

RARE FREEHOLD OFFICE INVESTMENT OPPORTUNITY WITH OUTSTANDING ALTERNATIVE USE POTENTIAL



# OAKFIELD HOUSE

OAKFIELD GROVE, CLIFTON, BRISTOL, BS8 2BN

# INVESTMENT SUMMARY

- Located in a popular and affluent central location in the city of Bristol
- Attractive opportunity to redevelop for a range of living uses
- Totalling 35,814 sq ft (3,327.10 sq m) NIA
- Excellent car parking ratio of 1:1,194 sq ft
- Freehold
- Let entirely to the undoubted covenant of University of Bristol
- Unexpired term of 3.40 years to expiry
- Current passing rent of £584,454 per annum equating to a low rent of £16.32 per sq ft
- Let at a rental discount of circa 56.5% compared to prime rents
- Offers in the region of **£8,000,000 (Eight Million Pounds)** reflecting a **Net Initial Yield of 6.85%** (assuming purchaser's costs of 6.67%)
- Capital value of **£223 per sq ft** subject to contract





# COMMUNICATIONS



## Road

Bristol is strategically located at the intersection of the M4 and M5 motorways. Bristol city centre is served by the M32 motorway providing a fast link from J19 of the M4. The M4/M5 intersection is located only 6.5 miles from Bristol city centre, the M4 runs from London to southwest Wales and the M5 connects the Midlands to Exeter.

The M48 motorway and Second Severn Crossing provide strong road links to Cardiff and South Wales. The recent removal of the M4 Severn Crossing toll is a boost to commuters and improves links between South Wales and Bristol.



## Rail

Intercity rail services serve Clifton Down, Bristol Parkway and Bristol Temple Meads stations, providing regular intercity services to major destinations throughout the UK. Clifton Down station is located centrally in Clifton and within a 10-minute walk from the property. Work completed on the electrification of the railway line between London Paddington and Bristol in December 2019. This has resulted in additional services and a reduced journey time to London of 68 minutes.



## Air

Bristol International Airport lies 8 miles south of the city centre and is serviced by a dedicated coach link. The airport provides over 125 direct routes and served more than 8.9 million passengers in 2019 representing a tenth consecutive year of growth. Bristol airport have submitted a planning application seeking permission to increase capacity to handle up to 12 million passengers a year by the mid-2020's.

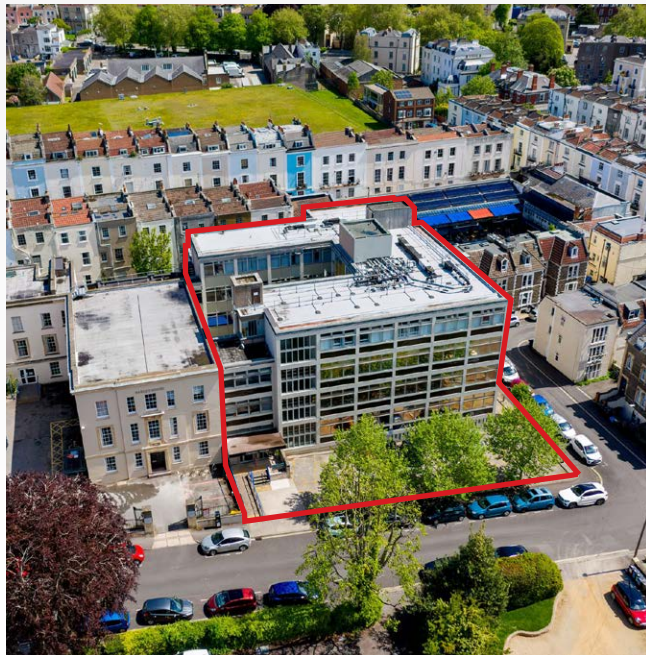


# SITUATION

The Property is situated on Oakfield Grove in Clifton, an affluent suburb of Bristol, located approximately 1.5 miles northwest of the city centre. Clifton is considered the most prestigious residential location within Bristol.

The property is surrounded by primarily residential uses with the exception of the adjacent office building, known as Barley House, and the prestigious Clifton Lido located to the rear of the property.

Whiteladies Road is the primary retail location in the area and is located only 0.25 miles to the east of the property. Clifton Down Shopping Centre is also located 0.5 miles to the north east of the property which benefits from an abundance of retailers including a Sainsburys supermarket and Clifton Down Train Station.



*“Located in a popular and affluent central location in the city of Bristol”*

# DESCRIPTION

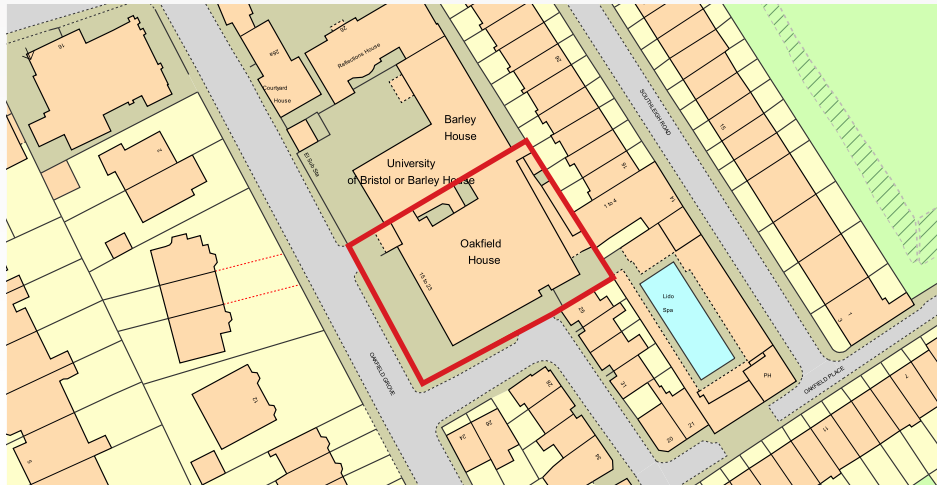
Oakfield House comprises an office building of 35,814 sq ft NIA arranged over basement, ground and three upper floors. The property was originally constructed in the 1960s and is of reinforced concrete frame construction with primarily painted concrete clad elevations, concrete floors and flat bitumen covered roof.

The Property is attached to the adjacent office building, Barley House, which is also occupied by the University of Bristol. There are a number of internal interconnecting doorways between the two buildings. Oakfield House is primarily 'C' shaped from the first floor and above, with a small central courtyard to the ground floor.

Internally, the Property has solid concrete floors, which are primarily carpeted, suspended ceilings and a mix of surface mounted and integral air conditioning. Heating is provided by wall mounted electric heaters. There is a single passenger lift that serves all floors.

The tenant has fitted out the building to form primarily cellular offices and lab space, however, there are a number of break out areas and a clinic on ground floor.

The basement is accessed internally via a passenger lift and stairs and externally by two roller shutter doors. Previously used for car parking, the current occupier uses this area for the refrigeration and storage of medical samples. The basement previously had circa 22 parking spaces and there are an additional 8 external spaces to the front of the Property.



# ALTERNATIVE USE POTENTIAL

The opportunity exists to explore redevelopment of the property (whole or part) with strong demand in the area for residential, student, co-living, retirement, hotels and other alternative uses.

Bristol's residential and living markets continue to outperform the majority of the core UK cities with part of this success attributed to Bristol's diverse economy, affordability, culture, transport connectivity and supported by the city's two main universities.

Bristol has one of the strongest performing regional housing markets with continued rapid growth and average house prices in the South West having grown by 13.9% since January 2020, outpacing London. There is demand across all city living markets particularly as the fundamental advantages of living in Bristol supports the shift in changing preferences and priorities from buyers and renters who continue to assess their work-life balance.

**“Oakfield House is in a prime, upmarket residential location whereby pricing will be reflective of this demand.”**

Bristol was also the second strongest area for rental growth in the Student Accommodation sector in the UK during 2018/19 and the predicted 3rd highest performing city for student accommodation over the 2019-2024 period. Bristol currently has c.4000 PBSA beds in the planning pipeline however under 50% of these are yet to achieve planning permission and under supply is currently twice the UK average.

The property offers an exciting opportunity to repurpose, refurbish or redevelop the buildings (subject to necessary consents) including change of use with expected strong demand across all living sectors.

Whilst Clifton is designated a conservation area, the property is not listed and is not restricted within an Article 4 designation, so the option of Permitted Development Rights (PDR) for office to residential conversion could be explored. Further information is available upon request.

# ACCOMMODATION

The property comprises the following approximate floor areas:

Description	Area (sq m) NIA	Area (sq ft) NIA
Third Floor	553.04	5,953
Second Floor	625.38	6,732
First Floor	643.49	6,927
Ground Floor	743.46	8,003
Basement Floor	761.73	8,199
<b>Total</b>	<b>3,327.10</b>	<b>35,814</b>



## SITE AREA

The site extends to an area of approximately 0.39 acres (0.156 hectares).

## TENURE

Freehold.

## TENANCY

The property is let in its entirety to the University of Bristol, expiring on 1st November 2024, reflecting an unexpired lease term of 3.40 years to expiry. The current passing rent is £516,572 per annum (£14.42 per sq ft).

The lease is subject to an upcoming rent review in September 2021, based on 2.5% per annum compounded rental increases from the date of the last review in 2016. The rent will therefore rise to £584,454 per annum (£16.32 per sq ft) in September 2021. The rent will be topped up to this higher level upon completion of the sale.



## TENANT COVENANT

University of Bristol (Company no. RC000648) was founded in 1876 and is organised into six academic faculties composed of multiple schools and departments running over 200 undergraduate courses.

The University of Bristol is ranked 9th in the United Kingdom, 11th in Europe and 58th globally according to the rankings, which analyse the world's top 1,000 universities in 85 countries.

The university had a consolidated total income of £706.5 million in 2019/20, of which £149 million was from research grants and contracts. The university competitively won £161 million worth of research grants in 2020. It also committed £112 million of capital investment focusing on the new Temple Quarter Enterprise Campus and ongoing Clifton campus work including completing the new Humanities Centre and repurposing Senate House as a student hub.

The university's student population in 2019/20 stood at 25,207 (up 7%) made up of 18,005 undergraduates, 4,939 postgraduates taught and 2,263 postgraduate research. Full time equivalent staff also increased to 7,256 an annual increase of 6%.

The university is part of the Russell Group which represents 24 leading UK universities committed to maintaining the very best research, producing more than two-thirds of the world's leading research in UK universities and, supporting more than 300,000 jobs across the country.

Further information is available at: [www.bristol.ac.uk](http://www.bristol.ac.uk)

	31 July 2020	31 July 2019	31 July 2018
Total Income	£706,500,000	£707,000,000	£657,900,000
Total Expenditure	£624,000,000	£776,300,000	£651,000,000
Net Income	£77,400,000	£3,900,000	£56,500,000
Total Reserves	£1,032,600,000	£955,200,000	£951,300,000



# INVESTMENT MARKET

The following table illustrates the most recent comparable investment evidence:

Address	Date of completion	Area (sq ft)	Term certain (years)	Tenant	Purchase Price	NIY	Capital Value (£ psf)
Wyndham Court, Pritchard Street, Bristol	Q2 2021	29,242	4	Direct Response Ltd	£6,000,000	5.50%	£205
Dean & Wilder, Dean Street, Bristol	Q2 2021	15,774	4	Multi Let	£4,900,000	6.50%	£311
St Brandons House, 27 Great George Street, Bristol	Q4 2019	20,379	11	Rombourne Ltd	£8,000,000	5.27%	£393
Barley House, Oakfield Grove, Clifton, Bristol	Q1 2019	14,951	5.75	University of Bristol	£4,300,000	4.80%	£288
Somerset House, 18 Canynge Road, Clifton, Bristol	Q4 2018	15,599	3	Hartnell Taylor Cook LLP	£4,500,000	4.77%	£289

## EPC

The property has an Energy Performance Certificate rating of F 129. A report is available upon request which outlines the required works in order to improve the EPC rating of the Property.

## SPV

The Property is held within a Special Purpose Vehicle (SPV). There is the option to acquire the SPV which would attract reduced stamp duty costs. Further information is available upon request.

## VAT

The Property has not been elected for VAT and therefore VAT will not be applicable to the sale of the Property.



# PROPOSAL

We are instructed to seek offers in excess of **£8,000,000 (Eight Million Pounds)** reflecting a **Net Initial Yield of 6.85%** (assuming purchaser's costs of 6.67%) and a capital value of only £223 per sq ft subject to contract.

## FURTHER INFORMATION

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