

715 AZTEC WEST

BRISTOL, BS32 4UD



HIGH YIELDING FREEHOLD OFFICE INVESTMENT





INVESTMENT SUMMARY

- Situated on Bristol's premier Business Park located 0.5 miles from Junction 16 of the M5 Motorway and within 1 mile of the M4/M5 interchange.
- Refurbished office and link building, totalling 17,475 sq ft NIA.
- Excellent on-site car parking ratio of 1:221 sq ft (79 spaces)
- Freehold
- Low base rent of £317,514.50 per annum, equating to only £18.17 sq ft overall.
- AWULT of 5.28 Years to expiry (3.15 Years to break)
- Offers are sought in excess of **£3,000,000 (Three Million Pounds)** subject to contract and exclusive of VAT.
- Attractive Net initial yield of **9.94%**, after allowing for purchaser's costs of 6.4%
- Low Capital value of only **£171 psf** which is underpinned by VP values.

LOCATION

The property is located on Aztec West Business Park, to the north of Bristol. The city is the 5th largest conurbation in the UK, and has attracted many leading players in the aerospace, defence, engineering, financial services, media and environmental industries. The city also has developed a strong service sector and is one of the largest employment bases for banking, finance and insurance sectors outside London.

Aztec West has excellent road infrastructure, being located adjacent to Junction 16 of the M5 motorway, within 1 mile of the interchange between the M4 and M5 motorways. The property is located just 8 miles to the north of Bristol City Centre, which is directly accessible via the A38. The park is also well served by public transport, with Bristol Parkway Train Station located 3.2 miles to the south east of the property, as well as a number of bus routes serving the park.



MAJOR NEIGHBOURING CITIES / TOWNS

Bristol City Centre - 8 miles south
Bath - 21 miles south-east
Reading - 75 miles east
London - 116 miles east



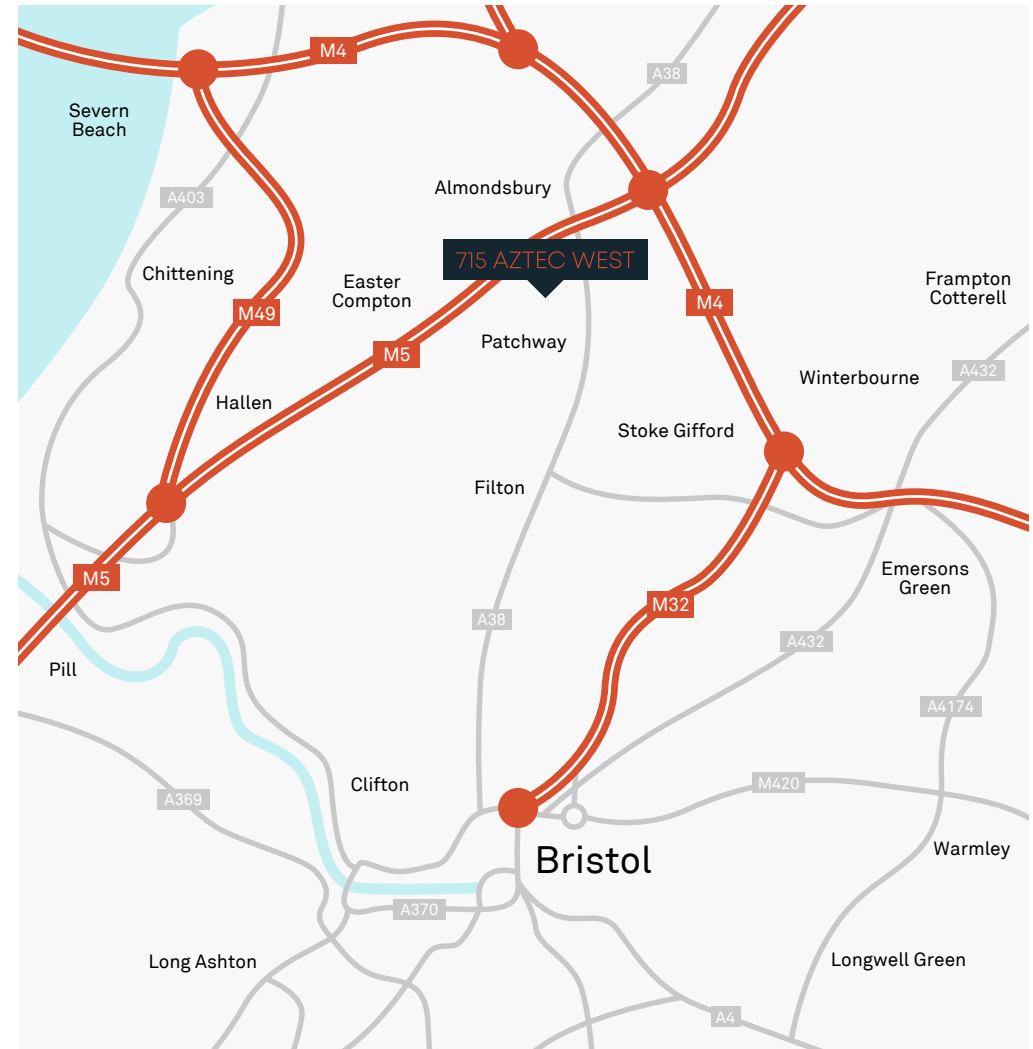
ROAD NETWORK

M5 (J15) - 0.9 miles
M4 (J20) - 1.1 miles
M48 - 3.1 miles



JOURNEY TIMES FROM BRISTOL PARKWAY

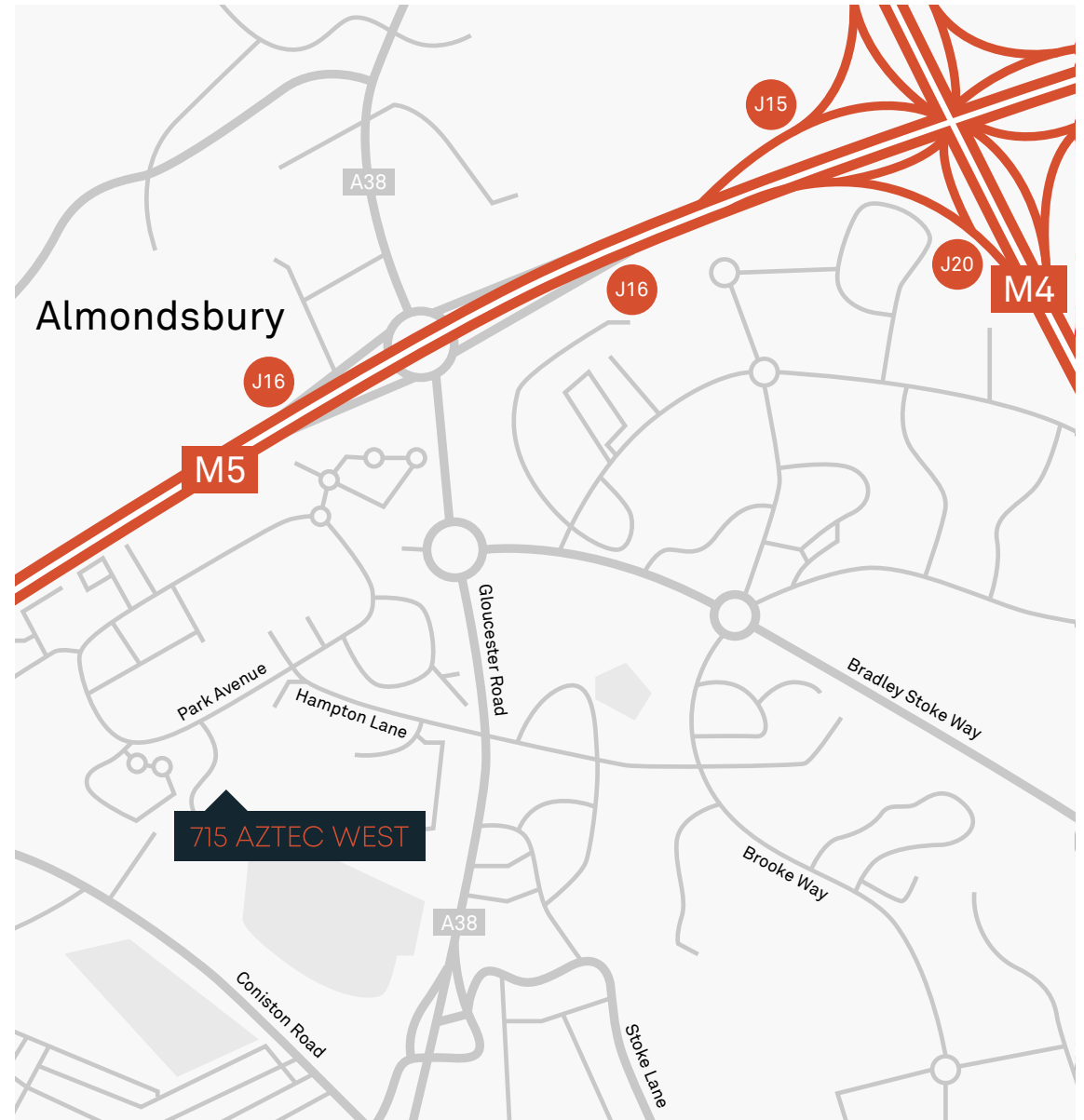
Paddington - 1 hour 26 minutes
Birmingham - 1 hour 17 minutes
Cardiff - 37 minutes



SITUATION

Aztec West Business Park is Bristol's, and one of the South West's most prestigious business parks. It houses a wide variety of national and international companies that have chosen to locate there, from a number of sectors including; manufacturing, electronics, banking, public utilities, insurance and engineering. The park has been developed since the early 1980s and extends to 64 hectares, with approximately 2.15m sq ft of office and industrial accommodation.

The park is situated directly to the south of the M5 at junction 16 and lies adjacent to the motorway. The park houses companies including WS Atkins, EE, Highways Agency, Integral, Barratt Homes, Virgin Media, Vodafone, Taylor Wimpey and Allianz. The park offers a mixture of office and industrial accommodation and benefits from a high standard of management, maintenance and security, well as various amenities including a leisure club, restaurant and retail units.



715 AZTEC WEST

A38

TO BRISTOL CITY CENTRE

M5

JUNCTION 16

M4/M5 INTERCHANGE 0.5 MILE

- | | | | |
|-------------------------------|-----------------------------|--------------------------|----------------------|
| 1. EE | 7. Liverpool Victoria | 13. Ministry of Defence | 19. Highways England |
| 2. GE Capital | 8. Shiner UK | 14. Elbit Systems | 20. Broadcom |
| 3. St James Place Partnership | 9. HSS Hire | 15. Co Op Legal Services | 21. Virgin Media |
| 4. Bellway Homes | 10. Aztec Centre | 16. Aztec Hotel & Spa | 22. Taylor Wimpey |
| 5. Allianz Insurance | 11. Smartsream Technologies | 17. Hoare Lea | 23. Nokia UK |
| 6. Regus | 12. Aardman | 18. WS Atkins | 24. Barratt |

715 AZTEC WEST, BRISTOL, BS32 4UD

DESCRIPTION

The property comprises a modern detached office building built in the 1990's, arranged over ground and one upper floor. The building includes a further Link Building providing separate ground floor office accommodation. The building is of steel frame construction with brick elevations beneath a pitched tiled roof structure. The property was built in the 1990's, and was extensively refurbished in 2014. The specification includes;

- Suspended ceilings with integrated LG7 lighting
- Full accessed raised floors
- VRF air conditioning
- Double glazed windows
- Passenger lift
- Male, female and disabled WC facilities

Externally, there is provision for 79 car parking spaces arranged around the building providing an excellent overall parking ratio of 1:221sq ft. This parking ratio is a significant selling point for the building, with ratios for newly built buildings in North Bristol at 1:350 sq ft or worse.

ACCOMMODATION

We have been provided with the following net internal areas;

Floor	Area (Sq m)	Area (Sq ft)
715 Ground	664.63	7,154
715 First	674	7,255
Link Building	284.84	3,066
Total	1623.47	17,475

SITE

The overall site area extends to 1.052 acres (0.426 hectares).

TENURE

Freehold.



TENANCIES

The property is let in accordance with the attached tenancy schedule and produces a current income of £317,514.50 per annum. This equates to a level of only £18.17 per sq ft overall, and a significant 23% discount from current prime out of town rentals at £23.50 per sq ft. The property has an AWULT of 5.28 Years to expiry and 3.15 Years to break.

Demise	Tenant	Area (sq ft)	Start Date	Next Review	Break Option	End Date	Rent (pa)	Rent (psf)	Parking	Comments
715 Ground Floor	Imagination Technologies Ltd (guarantee from Imagination Technologies Group Ltd)	7,154	11/01/2021	11/01/2025	10/01/2025	10/01/2030	£135,364.50	£18.92	32 spaces	Lease regear in 2021. Outside the Act. Schedule of condition. 6 month rent deposit.
715 First Floor	Rental Guarantee	7,255	-	-	-	-	£126,962	£17.50	32 spaces	18 month rent, rates and service charge guarantee.
Link Building	Antillion Ltd	3,066	09/11/2016	09/11/2021	-	08/11/2026	£55,188	£18.00	15 spaces	Tenant did not exercise 11/21 break. Schedule of condition. Outside the Act.
Total		17,475					£317,514.50pa	£18.17 overall		



BRISTOL OUT OF TOWN OFFICE MARKET

The Bristol out-of-town office market comprises everything outside a two mile radius of the city centre and is concentrated to the north of the city around the M4/M5 corridors and the Avon Ring Road. The market currently totals approximately 511,500 sq m (5.5 million sq ft) of office accommodation.

Out of town take up for Q1 2021 reached 61,523 sq ft, some 14% higher than Q4 2020 levels at 53,806 sq ft. Total supply in the out of market is 5.5m sq ft and take up in 2020 was 258,200 sq ft. Take up in 2020 was up 5% up on 2019 levels (245,200 sq ft) despite the Covid pandemic which was a good overall result. It was however slightly below the long term 5 and 10 year out of town averages of 327,415 sq ft and 311,317 sq ft respectively.

Availability of space in the key North Bristol market remains close to its lowest level in 10 years at 306,000 sq ft, representing only 5.5% of total office stock. We anticipate supply levels to remain under pressure as no new schemes are currently under construction or anticipated in the short term.

Prime rents remain at only £23.50 per sq ft providing the highest differential between City Centre (£37.50 per sq ft) and Out of Town rents ever recorded. The following table illustrates the most recent comparable letting evidence on the Aztec West estate:

Property	Date	Tenant	Area (sq ft)	Term (Break)	Rent (psf)
GF, 2530 Aztec	Q2 21	Chadwick Business Centre	5,479	10	£23.50
Unit 135, Park Avenue, Aztec	Q4 20	Fertility Bristol Ltd	13,810	15 (11)	£21.50
Pt 1st floor, 290 Aztec	Q3 20	Huawei	4,228	5	£20.50
2nd floor, 2530 Aztec	Q2 20	Kuehne & Nagel	7,492	10 (5)	£22.00
2610, The Quadrant, Aztec	Q1 20	St James Pace Wealth Management Group	40,971	15	£23.50
600 Aztec West	Q1 19	Elbit Systems	12,760	10	£23.00
2nd floor 730 Aztec	Q1 19	Integral	13,408	10 (5)	£20.75

It should be noted that there is currently no development stock being brought forward on the estate and a lack of Grade A space in the out of town market. Given ever rising costs of construction, for this type of new stock to be brought forward on schemes such as Commercial Estate Group's refurbishment of 1000 Aztec West, and Ashfield's Approach , the rentals required will push prime rentals forward to in the order of £27.50 ft overall.

BRISTOL MARKET STATS



Total Stock
5.5m



Demand
5% up in 2020



Supply
5.5%



Prime Rental
£23.50



Discount to Prime CBD
38%



INVESTMENT TRANSACTIONS

The following table illustrates the most recent comparable Bristol Out of Town investment evidence. The purchase price of **£171ft CV** reflects a significant discount to these recent transactions.

Property	Date	Area (sq ft)	Term Certain (years)	Purchase Price	NIY	Capital Value (£ psf)
710 Aztec West	Available	13,200	2	Q£2,790,000	8%	£211
170 Aztec West	Under offer	6,794	1.95	Q £1,380,000	8.31%	£203
155 Aztec West	Q3 21	21,305	7	£5,400,000	6.95%	£253
620 Bristol Business Park	Q1 21	14,553	2.75	£3,880,000	7.26%	£267
2410 Aztec West	Q4 20	22,349	3.6	£4,640,000	8.21%	£207
2620 Aztec West	Q3 20	76,618	6.9	£21,997,000	6.80%	£287
730 Aztec West	Q3 20	38,301	3.95	£9,100,000	7.82%	£238
600 & 650 Aztec West	Q1 20	25,027	7.15	£7,400,000	6.38%	£296
910 Aztec West	Q4 19	25,333	4.5	£6,250,000	7.21%	£247



COVENANT STATUS

Imagination Technologies Limited was founded in 1985 and has a Dun & Bradstreet rating of N4. The company has 550 employees and is involved in semi conductors and software design. Imagination are currently owned by Canyon Bridge Partners, a private equity fund based in China. The company is headquartered in Hertfordshire UK, and was listed on the London Stock Exchange until 2017, when it was bought by Canyon Bridge in a deal estimated to be worth £550 million. For further information on the company, please log onto www.imaginationtech.com

We have summarised the companies last 3 years accounts below;

	Y/E 31/12/19 £000's	Y/E 31/12/18 £000's	Y/E 31/12/17 £000's
Turnover	68,220	86,443	79,086
Pre Tax Profit (loss)	(24,825)	1,082	(43,777)
Net Worth	(31,334)	(949)	(2,391)

Imagination Technologies Group Ltd have a D&B rating of 5A4. We have summarised the companies last 3 years accounts below;

	Y/E 31/12/19 £000's	Y/E 31/12/18 £000's	Y/E 31/12/17 £000's
Turnover	-	-	71,184
Pre Tax Profit (loss)	878	(1,035)	(41,311)
Net Worth	160,385	159,507	52,595

Antillion Ltd was founded in 2012 and is rated by Dun & Bradstreet 1A1. 715 Aztec West provides their main HQ building, with the company having a further 10,000ft manufacturing facility in London. Antillion are a defence consultancy, and the founders have a background in MOD/NATO meaning they are able to provide ICS, Intelligence and operational support. They also work alongside partners such as Quinetiq, General Dynamics, Nexor and WorldWide Technology.

For further information on the company, please log onto www.antillion.com

	Y/E 08/20 £	Y/E 08/19 £	Y/E 08/18 £
Net Worth	917,400	1,249,798	1,490,926



EPC

The property has the following EPC ratings;

715- D77

Link Building- C64

VAT

The property has been elected or VAT, and we would anticipate the sale to be dealt with by way of a Transfer of a Going Concern (TOGC).

DATAROOM

Access to the dataroom is available upon request.

PROPOSAL

Offers are sought in excess of **£3,000,000 (Three Million pounds)**, subject to contract and exclusive of VAT. A purchase at this price reflects a net initial yield of **9.94%** assuming purchaser's costs of 6.4%. A purchase at this level reflects a capital value of only **£171 per sq ft** which is underpinned by vacant possession values.

FURTHER INFORMATION

For further information or to arrange an inspection please contact the sole agents;



Oliver Paine

JLL
M: 07767 240854
E: oliver.paine@eu.jll.com

Simon Bennett

JLL
M: 07808 290869
E: simon.j.bennett@eu.jll.com

Shannon Johns

JLL
M: 07849 636665
E: shannon.johns@eu.jll.com

Simon Verrall

JLL
M: 07815 940 656
E: simon.verrall@eu.jll.com

Jess Loveridge

JLL
M: 07933388374
E: jessica.loveridge@eu.jll.com

MISREPRESENTATION ACT | COPYRIGHT | DISCLAIMER

COPYRIGHT © JONES LANG LASALLE IP, INC. 2021. All rights reserved. No part of this document may be reproduced or transmitted in any form or by any means without prior written consent of Jones Lang LaSalle. It is based on material that we believe to be reliable. Whilst every effort has been made to ensure its accuracy, we cannot offer any warranty that it contains no factual errors. We would like to be told of any such errors in order to correct them.

715 AZTEC WEST, BRISTOL, BS32 4UD