

To Let

### INVESTMENT SUMMARY

79-83 Colmore Row | Birmingham, B3 2AP

- A rare opportunity to acquire a Landmark city centre office building with refurbishment potential.
- Net internal area of 27,789 sq.ft. arranged over basement, ground and 6 upper floors.
- Fully Let to Royal Bank of Scotland Plc expiring June 2020.
- Low passing rent of £533,150 p.a.
- 10 under croft parking spaces.

TEMP BE FOW VEST

- Excellent location in Birmingham's prime office core.
- Offers invited in excess of £7,000,000 reflecting 7.14% after purchasers costs of 6.65% and a low capital value per square foot of £252.

### LOCATION

Birmingham is the UK's second largest city with a population of over 1.1 million, strategically located in the centre of the country. Greater Birmingham conurbation has a population of circa 2.45 million (2017 estimate). As a result, Birmingham has the largest regional labour pool in the UK, with 4.3 million people of, working age living within an hour's drive of the city centre.

The city has a workforce of 530,800, boosted by net in-commuting of 65,650 people each day. Birmingham's £24.8 billion economy sits within the wider Midlands economy of £222 billion, making it the UK's largest regional economy.

The UK's second city is experiencing continued growth and investment.

Birmingham is a popular commercial centre with the city's strong economic performance in recent years placing it as No.1 in the UK for new business start-ups, quality of life and investment prospects outside of London.

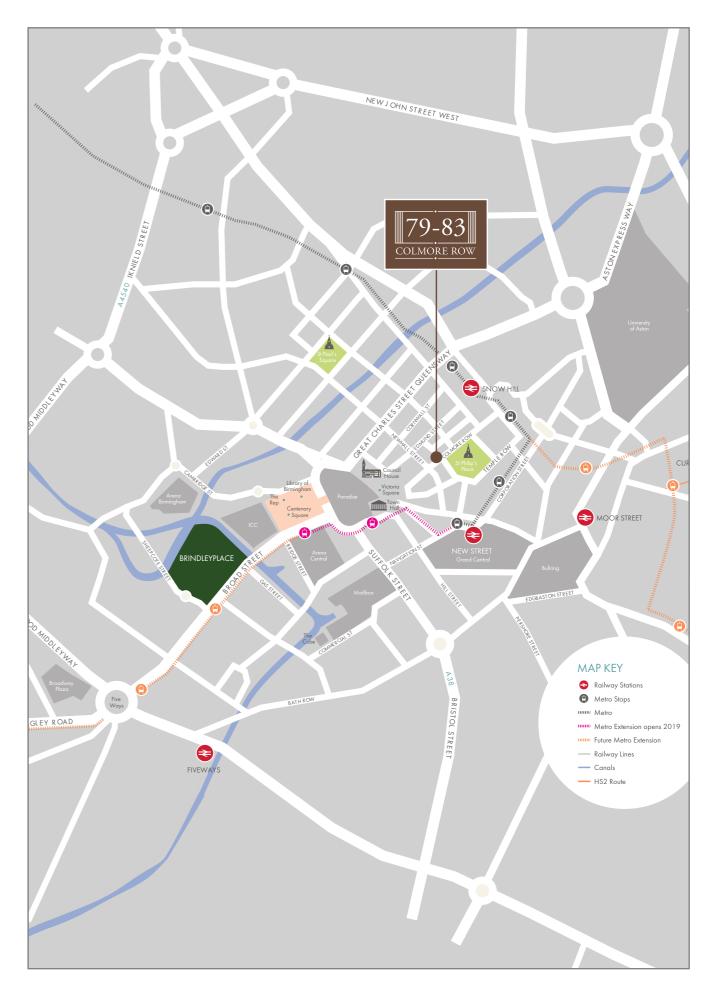
Birmingham is also the highest ranked regional city for both international exports with companies such as Deutche, HSBC, Cadbury's, Dunlop, Jaguar Land Rover and MG Rover all represented in the city, and business tourism with the National Exhibition Centre, International Convention Centre and Arena Birmingham, Accounting for around 40% of the UK's conference and exhibition trade each year.

The city is an established business, professional and financial services hub and a key centre for advanced manufacturing and life sciences, benefiting from the second highest graduate retention rate in the UK. The city is home to five universities – including the University of Birmingham, one of the elite Russell Group.

With over £1.3 billion spent on infrastructure since 2010 and another £3 billion planned for new projects over the next decade, including HS2, the city benefits from a globally integrated transport system.

The city boasts 5 Michelin starred restaurants, a vibrant retail scene, excellent entertainment venues and top sports facilities with the Commonwealth Games coming in 2022.

BIRMINGHAM IS PROVING POPULAR WITH PROFESSIONALS RELOCATING FROM LONDON DUE TO THE HIGHER QUALITY OF LIFE BENEFITS AND LOWER LIVING COSTS. BUSINESS AND LIVING COSTS IN THE CITY ARE 60% LOWER THAN IN THE CAPITAL, PROVIDING A COMPELLING CASE FOR BUSINESSES TO INVEST AND PEOPLE TO RELOCATE.



### SITUATION

The Building occupies a highly prominent position within Birmingham's Central Business District. The property is situated on Colmore Row at the western side of Cathedral Square close to its junction with Newhall Street.

The building's prime location offers one of Birmingham's most sought after office addresses in a period property overlooking the picturesque Cathedral Square.

Colmore Row has excellent access to Birmingham's public transport infrastructure with the Midland Metro tram system running in close proximity to the property, accessible at the Bull Street stop. Mainline rail services are also in close proximity, with Snowhill Railway Station and New Street close by. The new HS2 station at Birmingham Curzon Street will be built on the eastern side of the city Centre within walking distance of the property.

The surrounding area comprises high profile modern office developments, with a multitude of retail and bar /restaurant facilities that offer high quality immediate amenity provision complementing the Central Business District function.

Surrounding landmark buildings include One, Two and Three Snowhill, with the adjacent, One & Two Colmore Square, Colmore Gate, the recently refurbished Grand Hotel, Birmingham Cathedral, Council House and Town Hall.

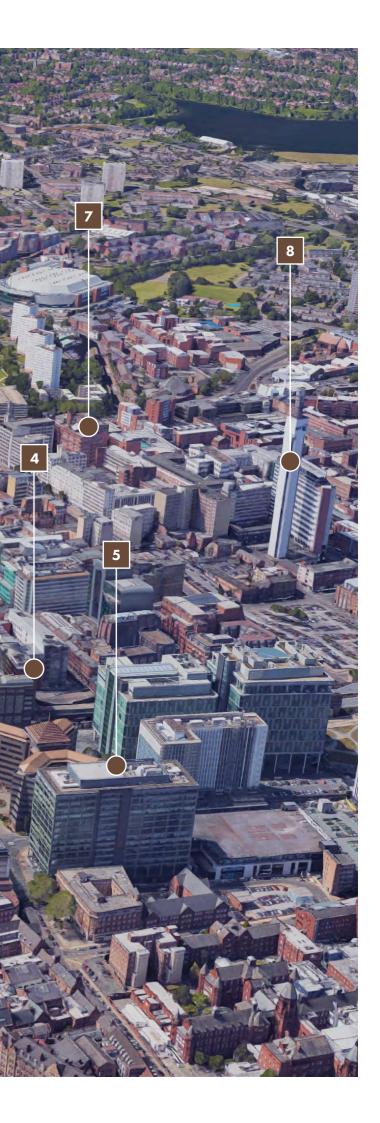
The Building is situated within the Colmore Business District (CBD), the area houses Birmingham's premier concentration of professional and business service companies, with around 500 companies located in the District, employing up to 35,000 people and encompassing approximately 520,240 sq m (5.6 million sq ft) of office space.







6. Grand Hotel



### DESCRIPTION

The front portion of the property is Grade II listed, the rear was developed in 1989 to provide modern office accommodation. The property is arranged over basement, ground and 6 upper floors. The ground floor is split to accommodate the reception area and lift lobby for the offices to one side and the banking hall to the other.

To the rear of the building a 10 space under croft car park is accessed via double width roller shutter door.

ACCOMMODATION

Internally the office area accommodation includes suspended ceilings, raised access flooring, integrated lighting, air conditioning and 2x. no 13 person lifts.

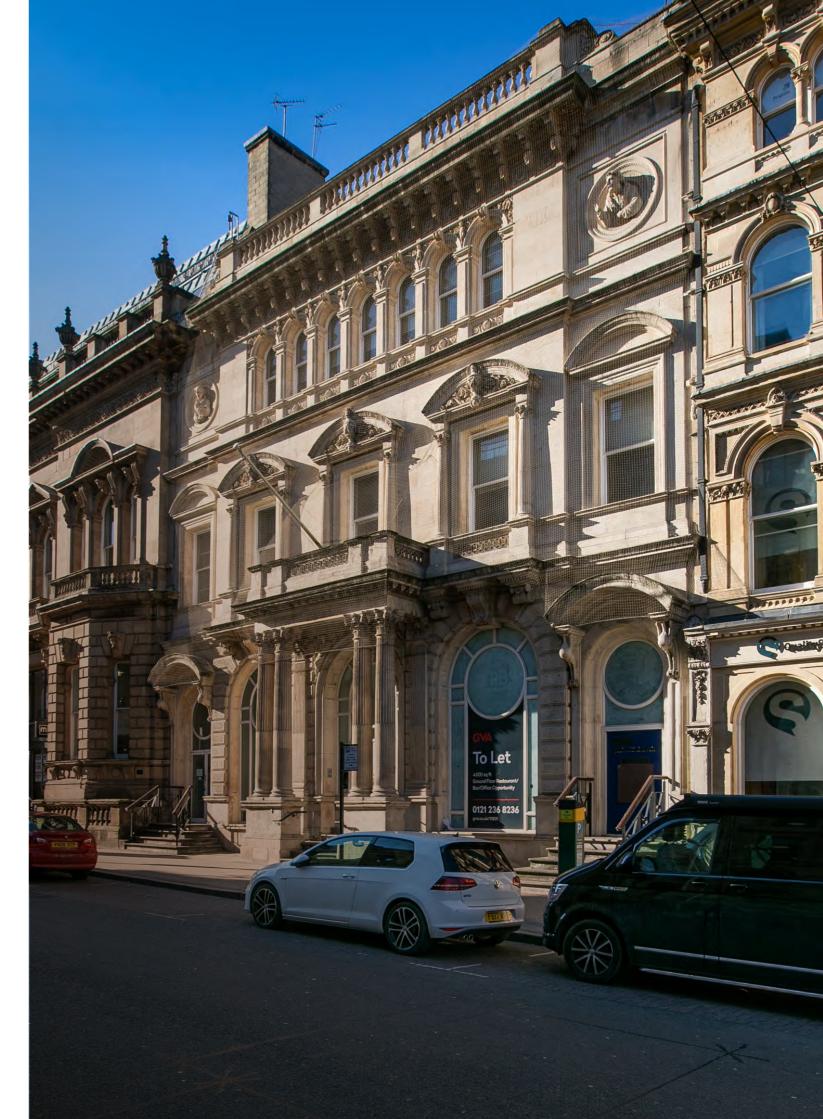
#### Tenancy

The property is let in its entirety to Royal Bank of Scotland Plc on full repairing and insuring terms. The lease is their 2nd in the property having originally taken occupation in 1990. This lease was renewed in 2015 for a further 5 years expiring 24 June 2020.

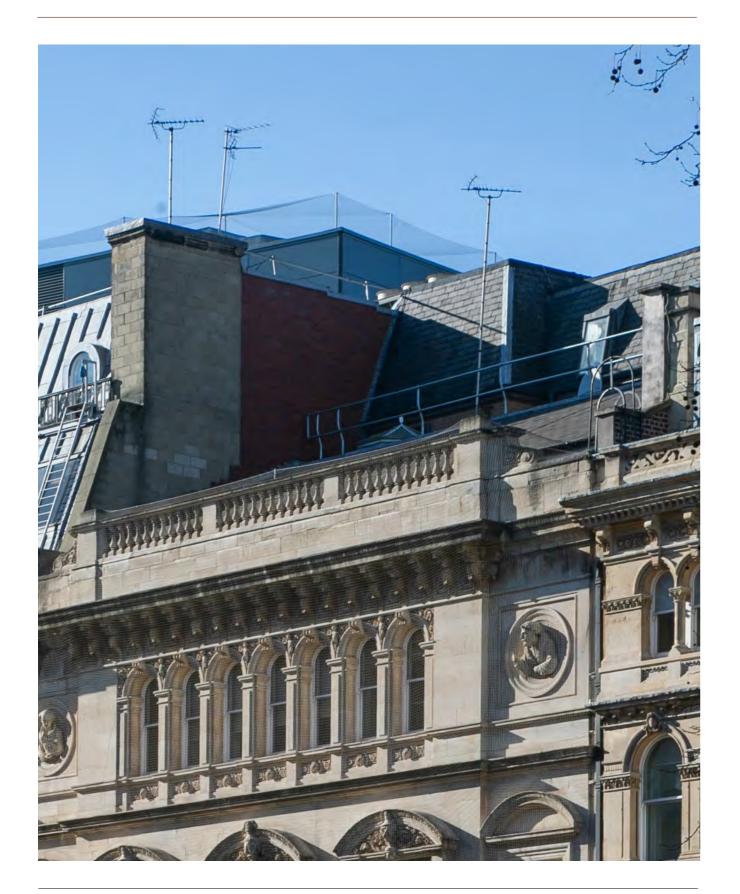
The Royal Bank of Scotland Plc is part owned by the UK government and the organisation employs over 90,000 people within the wider group with a Net Worth of over £7.5bn.

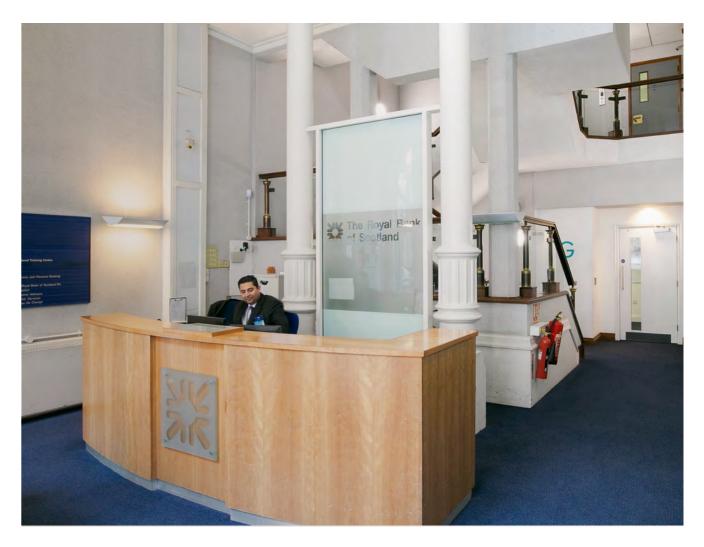
Floor	GIA (Sq M)	GIA (Sq Ft)	NIA (Sq M)	NIA (Sq Ft)
Basement	679	7308	N/A	N/A
Ground	567	6103	829	4616
1	399	4294	295	3175
2	543	5844	412	4435
3	543	5844	411	4424
4	543	5844	408	4392
5	437	4703	298	3208
6	383	4122	295	3175
Total	4094	44062	2548	27425

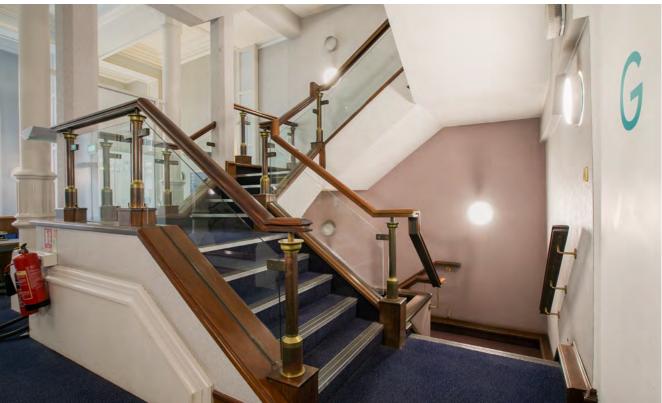


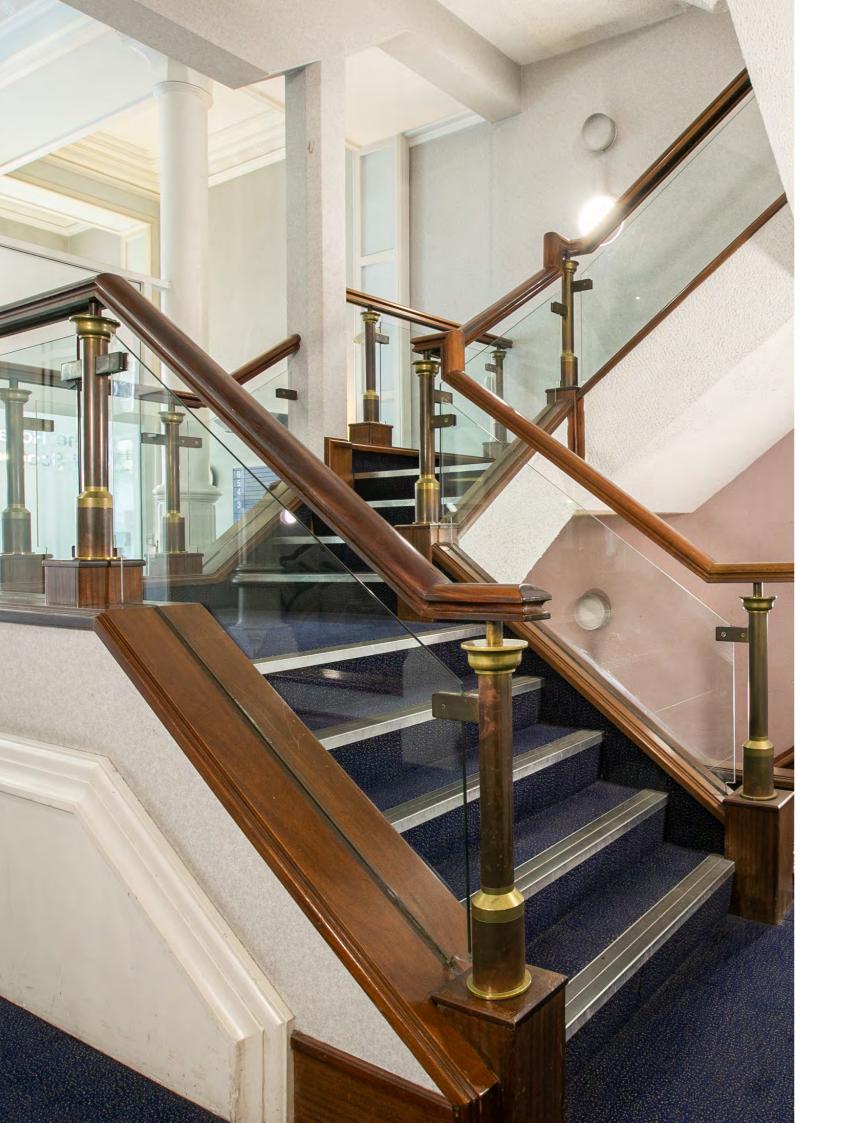


## GALLERY







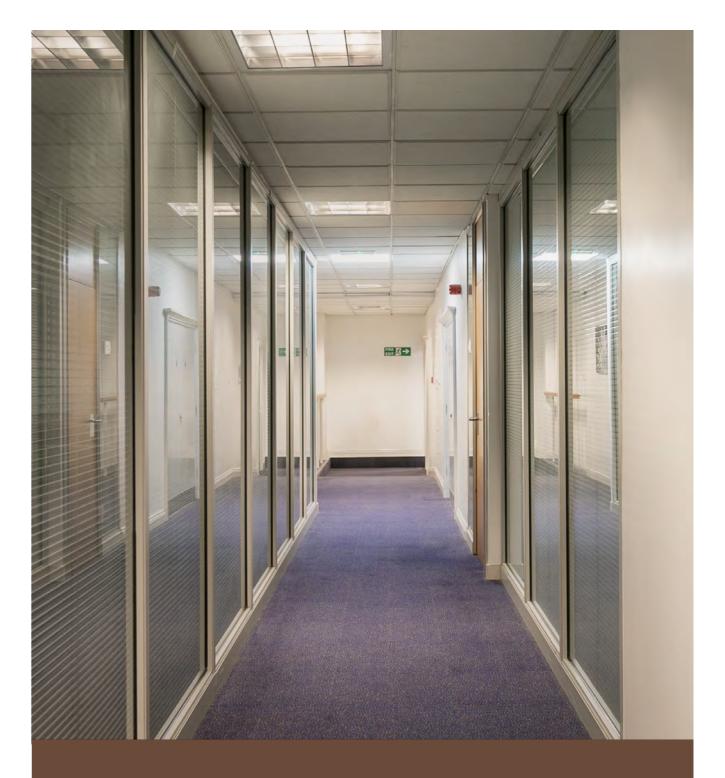












THE FRONT PORTION OF THE PROPERTY IS GRADE II LISTED, THE REAR WAS **DEVELOPED IN 1989 TO PROVIDE MODERN** OFFICE ACCOMMODATION. THE PROPERTY IS ARRANGED OVER BASEMENT, GROUND AND 6 UPPER FLOORS.





# OFFICE OCCUPATIONAL MARKET

Birmingham continues to be transformed through significant infrastructure Investment enhancing its external profile internationally combined with the consistent ability to attract a range of new inward investors.



Office uptake thorough 2018 totalled over 750,000 sq ft surpassing the 10 year average of 730,000 and followed a particularly strong 2017 exceeding 1m sq.ft., with a relative scarcity of current grade A office supply, the delivery of the next generation of new build developments completing at Three Snowhill and Chamberlain Square, Paradise will likely be well received.

2018's largest transaction and landmark deal was the letting of just over 118,000 sq ft to Birmingham City University (BCU) at Belmont Works, other notable deals last year include lettings to WSP Parsons taking 46,000 sq.ft. in The Mailbox Building and the serviced office provider BE Offices taking 38,000 sq.ft. in Somerset House.

Demand in Birmingham continues to be generated from a diverse range of business sectors, including professional and legal firms supplemented by an expanding serviced office market with a recently announced requirement from We Work for its first 60,000 sq.ft. base in the City. It's in this context that occupiers with lease events in the next few years are having to engage early to secure pre-completion deals or pre-lets, due to the constrained Grade A development pipeline.

With no over-reliance on any one sector of the economy Birmingham is well positioned to attract new inward investment from global occupiers as the trend towards decentralisation from London and the South East intensifies. With HS2 enabling journey times to Euston in only 45 minutes by 2026, competition among tenants for stock will further intensify as occupiers based in the capital are increasingly encouraged to consider 'northshoring' their functions. This is highlighted by HSBC's decision to relocate their UK retail banking headquarters to Birmingham and move 1,000 jobs from London, building on the recent success and inward investment seen from HS2 and Deutsche Bank, who now have over 1,500 employees in the city.

Prime office rents in Birmingham currently stand at £33.00 per sq ft with an anticipation the market will see £35 per sq ft in 2019. Strong demand coupled with low levels of supply will continue to support prime rents in their recent upward movement.

Sustained occupier demand for the best space over the last few years has left Prime Grade A supply now widely considered to be at a stage of under-supply at 130,000 sq ft. No new build space will enter the market until the completion of Three Snowhill (400,000 sq ft) and Two Chamberlain Square (175,000 sq ft), part of the Paradise development and even then these buildings will be delivering large floor plates at prime rents, putting pressure on the pipeline for high quality refurbished space. The growth of prime headline rents has put upward pressure on rents in the refurbished sector as occupiers continue to recognise the importance of high quality space yet are restricted due to a lack of choice from the existing space available.

### OFFICE INVESTMENT MARKET

#### The focus on core regional cities has been driven by strong rental growth prospects, supply and demand dynamics and attractive yields, particularly in comparison to London and other major global cities.

Birmingham has attracted particular interest over the last 18-24 months due to the city's repositioning, with both UK and overseas investors regarding the city as a long-term strategic opportunity.

Despite the uncertainty surrounding Brexit, confidence in the UK as a centre for investment remains strong, with transaction volumes through 2018 of £54.4 billion illustrating the inherent strength of the UK economy and its property market.

Office investment into the UK regions reached £7.6bn during 2017, 24% above the level recorded during 2016 and 14% above the five year average. Investment volumes in Birmingham hit £774m in 2018 fuelled by strong demand and comparative value. Volumes have averaged more than £800 million a year since 2014 and exceeded £1 billion in 2015 remaining strong in the years since.

The office sector performed strongly with key deals including 55 Colmore Row where The European Cities Fund acquired



the building for £98 million, reflecting a yield of 4.9% and 2 Colmore Square where The Railways Pension Trusties acquired the 320,000 sq ft office block for £95 million, representing a yield of 6.4%. Other notable deals in the vacinity include One Colmore Row which was acquired by a private property company for £17.75m reflecting 4.9%.

Prime yields for the best properties remain at c. 4.75%, which is expected to tighten with strong occupational markets, rising overseas interest and a shortage of openly marketed stock.







### Proposal

foot of £252.

Tenure

VAT

EPC

The building has an EPC rating of D90.

Dataroom

#### Contact

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### Offers invited in excess of £7,000,000 reflecting 7.14% after purchasers costs of 6.65% and a low capital value per square

The property is held by way of freehold title.

The property has not been elected for VAT.

A dedicated data room is available. Access details will be made available on request.

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