

**BATH
ROAD
BRISTOL** **STUDIOS**



Bath Road Studios





Investment Summary

- Occupies a prominent position on Bath Road (A4), one mile south east of Temple Meads Station.
- Has recently undergone a comprehensive refurbishment (of part 41%) and provides **60,415 sq ft** of flexible accommodation.
- **295 car parking spaces**, reflecting an excellent ratio of **1:205 sq ft**.
- Held long leasehold for a term of 125 years from 18th June 1986 at a peppercorn rental.
- Multi-let and producing a total current income of **£601,848 per annum**.
- **ITV account for 25% of the income**.
- WAULT of 3.77 years to expiries (2.49 years to breaks).
- Significant asset management opportunities.
- Part of the site benefits from **planning permission for the creation of 30 residential dwellings**.
- Seeking offers in excess of **£5,575,000**, subject to contract and exclusive of VAT.
- This reflects a net initial yield of **11%** on the current income, after assuming purchaser's costs of 5.80%, and an apportioned price of £400,000 for the development plot.
- Low capital value of **£92 per sq ft**.

Bath Road Studios

Location

Bristol is situated 110 miles west of London, 45 miles east of Cardiff, 87 miles south of Birmingham and 80 miles north of Exeter. It is the UK's 5th largest city and the leading financial, business and administrative centre in the South West. The city has developed a strong service sector, and has become one of the largest employment hubs for the banking, finance and insurance sectors outside London.

The city has a total population of 428,200 (2011 Census) and a larger urban zone with an estimated 1.6 million residents. Bristol is ranked the 3rd highest per capita GDP after London and Nottingham. Furthermore the city's two universities; the University of Bristol and the University of the West of England, also contribute to Bristol's skilled labour pool.

Bristol has attracted numerous high profile companies including; Ministry of Defence, Equipment and Support, Hewlett Packard National Research Laboratories, AXA Sun Life, Lloyds Banking Group National Debt Recovery, Orange, Rolls Royce, BAE Systems, BBC and Clerical Medical.

Situation

Bath Road Studios is located at Arnos Vale on the A4 Bath Road approximately 1.5 miles south east of Bristol city centre, and 1 mile south east of Bristol Temple Meads station. The A4 is one of Bristol's principal arterial routes linking the city centre with Bath, and the A4320 St Philip's Causeway, which lies opposite the property, provides direct access to Junction 3 of the M32 motorway to the north.



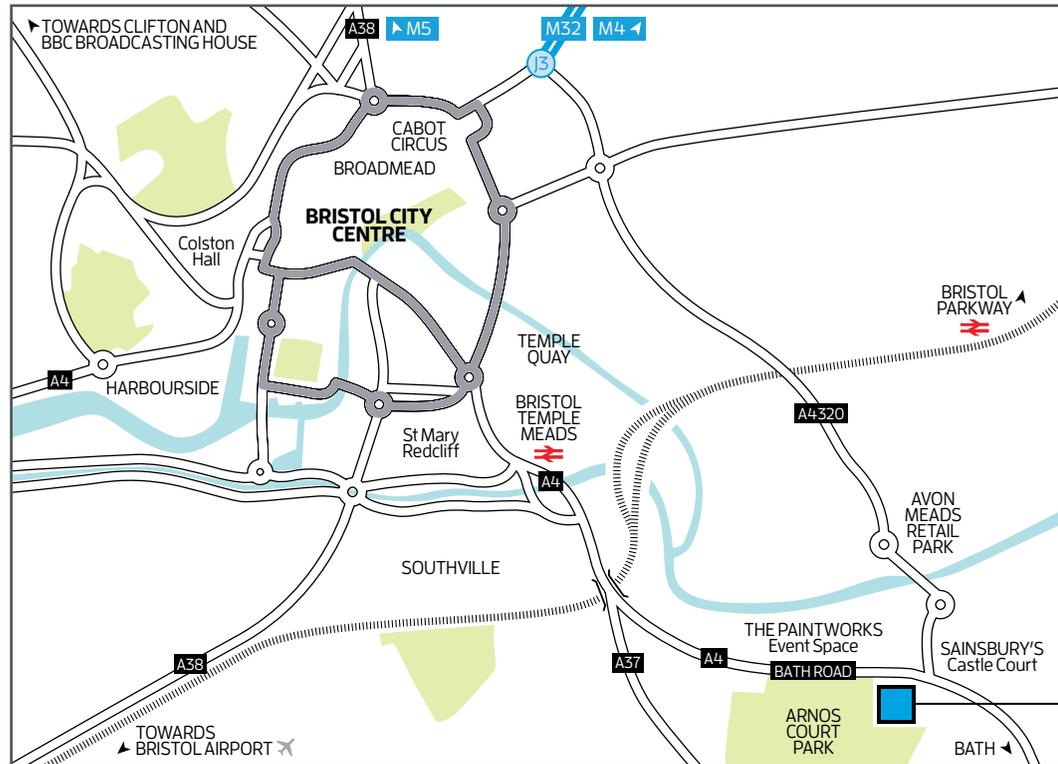
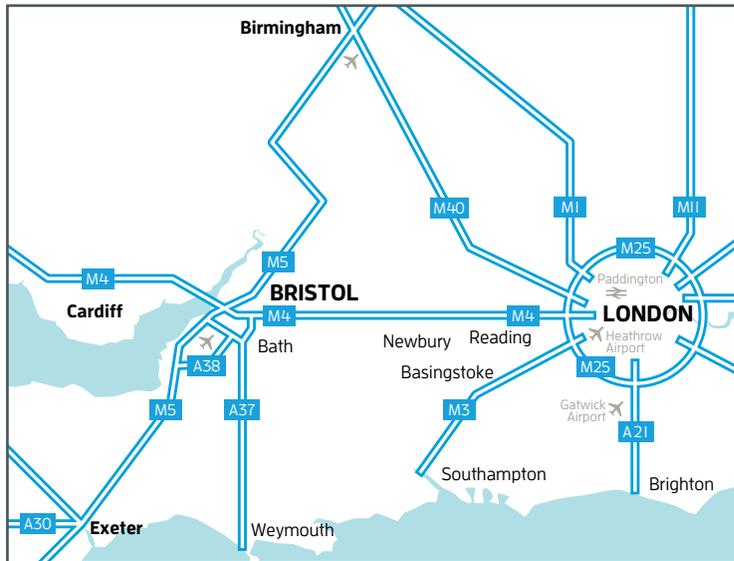
The surrounding area comprises a mix of uses including residential, offices, retail and leisure, with notable properties in close proximity to the subject property including The Paintworks.

Avon Meads Retail Park is situated a short distance to the north of the subject property with occupiers including Currys, PC World, Boots, Carphone Warehouse and McDonald's. Immediately opposite the property is a Sainsbury's Supermarket.

Furthermore the Bath Road Park and Ride facility is situated approximately 1.2 miles to the south of the site.

The Paintworks

The Paintworks lies only a few hundred metres to the west of the property. The scheme was developed by Verve, and provides contemporary commercial, residential and live/work accommodation arranged across converted warehouse buildings.



Communications

Road

Bristol city centre benefits from an excellent road network, being only 4 miles south of the M4/M5 intersection. The M4 is the east/west axis from London to Cardiff whilst the M5 is the north/south west axis from Birmingham to Exeter. The M48 motorway and Second Severn Crossing have further improved road communications with Cardiff and south Wales. The M32 motorway spur links the M4 to Bristol city centre.

Rail

Bristol has two principal railway stations – Bristol Temple Meads (city centre) and Bristol Parkway (15 minutes by car to the north of the city). These provide regular direct intercity services to the major cities throughout the UK including London Paddington (high-speed), Manchester, Birmingham, Cardiff and the South West.

Fastest travel times from Bristol Temple Meads, which is situated within a 20 minute walk from the subject property, are as follows:

London Paddington	1 hour 38 mins
Birmingham	1 hour 23 mins
Manchester	2 hours 58 mins
Exeter	57 mins
Bristol Parkway	8 mins

There are future plans to redevelop Bristol Temple Meads station at a cost of up to £100m. Furthermore Great Western are planning to electrify the line from Bristol to London, by 2016, which will reduce journey times by up to 20 minutes.

Bus

Bath road is served by numerous bus routes, providing access into Bristol city centre in approximately 10 minutes. The subject property benefits from having a bus stop at the entrance to the site.

Air

Bristol Airport lies 8 miles south of the city centre and provides scheduled flights to 114 destinations throughout the UK, the United States, and Europe. The airport now sees over 6.2 million passengers fly each year and it has become the fastest growing regional airport in the UK. In addition, a planning application was approved in May 2010, for the redevelopment and enhancement of Bristol Airport which will enable the airport to handle 10 million passengers per annum by 2019/2020.

Bath Road Studios



Description

The property comprises a building known as Bath Road Studios, an Annex Building to the rear of the site, and a two storey car park.

Bath Road Studios

Comprises an iconic landmark building, which has been transformed to provide refurbished office space from 300 sq ft upwards. The remodelled reception provides an open, contemporary space, break-out area, and a café operated by Friska. Originally constructed in 1968, and extended in 1986 to provide 60,415 sq ft of office/TV studio accommodation arranged over basement, ground and four upper floors. The property is of reinforced concrete frame construction, with solid concrete floors under a series of flat asphalt covered roofs.

The property has recently undergone a major refurbishment (of part – 24,862 sq ft – 41%) to provide contemporary office accommodation in suites ranging in size from 300 sq ft upwards. Internally the specification includes:

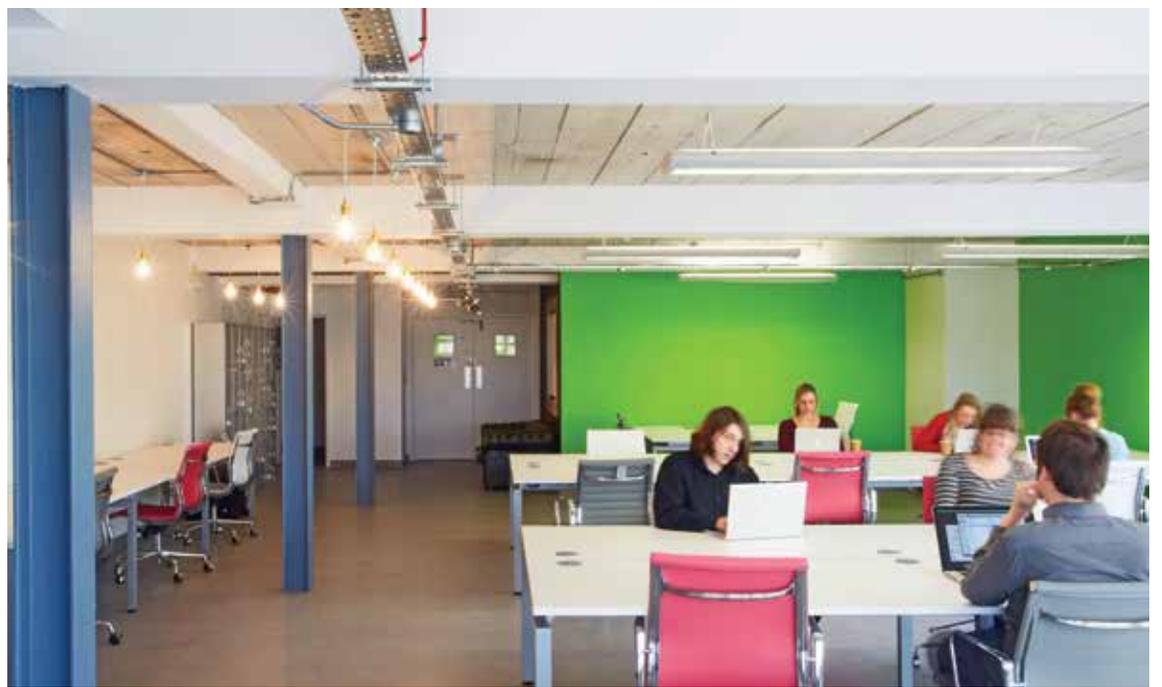
- Newly refurbished reception area.
- 3 pipe fan coil combined comfort cooling/heating.
- Perimeter trunking.
- LG3 lighting.
- Original exposed ceilings.
- Male, female and disabled WC facilities on each floor.

Annex Building

The Annex Building is a separate detached two storey building constructed with predominantly brick elevations incorporating single glazed wooden framed windows under a mansard roof structure. The building totals 3,463 sq ft of accommodation. The ground floor is currently vacant, and the first floor is currently used as a recording studio.

Car Parking

The property provides 235 external on site car parking spaces as well as an additional 60 car parking spaces provided within a two storey decked car park. This reflects an excellent car parking ratio of 205 sq ft.

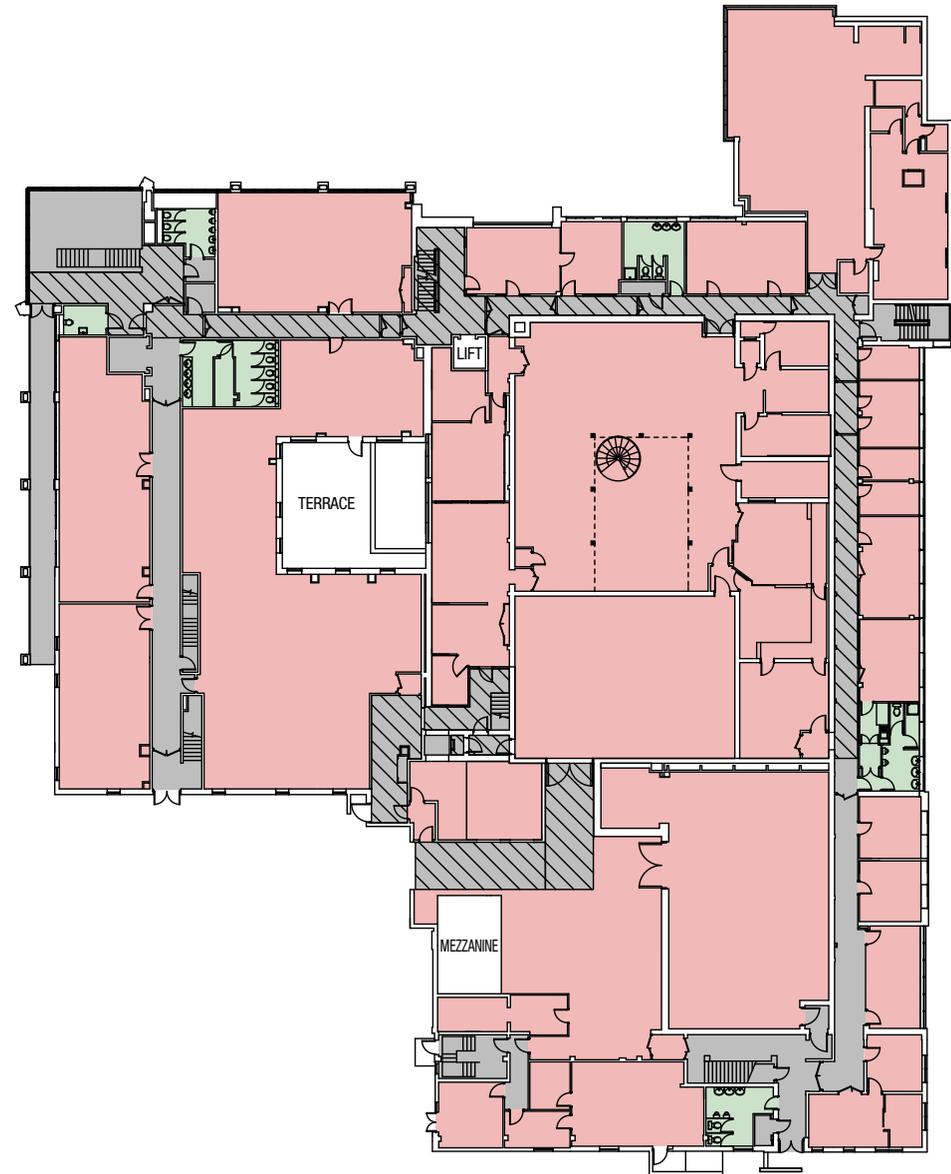
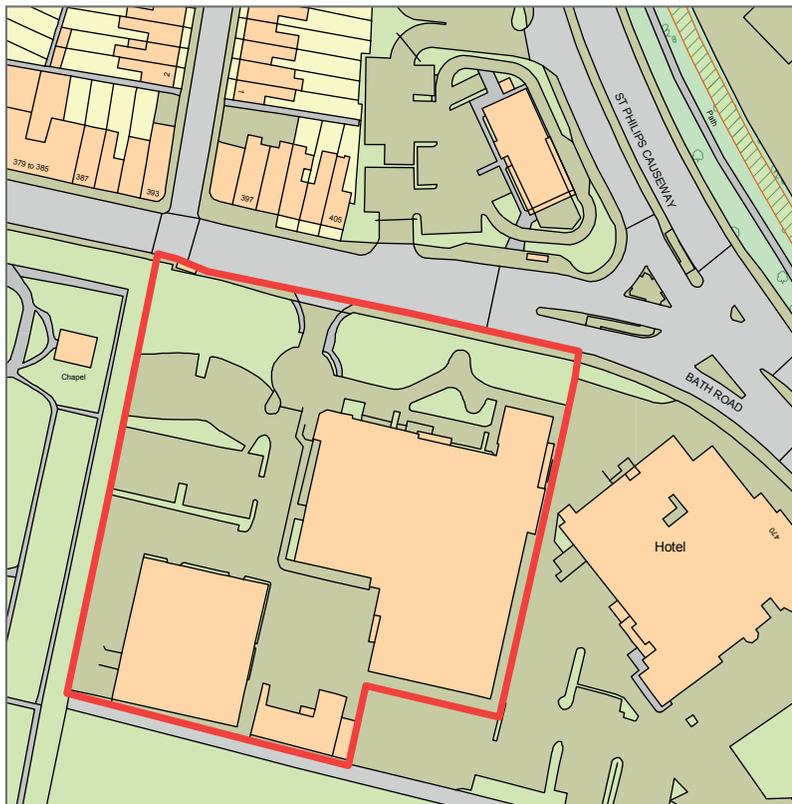


Bath Road Studios

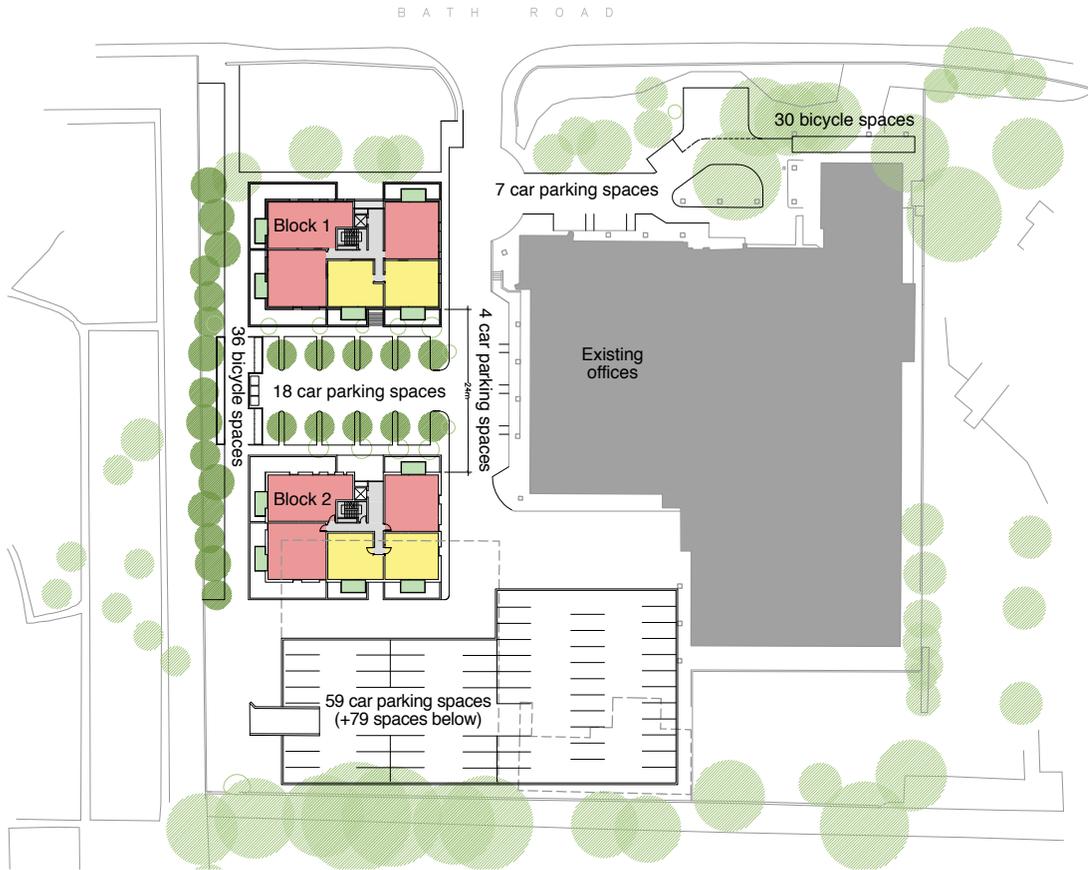
Accommodation

The property provides a total net internal floor area of 60,415 sq ft, as detailed in the tenancy schedule:

The site area extends to approximately 2.7 acres (1.12 hectares).



LEVEL TWO



- 1 Bedroom Flat
- 2 Bedroom Flat



Tenure

The property is held by way of a long lease from Bristol City Council for a term of 125 years from 18th June 1986 at a peppercorn rental.

Tenancies

The property is multi-let in accordance with the tenancy schedule. The vendor intends to provide a 18 month rent, rates and service charge guarantee over the refurbished vacant accommodation 11,035 sq ft, such that the total passing rent will be £601,848 per annum.

There is also 7,040 sq ft of unfurnished studio and ancillary accommodation at Bath Road Studios, over which the vendor will provide a 18 month rates and service charge guarantee.

There is 7,469 sq ft of vacant accommodation, comprising of mainly storage, at the basement level of Bath Road Studios and at ground floor level of the Annex Building. No rent or rates guarantee will be provided over this space.

The WAULT is 3.77 years to expiries (2.49 years to breaks).

[See following tenancy schedule]

Residential Development

The site benefits from planning permission (I3/00178/F) for the erection of 30 dwellings, and the provision of associated parking and landscaping, through the demolition of the existing Annex Building, and reconfiguration of the site.

Further information is available upon request.

Planning

The property is not listed, but does lie within the Arnos Vale Conservation Area.

Bath Road Studios

Tenancy Schedule

	Area	Rent	% of Income	
Traditional Income	36,701	£477,661.00	79.37%	11 Tenancies and 4 Guarantees
Flexible Income	5,533	£96,769.00	16.08%	18 short term tenancies
Studio	1,919	£19,190.00	3.19%	Rent guarantee of £10 per sq ft
Annex	3,463	£6,540.00	1.09%	2 Tenancies
Studio, Office & Ancillary	7,175	£1,687.50	0.28%	Service Charge and Rates Guarantee
Basement Storage	5,355	£0.00	0.00%	
Total	60,146	£601,848	100.00%	

A full copy of the tenancy schedule and marketing details are available upon request, and is summarised as follows:

- Multi let to 25 tenants.
- The total net income is £601,848 per annum (£9.96 per sq ft overall.)
- WAULT to lease expiry is 3.77 years.
- (2.49 years to breaks.)





Asset Management Opportunities

The property provides the purchaser with the following asset management opportunities:

- Maximise rental income through upgrading and letting the unrefurbished accommodation.
- Increase WAULT through lease renewals/re-gears with existing tenants.
- Develop out the residential scheme on site, for which planning consent has already been granted.
- Consider selling off part of the site with the benefit of planning for residential.
- Explore the possibility of purchasing the Freehold interest in the site.

EPC

A copy of the EPC is available upon request.

VAT

The property is elected for VAT, and therefore VAT will be payable on the purchase price. It is anticipated that the sale of the property will be treated as a Transfer of a Going Concern.

Proposal

We are instructed to seek offers in excess of **£5,575,000 (Five Million Five Hundred and Seventy Five Thousand Pounds)**, subject to contract and exclusive of VAT, for our client's long leasehold interest.

This reflects a net initial yield of **11%** on the current income, after assuming purchaser's costs of 5.80%, and an apportioned price of £400,000 for the development plot.

A purchase at this level reflects a low capital value of only **£92 per sq ft** for the property.

Contacts

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