

HIGH YIELDING GOVERNMENT LET OFFICE INVESTMENT



Building
1300

Building
1300

1300 PARKWAY NORTH

BRISTOL, BS34 8RG



INVESTMENT SUMMARY

- Located in North Bristol with excellent access to both M4 and M5 motorway network
- Prominent position on the established Bristol Parkway Business park, adjacent to Bristol Parkway.
- Modern detached three storey office building extending to 30,256 sq ft NIA.
- 149 spaces providing excellent car parking ratio of 1:203 sq ft
- Freehold
- Let entirely to undoubted covenant of The Secretary of State for Defence
- Low passing rent of only £529,480 per annum (**£17.67 per sq ft overall**).
- Significant **discount of 55%** to prime Grade A Bristol city centre rents.
- Offers in excess of **£5,670,000 (Five Million, Six Hundred & Seventy Thousand Pounds)**, subject to contract and exclusive of VAT.
- Attractive Net Initial Yield of **8.76%** assuming purchaser's costs of 6.61%.
- Low capital Value of only **£187 per sq ft**



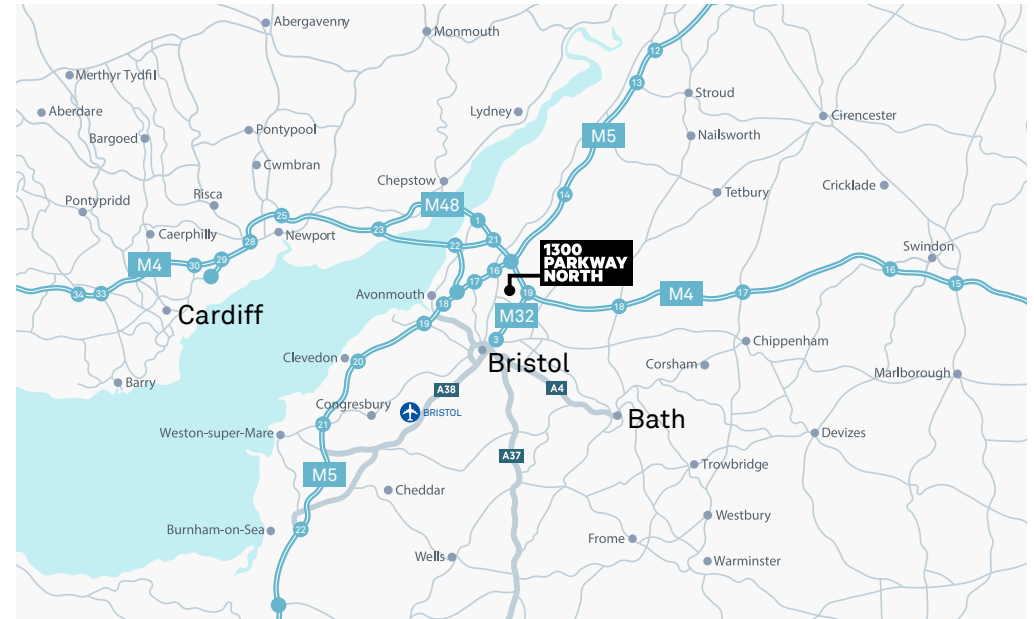
LOCATION

Bristol is the regional capital of the South West of England and one of the UK's major commercial centres. It is the fifth largest city in the UK with a resident population of 550,000 and an urban population of 1.6 million.

The city has approximately 60,000 students at the University of Bristol and the University of the West of England. These contribute to Bristol's skilled labour pool, which has one of the highest retention rates in the UK. It is estimated that 42% of graduates stay within the Bristol area for employment purposes. The city has a world class knowledge economy based on the Aerospace, Defence, Engineering, ICT and Electronics, Financial Services, Media, Creative and Environmental industries. As you'd expect for a city attracting international investment in ICT, the digital infrastructure has been subject to considerable development. Bristol is now one of the UKs four 'Gigabit Cities' with a pure fibre network.

Bristol ranks amongst the most attractive, successful and culturally prestigious cities in the UK; and its profile is rising in Europe and beyond. It won the 2015 European Green Capital Award following on from Stockholm, Hamburg, Nantes and Copenhagen. Bristol is ranked the fifth highest GDP per capita in the UK and has one of the lowest unemployment rates in the country. Bristol has also been voted Sunday Times 'Best Place to live' in Britain.

The Ministry of Defence Abbey Wood is located 1.25 miles south west of 1300 Parkway North. It is the largest MoD site in the UK employing over 13,500 staff, and attracts a number of other defence related companies. Other Defence occupiers in the area include Thales, Boeing, Rolls Royce, Airbus and other major business sectors represented in the area include Financial Services (Aviva and TSB), Telecoms (EE) and Educational (University West of England's principal campus)



COMMUNICATIONS

North Bristol has seen a number of infrastructure changes which have lead to an improvement in the overall accessibility of the main North Bristol office parks;



RAIL NETWORK

As part of the modernisation of the Great Western Mainline, Bristol Parkway's trainline has been electrified, improving services to and from London Paddington and the West/Wales. This allows increased capacity on the network, and journey times have been reduced to approximately 75 mins from London Paddington.

New Hitachi Electric Trains have produced an improvement to the speed, frequency and comfort of rail services. In addition to this, Bristol Parkway has seen recent improvements to the main station building and a 710 space multi storey car park. The station provides a major transport hub for North Bristol, with suburban rail and bus services operating throughout the area, and is a 10 minute walk from the property.



METRO BUS

Metro Bus services commenced operation to the North Bristol office parks in 2017, providing a high speed link to the city centre and also to South Bristol. The network provides an excellent link from the city centre up to Bristol Parkway, with further extensions to both Emersons Green and Aztec West/Cribbs Causeway. These services have greatly reduced travel times both into and out of the city centre. The A38 Aztec Roundabout and nearby Bradley Stoke Way have seen considerable improvement and highway works to allow for this new route.



ROAD IMPROVEMENTS

The North Bristol area is seeing a number of road improvement works which again will improve accessibility for the area. These include the recently constructed Stoke Gifford Bypass linking the A4174 Filton Road with Great Stoke Way and Huntsgrove Road. This roadway has improved access to Bradley Stoke, and help to alleviate traffic congestion around the Filton/Abbey Wood area.



AIRPORT

Bristol Airport is a mere 45 minutes drive from 1300 Parkway North. It provides easy access to 12 UK cities including Belfast, Glasgow and Edinburgh and a further 106 cities within Europe and the rest of the world.



BY ROAD

Within a few minutes drive are the M4, M5, and M32, connecting you to the national motorway network.

Bristol City centre	10 miles south
Bath	22 miles south east
Reading	75 miles east
London	117 miles east



BY RAIL

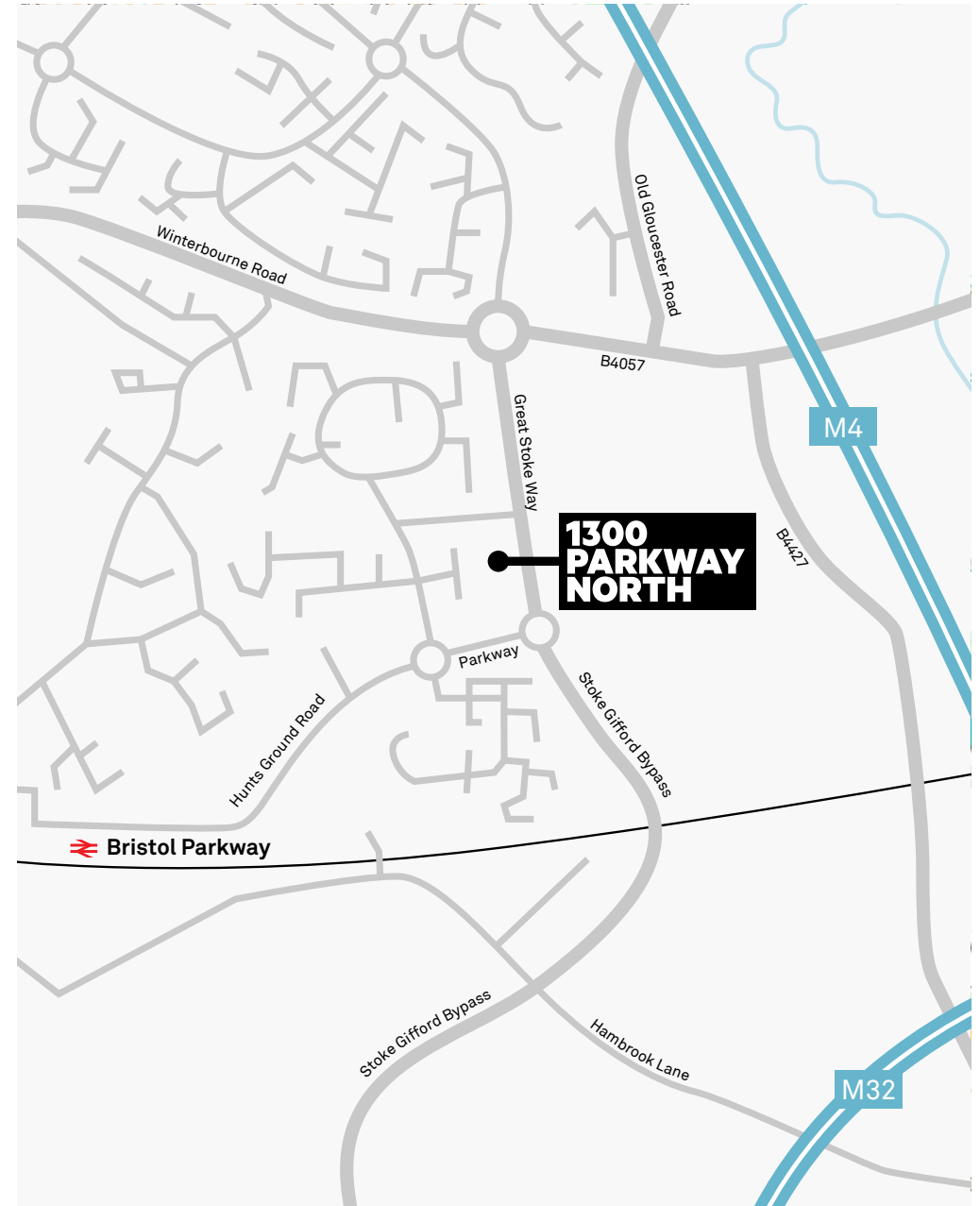
The property is only a 500m walk to Bristol Parkway station which provides frequent and direct services to key destinations.

London	79 minutes
Birmingham	72 minutes
Cardiff	38 minutes
Exeter	78 minutes
Bath Spa	28 minutes
Reading	60 minutes
Manchester	2hrs 51 minutes

SITUATION

1300 Parkway North is located on the Parkway North Business Park which is an established modern office park situated to the north of Bristol City Centre. The property is easily accessed from the North Avon ring road by the recently constructed Stoke Gifford Bypass. This means that access to the M4 Motorway is possible by car in only 6 minutes, giving easy links into the wider Motorway network. The Park is conveniently located within a 10 minute walking distance of Bristol Parkway Railway station.

The property benefits from local amenities including a Nuffield Health Gym. Other occupiers on the park include, NHS, Gleeds, ISG, and Handlesbanken.



✈ BRISTOL INTERNATIONAL AIRPORT

BRISTOL CITY CENTRE

- 1 MOD ABBEYWOOD
- 2 UNIVERSITY OF WEST OF ENGLAND
- 3 BRISTOL BUSINESS PARK
- 4 AVIVA
- NEW METROBUS TRANSPORT SYSTEM

BRISTOL RING RD (A4174)

M32 (J1)

BRISTOL PARKWAY



NEW BYPASS

NEW METRO BUS

SUBJECT PROPERTY

M4 (J19)

1300 PARKWAY NORTH, BRISTOL, BS34 8RG

DESCRIPTION

1300 Parkway North forms part of a 6 building scheme developed by Crest Nicholson around 2000. The property comprises a three storey office building extending to a total of 30,256 sq ft NIA of office accommodation.

Internally the building provides open plan office accommodation together with training and meeting room facilities and benefits from the following specification;

- Steel frame construction with brick elevations
- Double height reception area
- Raised access floors with floor boxes
- Suspended ceilings with recessed lighting
- Two 10 person passenger lifts
- Comfort cooling
- Double glazed windows
- WC facilities on every floor
- Shower facilities
- 149 on site car parking spaces providing an excellent car parking ratio of 1:203 sq ft

TENURE

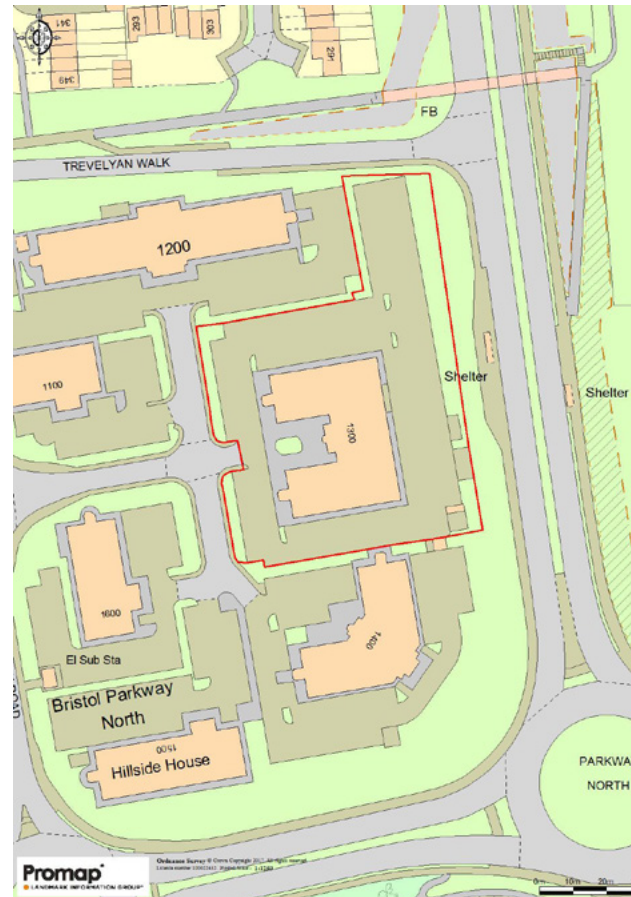
Freehold

SITE

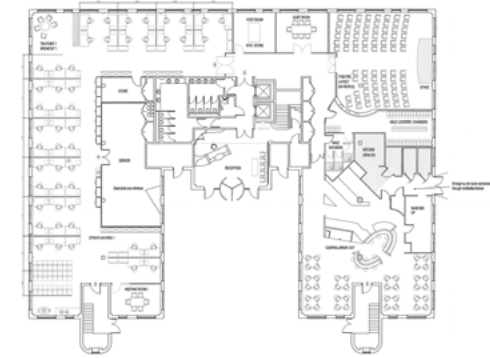
The overall site extends to 0.69 hectares (1.71 acres).

ACCOMMODATION

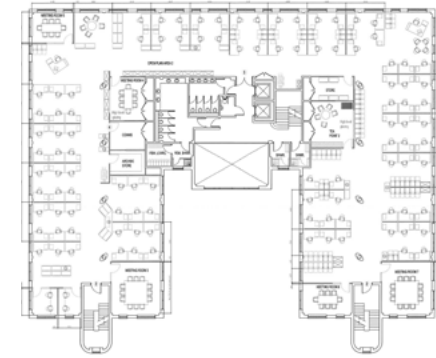
Floor	Description	Sq M	Sq Ft
Ground	Reception	56.05	603
Ground	Offices	920.4	9,907
First	Offices	914.41	9,843
Second	Offices	920.01	9,903
Total		2,810.87	30,256



FLOORPLAN



Ground Floorplan



First Floorplan



Second Floorplan

TENANCY

The property is let to The Secretary of State for Defence by way of a 3 year term from 26 October 2020, expiring on 25 October 2023. The tenant has been in occupation of the whole building since 2015, and extended their lease in 2020. The lease is on an effective full repairing and insuring terms without further review.

The property produces a current rent of £529,480 per annum which equates to £17.67 per sq ft overall , with the reception at 50% value.

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, and a significant outperformance to the Big 6 Out of Town Performance (down 31%).

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:

Property	Date	Tenant	Area (sq ft)	Term (break)	Rent (psf)
GF, 2530 Aztec West	Q2 2021	Chadwick Business Centre	5,479	10	£23.50
Unit 135, Park Avenue, Aztec West	Q4 2020	Fertility Bristol Ltd	13,810	15 (11)	£21.50
H2, Harlequin Office Park	Q4 2020	Countryside	11,008	10	£19.50
Pt GF, H2, Harlequin Office Park	Q4 2020	PPG	2,250	5	£21.00
Pt 1st floor, 290 Aztec West	Q3 2020	Huwawei	4,228	5	£20.50
2nd floor, 2530 Aztec West	Q2 2020	Kuehne & Nagel	7,492	10 (5)	£22.00
2610, The Quadrant, Aztec West	Q1 2020	St James Place Wealth Management	40,971	15	£23.50

BRISTOL MARKET STATS



Total Stock
5.5m



Demand
5% up in 20



Supply
5.5%



Prime Rental
£23.50



Discount to Prime CBD
38%



INVESTMENT MARKET

The following table illustrates the most recent Bristol investment evidence:

Property	Date	Area (sq ft)	Term Certain (years)	Purchase Price	NIY	Capital Value (£ psf)
170 Aztec West	Under offer	6,794	1.95	Q. £1,380,000	8.31%	£203
155 Aztec West	Q3 2021	21,305	7	£5,400,000	6.95%	£253
620 Bristol Business Park	Q1 2021	14,553	2.75	£3,880,000	7.26%	£267
100 Bristol Business Park	Q3 2020	86,000	15	£55,195,000	4.60%	£642
730 Aztec West	Q3 2020	38,301	3.95	£9,100,000	7.82%	£238
600 & 650 Aztec West	Q1 2020	25,027	7.15	£7,400,000	6.38%	£296
910 Aztec West	Q4 2019	25,333	4.5	£6,250,000	7.21%	£247
Park House, Parkway	Q4 2019	20,073	3.1	£4,035,000	7.82%	£201



EPC

The property has a current EPC rating of C60.
Further information is available upon request.

VAT

The property is elected for VAT and we would anticipate the sale will be treated by way of a Transfer of Going Concern (TOGC).

DATAROOM

Access to the dataroom is available upon request.

PROPOSAL

We are instructed to seek offers in excess of **£5,670,000 (Five million, Six Hundred & Seventy Thousand)** subject to contract and exclusive of VAT. A purchase at this level reflects **a Net Initial yield of 8.76%**, assuming purchasers costs of 6.61%. This reflects a capital value of **only £187 per sq ft overall**.

FURTHER INFORMATION

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



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