

THE
CHATWIN
BUILDING

81 COLMORE ROW, BIRMINGHAM, B3 2BA



**NEWLY REFURBISHED 100% PRIME
FREEHOLD INVESTMENT IN THE HEART
OF BIRMINGHAM CITY CENTRE**



INVESTMENT SUMMARY

The Chatwin Building offers a rare opportunity to purchase a newly refurbished 100% prime Colmore Row freehold, with recently secured tenancies to c. 40% of the accommodation with the opportunity to complete the lease up program of the remaining ready to let vacancy.

- Birmingham is the UK's second city, with more infrastructure investment than any other city in Europe. The city boasts world class connectivity and is the 10th largest economy in Europe
- The Chatwin Building occupies a 100% prime and highly strategic position on Colmore Row, Birmingham's most Prestigious Commercial Address
- Newly completed back to brick refurbishment delivered at a cost of £5.57m (c. £190 psf) reaching practical completion in June 2023
- Extending to 2,734 sq m (29,427 sq ft) and providing best in class office accommodation, exceptional amenity and end of journey facilities and high-profile restaurant unit
- AWAULT of in place income 13 years to expiry, 9.2 years to break
- All electric offices with strong ESG credentials (EPC B / BREEAM Excellent in Use)
- 43% let & 57% vacant, providing opportunity to complete the lease up program of this newly completed prime scheme
- Multi let to 2 high quality new occupiers – RBC Brewin Dolphin (5th & 6th floors) and Six by Nico (restaurant)
- Rents of £36.50 and £38.00 psf secured on first office letting, with scope for growth
- 15,982 sq ft of newly completed ready to let Grade A office accommodation, subject to vendor guarantee
- Total rent of £980,158.50 p.a, inclusive of vendor guarantee
- Extremely supportive occupational market conditions, with an acute lack of Grade A supply, limited future deliveries and strong ongoing rental growth
- Freehold

PROPOSAL

We are instructed to seek offers in excess of **£11,475,000** subject to contract and exclusive of VAT.

A purchase at this level reflects an **attractive net initial yield of 8.00%** and a **low capital value for newly refurbished prime freehold product of £390 per sq ft.**

LOCATION

BIRMINGHAM A GLOBAL CITY

Birmingham is the economic and cultural capital of the Midlands region and is firmly established as the UK's second city. With a population of circa 1.2 million (2023), Birmingham is the largest regional centre in the UK in both population and economic terms. Birmingham is a strong and well-balanced economy centric to the larger West Midlands conurbation. The city has an urban area population of circa 2.95 million (2023) and a metropolitan population of 3.8 million (2023).

Birmingham has a strong and well-balanced economy and is a major engine of UK growth, host to over 85,000 companies (2023 estimate). It is one of the fastest growing cities in the UK and Europe. It has the 10th largest city economy in Europe producing £121 billion per annum (2023 estimate). The city's business and financial services sector is the second largest in the UK and employs over 130,000 people within the city and 350,000 in the wider region.

The city is a key target for inward investment and has seen more successful inward corporate relocations than any other regional centres in the last 10 years. Birmingham produces around 25,000 graduates each year from its three top class universities and 300,000 people educated to degree level, which is more than any other UK core city. In addition to Birmingham's excellent business credentials, the city has a fast-growing leisure and tourism sector, which received a major boost as Birmingham hosted the most successful Commonwealth Games in history during 2022. With facilities such as Arena Birmingham, International Convention Centre, the NEC and Resorts World Arena, Birmingham is the dominant UK city for events, conferences and exhibitions, with a 40% UK market share.

1. ST PHILIP'S CATHEDRAL

4. COLMORE ROW

2. BIRMINGHAM TOWN HALL

5. PARADISE

3. BULLRING & GRAND CENTRAL

6. CENTENARY SQUARE



LOCATION

BIRMINGHAM IN NUMBERS



YOUNGEST CITY IN EUROPE

40% OF THE CITY POPULATION IS UNDER THE AGE OF 25



OVER 45.5 MILLION VISITORS

IN 2022, THE CITY'S VISITOR ECONOMY IS WORTH £7.9 BILLION



HIGHEST NUMBER OF STARTS UPS

OUTSIDE OF LONDON, FIVE YEARS RUNNING



£121 BILLION GDP

CITY ECONOMY



KEY TARGET FOR INWARD INVESTMENT

WITH MORE THAN ANY OTHER EUROPEAN CITY



MAJOR EMPLOYERS

INVESTING IN THE CITY, SUCH AS GOLDMAN SACHS, HM GOVERNMENT, HMRC, HS2, & JAGUAR LAND ROVER



OVER 500,000 EMPLOYEES

THE LARGEST WORKFORCE OF ANY REGIONAL CITY



GLOBALLY RANKED INSTITUTIONS

4 HIGHER EDUCATION INSTITUTIONS RANKED AMONG THE BEST GLOBALLY



COMMONWEALTH GAMES

HOST TO THE MOST SUCCESSFUL COMMONWEALTH GAMES IN 2022 CONTRIBUTING £870 MILLION TO THE UK ECONOMY



5 MICHELIN STARS

5 MICHELIN-STARRED RESTAURANTS



DIVERSE CITY OF CULTURE

RICH AND DIVERSE CULTURE ATTRACTING MANY TO RELOCATE



TRANSPORT NETWORK

HEART OF THE UK TRANSPORT NETWORK



UK'S LEADING STAGE

ACCOUNTS FOR 40% OF THE UK'S CONFERENCE AND EXHIBITION TRADE



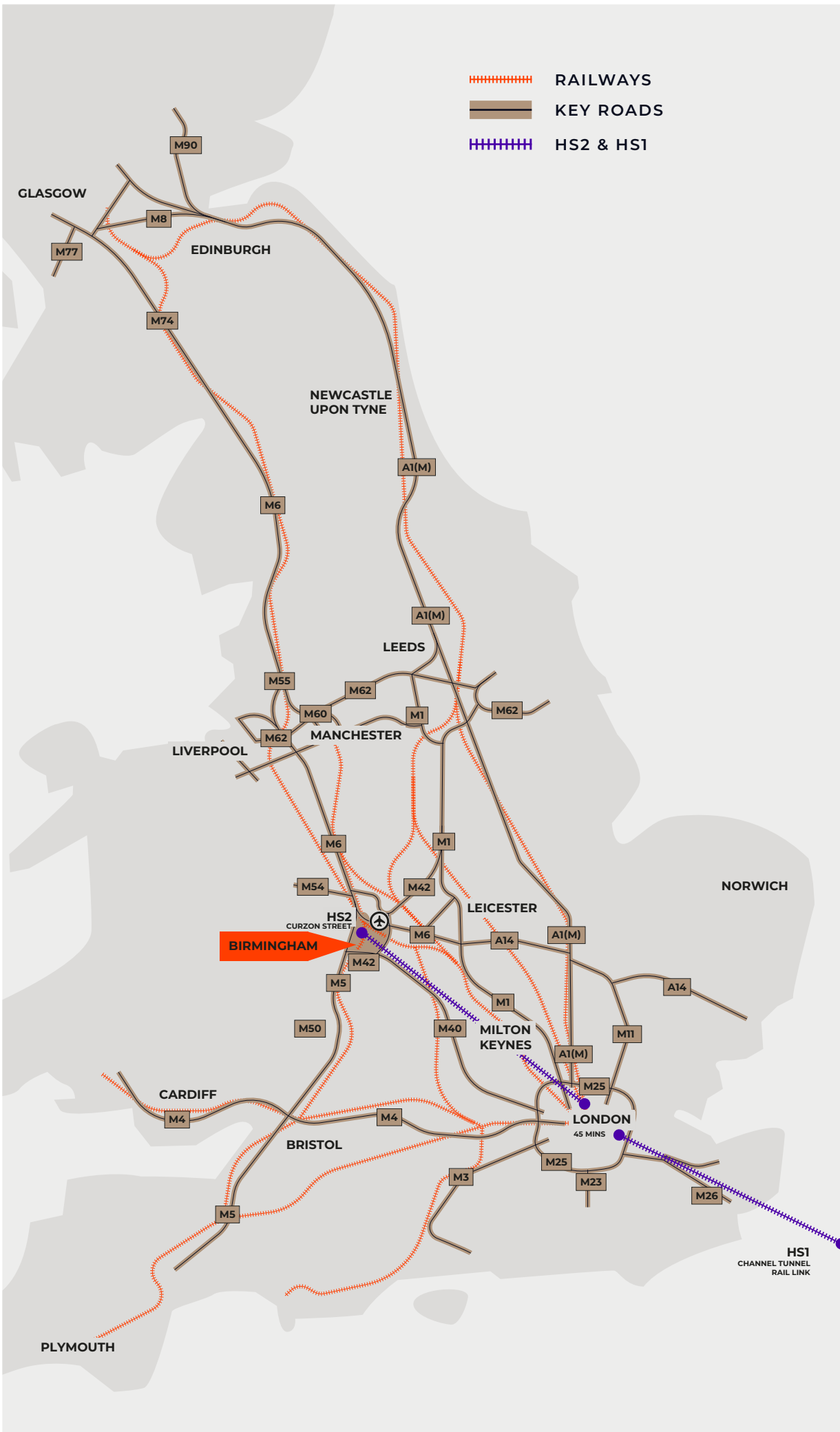
NO 1 FOR QUALITY OF LIFE

NO 1 IN THE UK FOR QUALITY OF LIFE (SOURCE: MERCER QUALITY OF LIFE INDEX)



NET ZERO TARGETS FOR 2030

BIRMINGHAM CITY COUNCIL ON TARGET TO NET ZERO CARBON BY 2030



COMMUNICATIONS

BIRMINGHAM'S WORLD CLASS TRANSPORT INFRASTRUCTURE

BIRMINGHAM IS LOCATED AT THE HEART OF THE UK'S INFRASTRUCTURE NETWORK.

Birmingham is an international city and benefits from a world class, multimodal integrated transport infrastructure, providing exceptional local, national, and international connections. An estimated £1.3 billion has been invested in Birmingham's infrastructure over the last 5 years.

BY ROAD

Birmingham is strategically located at the centre of the UK's motorway network with the M5, M6 and M42 forming an orbital route around the city, principally accessed by the Aston Expressway A38 (M). The M6 toll road provides an alternative route around the north of the West Midlands conurbation. These excellent road links mean that 90% of the UK market are within a four-hour travel time of the city.



HS2 CURZON STREET

BY RAIL

Birmingham is the hub of the national rail network with three main train stations in the city centre; New Street Station, Snowhill Station, and Moor Street Station, all offering regular local and national services. HS2 is set to complete in 2030 linking London and Birmingham's new HS2 Curzon Street Station in 45 minutes.

BY METRO

The city benefits from the comprehensive West Midland Metro tram system, one of the UK's most successful rapid transport systems, seamlessly connecting neighbouring cities. The nearest tram stops are Town Hall and Bull Street, both within a 5 minute walk.

BY AIR

Birmingham Airport lies just 14km (8 miles) south-east of the City and serves 143 national and international destinations carrying over 12 million passengers each year.

ROAD		METRO	
Birmingham Airport	15 mins	Town Hall	2 mins
Bristol	1 hr 35 mins	Bull Street	3 mins
Manchester	1 hr 40 mins	Library	5 mins
London	2 hrs 9 mins	Jewellery Quarter	8 mins
Edinburgh	4 hrs 57 mins	Edgbaston	11 mins

RAIL		AIR	
Birmingham International	10 mins	Edinburgh	1 hr 10 mins
Bristol	1 hr 21 mins	Paris	1 hr 15 mins
London Euston	1 hr 26 mins	Dubai	6 hrs 55 mins
Manchester Piccadilly	1 hr 46 mins	New York	7 hrs 45 mins
Edinburgh	4 hrs 24 mins	Hong Kong	16 hrs 30 mins

SITUATION

COLMORE ROW

The Chatwin Building occupies a 100% prime position on Colmore Row, Birmingham's most prestigious commercial address.

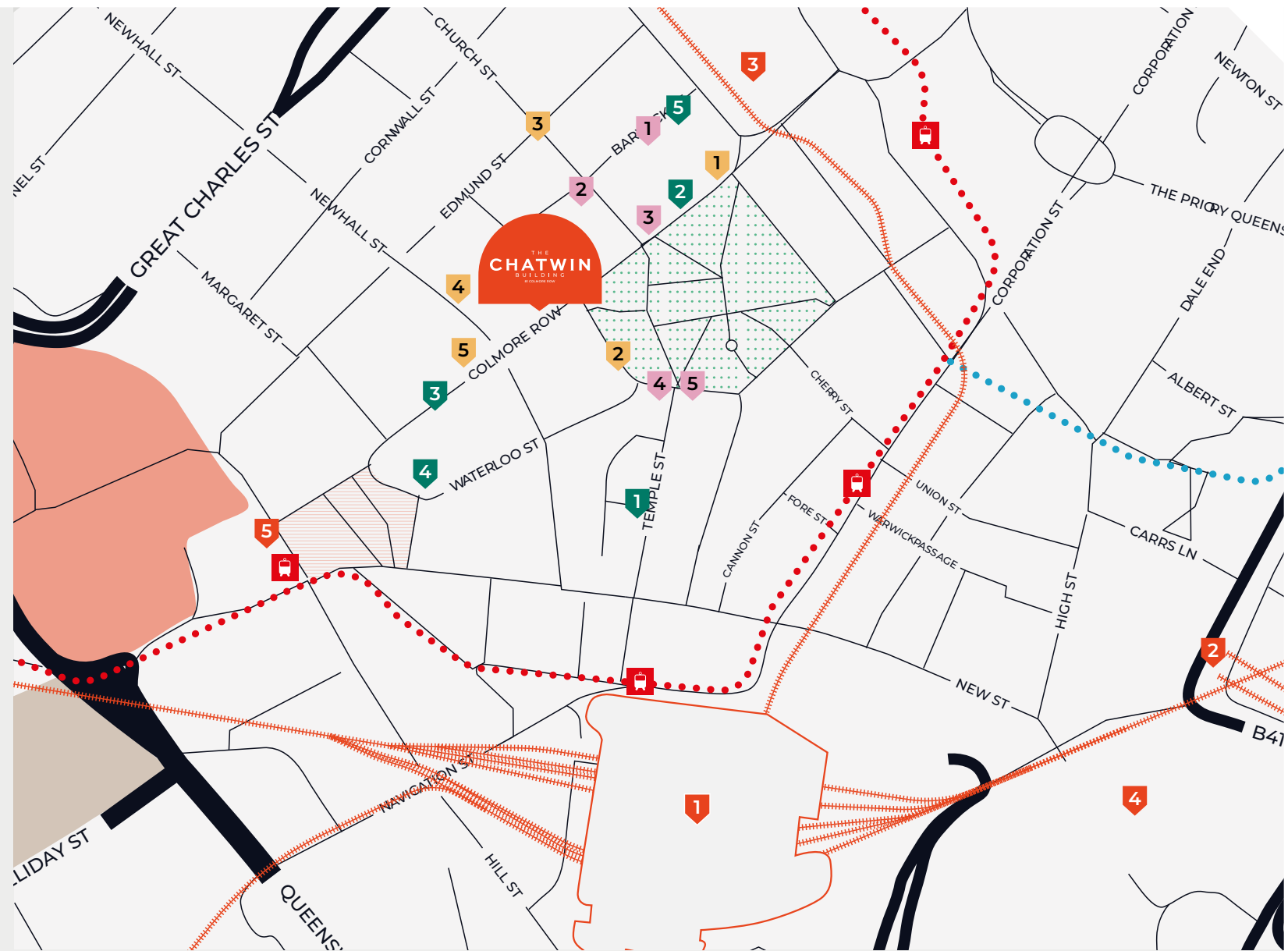
The Chatwin Building overlooks St Philips Place, home to Birmingham Cathedral, at the very heart of Birmingham City Centre. Colmore Row is central to Birmingham's office core, connecting with Snowhill immediately to the north, and with Victoria Square, Chamberlain Square and Paradise immediately to the south.

Access to Birmingham's public transport infrastructure is superb with Birmingham Snow Hill Station within 300 metres (3 minute walk) and Birmingham New Street Station within 500 metres (5 minute walk). Both Town Hall and Bull Street Metro stops are also within a 5 minute walk of the property.

The surrounding area comprises high profile modern office developments, complimented by a buzzing bar, restaurant and retail scene offering high quality immediate amenity provision complementing the Central

Business District function. Surrounding landmark buildings include 103 Colmore Row, The Grand Hotel, Birmingham Cathedral, Council House and Town Hall, along with the Paradise and Snowhill office developments.

The Chatwin Building is situated within a conservation area and the Colmore Business District (CBD), a business improvement district established to project manage improvements and services to Birmingham's central business district. The CBD area is Birmingham's premier concentration of professional and business service companies, with around 500 companies located in the district, employing up to 35,000 people and encompassing over 6 million sq ft of highly concentrated office space.



Victoria Square Paradise Green Space Arena Central Metro Stops Metro Future Metro Expansion

RESTAURANTS

1. Tattu
2. Fazenda
3. Gusto
4. Fumo
5. The Ivy

BARS

1. The Botanist
2. The Alchemist
3. The Colmore
4. PureCraft Bar
5. Primitivo

CAFÉS

1. 200 Degrees
2. Damascena
3. Urban Cafe
4. Pret a Manger
5. Orelle

WALKING DISTANCES

1. New Street Station 5 mins
2. Moor Street Station 9 mins
3. Snow Hill Station 3 mins
4. Bullring 10 mins
5. Town Hall 5 mins

LOCAL OCCUPIERS



BIRMINGHAM

CITY CENTRE AERIAL



THE CHATWIN BUILDING BY COLMORE ROW

**THE COMPREHENSIVE STRIP OUT AND BACK TO BRICK
REFURBISHMENT PROGRAM WAS DELIVERED AT A COST OF £5.57M
(C. £190 PSF) REACHING PRACTICAL COMPLETION IN JUNE 2023.**

DESCRIPTION

THE CHATWIN BUILDING

The Chatwin Building is the newly completed refurbishment and extension of the Grade II listed 81 Colmore Row. The building has been sensitively modernised and extended, retaining the historic façade and characterful period elements while delivering a highly sustainable best in class Grade A office scheme.

The building is arranged over basement, ground and 6 upper floors extending to 2,734 sq m (29,427 sq ft) and provides market leading office accommodation, a signature office reception, exceptional amenity and end of journey facilities, high profile restaurant unit and car parking.

Planning permission and listed building consent to transform the building was received in 2021. This planning consent allowed for a roof top extension, internal and external alterations and creation of roof terraces, under application number 2020/06766/PA.



DESCRIPTION

FINE DETAILS

ARRIVAL & AMENITY

- Impressive and rejuvenated contemporary building wrapped in historic appeal and features
- Exceptional Colmore Row presence via new high profile main reception entrance
- Signature double height feature reception area with contemporary seating areas
- High quality restaurant unit complimenting the office reception and building appeal
- Full DDA compliance via two surface recessed platform lifts serving front entrance
- Central basement amenity hub offering end of journey and wellness facilities, including male & female changing rooms incorporating 8 showers, WCs and lockers
- Secure cycle parking for up to 40 bicycles
- Unique tenant amenity area on 4th floor providing communal breakout area, bookable meeting rooms and stunning communal roof terrace
- Additional private roof terrace on 6th floor with far reaching views
- 3 basement car parking spaces

OFFICE DESIGN FEATURES

- Brand new M&E, common areas and Cat A finishes throughout
- Floorplates ranging from 3,301 sq ft to 4,689 sq ft
- Two brand new 13 person passenger lifts serving all floors
- All electric heating, cooling and hot water via VRF air conditioning and air source heat pumps
- Full access raised floors
- High quality suspended metal plank ceiling
- LED lighting throughout, with PIR controls
- Intelligent Building Management System (BMS)
- Ultra-fast immediate internet via pre-installed fibre spine
- Whole & rear office suites provide larger floor plates with contemporary finishes
- 2nd and 3rd floors benefit from two additional smaller office suites to the Colmore Row façade, with original floor to ceiling height and period features
- Unisex and disabled WC facilities to all upper floors

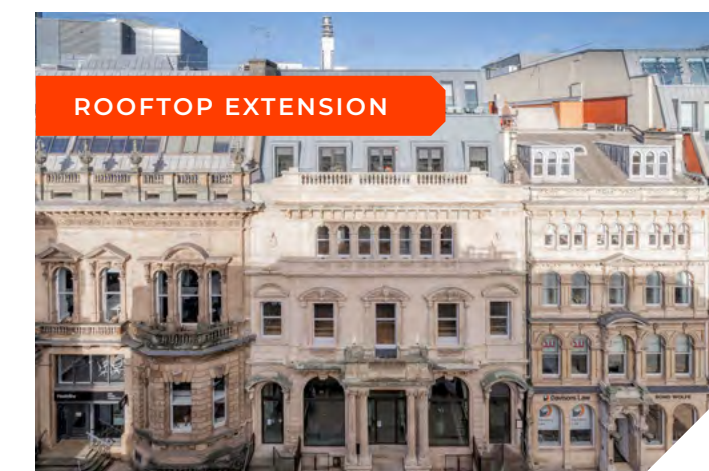
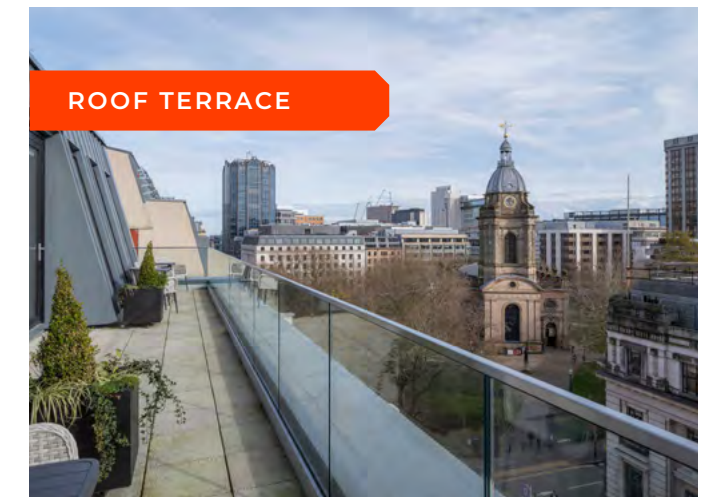
ESG CREDENTIALS

- EPC B (32)
- BREEAM Excellent in Use
- All electric M&E including VRF air conditioning and air source heat pumps for hot water
- Energy efficient M&E with BMS
- Low energy lighting with PIR controls
- Focus on cycle infrastructure over parking provision
- Two EV chargers serving the reduced parking provision
- Enhanced communal & amenity spaces promoting occupier wellness and collaboration
- Important re-use of a historic building with embodied carbon benefits
- Focus on recycling of materials during refurbishment
- Planting scheme



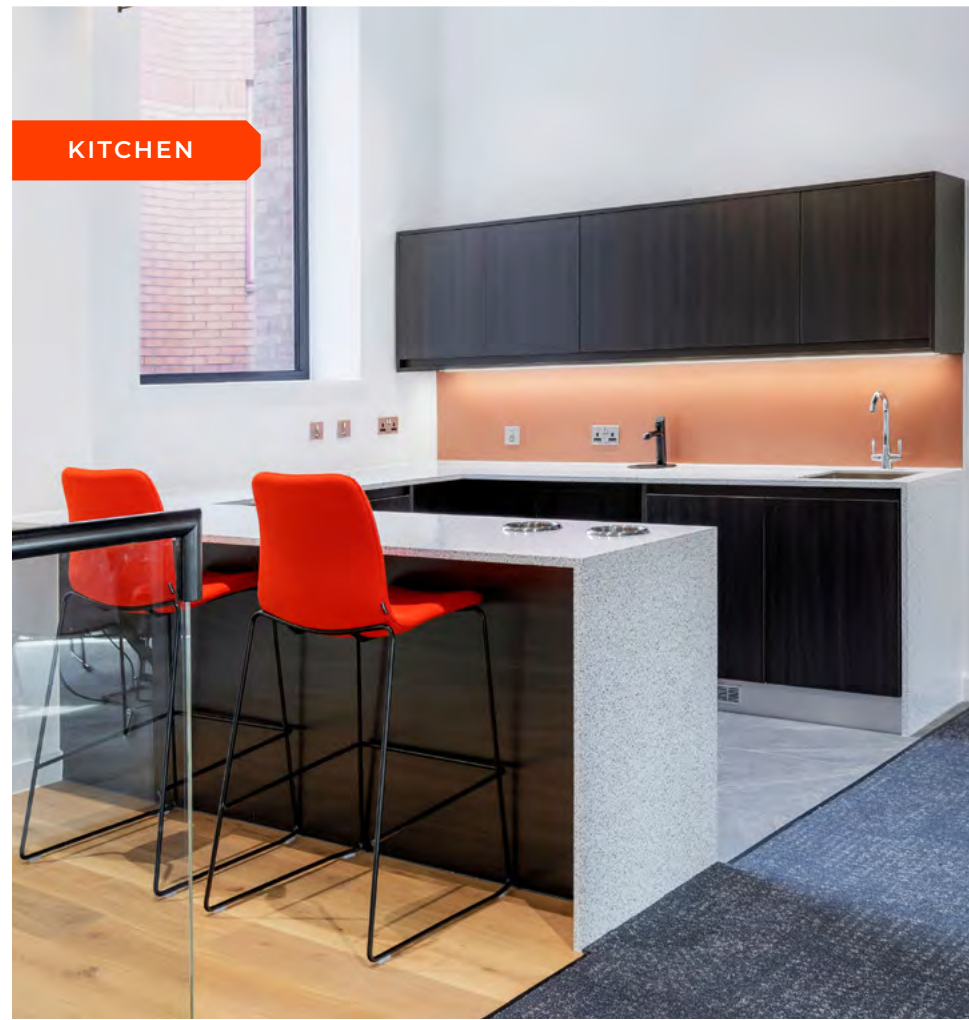
COMPREHENSIVE £5.57M REFURBISHMENT COMPLETED 2023

The back to frame refurbishment and extension delivered highly sustainable modern Grade A office space, while retaining the original character of the building at the heart of the Colmore Business District.





BOOKABLE MEETING ROOMS



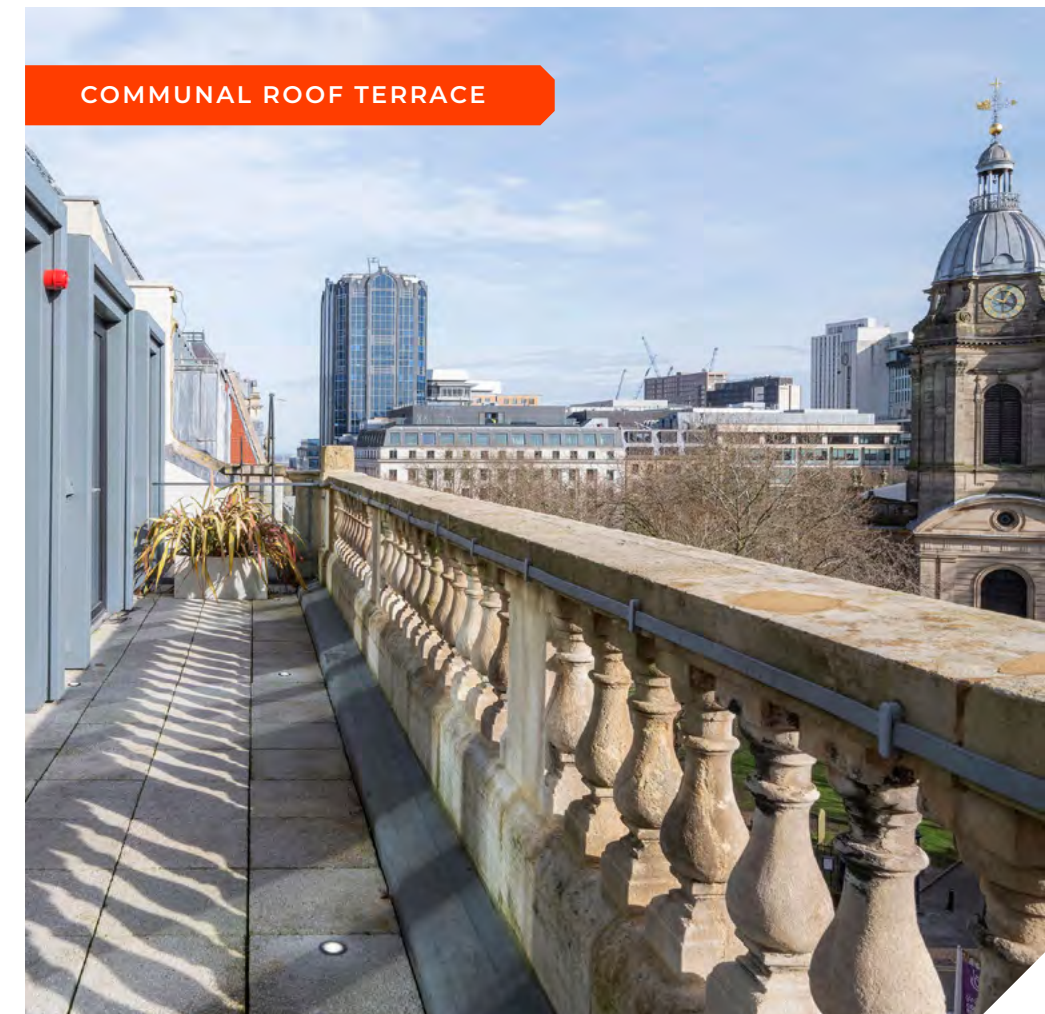
KITCHEN

UNIQUE TENANT AMENITY PROVISION

A boutique tenant amenity area has been created at the front of the 4th floor providing an exceptional flexible communal breakout area, bookable meeting rooms and stunning communal roof terrace overlooking Colmore Row and Cathedral Square.



BREAKOUT AREA



COMMUNAL ROOF TERRACE

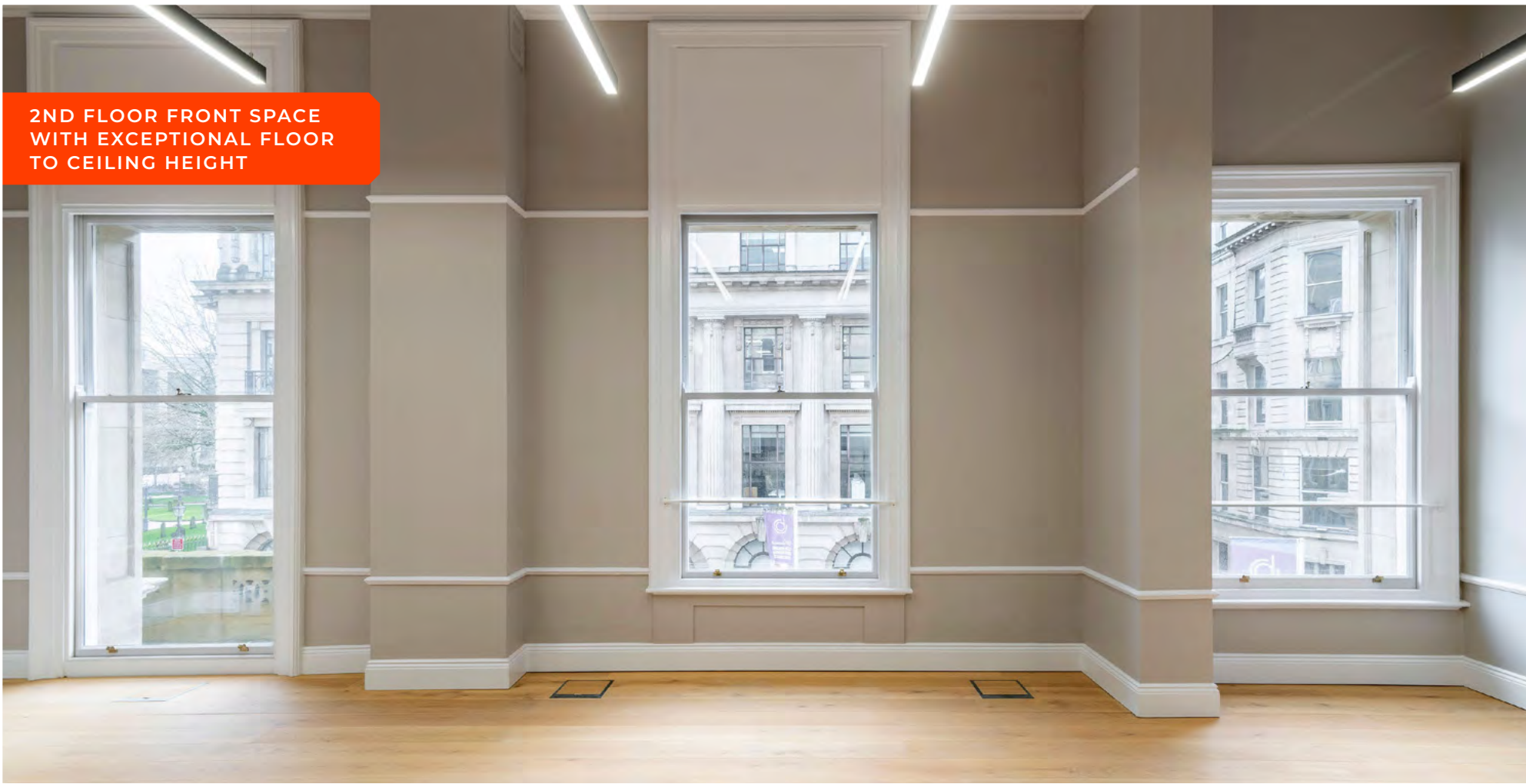
HIGH QUALITY END OF JOURNEY FACILITIES

A central basement amenity hub has been created offering end of journey and wellness facilities.



CHANGING FACILITIES

2ND FLOOR FRONT SPACE
WITH EXCEPTIONAL FLOOR
TO CEILING HEIGHT



MARKET LEADING READY TO LET VACANCY

The remaining high quality Grade A vacancy is offered in a brand new ready to let condition, subject to vendor guarantee, designed to cover future letting void and incoming tenant incentive packages.

BEST IN CLASS CAT A FINISHES



4TH FLOOR SPACE



ACCOMMODATION

The property provides the following IPMS3 floor areas.

FLOOR	DEMISE	SQ M	SQ FT
6	WHOLE	336.39	3,621
5	WHOLE	298.39	3,212
4	REAR	306.64	3,301
4	FRONT - AMENITY SPACE	98.17	1,057
3	REAR	306.57	3,300
3	FRONT 1	77.84	838
3	FRONT 2	51.17	551
2	REAR	303.71	3,269
2	FRONT 1	78.33	843
2	FRONT 2	50.18	540
1	WHOLE	310.15	3,339
GROUND	RECEPTION	66.19	712
GROUND	RESTAURANT	414.43	4,461
BASEMENT	RESTAURANT	35.59	383
TOTAL		2,733.75	29,427



TENURE

The property is held freehold.





TYPICAL FLOOR

Office suites ranging from
3,301 sq ft to 4,689 sq ft

FLOOR 6
RBC BREWIN DOLPHIN

FLOOR 5
RBC BREWIN DOLPHIN

FLOOR 4.
3,301 SQ FT

FLOOR 3
4,689 SQ FT

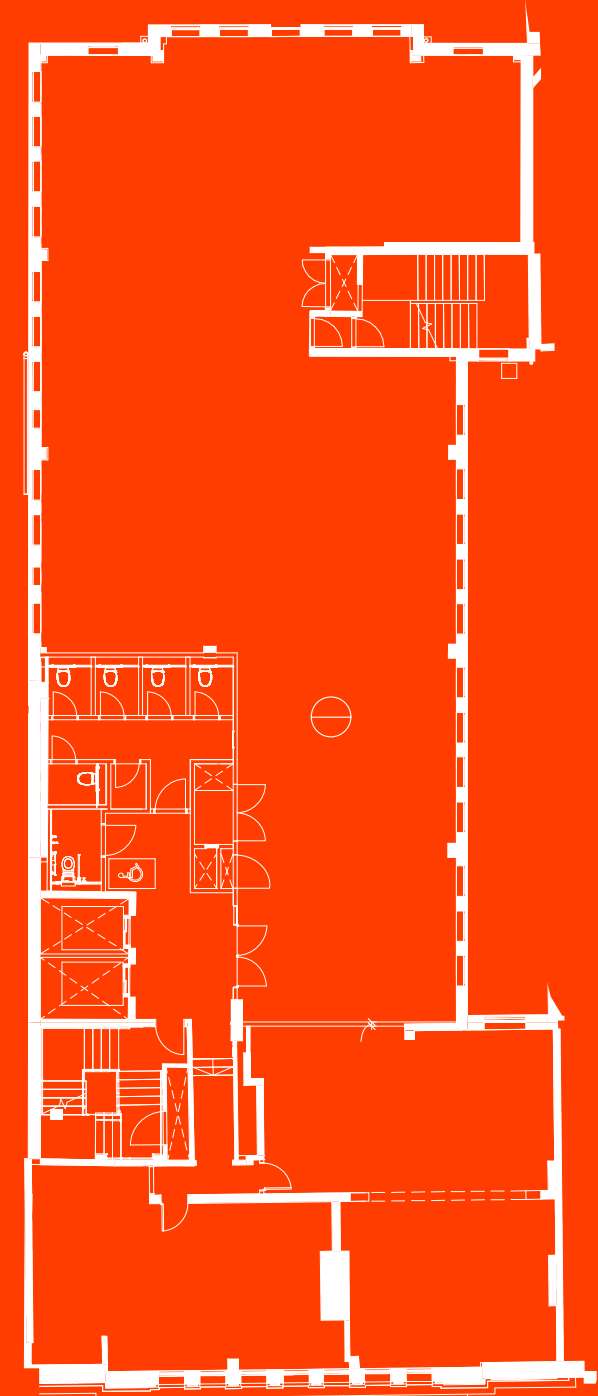
FLOOR 2
4,652 SQ FT

FLOOR 1
3,338 SQ FT

GROUND FLOOR
SIX BY NICO

BASEMENT

IPMS 3



TENANCY



43% LET
57% VACANT



MULTI LET TO 2 HIGH
QUALITY NEW OCCUPIERS



AWAULT OF EXISTING
INCOME 13 YEARS TO EXPIRY,
9.2 YEARS TO BREAK



15,982 SQ FT OF NEWLY
COMPLETED READY TO
LET GRADE A OFFICE
ACCOMMODATION



VENDOR GUARANTEE
24 MONTHS RENT
12 MONTHS SERVICE CHARGE



STRONG RENTAL GROWTH
IN MARKET CREATES
REVERSIONARY PROSPECTS

FLOOR	IPMS3 AREA (SQ M)	IPMS3 AREA (SQ FT)	PARKING SPACES	TENANT	LEASE START	LEASE EXPIRY	BREAK	RENT REVIEW	RENT PA	RENT PSF	RENT PER PARKING SPACE	INSIDE 1954 ACT?	COMMENTS
6th	336.39	3,621	2	Brewin Dolphin Ltd	27/03/2023	26/03/2033	26/03/2028	27/03/2028	£142,787.50	£38.05	£2,500.00	Yes	15 months initial rent free. Tenant break on 6 months written notice. 9 months additional rent free if tenant break not exercised Rent review upwards only to open market value Initial service charge cap of £36,210 (£10.00 psf) , subject to annual RPI increases, no current shortfall
5th	298.39	3,212	1	Brewin Dolphin Ltd	27/03/2023	26/03/2033	26/03/2028	27/03/2028	£119,738.00	£36.50	£2,500.00	Yes	15 months initial rent free. Tenant break on 6 months written notice. 9 months additional rent free if tenant break not exercised Rent review upwards only to open market value Initial service charge cap of £32,120 (£10.00 psf) , subject to annual RPI increases, no current shortfall
4th	306.64	3,301		Vacant - Vendor Guarantee					£122,137.00	£37.00			Vendor guarantee - 24 months rent, 12 months vacant service charge Rental level reflects current quoting rent
4th - Amenity Space	98.17	1,057		Communal					£0.00				
3rd	435.58	4,689		Vacant - Vendor Guarantee					£164,115.00	£35.00			Vendor guarantee - 24 months rent, 12 months vacant service charge Rental level reflects current quoting rent Rear suite 3,300 sq ft (306.57 sq m) IPMS3, 2 x front suites - 838 sq ft (77.84 sq m) IPMS3 & 551 sq ft (51.17 sq m) IPMS3
2nd	432.22	4,653		Vacant - Vendor Guarantee					£162,855.00	£35.00			Vendor guarantee - 24 months rent, 12 months vacant service charge Rental level reflects current quoting rent Rear suite 3,269 sq ft (303.71 sq m) IPMS3, 2 x front suites - 843 sq ft (78.33 sq m) IPMS3 & 540 sq ft (50.18 sq m) IPMS3
1st	310.15	3,339		Vacant - Vendor Guarantee					£113,526.00	£34.00			Vendor guarantee - 24 months rent, 12 months vacant service charge Rental level reflects current quoting rent
Part Ground - Office Reception	66.19	712		Communal					£0.00				
Part Ground & Basement	450.02	4,844		Six by Nico (Holdings) Ltd Guarantor - Sixco P.L.C.	10/10/2023	09/10/2043	09/10/2033	10/10/2028	£155,000.00	£32.00		Yes	12 months rent free. 12 month capital contribution. Break on 6 months written notice Rent review upwards only to open market value Ground floor 4,461 sq ft (414.43 sq m) IPMS3, Basement 383 sq ft (35.59 sq m) IPMS3
TOTAL	2,733.75	29,427	3						£980,158.50				

COVENANT

The Chatwin Building is currently let to two occupiers, both of whom have recently moved into the building following completion of its recent refurbishment and extension.



Brewin Dolphin

Brewin Dolphin Ltd trade as RBC Brewin Dolphin, and are one of the largest British wealth management companies, with over 30 offices throughout the UK, Jersey and Ireland. The company employs over 2,000 people and provides investment management and financial planning services to individuals, companies, intermediaries and charities. RBC Brewin Dolphin relocated to The Chatwin Building from 9 Colmore Row, having been established in Birmingham City Centre for over 30 years.

Brewin Dolphin Ltd have a creditsafe score of 97/100 representing a very low risk of business failure. Recent summary financial performance information is as follows;

YEAR END	30/09/2022	30/09/2021	30/09/2020
TURNOVER	£371,915,000	£372,037,000	£334,850,000
PRE TAX PROFIT	£55,055,000	£71,038,000	£66,419,000
SHAREHOLDER'S FUNDS	£297,711,000	£281,955,000	£268,882,000

SIX *by* NICO

Six by Nico is a highly successful and fast growing boutique restaurant operating across the UK, with 14 current restaurant locations across the country, with more in the pipeline. Six by Nico offers a unique fine dining concept based around an experience led six course tasting menu inspired by a theme, destination or concept, with the menu changing every six weeks. The Chatwin Building hosts Six by Nico's first Birmingham restaurant, with the operator and calibre of the wider building aligned. Six by Nico opened in December 2023 after an extensive high quality internal fit out, providing a unique bar and restaurant experience.

Six by Nico (Holdings) Ltd have a creditsafe score of 77/100 representing a very low risk of business failure, and have grown rapidly over recent years. Recent summary financial performance information is as follows;

YEAR END	03/07/2022	27/06/2021	31/03/2020
TURNOVER	£6,505,284	£1,545,000	£0
PRE TAX PROFIT	£2,900,898	-£573,559	£0
SHAREHOLDER'S FUNDS	£3,501,807	£374,512	£2,155,187

Parent company Six by Nico P.L.C. guarantee the lease at The Chatwin Building and have a creditsafe score of 64/100 representing a low risk of business failure. Recent summary financial performance information is as follows;

YEAR END	02/07/2023	03/07/2022	27/06/2021
TURNOVER	£31,251,000	£30,797,000	£18,098,000
PRE TAX PROFIT	£412,000	£2,340,000	-£1,792,000
SHAREHOLDER'S FUNDS	£1,553,000	£1,285,000	-£278,000



BIRMINGHAM

OFFICE MARKET

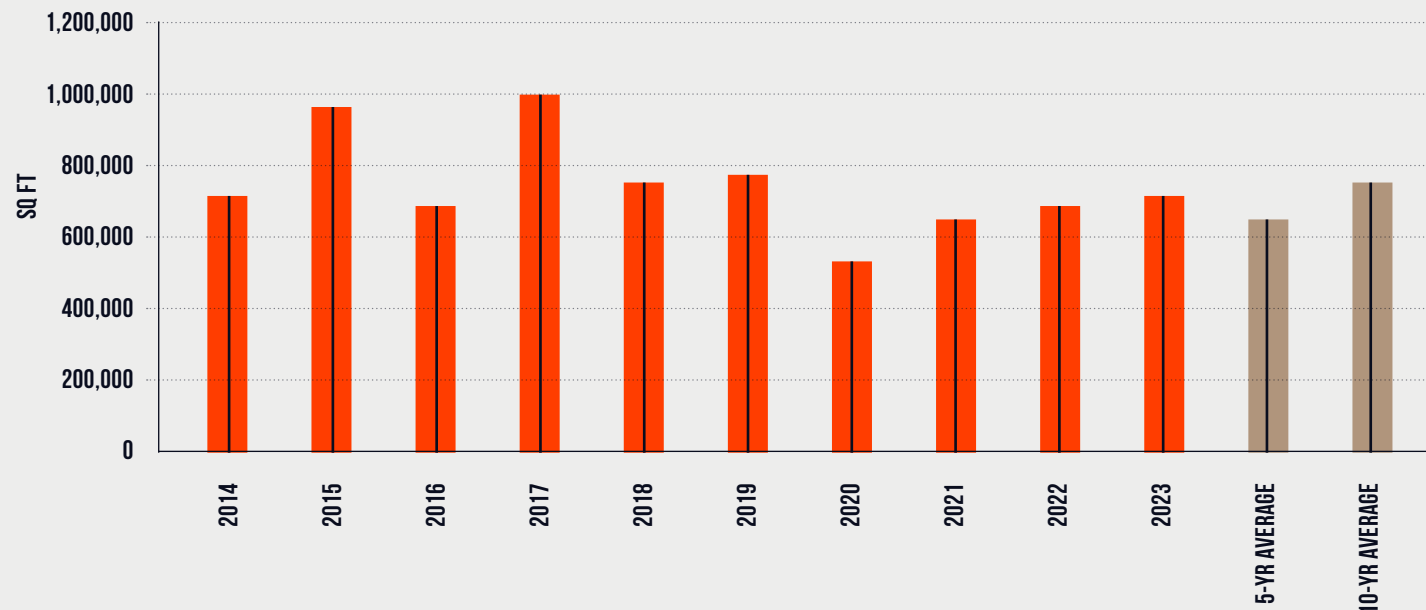
Birmingham has one of the largest CBD office markets in the UK, with over 19.00 million sq ft of built stock, along with a high-quality business community and dynamic Central Business District. The supply and demand dynamics in the Birmingham office market are compelling.

TAKE UP

Birmingham's CBD market has experienced an extremely strong 10 years, with a number of record years of take up recorded. 2022 saw robust take-up of 692,700 sq ft, boosted by the exciting Goldman Sachs prelet at One Centenary Way (110,000 sq ft). 2023 has continued the positive trend, with take-up improving to 702,993 sq ft in 109 deals. Q4 2023 was an exceptionally strong quarter with 240,274 sq ft of transactions, demonstrating the underlying strength of Birmingham's office market. The average deal size in Birmingham during 2023 was around 6,000 sq ft. There is a notable flight to quality evident in the marketplace, with the very best accommodation set to outperform. The Chatwin Building is well positioned to capture this best in class demand, and is well suited to accommodate transactions around the average deal size for the market, providing optimism that the asset will complete its lease up program during 2024.

DEMAND

Tenant demand is extremely strong, with a record Q4 2023 of take-up showing a notable recent up tick in market absorption. There is currently in excess of 500,000 sq ft of active named requirements seeking office accommodation in Birmingham CBD, including 140,000 sq ft for GPA, 50,000 sq ft for National Highways along with a number of other 30,000 sq ft + requirements. There is a significant volume of small to medium size requirements that suit The Chatwin Building, and will result in lettings being achieved at the building over the course of 2024.



Source: JLL

KEY LETTINGS

DATE	BUILDING	OCCUPIER	SIZE (SQ FT)	RENT (PSF)
UNDER OFFER	THE COLMORE BUILDING	CONFIDENTIAL	6,279	£39.00
UNDER OFFER	45 CHURCH STREET	HOWDEN INSURANCE	10,206	£35.00
Q4 2023	31 TEMPLE STREET	ALTERA	4,041	£43.00
Q4 2023	103 COLMORE ROW	NO. 5 CHAMBERS	18,816	£42.50
Q4 2023	ONE CENTENARY WAY	MILLS & REEVE	32,088	£40.00
Q4 2023	TWO CHAMBERLAIN SQUARE	DAINS	12,147	£39.00
Q3 2023	103 COLMORE ROW	EFG HARRIS ALDAY	12,162	£40.50
Q3 2023	45 CHURCH STREET	NATURAL MOTION GAMES	6,271	£35.00
Q2 2023	103 COLMORE ROW	HANDELSBANKEN	3,855	£45.00
Q2 2023	TWO CHAMBERLAIN SQUARE	CUBO	12,459	£36.00
Q2 2023	ONE CENTENARY WAY	JLL	14,000	£40.00
Q1 2023	THE COLMORE BUILDING	AON	22,709	£38.00
Q1 2023	103 COLMORE ROW	WEIGHTMANS	12,158	£40.50

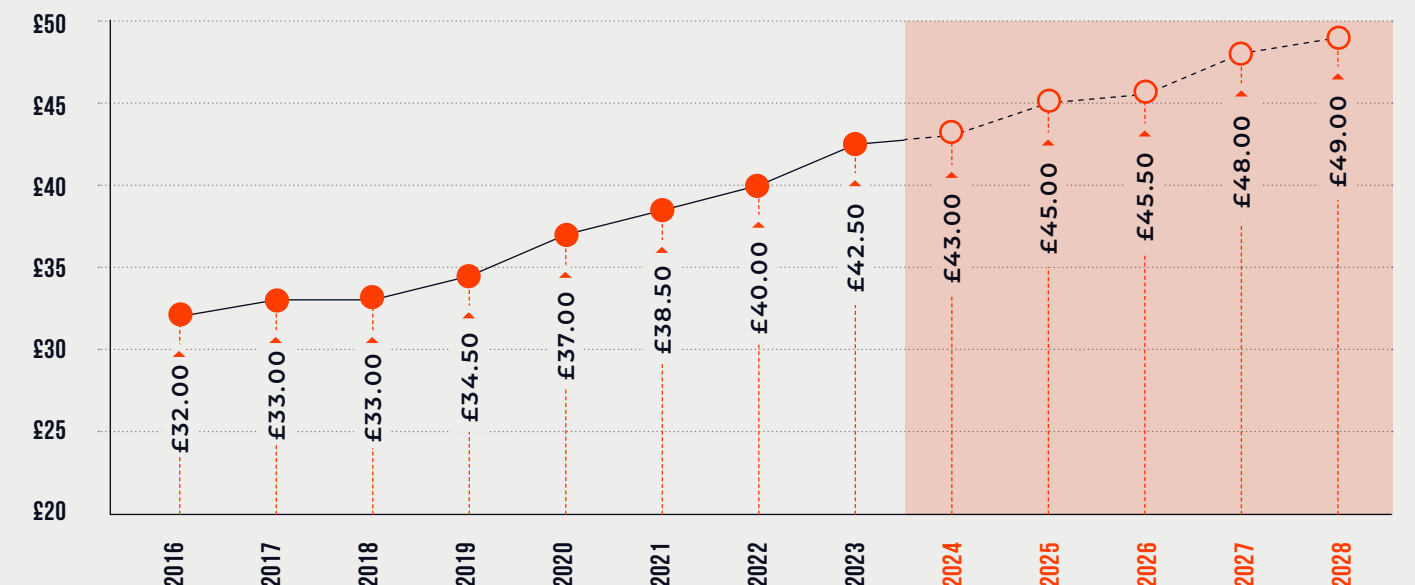
RENTS AND FUTURE GROWTH

Prime office rents in Birmingham currently stand at £42.50 psf, having grown strongly over the last 5 years, rising from £32.50 psf in 2016. There has been year-on-year growth averaging over 4.00% per annum over this period, and growth of 5.90% during 2023.

Going forward we anticipate rents will continue to move forward at pace, as flight to quality continues. There is already evidence of smaller lettings transacting at £45.00 psf, and a number of new office schemes will need to progress rents beyond this

level due to build cost inflation and expectations of ESG compliant and Net Zero Carbon office product.

The Chatwin Building has secured lettings at £36.50 - £38.00 psf in recent months, with quoting terms on the remaining vacant accommodation (averaging around £35.00 psf) now looking highly competitive in comparison to the ongoing upwards movement in prime rents and likely quoting rents on other competing schemes.



CONSTRAINED SUPPLY PIPELINE

The Birmingham office market is witnessing a constrained level of existing Grade A supply, which is now at historically low levels even with notable recent completions. The future supply pipeline is limited, both from a refurbished and new build perspective, with the pandemic exacerbating supply pipeline issues causing scheme delay.

EXISTING GRADE A SUPPLY

Total Grade A supply currently stands at around 500,000 sq ft (excluding under offer space), including recently delivered schemes at 103 Colmore Row (220,000 sq ft and 95% let) and One Centenary Way (280,000 sq ft and 75% let), which represents an extremely low Grade A vacancy rate of 3.3%. The volume of existing Grade A supply is extremely low when considering over 730,000 sq ft has been delivered during 2023, with over 50% of this space being prelet, and with further space under offer in these schemes.

COMMITTED SUPPLY PIPELINE

The volume of new office accommodation coming through the pipeline is at a historically low level and will be insufficient to cater for average levels of Grade A take up year on year. 2024-2026 deliveries are scheduled to be significantly more limited, offering a window of more limited competition for newly delivered stock like The Chatwin Building. During 2024 and 2025 less than 500,000 sq ft will be delivered, with a significant volumes of this space already under offer or close to securing prelets. This timeframe will represent a low point in terms of annualised supply, creating conditions for further above average rental growth.



2024		REFURBISHMENT BILLIARDS BUILDING FLOORPLATE SIZE - 4,000 - 8,500 SQ FT TARGET RENT - £37.50 PSF +	34,351 SQ FT
		REFURBISHMENT 5 ST PHILIPS PLACE FLOORPLATE SIZE - 9,600 SQ FT TARGET RENT - £40.00 PSF +	60,000 SQ FT
		REFURBISHMENT 19 CORNWALL STREET FLOORPLATE SIZE - 19,000 SQ FT TARGET RENT - £37.50 PSF +	133,000 SQ FT
2025		REFURBISHMENT MULTISTORY FLOORPLATE SIZE - 41,000 SQ FT TARGET RENT - £35.00 PSF +	90,000 SQ FT
		NEW BUILD THREE CHAMBERLAIN SQUARE FLOORPLATE SIZE - 22,000 SQ FT TARGET RENT - £43.00 PSF +	189,000 SQ FT UNDER OFFER 70,000 SQ FT
2026		REFURBISHMENT 120 EDMUND STREET FLOORPLATE SIZE - 21,000 SQ FT TARGET RENT - £37.50 PSF +	170,000 SQ FT
		REFURBISHMENT DRUM, GRAND CENTRAL FLOORPLATE SIZE - 17,000 SQ FT TARGET RENT - £40.00 PSF +	180,000 SQ FT

FURTHER INFORMATION

VAT

The property has been elected for VAT. It is anticipated the sale will be treated as a Transfer of Going Concern (TOGC).

DATA ROOM

Access is available on request.

EPC

EPC B (32).

SERVICE CHARGE

There is a service charge operating at the property. The service charge budget for the year ending 31/03/2024 is £233,866. Further information is available on request.

PROPOSAL

We are instructed to seek offers in excess of £11,475,000 subject to contract and exclusive of VAT.

A purchase at this level reflects an attractive net initial yield of 8.00% and a low capital value for newly refurbished prime freehold product of £390 per sq ft.

Conditions under which particulars are issued: JLL for themselves and for the vendors or lessors of this property whose agents they are give notice that: (i) the particulars are set out as a general outline only for the guidance of intended purchasers or lessees, and do not constitute, nor constitute part of, an offer or contract; (ii) all descriptions, dimensions, reference to condition and necessary permissions for use and occupation, and other details are given without responsibility and any intending purchasers or tenants should not rely on them as statements or representations of fact but must satisfy themselves by inspection or otherwise as to the correctness of each of them; (iii) no person in the employment of JLL has any authority to make or give any representation or warranty whatever in relation to this property. VAT may be payable on the purchase price and/or rent, all figures are exclusive of VAT, intending purchasers or lessees must satisfy themselves as to the applicable VAT position, if necessary by taking appropriate professional advice; The Agents will not be liable, in negligence or otherwise for any loss arising from the use of these particulars. March 2024.

Crafted by CAB Property

CONTACT

For all enquiries, please contact the sole agent:



One Centenary Way, Birmingham, B3 3AY

BEN KELLY

07809 198 910
ben.kelly@jll.com

BETHANY POPPLE

07596 316 628
bethany.popple@jll.com

THE
CHATWIN
BUILDING

81 COLMORE ROW, BIRMINGHAM, B3 2BA