



# HUDSON QUARTER

YORK | YO1 6JT

A BEST IN CLASS OFFICE WITH EXCELLENT SUSTAINABILITY CREDENTIALS



# INVESTMENT SUMMARY

Located in York City Centre adjacent to York Rail Station

Forms an integral part of an exceptional mixed-use development within the ancient city walls

York City Centre Grade A availability less than 2%

Newly constructed in 2021 and one of the most sustainable office buildings in the regional markets

Freehold

36,687 sq ft office building with 31 dedicated car parking spaces and 15 electric charging points

54 secure cycle spaces with shower and drying facilities

Occupiers include Great Rail Journeys, Redcentric Solutions, Arcadis and JM Finn & Co

WAULT to expiry of 8.80 years and 5.80 years to break

Total rent of £958,933 per annum reflecting only £26.14 psf

Excellent ESG credentials



We are instructed to seek offers in excess of **£13,620,000**, subject to contract and exclusive of VAT. A purchase at this level would equate to a **net initial yield of 6.60%** and a low **capital value of £371 psf**, assuming purchaser's costs of 6.72%







# ABOUT YORK

The City has a highly educated population, with 39% of the workforce educated to degree level, and was voted the UK's Best Place to Live in 2018.

York is a cathedral City with a district population of 213,000. (Source ONS).

The City has a strong and robust local economy contributing £6.6bn of value to the national GDP (Source:ONS), while York's gross value-added consistently tracks among the highest in the Yorkshire & North East region.

York's working population is young, well-educated and benefits from high employment. 55% of the working population are employed in knowledge-based industries, while the city's two universities boast an average graduate employment rate of 94.5%.

## YORK VS THE UK ECONOMY (SOURCE ONS):

**39%** higher workforce degree qualified rate

**+33%** growth in IT & comms sector compared to **1%** growth nationally

Unemployment is **one-third** of the national average

**6.2%** growth in professional, scientific and technology employment 2023 - 2027

**4.6%** aggregate office employment growth 2023 - 2027



# ECONOMY/GROWTH

(Source ONS )



York is home to two universities with 27,000 full-time students



Expected capital growth of 21.6% over the coming 5 years

# 15%

York house prices are on average 15% greater than the rest of North Yorkshire



In the year from January 2021 to January 2022, the average house prices in York rose by 11.4%. Over the same period, regionally there was an increase of 7.3% and nationally an increase of 9.6%

## A NORTHERN POWERHOUSE CITY WITH EASY ACCESS TO THE MAJOR FINANCIAL CENTRES

Major occupiers include:

  
**HISCOX**

 **Nestlé**

**NetworkRail**  


**ARUP**

**TSP** Projects  
Technical Solutions in Partnership

 **REVOLUTION SOFTWARE**

**STAGE ONE**

  
**AVIVA**

 **ARCADIS**

# CONNECTIVITY

## RAIL



Hudson Quarter is superbly sited within the famous City walls within 1 minute walk to York Station which is a major station for the East Coast mainline, linking to London Kings Cross in less than 2 hours.

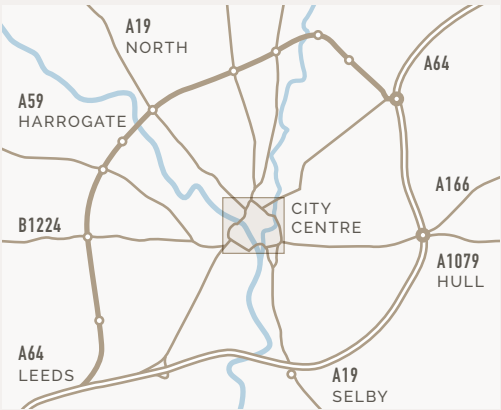
London	1 hr 52 mins
Edinburgh	2 hr 35 mins
Leeds	23 mins
Manchester	1 hr 20 mins
Newcastle	57 mins

## ROAD



The A64(M) is located approximately 3 miles south of York and links in turn to the M1, M62 and A1 motorways.

Edinburgh	200 miles
London	202 miles
Newcastle	83 miles
Manchester	71 miles
Leeds	25 miles



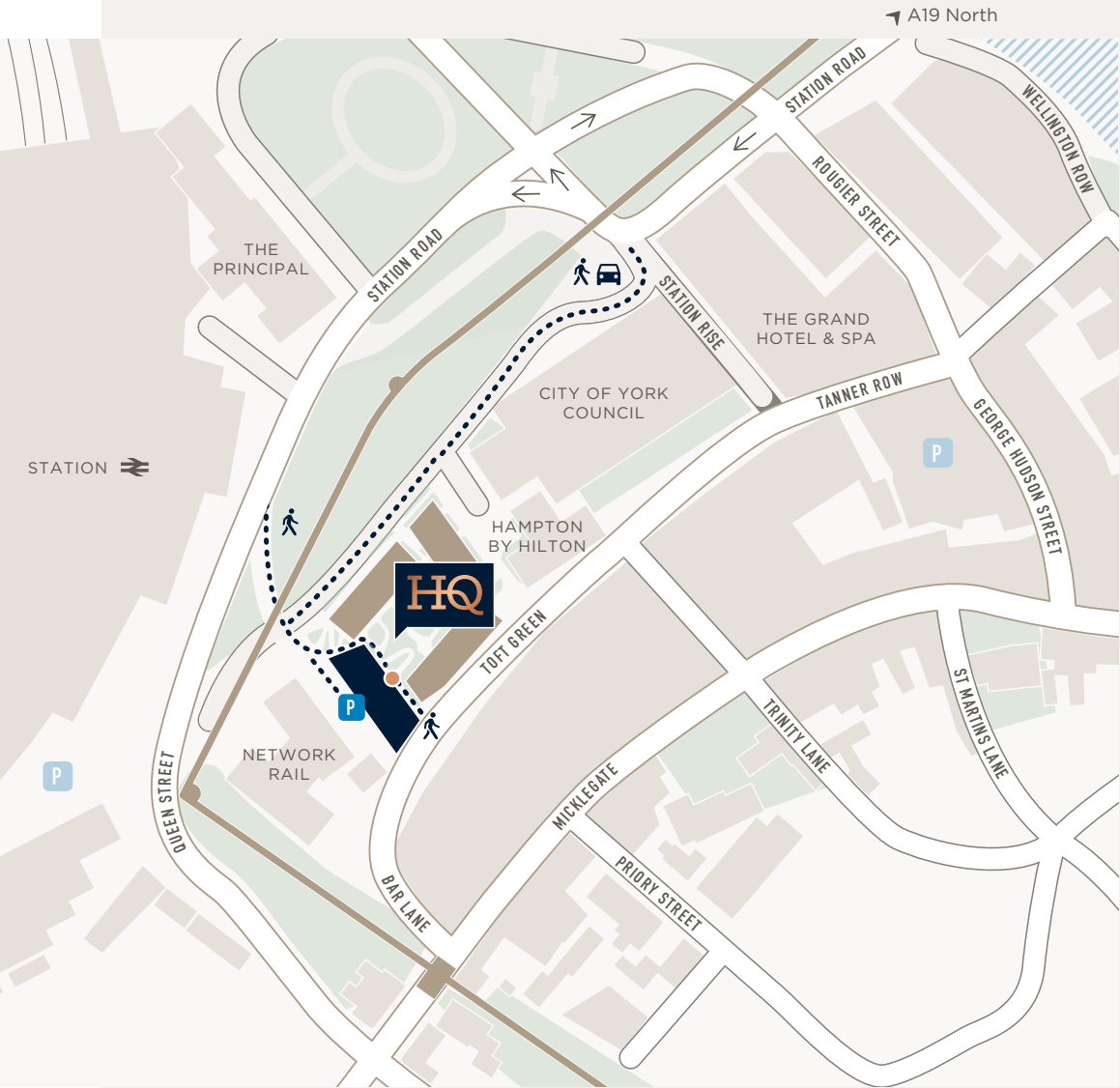


# THE SURROUNDING AREA



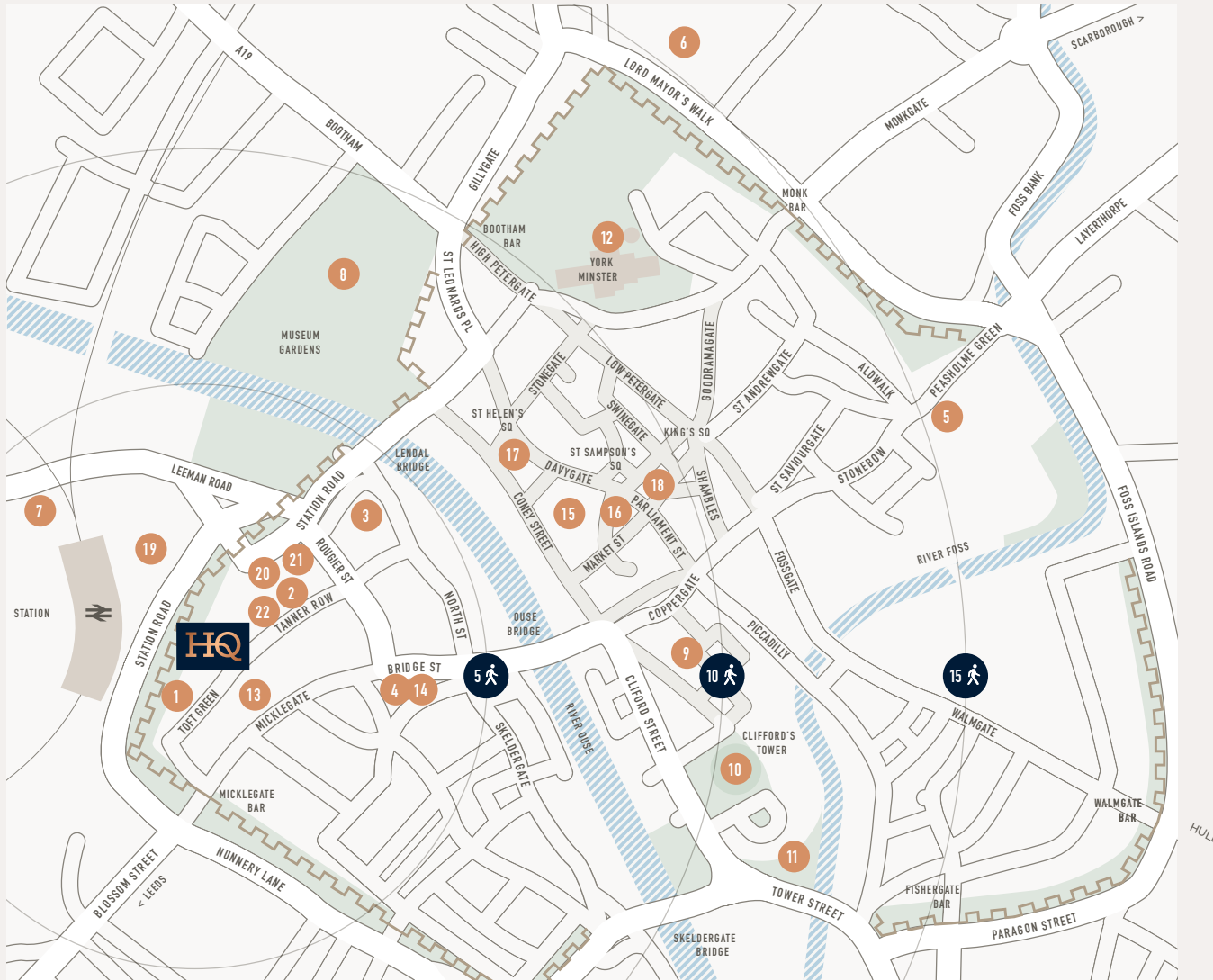


# HUDSON QUARTER





# OCCUPIERS



## CITY CENTRE

### OCCUPIERS

- 1 NETWORK RAIL
- 2 CITY OF YORK COUNCIL
- 3 AVIVA
- 4 SAVILLS
- 5 HISCOX
- 6 YORK ST.JOHN UNIVERSITY
- AT HQ KNIGHTS PLC, GREAT RAIL JOURNEYS, REDCENTRIC SOLUTIONS

### PLACES OF INTEREST

- 7 NATIONAL RAILWAY MUSEUM
- 8 YORKSHIRE MUSEUM
- 9 JORVIK VIKING CENTRE
- 10 CLIFFORD'S TOWER
- 11 CASTLE MUSEUM
- 12 YORK MINSTER

### RETAIL AND LEISURE

- 13 MICKLEGATE CAFÉS, BARS AND RESTAURANTS
- 14 SINSBURY'S
- 15 PRIME RETAIL
- 16 ALL HIGH STREET BANKS
- 17 BETTYS CAFÉ TEA ROOMS
- 18 M&S AND MARKET

### HOTELS

- 19 PRINCIPAL
- 20 THE GRAND
- 21 MALMAISON
- 22 HAMPTON BY HILTON



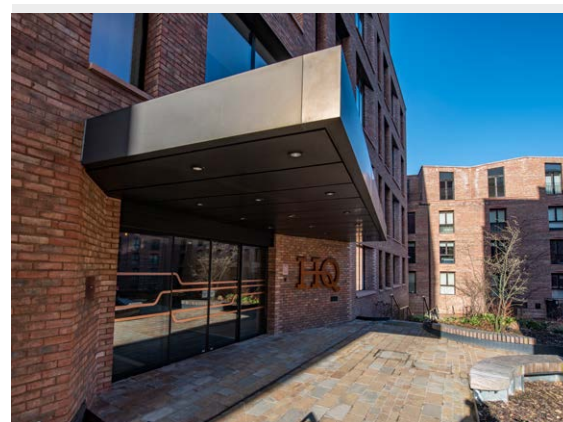
# ABOUT HQ

## HUDSON QUARTER

The development was delivered in 2021 and represents the best in class mixed use scheme in York . HQ is a prestigious , sustainably built Grade A office building extending to 36,687 sq ft over 6 floors. The main contractor was Caddick Construction and the architect was Fuse.











# SPECIFICATION

BREEAM Excellent rated and with exceptional build and sustainability ratings, the commercial accommodation provides:

EPC "A"

BREEAM Excellent

WiredScore Platinum and Backbone Connectivity

Impressive double-height reception atrium

VRF air-conditioning

M&E systems designed to 1 person per 8 sqm occupancy

Raised access floor – 150mm clear void

Metal perforated suspended ceiling tiles

Low power LED lighting

2.8m floor to ceiling height

High performance solar control floor to ceiling glazing

Highly efficient column free floor plate

Two 13-person lifts

Extensive shower and drying facilities

54 secure cycle spaces

15 electric car charging points

Exceptional contemporary finishes throughout

Attractive fully landscaped environment



# SUSTAINABILITY

HQ York is a best in class future proofed investment due to its excellent ESG credentials.

## HIGH PERFORMANCE



Thermal performance in  
advance of current  
Building Regulations



VRF heating /  
cooling system



Low flow washroom fittings  
and WC's



BREEAM  
Excellent



Low power LED lighting  
throughout



EPC A

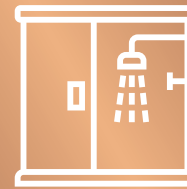
## WELL BEING



Attractive fully landscaped  
environment



Floor to ceiling glazing for  
natural daylight



Spa quality showers, locker  
rooms & changing rooms



Top floor roof terrace



54 cycle spaces, 31 car spaces  
and 15 electric charging points



Local amenities



# SCHEDULE OF AREAS/FLOOR PLANS

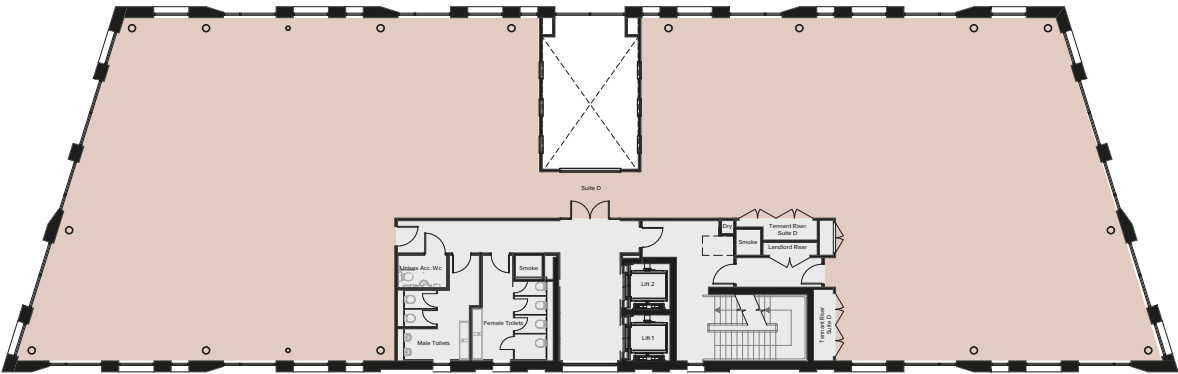
The property provides a total IMPS -3 area of 36,687 sq ft (3,408.4 sq m).

An assignable measured survey is available upon request.

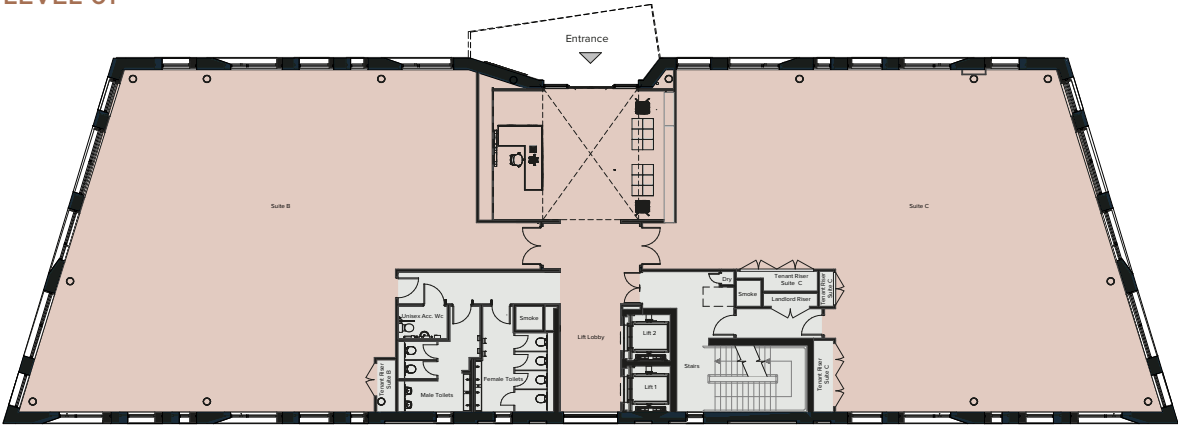
Reception	46.6 m <sup>2</sup>	502 ft <sup>2</sup>
Level 00	340.0 m <sup>2</sup>	3,660 ft <sup>2</sup>
Level 01	549.10 m <sup>2</sup>	5,910 ft <sup>2</sup>
Level 02	594.9 m <sup>2</sup>	6,403 ft <sup>2</sup>
Level 03	628.20 m <sup>2</sup>	6,762 ft <sup>2</sup>
Level 04	628.50 m <sup>2</sup>	6,765 ft <sup>2</sup>
Level 05	419.5 m <sup>2</sup>	4,515 ft <sup>2</sup>
Level 05 (Roof Terrace)	201.60 m <sup>2</sup>	2,170 ft <sup>2</sup>
TOTAL	3408.4 m <sup>2</sup>	36,687 ft <sup>2</sup>

## INDICATIVE FLOORPLANS

LEVEL 02



LEVEL 01





# TENURE

The property forms part of the freehold of Hudson Quarter which is registered under Title No:NYK331551 and is highlighted red for identification purposes on the Title Plan. The 14 car parking spaces immediately adjoining the building are held within the freehold title. The 17 parking spaces edged purple have access rights in perpetuity for the owner of HQ York.



## MANAGEMENT

There is an estate service charge administered by the estate management company for the maintenance of common areas.

There is a building service charge. The service charge is recoverable from the occupiers through provisions in the leases. There are no service charge caps. Further information is available in the data room.



# TENANCY SCHEDULE

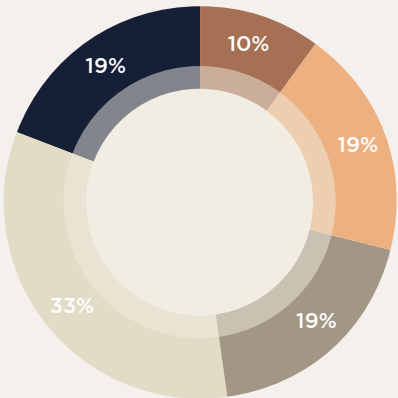
WAULT to expiry of 8.80 years and 5.80 years to break

Floor	Tenant	Area Sq Ft (IPMS-3)	Lease Start	Lease Expiry	Next Review	Break Option	Office Rent PA (£psf)	Car Parking Rent PA	Total Rent PA
Level 00	Vacant	3,660					£96,990 (£26.50)		£96,990 <sup>1</sup>
Level 01	Vacant	2,932					£77,698 (£26.50)		£77,698 <sup>1</sup>
Level 01	JM Finn & Co Ltd	2,978	18/08/2022	17/08/2032	18/08/2027	18/08/2028	£78,917 (£26.50)	£11,250 (5 x £2,250)	£90,167 <sup>2</sup>
Level 02	Arcadis Consulting (UK) Ltd	6,403	01/06/2022	31/05/2032	01/06/2027	01/06/2028	£166,478 (£26.00)	£11,250 (5 x £2,250)	£177,728 <sup>3</sup>
Level 03	Redcentric Solutions Ltd	6,762	11/03/2022	10/03/2032	11/03/2027	-	£175,812 (£26.00)	£4,500 (2 x £2,250)	£180,312 <sup>4</sup>
Level 04	Great Rail Journeys Ltd	6,765	01/12/2021	30/11/2031	01/12/2026	01/12/2027	£169,125 (£25.00)	£22,500 (10 x £2,250)	£191,625 <sup>5</sup>
Level 05	Great Rail Journeys Ltd	4,515	01/12/2021	30/11/2031	01/12/2026	01/12/2027	£124,163 (£27.50)		£124,163 <sup>6</sup>
Car Parking (9)								£20,250 (9x£2,250)	£20,250 <sup>1</sup>
Reception		502							
Roof Terrace		2,170							
TOTAL		36,687					£889,183	£69,750	£958,933

## TENANCY

80.6% occupied

• JM Finn	10%
• Arcadis	19%
• Redcentric	19%
• Great Rail Journeys	33%
• Rental Guarantees	19%



- JM Finn
- Arcadis
- Redcentric
- Great Rail Journeys
- Rental Guarantees

<sup>1</sup>12 months rent, rates and service charge guarantee to be provided by vendor

<sup>2</sup>Rent £39,458 (until 17.05.2023) then £78,917. 6 months half rent if break not exercised. (Car parking spaces RPI review on 18.08.2027 (cap and collar of 4% and 2%))

<sup>3</sup>Rent £166,478 from 01/03/23. 6 months half rent if break not exercised. Car parking spaces RPI review on 1 June 2027 (cap and collar of 4% and 2%)

<sup>4</sup>Rent £87,906 (until 10.06.2023) then £175,812 from 11/06/23 plus car parking. Car parking spaces subject to RPI review on 11.03.2027 (cap and collar of 4% and 2%).

<sup>5</sup>Rent £169,125 from 01/12/2022. 3 months rent free if break not exercised. Car spaces subject to RPI increase on 01/12/2026 (cap and collar of 4% and 2%).

<sup>6</sup>3 months rent free if break not exercised.



# FINANCIAL COVENANTS

## JM FINN & CO LTD



JM Finn & Co is a financial company providing personalised investment management services to private and professional investors.

Year Ending	Turnover	Pre-Tax Profit	Tangible Net Worth
31/12/21	£79,550,114	£10,496,249	£53,362,250
31/12/20	£70,722,513	£10,430,551	£49,820,487
31/12/19	£68,472,547	£10,703,839	£45,712,627

## ARCADIS CONSULTING (UK) LTD



Arcadis is one of the world's leading companies delivering sustainable design, engineering, and consultancy solutions for natural and built assets. They employ more than 36,000 people, in over 70 countries, dedicated to improving quality of life.

Year Ending	Turnover	Pre-Tax Profit	Tangible Net Worth
31/12/21	£318,849,000	£42,261,000	£99,890,000
31/12/20	£261,073,000	£20,318,000	£48,550,000
31/12/19	£215,104,000	£13,960,000	£38,477,000

## REDCENTRIC SOLUTIONS LIMITED



Redcentric is a managed service provider delivering highly available network, cloud and collaboration solutions to public and private sector organisations.

Year Ending	Turnover	Pre-Tax Profit	Tangible Net Worth
31/03/22	£88,814,000	£11,423,000	£62,079,000
31/03/21	£91,399,000	£2,762,000	£73,605,000
31/03/20	£87,485,000	£6,755,000	£77,093,000

## GREAT RAIL JOURNEYS LTD



Great Rail Journeys is a tour operator that offers escorted worldwide rail tour holidays.

Year Ending	Turnover	Pre-Tax Profit	Tangible Net Worth
31/10/2021	£15,016,000	-£5,114,000	£18,333,000
31/10/2020	£13,477,000	-£9,357,000	£22,450,000
31/10/2019	£88,873,000	£5,054,000	£30,030,000





# YORK OCCUPATIONAL MARKET

## OFFICE SECTOR

York's office market is characterised by stable employment growth alongside reducing supply, as developers seek to capitalise on high residential values and stock is converted to housing use.

In the last five years alone, over 200,000 sq ft office space in York has been taken out of the market permanently for residential use and a significant number of workspace assets are currently in the planning or pre-planning phase. With residential prices in York topping the UK growth table at 23.1% per annum there are few indicators that the trend will change.

## RENTS

Hudson Quarter is the only new office development within the City walls for the last 10 years. The scheme has benefitted from the restricted development and transfer of office stock to residential. The building is undoubtedly the best offices in York and has achieved the benchmark prime rent for the city of £27.50 psf. This provides excellent scope for growth when compared to the Big 6 markets.

Manchester	Leeds	Birmingham	Glasgow	Edinburgh	Bristol
£38.50 psf	£36.00 psf	£40.00 psf	£36.00 psf	£40.00 psf	£42.50 psf



# INVESTMENT MARKET

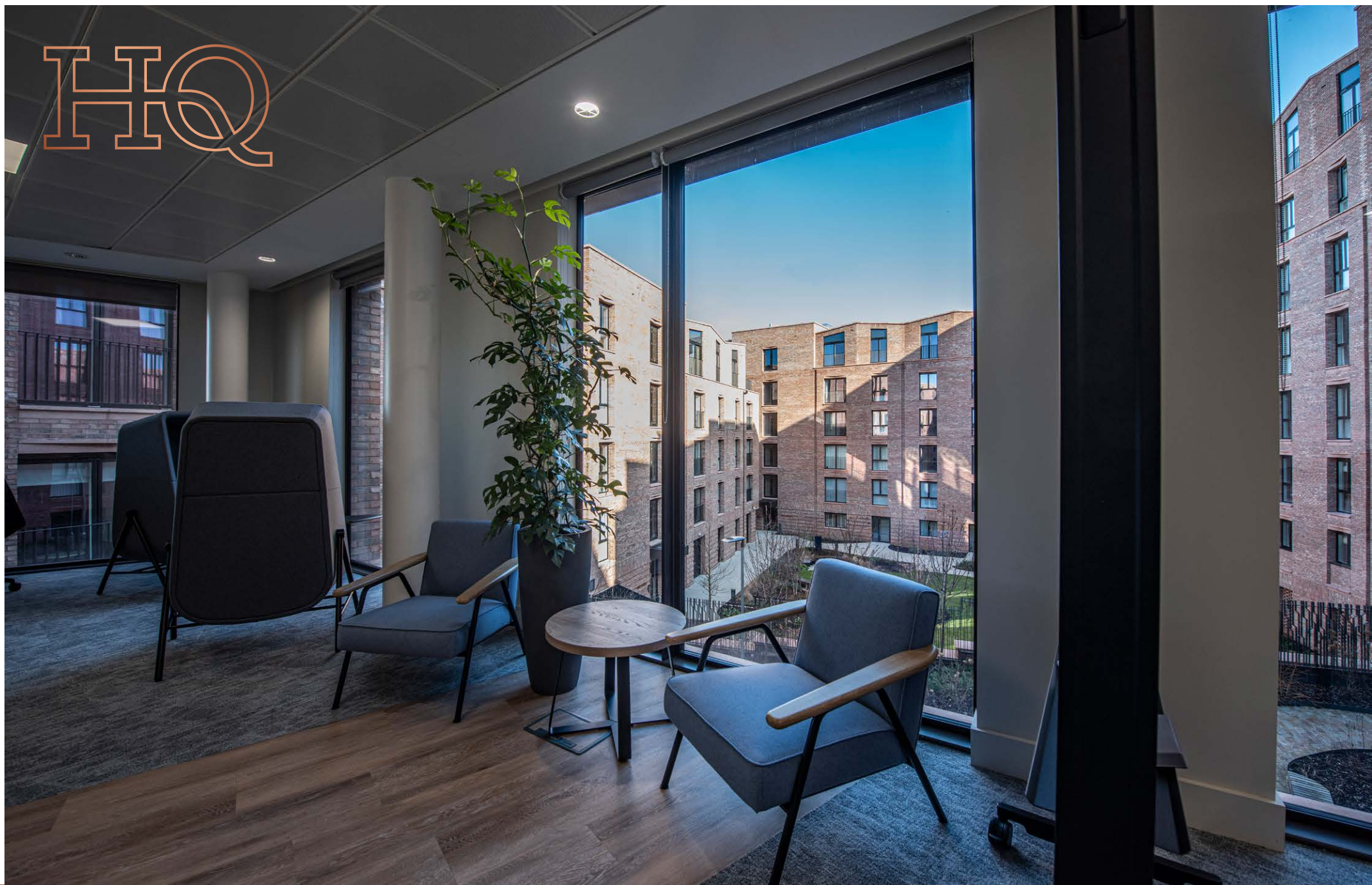
The impressive fundamentals of the occupational market with ongoing occupier demand; strong rental growth; very low supply and an extremely limited development pipeline will ensure York remains highly desirable and attractively priced.

Property	Area Sq Ft	Date	Price	NIY	Price PSF	Term Certain
Halo, Bristol	116,024	Under Offer	c.£70.65m	5.75%	£607	10
Barbirolli Square, Manchester	87,840	Q4 2022	£47.58m	5.70%	£541	5
Paragon, Bristol	75,653	Q3 2022	£40m	4.95%	£530	5
Colmore Building, Birmingham	314,000	Q2 2022	£182m	5.20%	£580	6.5
Moseley Street, Manchester	104,000	Q2 2022	£49m	5.50%	£471	5
125 Colmore Row, Birmingham	147,235	Q2 2022	£80m	4.70%	£553	9
177 Bothwell St, Glasgow	315,000	Q2 2022	£220m	4.56%	£698	15





HQ





# FURTHER INFORMATION



## VAT

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

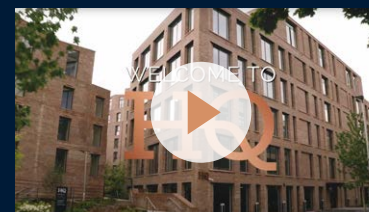
## AML

A successful bidder will be required to provide relevant information to satisfy the AML requirements when Heads of Terms are agreed.

## DATA ROOM

Dataroom access can be provided upon request, which contains the following information:

- Title
- Tenancy
- Construction documentation
- Measured survey
- Capital Allowances
- Warranties



View the HQ video:

[hudsonquarteryork.com/commercial](https://hudsonquarteryork.com/commercial)

## PROPOSAL

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## CONTACTS

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