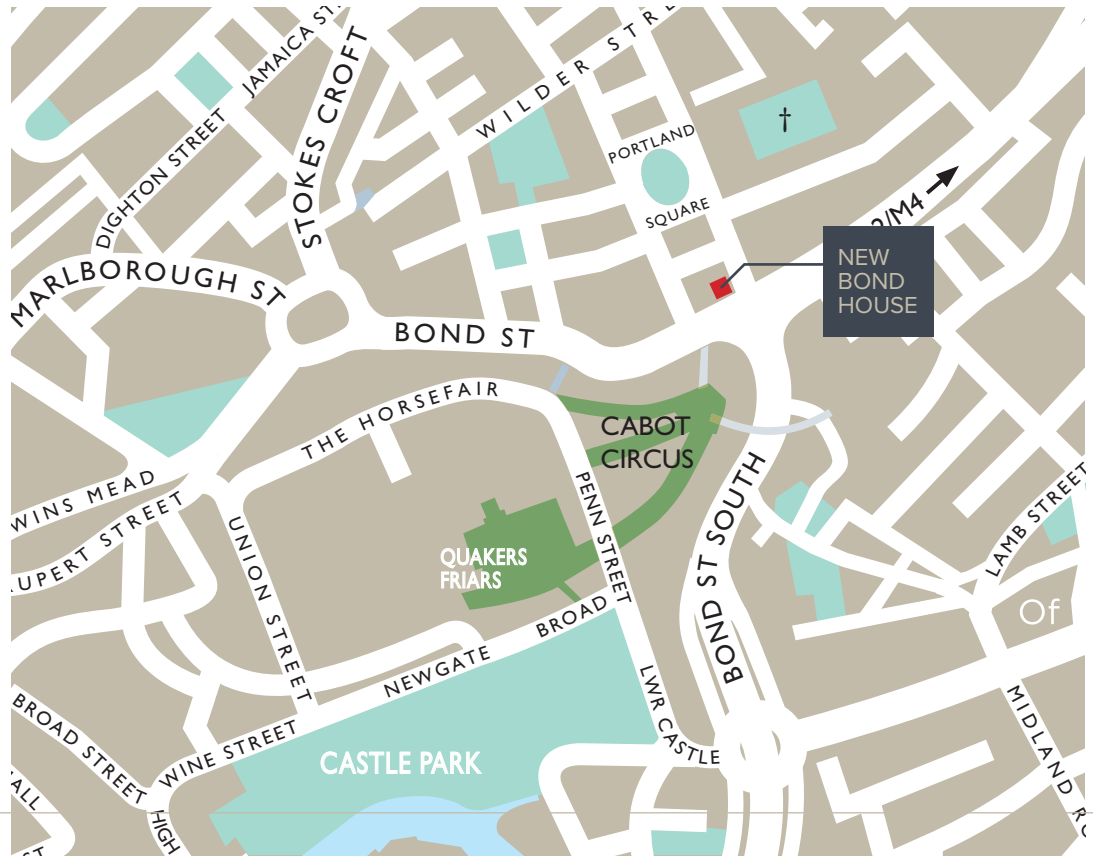
Bristol is the regional and business capital of the South West and one of the UK's major commercial and financial centres. It is the UK's 5th largest city with an urban zone population of 1.6m residents and an estimated internal population of 550,000.

The city is ranked the third highest GDP per capita after London and Nottingham whilst it also has one of the lowest unemployment rates in the country. Bristol was recently voted Sunday Times 'Best Place to live' in Britain 2017.

This vibrant part of the city centre has been enhanced over recent years through significant investment and capital values across all property sectors have increased. Many of Portland Square's Grade I listed Georgian buildings have been developed into luxury apartments, One Brunswick Square has been refurbished into a 52,000 sq ft Grade A creative office hub and the arrival of the new 238 bedroom Marriott Moxy Hotel on neighbouring Newfoundland Circus will further enhance the local area.

SITUATION:

New Bond House occupies a high profile position fronting Bond Street in Bristol city centre, directly opposite Cabot Circus shopping centre. Junction 19 of the M4 is approximately ten minutes drive to the north, providing easy access to the national motorway network. Bristol Temple Meads railway station is 1 mile away proving excellent national rail connections including London Paddington in 1 hour and 50 minutes.



DESCRIPTION:

New Bond House comprises two interconnected office buildings constructed in the 1990's behind a retained façade around a courtyard car park to the rear. There are 23 car parking spaces providing an excellent city centre car parking ratio of 1:954 spaces per sq ft.

The property provides approx. 21,955 sq ft of multi let office accommodation across lower ground, ground and three upper floors with the following specification:

- + Air conditioning throughout
- + Raised floors
- + Suspended ceilings
- + Cat II lighting

ACCOMMODATION:

The property was measured by Armada Surveys in 2015 and benefits from the following approximate areas:

Floor	Sq ft (NIA)
Lower Ground	1,434
Ground	4,637
First	5,468
Second	5,453
Third	4,963
Total	21,955

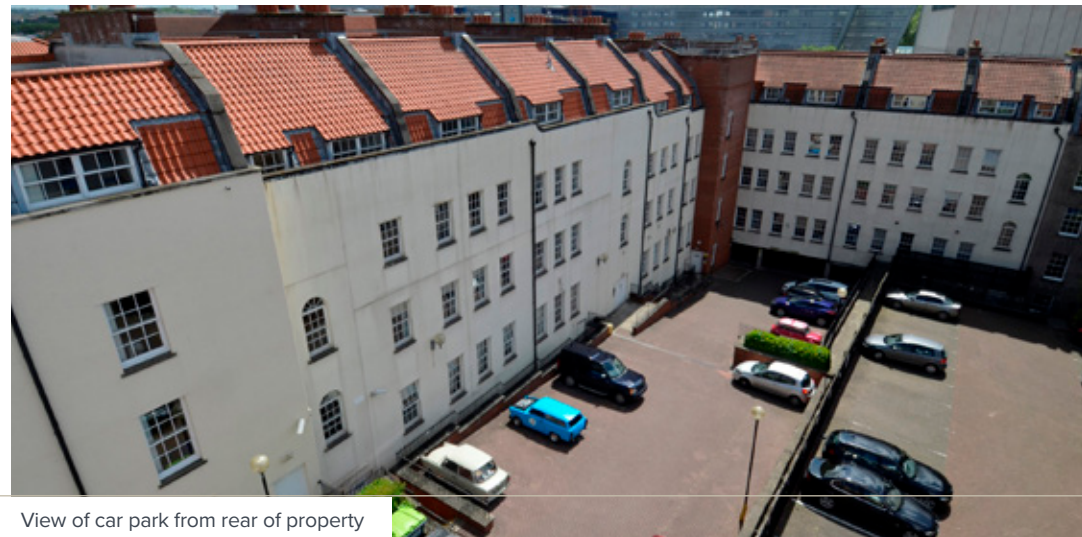
TENURE:

Freehold.

NEW BOND HOUSE | BOND STREET | BRISTOL | BS2 9AG



For illustrative purposes only



View of car park from rear of property

TENANCY:

The property is multi let to 6 tenants in accordance with the tenancy schedule below and has an AWULT to expiry of 3.11 years and 2.51 years to break.

Tenant	Unit	Net Lettable Area (sq ft)	Parking Spaces	Lease Start Date	Lease Expiry Date	Next Rent Review Date	Break Date	Break (LL/T)	Break Notice (months)	Contracted Rent (pa)	Contracted Rent (psf)	Comments
First Sight Studios Ltd	Lower Ground Floor	1,434	1	04-Jan-15	03-Jan-20					£13,104	£9.14	
Sitecore UK Ltd	Ground Floor (Suite A)	3,031	2	16-Jan-13	15-Jan-18					£24,088	£7.95	
Premier Veterinary Group Ltd	Ground Floor	1,606	1	23-Apr-13	22-Apr-19					£13,016	£8.10	Company name change to PVG 2007 Ltd.
Brightpearl Ltd	1st Floor	5,468	6	08-Mar-16	07-Mar-21		08-Mar-19	Tenant	6	£65,616	£12.00	Lease renewal
Together for Short Lives	2nd Floor	5,453	4	09-Oct-15	08-Oct-20					£60,621	£11.12	Part sub-let until October 2020 at a rent of £21,000 pa equating to £13.68 per sq ft
Shelter, The National Campaign for Homeless People Ltd	3rd Floor	4,963	4	02-Dec-10	01-Dec-20					£43,500	£8.76	Break due 02.12.16 was not exercised, and tenant currently benefits from a 6 mth rent free period to 02.06.17.
South Western Electricity Plc	Substation	-	-	28-Jan-91	27-Jan-51		28-Jan-91	Landlord	6	-	-	Landlord lift & shift provision on 6m notice if landlord wishes to redevelop
TOTAL		21,955	18*							£219,945	£10.02	

*There is an additional landlord parking space, together with four other vacant spaces. Therefore the total number of parking spaces is 23 providing an excellent city centre ratio of 1:954 sq ft.

COVENANTS:

First Sight Studios Ltd (07073180)

First Sight Studios Ltd was founded in 2010 and is a company who specialise in market research. They have been a part of Viewing Facilities Association (VFA) since 2010 and operate from a single branch in Bristol. First Sight Studios offer technically advanced, informal and formal spaces for creativity, discussion, brainstorming, usability testing and conferencing. Some of the other services they offer include catering, moderation, transcriptions and translation.

Sitecore UK Ltd (05505160)

Sitecore UK Ltd is the UK arm of Sitecore, who are a global software company. Sitecore was founded in 2001 and has operations in more than 30 countries, with the UK HQ based in London. They are a leading web content management and customer experience management software company and have over 52 employees around the UK. The Bristol office is their first regional office in the UK and operates as a base for Sitecore employees, partners and customers based in the West and South West of England and South Wales.

Premier Veterinary Group Ltd (06167939)

Premier Veterinary Group Ltd is a leading provider to the veterinary sector of preventative healthcare programmes for pets in the UK, Republic of Ireland, Denmark, the Netherlands, France and Germany. The US. Premier Veterinary Group Ltd was founded in 1969 and is one of the leaders in managing veterinary practices. Premier Veterinary Group became a Plc last year and currently have 60 employees.

Brightpearl Ltd (06260621)

Brightpearl was founded by Chris Tanner and Andy Mulvenna in 2007. Brightpearl is a platform to manage inventory, accounting, customers, suppliers and fulfilment across the omnichannel business. They have become one of the leading omnichannel retail management platforms with over 1,400 customers across 53 countries worldwide. Brightpearl currently have over 100 employees and since 2007 has processed more than \$2.5m of orders.

Together for Short Lives (07783702)

Together for Short Lives are a leading UK charity that caters for children and young people in the UK with life-limiting and life threatening conditions. Together for Short Lives is a registered charity in England and Wales. Together for Short Lives was launched as a new UK charity in 2011 and works with partners such as Children England, Hospice UK, Marie Curie Cancer Care as well as numerous others.

Shelter, The National Campaign for Homeless People Ltd (01038133)

Shelter, The National Campaign for Homeless People Limited is the national campaigning charity for homeless and badly housed people. Shelter was started in 1966 and they provide free, professional and independent advice to such people throughout England and Scotland through a network of Housing Aid Centres and a employee base of over 1,200 people.



CITY CENTRE OFFICE MARKET COMMENTARY

The Bristol city centre office market exceeded expectations in Q4 2016 with transaction levels reaching almost double those of the previous quarter.

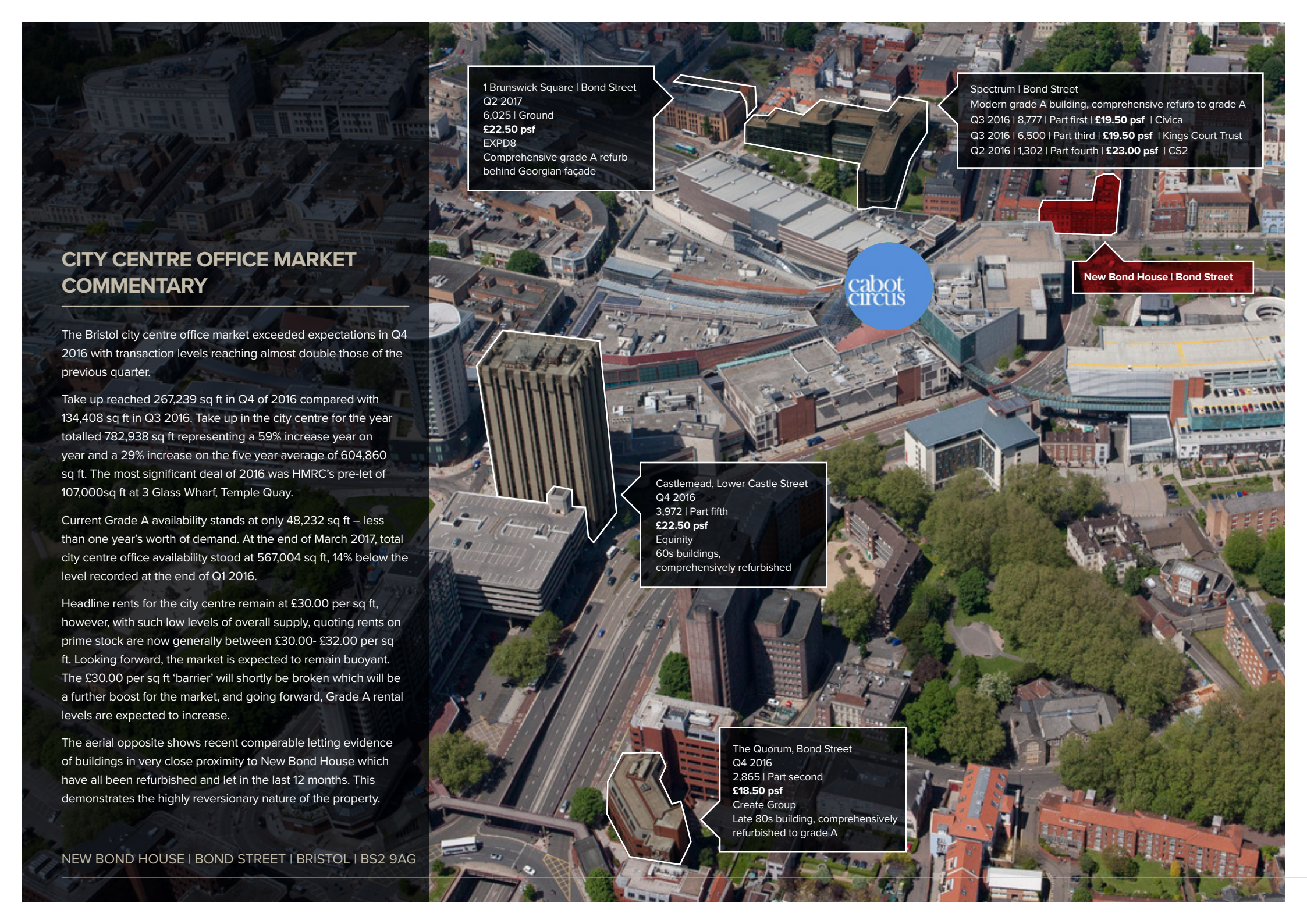
Take up reached 267,239 sq ft in Q4 of 2016 compared with 134,408 sq ft in Q3 2016. Take up in the city centre for the year totalled 782,938 sq ft representing a 59% increase year on year and a 29% increase on the five year average of 604,860 sq ft. The most significant deal of 2016 was HMRC's pre-let of 107,000sq ft at 3 Glass Wharf, Temple Quay.

Current Grade A availability stands at only 48,232 sq ft – less than one year's worth of demand. At the end of March 2017, total city centre office availability stood at 567,004 sq ft, 14% below the level recorded at the end of Q1 2016.

Headline rents for the city centre remain at £30.00 per sq ft, however, with such low levels of overall supply, quoting rents on prime stock are now generally between £30.00- £32.00 per sq ft. Looking forward, the market is expected to remain buoyant. The £30.00 per sq ft 'barrier' will shortly be broken which will be a further boost for the market, and going forward, Grade A rental levels are expected to increase.

The aerial opposite shows recent comparable letting evidence of buildings in very close proximity to New Bond House which have all been refurbished and let in the last 12 months. This demonstrates the highly reversionary nature of the property.

NEW BOND HOUSE | BOND STREET | BRISTOL | BS2 9AG



1 Brunswick Square | Bond Street
Q2 2017
6,025 | Ground
£22.50 psf
EXPD8
Comprehensive grade A refurb
behind Georgian façade

Spectrum | Bond Street
Modern grade A building, comprehensive refurb to grade A
Q3 2016 | 8,777 | Part first | **£19.50 psf** | Civica
Q3 2016 | 6,500 | Part third | **£19.50 psf** | Kings Court Trust
Q2 2016 | 1,302 | Part fourth | **£23.00 psf** | CS2

New Bond House | Bond Street

cabot
circuit

Castlemead, Lower Castle Street
Q4 2016
3,972 | Part fifth
£22.50 psf
Equity
60s buildings,
comprehensively refurbished

The Quorum, Bond Street
Q4 2016
2,865 | Part second
£18.50 psf
Create Group
Late 80s building, comprehensively
refurbished to grade A

PLANNING

The property is not listed and is in a conservation area.

EPC

The property has an EPC rating of E 115.

VAT

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

PROPOSAL

- + Seeking offers in excess of £2,950,000 (TWO MILLION NINE HUNDRED AND FIFTY THOUSAND POUNDS), being subject to contract and exclusive of VAT.
- + An acquisition at this level reflects a net initial yield of 7%, after allowing for purchasers costs at 6.5% and a low capital value of £134 psf



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