

**26-31 St Augustine's Parade**

**1-5 St Augustine's Place**



**OFFICE AND RETAIL INVESTMENT SALE: BRISTOL BS1 4UL**



## INVESTMENT SUMMARY

## Fully let retail and office Investment with asset management opportunities

- Centrally located close to the Central Business District, Harbourside and Clifton
- Fully let to a broad mix of tenants and users (12 tenants) thus limiting exposure to any one occupier
- Prime office and residential location
- Vibrant retail and leisure pitch with day and night time activity
- Office floorplates range from 905 sq. ft. to 2,825 sq. ft.
- Office rents from as low as £9.54 per sq. ft.
- Potential to convert the offices to residential
- Opportunity to improve income profile through refurbishment of some of the offices
- Long leasehold interest from Bristol City Council – 87 years unexpired
- Total net rent of £329,000.17 per annum
- Offers are sought in the region of £4,000,000
- Net Initial Yield - 7.74%

## PROPOSAL

Our clients are seeking a price of **£4,000,000** for their long leasehold interest in this property which would provide a purchaser with a **net initial yield of 7.74%** after allowing for purchaser's costs of 6.3%.



Vibrant retail and leisure pitch with day and night time activity



## BRISTOL

**Bristol is the business capital of the south west. It is one of the UK's fastest growing cities and produces a GVA of £14.2 billion pa. Its cultural identity, history and architecture make it one of the most prestigious and sought after cities in the UK. Bristol was the first UK city to be granted the European Green Capital Award in 2015 and it was named the UK's greenest city in 2020.**

Bristol has a resident population of 463,400 (2017) and its wider catchment extends to an estimated 1.6 million. It has two world-class universities with circa 45,000 full time students, and hosts 20.5 million day visits per annum. Famed for its cultural and creative innovation, it is widely considered to be a city that will benefit from post-pandemic population movement.



Bristol is ranked the fifth largest UK city and boasts the third highest GDP per capita. Unemployment is exceptionally low, and the city has a renowned knowledge base with an estimated 42% of the population achieving degree level or above education. Bristol's main employers include Lloyds Banking Group, MoD, Airbus, Computershare, EE, Hargreaves Lansdown, Rolls Royce, the BBC and Imperial Tobacco.

**Bristol is ranked the fifth largest UK city**

## TRANSPORT LINKS



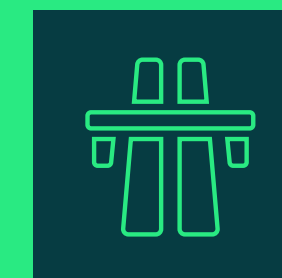
Bristol has two principal railway stations, Bristol Temple Meads in the city centre and Bristol Parkway, to the north of the city. Both provide high speed rail links to London and regular services to Birmingham, Manchester and Cardiff, with journey times to London and Birmingham being just over an hour.



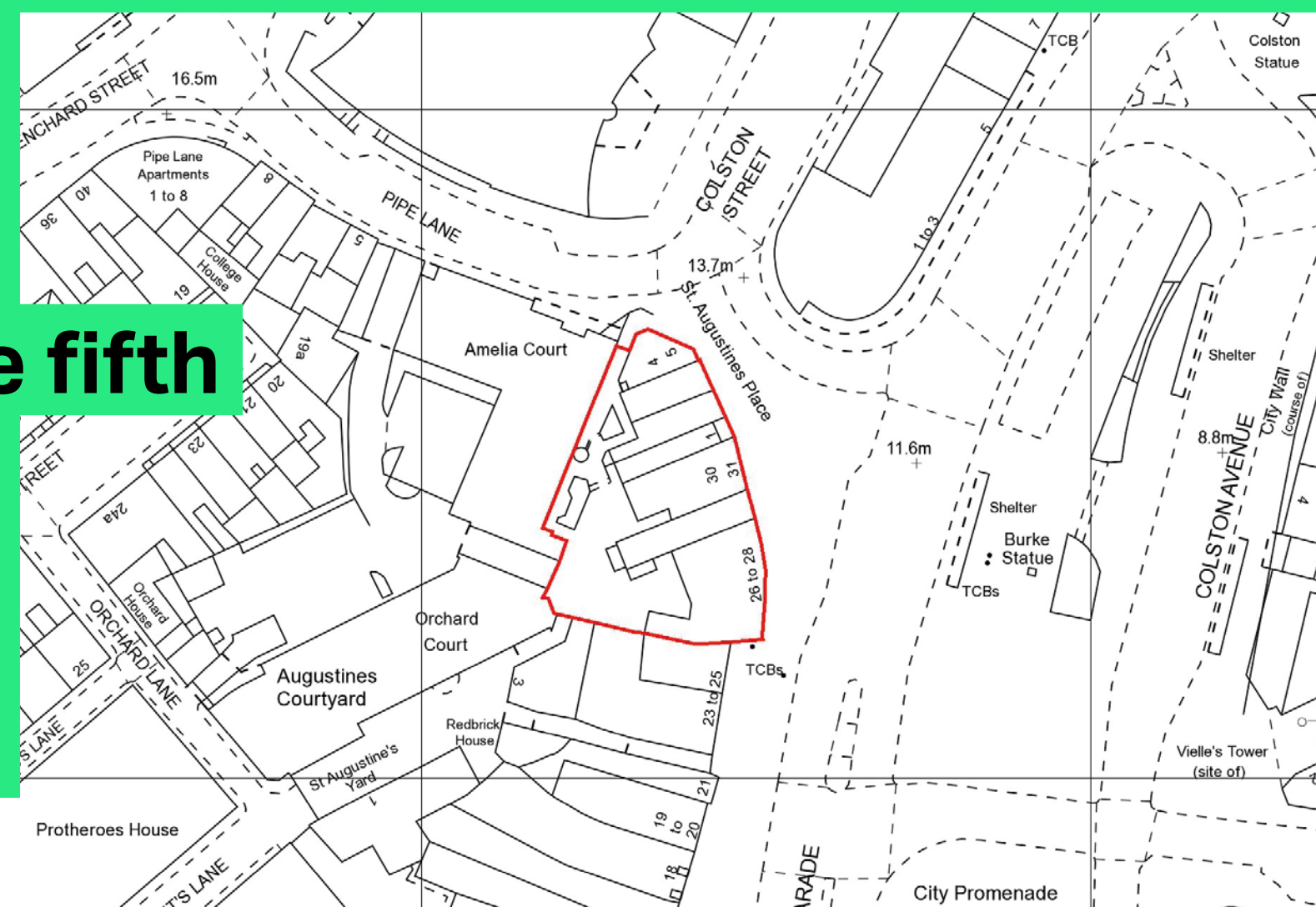
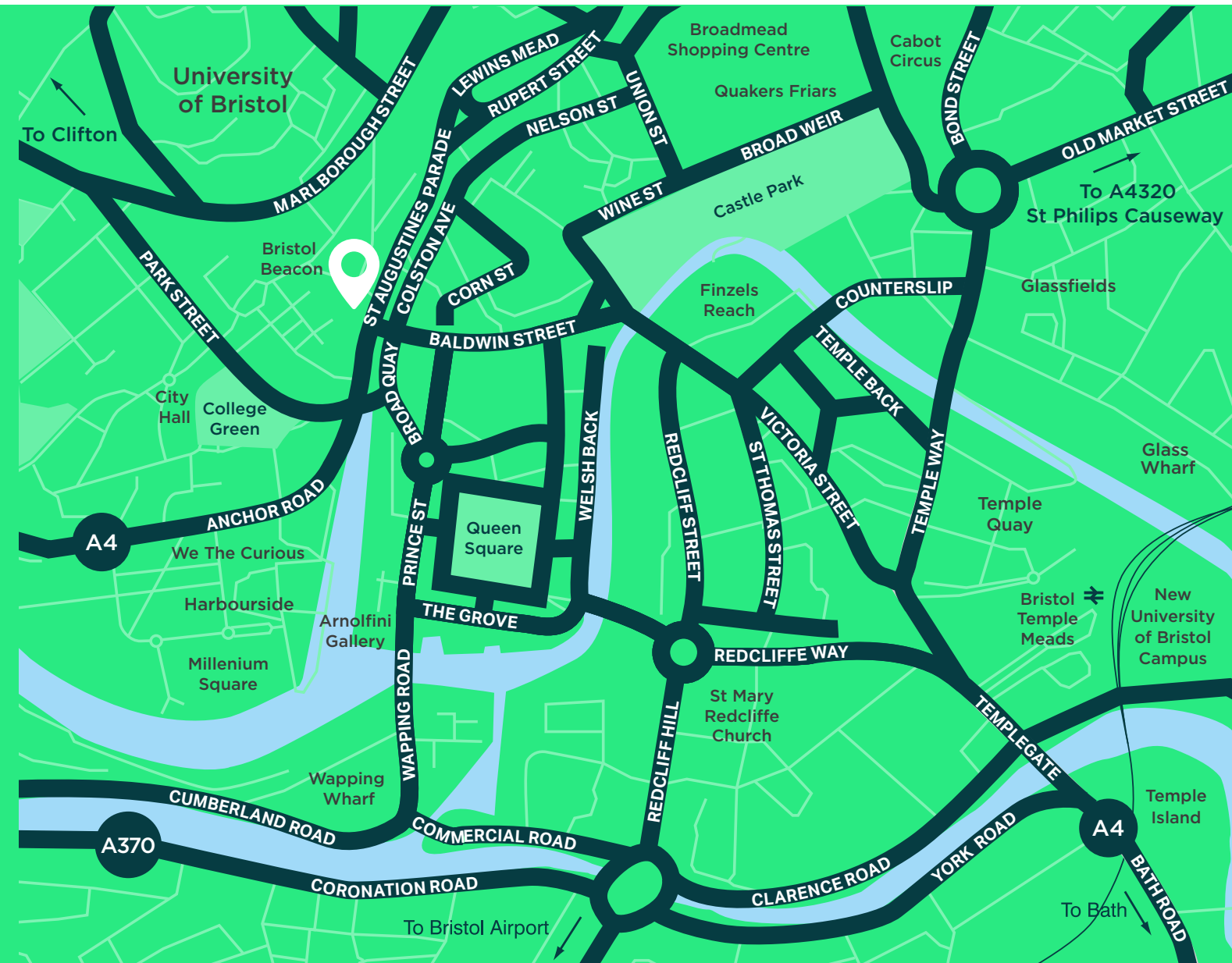
Bristol's main city centre coach station is a short walk from the property. The station offers a UK wide service to all major cities and UK airports.



Bristol International Airport lies eight miles from the city centre. More than 8.6 million passengers used the airport in 2018 and it brings an estimated 1.5 million foreign visitors to the city every year.



The city centre is about six miles from the M4/M5 intersection which is linked to the city centre by the M32 urban motorway.





## LOCATION

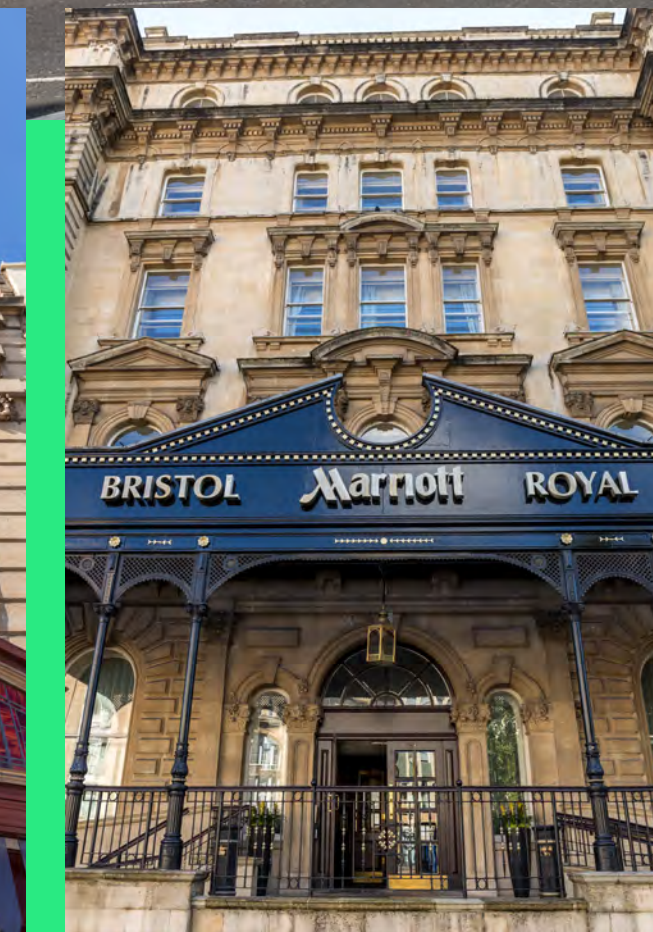
**The property is situated in a very prominent position on the western side of St. Augustine's Parade which is the A38 dual carriageway running through Bristol city centre. St Augustine's Parade takes its name from its proximity to Bristol Cathedral where the original building, "The Abbey of St Augustine", was built in 1240.**

The property is located in close proximity to the Central Business District, Clifton and Harbourside. Temple Meads railway station is a 10 minute walk away as is Cabot Circus Shopping Centre. Access to the M32 and regional motorway network is only one mile away and a comprehensive bus service runs from outside the buildings.

The immediately surrounding area is a prime location for both offices and residential occupiers. Recent student accommodation and PRS developments have transformed the city centres residential profile. Notable retail occupiers in the vicinity include Boots, Pamela Neave Recruitment, Pizza Hut and Tesco.

The property sits between the famous Hippodrome Theatre and the renowned live entertainment venue - The Bristol Beacon (formerly Colston Hall) - making this a vibrant focal point for city centre leisure activity throughout the day and well into the night.

There are a number of bars and restaurant occupiers on the adjacent dockside and in Bristol's prime leisure pitch of Corn Street, which is situated opposite St Augustine's Parade. Hotel Du Vin, Radisson Blue and the Marriott Royal Hotels are all in close proximity to the ownership.



**The area is a  
prime location  
for both offices  
& residential**



## SITUATION

## Leisure Destinations

1. Millennium Square
2. Harbourside
3. Corn Street
4. Hippodrome Theatre
5. Bristol Beacon
6. Finzel's Reach

## Retail &amp; Leisure Destinations

7. Broadmead  
(leading to Cabot Circus)
8. The Galleries
9. Park Street
10. Queens Road, Clifton
11. Clifton Village

## Office Locations

12. Beacon Tower  
(former Colston Tower)
13. Lloyds Bank Regional HQ
14. Programme
15. Queen Square

## In the heart of the cities daytime and evening economy

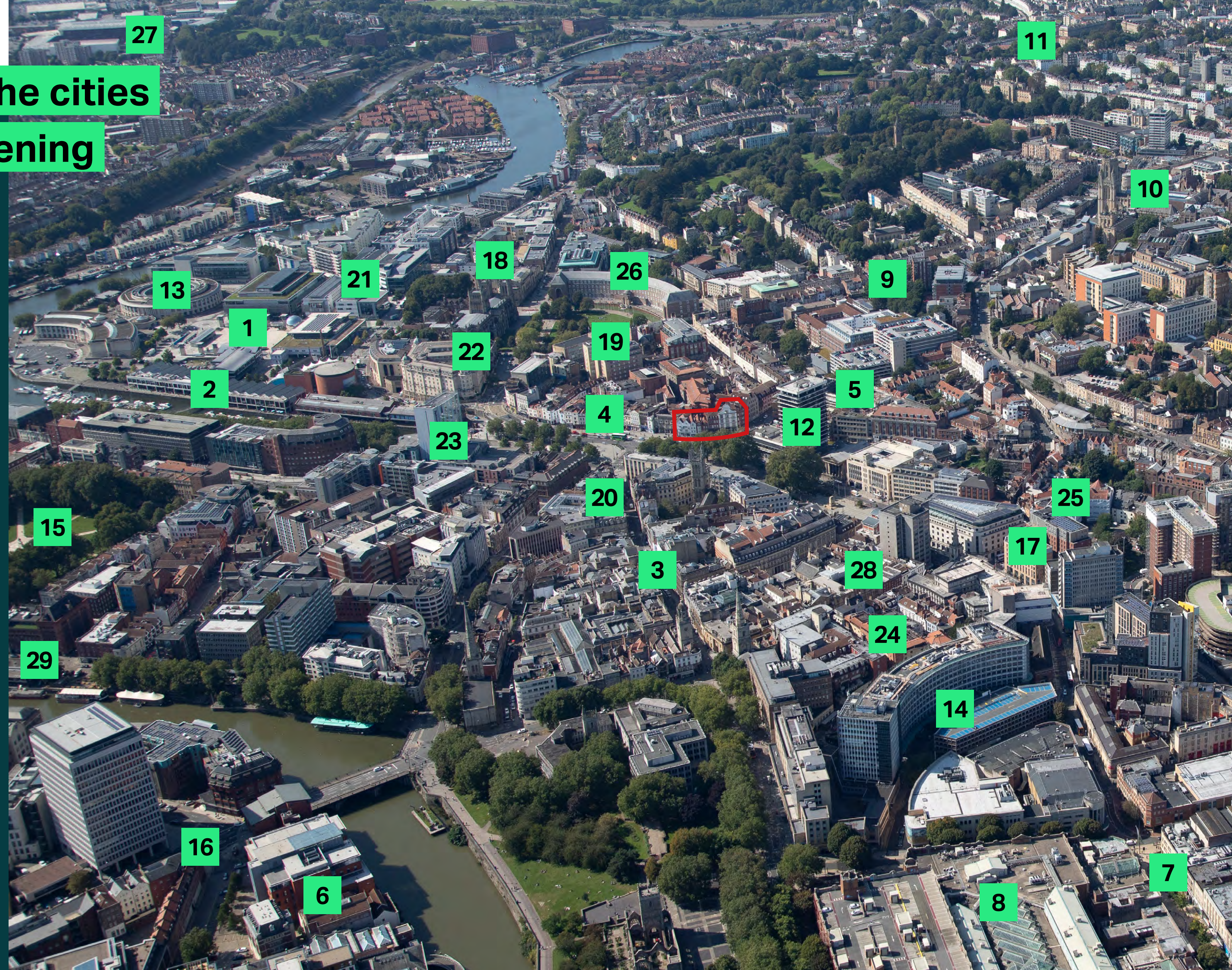
16. Victoria Street & Redcliff Quay
17. RBS
18. Hargreaves Lansdown
19. Environment Agency
20. Sustrans
21. CMS Cameron McKenna

## Hotels

22. Marriott Royal
23. Radisson Blu
24. The Grand
25. Hotel Du Vin

## Other

26. Bristol City Council
27. Ashton Gate Stadium
28. Bristol Crown Court
29. To Be BoxPark Bristol





## THE PROPERTY

**The property comprises two adjoining buildings – St. Augustine's Parade and St. Augustine's Court. They are fully let to 12 tenants and arranged to provide 6 ground floor shops with a total floor area of 5,493 sq. ft. Self-contained office accommodation on first to fourth floors totals 16,348 sq. ft.**

The buildings are Grade II Listed and were originally constructed of timber or cast-iron frame, which in some instances has been replaced with brick construction. The external elevations are either brick or rendered and the property has a pitched tiled roof.

The property has the benefit of 3 car parking spaces at the rear.

### St. Augustine's Parade

This building comprises 3 ground floor retail shops with 3 floors of offices over. The offices have recently been refurbished and provide modern airy accommodation in self-contained suites ranging in size from 2,066 sq. ft. to 2,238 sq. ft. Male and female toilets are provided on each floor.

Recent refurbishment of this property generated significant rental growth.

### St. Augustine's Court

This building also comprises 3 ground floor shops with 4 floors of offices over. The offices are predominantly let to a single tenant. The property offers excellent potential to increase rental income through refurbishment into self-contained suites ranging in size from 905 sq ft to 2,825 sq ft. Male and female toilets are provided on each floor and the building benefits from a passenger lift to all floors.



## St. Augustine's Parade and St. Augustine's Court





## TENURE

The property is held on a long lease from Bristol City Council for a term of 125 years from 24th June 1984 – i.e. 87 3/4 years unexpired. The lease is on full repairing terms and the tenant is responsible for insuring the property.

The current rent payable is **£37,500 per annum**.

The lease provides for upward only rent reviews every 5 years to 12½% of the open market rack rental value of the property. "Rack rental value" is defined as the best yearly rent obtainable for the property assuming a letting with vacant possession for a term of not less than 25 years with upward only rent reviews and on full repairing and insuring terms.

The June 2019 rent review is still under negotiation with the Council.

The permitted user is shops and offices, or any use for which planning permission (if required) is obtained, subject to landlord's consent which is not to be unreasonably withheld or delayed.

## OCCUPATIONAL LEASES

The property is fully let to 12 tenants on internal repairing leases as detailed in the Schedule of Accommodation and Tenancies.

The current rental income totals **£366,517 per annum**.

The landlord insures the building, and the tenants reimburse the cost of the premium.

The landlord deals with external and structural repairs with the cost being recoverable through a service charge. The total service charge budget for the current year is £121,500.

## NET INCOME

The investment produces a net rental income of **£329,017 per annum**.

## ASSET MANAGEMENT OPPORTUNITIES

- The property offers several asset management and added value opportunities:**
- **Refurbish the St. Augustine's Court offices to increase rents in line with the lettings in St. Augustine's Parade.**
  - **Convert the office accommodation to residential apartments.**
  - **Extend and/or regear the headlease with Bristol City Council.**

**The property  
is fully let to  
12 tenants**





## SCHEDULE OF ACCOMMODATION AND TENANCIES

St. Augustine's Parade	Tenant	Accommodation (sq ft)	Lease Term	Lease Expiry	Break Option	Rent £ pa	Rent PSF	Rent Reviews	Comments	EPC
Ground Floor Shop 26-28 St. Augustine's Parade	Seetec BTC Ltd	G/F Retail - 1,775 ITZA - 1,357	5 years from 18.03.2021	17.03.2026	18.03.2024	£45,000	£33.16 Zone A	N/A		C
Ground Floor Shop 29 St. Augustine's Parade	Alexander Martin Palmer and Lee Howells t/a City Barber Shop	G/F Retail - 306 ITZA - 171	20 years from 24.06.2005	23.06.2025	N/A	£9,000	£52.63 Zone A	N/A		C
Ground Floor Shop 30-31 St. Augustine's Parade	Greggs PLC	G/F Retail - 978 ITZA - 699 Ancil - 107	10 years from 04.07.2016	03.07.2026	N/A	£35,500	£49.30 Zone A	01.05.2021	May 2021 rent review not yet implemented	C
First Floor Offices 26-29 St. Augustine's Parade	Robert John Branch t/a Moore Accountants	F/F Offices - 2,066	5 years from 11.04.2018	10.04.2023	N/A	£37,975	£18.38	N/A		D
Second Floor Offices 26-29 St. Augustine's Parade	XCD HR Ltd	S/F Offices - 2,238	5 years from 13.03.2018	12.03.2023	N/A	£37,042	£16.55	N/A		D
Third Floor Offices 26-29 St. Augustine's Parade	Booking Live Software Ltd	T/F Offices - 2,084	5 years from 13.12.2019	12.12.2024	13.12.2023	£40,000	£19.19	N/A		D
St. Augustine's Court	Tenant	Accommodation (sq ft)	Lease Term	Lease Expiry	Break Option	Rent £ pa	Rent PSF	Rent Reviews	Comments	
Ground Floor Shop & Basement 2 St. Augustine's Court	Juice Recruitment Ltd	G/F Retail - 518 ITZA - 386 Basement - 392	8 years from 06.09.2015	05.09.2023	N/A	£18,000	£44.60 Zone A	N/A		E
Ground Floor Shop & Basement 3 St. Augustine's Court	Esther Jayne Greenslade t/a Greenslade Barbers	G/F Retail - 503 ITZA - 382 Basement - 415	23 years from 20.06.2012	19.06.2035	N/A	£17,500	£43.64 Zone A	20.06.2022	June 2022 rent review agreed at £18,000 pa	D
Ground Floor Shop 4-5 St. Augustine's Court	J2W Ltd	G/F Retail - 499 ITZA - 499	15 years	2036	N/A	£10,000	£20.00	2026 & 2031	Completion imminent. Rent increases by £1,000 pa each year for 5 years	E
Part First Floor Offices 30 St. Augustine's Court	SEF Enterprises Ltd	F/F Offices - 905	5 years from 01.09.2017	31.08.2022	N/A	£10,500	£11.60	N/A		C
Part First, Second & Third Floor Offices 30 St. Augustine's Court	A. Marles, D. Powell & J. Sutton t/a Stevens Hewlett & Perkins	F/F Offices - 1,903 S/F Offices - 2,825 T/F Offices - 2,650 Total - 7,378	5 years from 25.03.2020	24.03.2025	25.03.2023	£90,000	£12.19	N/A		C
Fourth Floor Offices 30 St. Augustine's Parade	Cruse Bereavement Care	F/F Offices - 1,677	5 years from 30.11.2020	29.11.2025	30.11.2023	£16,000	£9.54	N/A		C
		Retail - 5,493 Offices - 16,348	£366,517							



## RENTAL INCOME

### Retail

The shops fronting St. Augustine's Parade are let at Zone A rents of between £33.16 and £52.63.

4-5 St. Augustine's Court fronts Pipe Lane and is valued as kiosk, given its size and configuration. This shop has just been let as a takeaway at a commencing rent of £10,000 pa and completion of the lease is imminent. The rent rises by £1,000 pa for each of the first 5 years of the term.



### Offices

The offices in St. Augustine's Parade have been refurbished and are let at rents of between £16.65 and £19.19 per sq. ft.

The offices in St. Augustine's Court are not as modern and are let at rents of between £9.54 and £12.19 per sq. ft.





# 10

## BRISTOL OFFICE MARKET

As with all office occupier markets, turmoil and uncertainty have been prominent features in the last eighteen months. However, Bristol's enduring appeal, economic strength and excellent logistics have underpinned a robust market performance. Occupier "take up" of city centre space in the first half of 2021 is over 85% of the five year average.

About 220,000 sq ft of office space was let in Bristol, during H1 2021. The construction of prime, grade A office space in Bristol also continues apace with about 350,000 sq ft currently under construction and market confidence is buoyant.

Headline rents have been sustained at circa £37.50 psf, with good quality refurbished space transacting at about £5 psf below this figure.

UK office occupiers are weighing up so many factors at present, including the creation of a less centralised office provision, from which Bristol is likely to benefit as a regional centre that is so accessible from London, Birmingham, south Wales and the south West.

Space requirements are also changing rapidly, with smaller and better quality office accommodation being a key occupier requirement. This is coupled with an increasing need to create staff wellness facilities and to retain flexibility in how the space is used. St Augustine's Court, in particular, offers excellent potential for the creation of small modern office suites in a prime, historic city centre building.

Fairly recent refurbishment of 26-31 St Augustine's Parade has proven the potential for rental growth in this location, which is why St Augustine's Court offers an excellent opportunity to do the same.

## PROPOSAL

Our clients are seeking a price of **£4,000,000** for their long leasehold interest in this property which would provide a purchaser with a **net initial yield of 7.74%** after allowing for purchaser's costs of 6.3%.

## FURTHER INFORMATION

### VAT

The property is registered for VAT and therefore Value Added Tax will be payable upon the purchase price.

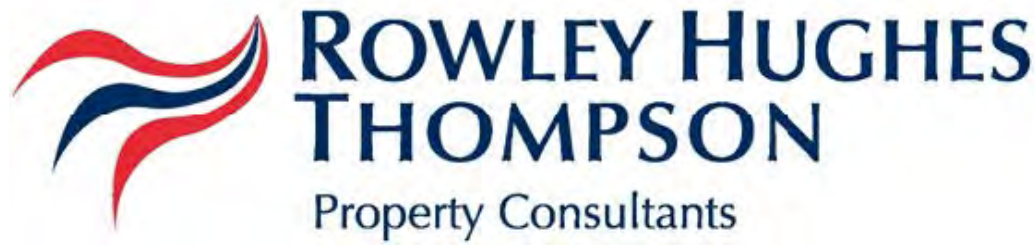
It is expected, however, that the transaction will be treated as a TOGC.

### ENQUIRES

For further information, please contact the joint agents:



**Russ Power**  
russ@mp-pc.co.uk  
01179707536



**David Thompson**  
davidt@rhtretail.co.uk  
01212127803

Misrepresentation Act These particulars do not constitute part of an offer or contract. They are intended as a guide to prospective purchasers or lessees. All reasonable care has been taken in the preparation of these particulars but their accuracy is not guaranteed. The purchaser or lessees should satisfy themselves as to the correctness. Neither the agents or the vendors or the lessees are to be or become under any liability or claim in respect of these particulars. These particulars are supplied on the understanding that all negotiations are concluded through this office. October 2021

Designed and Produced by [www.kubiakcreative.com](http://www.kubiakcreative.com) 214837 10-21