



TWO/SNOWHILL

PRIME OFFICE INVESTMENT WITH IMMEDIATE
ASSET MANAGEMENT POTENTIAL



TWO/SNOWHILL

PRIME OFFICE INVESTMENT WITH IMMEDIATE
ASSET MANAGEMENT POTENTIAL

INVESTMENT SUMMARY

Two Snowhill is a prime opportunity offering a highly attractive blend of secure income and strong asset management potential

- / Two Snowhill is an **exceptional Grade A office** constructed to the highest architectural standards in 2013
- / Located in Birmingham, 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 European economy
- / Snowhill occupies a **prime and highly strategic location**, at the heart of Birmingham's City Centre, adjacent to Snowhill Station and St Chads Metro
- / Two Snowhill comprises **325,289 sq ft of Grade A office and retail accommodation**, arranged over four basement levels, ground and 14 upper floors
- / **Strong sustainability credentials**, with a **BREEAM Excellent rating** and the building is on the **CRREM decarbonisation pathway** for a further 9 years
- / The wider campus offers **unrivalled amenity provision**, including a café and Birmingham's Premier Health & Wellness Facility – MK Health Hub
- / Multi-let to three principal tenants - **Gowling WLG, HS2 and Landmark**, providing a WAULT on contracted income of **7.8 years to lease expiries** and 4.0 years to earliest terminations
- / 92% of the contracted rental income secured against **internationally recognisable occupiers** of Gowling WLG (UK) LLP and the Secretary of State for Transport (HS2)
- / Two Snowhill serves as **headquarter facilities** for both Gowling WLG and HS2
- / Total rent of **£9,770,717.50 per annum**, reflecting a low rent of £30.04 psf overall
- / **Exceptional reversionary potential** with average rents at the building reflecting a **29% discount to current prime rents** which now stand in excess of £42.50 psf
- / Opportunity to **drive rental performance** in the near term, **capturing significant reversion** from 2025 on the upcoming 6th floor vacancy
- / **Numerous asset management initiatives** including **genuine regear prospects**, along with **rent reviews on 100% of the income** within the next 4 years
- / Future proofing and **building enhancement opportunities** include amenity upgrades and **improvements to the net zero carbon performance** to increase the CRREM stranding year to 2049
- / Held **long-leasehold** from Birmingham City Council at a **peppercorn rent**, with 233 years unexpired
- / Potential to acquire the **single asset Lux Co SPV**, improving returns

PROPOSAL

Offers are sought in excess of **£101,700,000 (One Hundred and One Million Seven Hundred Thousand Pounds)**, subject to contract and exclusive of VAT, for the long leasehold interest.

A purchase at this level reflects a **highly attractive net initial yield of 9.00%** and a **low Capital Value of £313 psf**. The net initial yield improves to 9.44% if the single asset Lux Co SPV is purchased.





TWO/SNOWHILL

92% of total income is secured against investment grade covenants - Gowling WLG and HS2

BIRMINGHAM

A GLOBAL CITY

As the UK's second city, Birmingham leads on a global scale. Ranking the 10th largest city economy in Europe and the largest regional centre in the UK, the city is a key target for inward investment. Sitting at the centre of the larger West Midlands conurbation, it is an economic and cultural powerhouse which is a major growth engine for the UK.

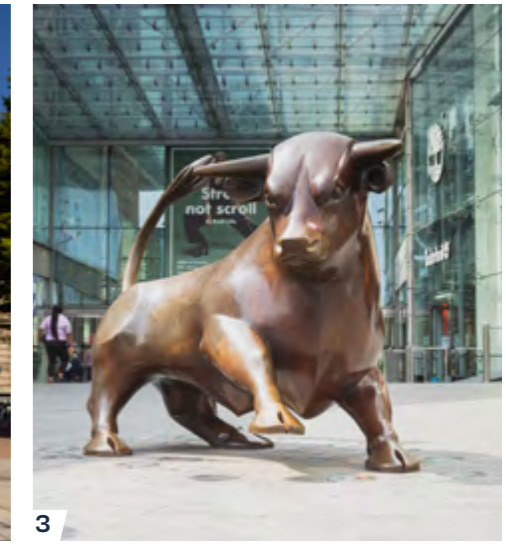
Birmingham has a strong and well-balanced economy and is a major engine of UK growth. It is one of the fastest growing cities in the UK and Europe and has the 10th largest city economy in Europe producing £121 billion per annum (2023 estimate).

The city's business and financial services sector is the second largest in the UK, employing over 130,000 people within the city and 350,000 in the wider region. The city has a highly successful track record of attracting key inward investment. Birmingham produces around 25,000 graduates each year from its three top class universities, benefiting from a growing retention rate which feeds the ongoing success of the City.

In addition to Birmingham's excellent business credentials, the city is home to the International Convention Centre, the NEC, and Arena Birmingham. The city subsequently accounts for 40% of the UK's conference and exhibition trade each year which is bolstered by its unrivalled train links, its international airport and its strategic position at the heart of the UK's transport network.

The city is home to a wide range of global blue-chip companies and national household names including PwC, Aon, EY, Zurich, HMRC, ITV and HMRC. The scale of the workforce which stands at half a million employees, the wealth of retail and leisure on offer and the diversity of the city are all key drivers which attract companies large and small.

- 1 The Mailbox
- 2 Victoria Square
- 3 Bullring Shopping Centre
- 4 Chamberlain Square, Paradise
- 5 The Library of Birmingham
- 6 Utilita Arena Birmingham
- 7 New Street Station / Grand Central
- 8 Brindleyplace
- 9 Centenary Square
- 10 St Phillip's Place



BIRMINGHAM KEY FACTS



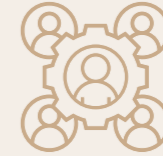
2.95 million
urban area population
(2023)



£121 Billion
GDP city economy



**Youngest major
city in Europe**
40% of the city's population
is under the age of 25



**Major employers investing
in the city including:**
HM Government, Goldman Sachs, HMRC, HS2,
Jaguar Land Rover and Mondelez



**Home to
80,000
companies**



**555,000
employees**
the largest workforce of any
regional city (2022)



**No.1 in the UK
for quality of life**
(source: Mercer Quality
of Life Index)



**World class
universities**
home to 25,000 students,
with over 50% retained
in the city



**Over 45.5
visitors in 2022**
the city's visitor economy
is worth £7.9 billion



18 universities
within an hour's drive
producing 1,200 graduates
per year



**Heart of the
UK transport
network**



**40% of the UK's
conference and
exhibition trade**

BIRMINGHAM WORLD CLASS CONNECTIVITY

Birmingham is located at the very heart of the UK's infrastructure platform

BY ROAD

Birmingham, as a global city, enjoys a world-class, multimodal integrated transport infrastructure that facilitates outstanding local, national, and international connections. Last year, a further £2.7 billion was committed for continued local infrastructure investment.



BY RAIL

Birmingham is a central interchange for the national rail network. The city boasts three main stations: New Street, Snowhill, and Moor Street all providing regular local and national services. Birmingham New Street is the busiest railway station outside London and its £750 million investment has cemented its position as a world-class transport hub. The arrival of HS2 in 2029 will further enhance connectivity, reducing travel time to London to just 45 minutes.



BY METRO

Birmingham features an extensive tram system, known as the Midland Metro. Line 1 is being extended to Edgbaston and Merry Hill Shopping Centre, with Line 2 serving Curzon Street (HS2), Digbeth, and Birmingham Airport. The Metro network is easily accessible from Two Snowhill with the St Chad's stop situated 75 metres from the building.



BY AIR

Birmingham International Airport is located 14km south east of the city. It connects to 143 national and international destinations and serves over 12 million passengers annually. The Airport has seen significant investment, including a runway extension and terminal improvements, making it a global transportation hub.



THE UK'S MOST SIGNIFICANT INFRASTRUCTURE PROJECT

HS2 is set to deliver a high-speed railway providing zero carbon journeys between London and Birmingham. The trains will reach speeds of 225 miles per hour to cut journey times to just 45 minutes and train capacity will double between the UK's two largest cities

Significant investment totalling over £1 billion is being committed to the development of Birmingham's newest station, Birmingham Curzon Street, the first intercity terminus station built in the UK since the 19th Century. The station will be net-zero carbon in operation and BREEAM Excellent adopting sustainable technologies including rainwater harvesting and over 2,800 sq m of solar panels.

A further £724 million is committed to regenerating the area surrounding the station totalling 141 hectares. The magnitude of the investment will expand the traditional boundaries of Birmingham's Central Business District. The immediate area becoming the gateway to the city with significant critical mass which will be of notable benefit to Two Snowhill.

The development is set to further improve access to other modes of transport, with a seamless transition between HS2 and the Midlands Metro, improved pedestrian and cycling links between Digbeth Conservation Area and Birmingham's Knowledge Quarter as well as attractive public realm linking the station to bus links.



HS2 is forecast to boost the West Midlands economy by in excess of £10 billion over the next 10 years



INWARD INVESTMENT AND GROWTH

Birmingham is experiencing unprecedented levels of investment, development and infrastructure improvements as the city continues to expand on the world stage

MAJOR INWARD INVESTMENT FROM OCCUPIERS TOTALLING OVER 1 MILLION SQ FT:

 80,000 SQ FT from 2025	 Government Property Agency 200,000 SQ FT from 2024	 100,000 SQ FT	 HM Revenue & Customs 230,000 SQ FT
 283,000 SQ FT	 170,000 SQ FT	 210,000 SQ FT	 100,000 SQ FT

GROWTH AGENDA



The West Midlands Combined Authority (WMCA) comprises 18 local authorities, including all seven Greater Birmingham Metropolitan Boroughs. The combined authority is working to move decision making from Whitehall to Greater Birmingham to create jobs, develop prosperity, and drive economic growth.

DEVO MAX

The Deeper Devolution deal is the largest in UK history, securing a budget windfall of £1.5bn for the region. Announced by Government in March 2023's Spring Budget, the WMCA has secured significant longer-term funding agreements including 100% business rates retention for 10 years, worth £450 million. The WMCA will also now have a departmental-style arrangement with a single pot of funding negotiated with Government.

MAJOR NEW SCHEMES

SNOWHILL STATION & MASTERPLAN AREA

Two Snowhill is situated in the immediate vicinity of this future scheme. The City Council and West Midlands Combined Authority will in due course begin promoting the future redevelopment of Snowhill Station and the multi-storey car park which will continue to enhance Snowhill's place in the city.



PARADISE

Led by MEPC and Federated Hermes, Paradise is a major regeneration scheme which is delivering 7 new high quality office buildings (1.7m sq ft), a 49-storey residential tower branded Octagon (370 homes) and 3 new public squares, with a £700 million investment into the city. Mid-way through delivery, the wider project is set to complete by 2028.



MARTINEAU GALLERIES

A landmark redevelopment scheme at the entrance to Birmingham Curzon HS2 station. The mixed-use development scheme will comprise up to 1.4 million sq ft of workspace accommodation, up to 1,300 new homes, restaurants, cafés and shops, a 200 bed hotel and high quality public realm connecting and integrating HS2 to the wider CBD.



GREAT CHARLES STREET SQUARE

A vital connection between Snowhill and The Jewellery Quarter, Moda is now on site delivering this much anticipated new scheme. The 2.6-acre gateway site had been unused for over 50 years, but construction has begun to deliver 722 new homes in a variety of buildings, including a signature 39-storey tower overlooking Snowhill Station. The scheme has a GDV in excess of £300m is due for delivery from 2026.



BIRMINGHAM CITY CENTRE



- 1 Three Snowhill
- 2 One Snowhill
- 3 103 Colmore Row
- 4 Moda Great Charles Street

- 5 Victoria Square
- 6 Council House
- 7 Town Hall
- 8 BT Tower

- 9 Birmingham Museum & Art Gallery
- 10 Chamberlain Square
- 11 Paradise
- 12 Grand Hotel

- 13 Birmingham Cathedral
- 14 St Philips Place
- 15 Colmore Gate
- 16 The Colmore Building

- 17 Martineau Galleries
- 18 45 Church Street
- 19 Rackhams

SNOWHILL SITUATION

Snowhill is one of Birmingham's premier office schemes in a 100% prime location in the heart of the CBD, close to a wealth of amenities and transport connections

Snowhill sits within the Colmore Business District, a business improvement district (BID) which has been successfully improving the area for over 15 years. The critical economic hub represents the city's premier concentration of professional service companies, with approximately 6 million sq ft of office accommodation and over 500 companies collectively employing approximately 50,000 staff.

In addition, Snowhill benefits from exceptional access to Birmingham's transport infrastructure, adjacent to Snowhill railway station and St Chads Metro tram stop and is within a 15-minute walk of the new High-Speed 2 terminus, Birmingham Curzon Street. The station is due to become operational in 2030 and will link Birmingham to London in 45 minutes.

The surrounding area comprises high profile modern office developments, with active ground floor frontages including retail, bar, and restaurant facilities. This is further complimented by Colmore Row, a 2-minute walk to the south where landmarks and amenities include The Grand Hotel, St Phillip's Cathedral and Birmingham Museum and Art Gallery.



Colmore Row



Great Western Arcade





Snowhill occupies a 100% prime position in Birmingham's Central Business District

THE SNOWHILL ESTATE

Home to three award-winning office buildings, the Snowhill Estate has exceptional pedigree. Snowhill provides over 1 million sq ft of Grade A office space at the privately managed 4-acre city centre estate and is currently home to 12 high profile corporate occupiers

Completed in 2020, the Snowhill estate boasts four public open spaces – Colmore Square piazza, Metro boulevard, St Chads public space, the winter garden along with Europe’s longest living wall. In addition to the city’s thriving bar, restaurant and retail scene, the Jewellery Quarter and up-and-coming Gun Quarter are within easy pedestrian access.

TENANTS OF THE SNOWHILL ESTATE:

HS2

 **GOWLING WLG**



Landmark
Information Group

BDO


QUILTER CHEVIOT
INVESTMENT MANAGEMENT

mhealthhub.
Together we do

KPMG


BARCLAYS

Carter Jonas

dwf

Phenix
SALON SUITES®



BUILDING OVERVIEW

Two Snowhill is an exceptional Grade A office asset in Birmingham's prime office core. It has been built to the highest design standards and provides fully glazed elevations with an impressive central atrium, together with large and highly flexible open plan floor plates to suit modern occupiers.

The roof terrace provides far reaching views across Birmingham city centre, and the dedicated breakout areas are designed to satisfy flexible modern day occupier requirements.

2013

Year Built

325,289

Total Floor Area (sq ft)

306,492

Offices (sq ft)

9,353

Retail (sq ft)

Up to

25,000 sq ft

Floorplates

15

Ground & Upper
Floors

152

Car Parking
Spaces

The building benefits from the highest levels of natural light and represents one of the most iconic office buildings in Birmingham City Centre

DESCRIPTION & SPECIFICATION

Two Snowhill achieved practical completion in 2013 and provides 306,492 sq ft of high-quality Grade A office accommodation in a landmark office building arranged over ground and 14 upper floors, together with 9,353 sq ft of retail across four ground / lower ground floor units.

The building offers floor plates ranging from approximately 17,000 sq ft – 25,000 sq ft, with the flexibility to sub-divide suit a range of occupational requirements. Car parking for 152 vehicles is available across basement levels, providing an excellent city centre ratio of 1:2,016 psf on office accommodation.

One of the key design features of the building is the impressive full height glazed central atrium, bringing high levels of natural light into the office floors, and provide exceptional ground floor reception and amenity space. The building provides a large roof terrace accessed from 13th floor, providing unrivalled amenity and entertaining outdoor space with unrivalled views across the city centre and beyond.



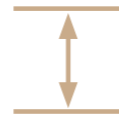
Practical completion achieved in 2013



Strong sustainability credentials – BREEAM Excellent and EPC C (69)



15 storeys with floorplates up to 25,000 sq ft



Impressive double height reception, and full height central glazed atrium



Double glazed glass cladding with solar shading



6 x 26-person passenger lifts
4 x 21-person passenger lifts plus
3 x goods and firefighters lifts



Raised access floors (150mm)



Suspended ceiling with recessed LG7 lighting with smart PIR controls



High quality metal plank grid



4 pipe fan coil air conditioning with multi zone controls



Sophisticated BMS system



Occupational density 1:8 sq m



Basement cycle storage



Showers, changing rooms and lockers



Four highly flexible retail units



2 EV charging points





Full height glazed central atrium bringing high levels of natural light into the office floors

ACCOMMODATION SCHEDULE

The property has been measured by Plowman Craven and provides the following floor areas.

Floor	Use	NIA (sq ft)	IPMS3 (sq ft)
14	Office / Breakout	17,075	17,621
13	Office / Breakout	17,789	23,167
12	Office / Breakout	25,075	25,321
11	Office / Breakout	24,454	24,715
10	Office / Breakout	25,544	25,799
9	Office	24,500	24,743
8	Office / Breakout	25,344	25,584
7	Office	24,176	24,410
6	Office / Breakout	24,842	25,112
5	Office	24,615	24,873
4	Office	24,461	24,716
3	Office	23,940	24,197
2	Office	17,200	17,329
1	Office	7,477	7,513
Offices Subtotal		306,492	315,100
LG - Unit 1	Retail	1,565	-
LG - Unit 2	Retail	3,451	-
G - Unit 3	Retail	1,453	-
G - Unit 4	Retail	2,884	-
Retail Subtotal		9,353	
Ground	B.M.A & Storage	762	34
Basements 1-4	B.M.A & Storage	8,682	3,529
BUILDING TOTAL		325,289	318,663



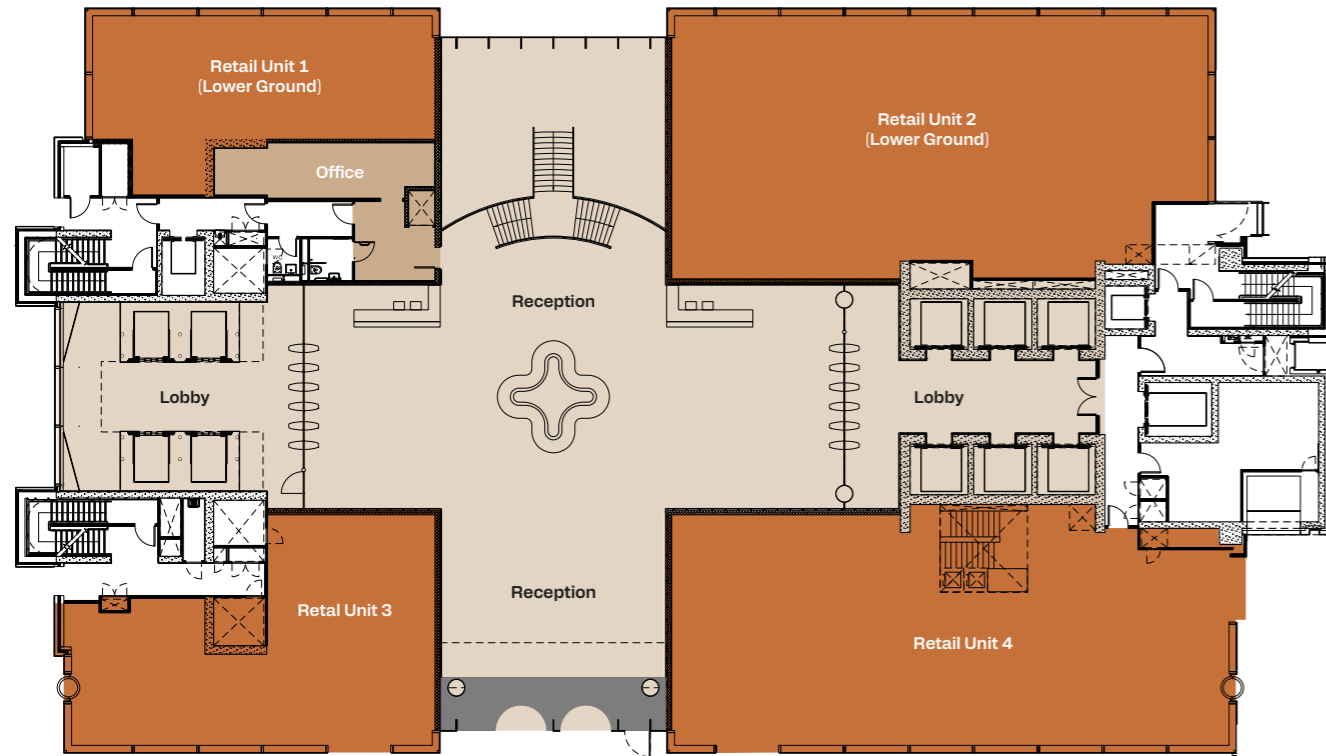


TWO SNOWHILL FLOORPLANS

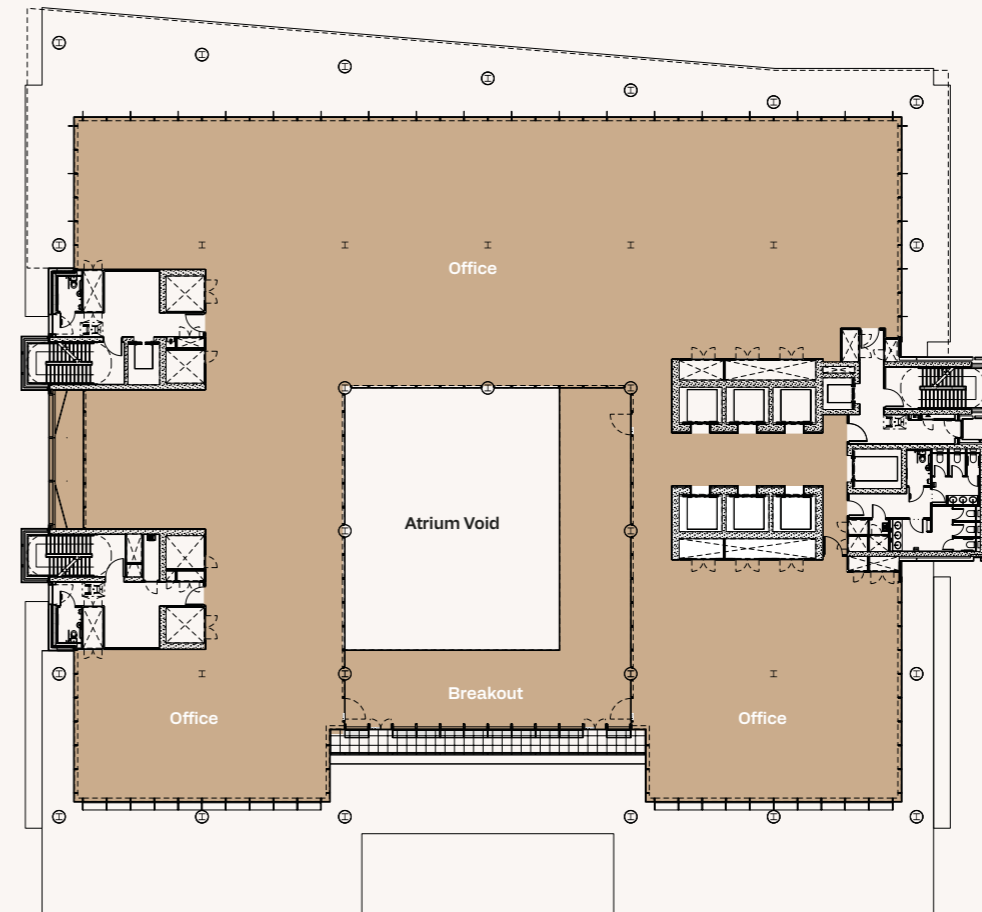


Reception
 Retail
 Office

LOWER GROUND/GROUND FLOOR



TYPICAL LOWER LEVEL
(Floor 2 shown)



TYPICAL UPPER LEVEL
(Floor 14 shown)

ESG OVERVIEW: ENVIRONMENTAL

Asset management initiatives are available to further improve the CRREM pathway alignment to 2049

- 143 kWh/m²/ year - performs better than the CIBSE typical benchmark asset (226 kWh/m²/year) for whole Building Energy Use Intensity (EUI)
- EPC C 69
- EV charging available and capable of expansion
- SMART BMS systems
- Ongoing LED upgrade programme
- Newly installed boiler optimisation system
- Double glazed planar glass with solar shading
- Low water flow on taps and fittings
- Tempered fresh air for reduced energy consumption
- PIR lighting on all walkways
- Biodiversity on site includes green roofs, trees, vegetable planters and one of Europe's largest living walls

NET ZERO CARBON

JLL's Net Zero Design Consulting team conducted a Net Zero Audit for Two Snowhill based on energy consumption data and a site visit.

The audit identifies interventions required to reduce the building's operational energy to bring it closer to NZC targets, alongside the associated costs and energy savings.

CRREM: CARBON RISK REAL ESTATE MONITOR OVERVIEW



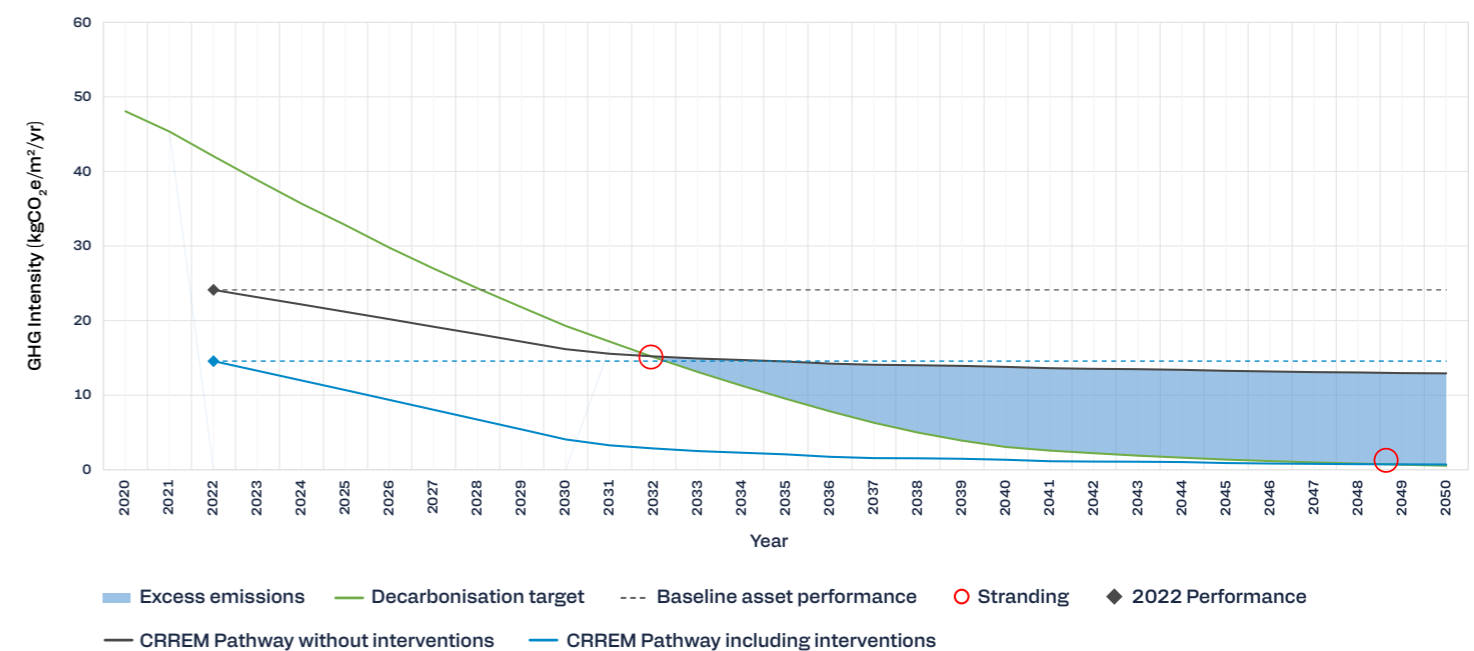
The CRREM tool evaluates an asset's carbon reduction performance against reduction targets (the developed "pathways") in line with the Paris Agreement.

The graph shows that Two Snowhill is currently on the CRREM decarbonisation pathway until 2033. With recommended interventions, this could improve to 2049.

The interventions are majority service charge recoverable and timed to end of equipment life and lease events.

Further details can be found in the technical due diligence reports on the data site.

CRREM RESULTS



ESG OVERVIEW:

SOCIAL

- Accessible buildings:
 - Wheelchair user parking
 - Accessible toilets
 - Lift access
- Adjacent public transport (rail, metro and bus)
- Cycle storage with scope for expansion
- Shower and changing facilities
- Outdoor space access (roof terraces)
- Privately operated gym and wellness hub on the estate
- On site wellness activities open to all tenants
- Two Snowhill is engaged with the Colmore Bid Group: www.colmorebusinessdistrict.com
- Community engagement, hosting events and supporting local businesses
- Charity engagement with:



GOVERNANCE

- Staff and tenant engagement in promoting Sustainability initiatives through regular occupier sessions
- Energy upgrade proposals under consideration through audited quarterly stakeholder meetings
- Deepki system in place to monitor and audit energy consumption

TENANT SUSTAINABILITY

Gowling WLG	Pledged NZC by 2030
HS2	Pledged to provide NZC rail travel by 2035 and NZC emissions from powering their offices and vehicles by 2025
Landmark	Environmental Policy in place

Promoting ESG through building design along with occupier and community engagement

SITE TENURE

Two Snowhill is held long-leasehold from Birmingham City Council under title numbers WM984854 / WM985044 (Airspace long leasehold, not pictured below). The leases are subject to a peppercorn rent for a term of 250 years from 22nd May 2007 expiring on 21st May 2257, thereby providing 233 years unexpired.



Not to scale. For identification purposes only. The plan is based upon the Ordnance Survey Map with the sanction of the controller of H.M. Stationary Office. Crown Copyright reserved.





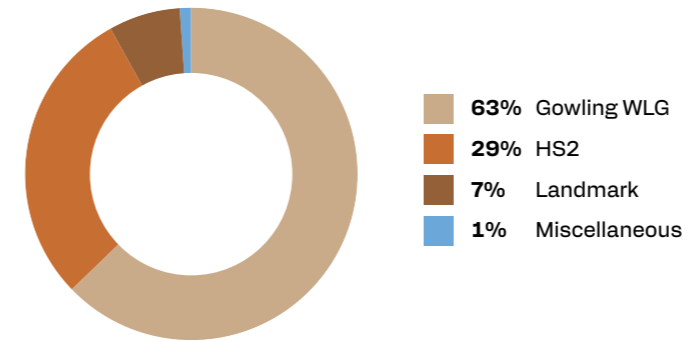
TENANCY OVERVIEW

Two Snowhill is 98% let by floor area to Gowling WLG, HS2 (Secretary of State for Transport) and Landmark with a WAULT of 7.8 years to lease expiries and 4.0 years to earliest terminations. The building provides both Gowling WLG and HS2 with UK HQs, providing strong underlying occupier commitment. The low average rent of £30.04 psf enables a strong basis for growth both at rent review and at forthcoming lease events.

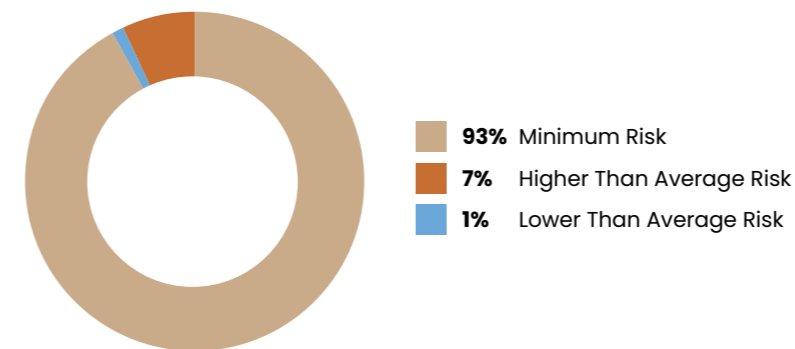
HS2 are in the process of consolidating their occupation, having recently served notice on their 6th floor break option, whilst deciding to retain their 3rd, 4th and 5th floors for the long term. The 6th floor returns to the landlord in January 2025 providing

the opportunity to drive performance over the current passing rent of £28.00 psf. The 6th floor can be refurbished and re-let into a supply-starved market where prime rents now stand at £42.50 psf.

INCOME BY TENANT



INCOME BY COVENANT



WAULT TO EXPIRY

7.8 years

WAULT TO BREAKS

4.0 years

TOTAL CONTRACTED RENT

£9,770,717.50

VACANCY

2% by area
6,469 sq ft (3 retail units)

TENANCY SCHEDULE

Description	Use	NIA (Sq Ft)	IPMS3 (Sq Ft)	Parking Spaces	Tenant	Lease Start	Next Rent Review	Next Break Date	Lease Expiry	Rent (£ Per Annum)	Rent (£ Per Sq Ft)*	Rent (£ Per Space)	Inside LTA Act	Comments
14th Floor	Office / Breakout	17,075	17,621	7	Gowling WLG (UK) LLP	04/04/2013	04/04/2028	04/04/2028	03/04/2033	£550,253.00	£32.70	£2,750.00	Y	Tenant only break option on 12 months notice. 24 month rent penalty on break
13th Floor	Office / Breakout	17,789	23,167	7	Gowling WLG (UK) LLP	04/04/2013	04/04/2028	04/04/2028	03/04/2033	£595,413.50	£32.78	£2,750.00	Y	Tenant only break option on 12 months notice. 24 month rent penalty on break
12th Floor	Office / Breakout	25,075	25,321	10	Gowling WLG (UK) LLP	04/04/2013	04/04/2028	04/04/2028	03/04/2033	£839,052.50	£32.93	£2,750.00	Y	Tenant only break option on 12 months notice. 24 month rent penalty on break
11th Floor	Office / Breakout	24,454	24,715	10	Gowling WLG (UK) LLP	04/04/2013	04/04/2028	04/04/2028	03/04/2033	£809,633.00	£32.95	£2,750.00	Y	Tenant only break option on 12 months notice. 24 month rent penalty on break
10th Floor	Office / Breakout	25,544	25,799	10	Gowling WLG (UK) LLP	04/04/2013	04/04/2028	04/04/2028	03/04/2033	£857,549.00	£33.05	£2,750.00	Y	Tenant only break option on 12 months notice. 24 month rent penalty on break
9th Floor	Office	24,500	24,743	8	Gowling WLG (UK) LLP	04/04/2013	04/04/2028	04/04/2028	03/04/2033	£835,164.00	£33.19	£2,750.00	Y	Tenant only break option on 12 months notice. 24 month rent penalty on break
8th Floor	Office / Breakout	25,344	25,584	10	Gowling WLG (UK) LLP	04/04/2013	04/04/2028	04/04/2028	03/04/2033	£848,952.50	£33.05	£2,750.00	Y	Tenant only break option on 12 months notice. 24 month rent penalty on break. Whole 8th floor sublet to Carter Jones, Quilter Cheviot and Quilter Private Client Advisers, further details available on request
7th Floor	Office	24,176	24,410	9	Gowling WLG (UK) LLP	04/04/2013	04/04/2028	04/04/2028	03/04/2033	£825,055.00	£33.10	£2,750.00	Y	Tenant only break option on 12 months notice. 24 month rent penalty on break. Whole 7th floor is sublet to BDO, further details available on request
6th Floor	Office / Breakout	24,842	25,112		Secretary of State for Transport	01/01/2015		01/01/2025	31/12/2029	£683,601.00	£28.00		Y	Tenant break option was subject to 12 months notice, exercised on the 6th floor only
5th Floor	Office	24,615	24,873		Secretary of State for Transport	01/01/2015	01/01/2025		31/12/2029	£701,527.50	£28.50		Y	2025 tenant break option not actioned, 6 months rent free commences from 01/01/2025 until 30/06/2025
4th Floor	Office	24,461	24,716		Secretary of State for Transport	01/01/2015	01/01/2025		31/12/2029	£697,167.00	£28.50		Y	2025 tenant break option not actioned, 6 months rent free commences from 01/01/2025 until 30/06/2025
3rd Floor	Office	23,940	24,197	30	Secretary of State for Transport	01/01/2015	01/01/2025		31/12/2029	£764,761.50	£28.50	£2,750.00	Y	2025 tenant break option not actioned, 6 months rent free commences from 01/01/2025 until 30/06/2025
Part 1st & 2nd Floors	Office	23,315	23,473	10	Landmark Space Ltd	02/08/2015	02/08/2025	02/08/2025	01/08/2030	£682,088.00	£28.08	£2,750.00	Y	Tenant only break option on 12 months notice
Part 1st Floor	Office	1,362	1,369		Estate Office									Partly funded via service charge
Unit 1	Retail	1,565			Vacant									
Unit 2	Retail	3,451			Vacant									
Unit 3	Retail	1,453			Vacant									
Unit 4	Retail	2,884			Phenix-UK Realty Ltd	03/03/2023	02/03/2028	03/03/2033	02/03/2038	£47,500.00	£16.47		Y	24 month rent free period expiring on 02/03/2025, to be topped up by the Vendor. Tenant only break option on 6 months notice. Open market rent review is subject to a 15% cap on any increase. Guaranteed by Stoneygate Limited until the EBITDA of this site reaches £100,000 pa. The tenant benefits from an option to renew on a 10-year lease.
Ground	B.M.A & Storage	762	34		Landlord									
Basements 1-4	B.M.A & Storage	8,682	3,529		Landlord									
Basement Parking	Car Parking			8	BDO Services Ltd	07/12/2015	07/12/2025	24/03/2028	02/04/2033	£24,000.00		£3,000.00	Y	Tenant only break option on 6 months notice. Includes 4 tandem spaces
Basement Parking	Car Parking			1	Quilter Cheviot Ltd	02/11/2017			04/04/2028	£3,000.00		£3,000.00	N	Licence
Basement Parking	Car Parking			1	Quilter Cheviot Ltd	02/07/2019			04/04/2028	£3,000.00		£3,000.00	N	Licence
Basement Parking	Car Parking			1	Quilter Cheviot Ltd	03/10/2022			04/04/2028	£3,000.00		£3,000.00	N	Licence
Basement Parking	Car Parking			30	Landlord and Vacant									Vacant or currently allocated for ad-hoc landlord and contractor use, building security cabin, disabled access and EV charging. A number of these spaces could be rentalised in the future to serve future lettings or occupier expansion. There are additional tandem spaces not included in this total
TOTAL		325,289	318,663	152				4.0	7.8	£9,770,717.50	£30.04			

* Rental devaluation assumes a 50% rate is applied to the Plowman Craven breakout areas where applicable, please note the leases provisions may vary

** Not shown - non income producing wayleaves with BT, Vodafone, Colt Technology, Virgin Media and Electricity Sub-Station agreement

TENANT COVENANTS



Gowling WLG is a leading multinational law firm, formed by the merger of Canada based Gowlings and UK based Wragge Lawrence Graham & Co in 2016.

The business has over 1,500 legal professionals across 19 offices worldwide, including Toronto, Beijing, Dubai, Sao Paolo, Munich, and Paris. Gowling WLG is focused on key global sectors, including energy, financial services, life sciences, natural resources, infrastructure, real estate, and tech. Two Snowhill is their flagship registered office.

Gowling WLG (UK) LLP (company no. OC304378) has a N1 D&B rated credit score, representing a minimum risk of business failure.

63% of contracted income www.gowlingwlg.com

Recent financial performance is summarised as follows:

	30 April 2023	30 April 2022	30 April 2021
Turnover	£206,757,000	£204,422,000	£187,013,000
Profit Before Taxes	£816,000	£1,022,000	£975,000
Tangible Net Worth	(£67,000)	(£183,000)	(£616,000)
Net Current Assets	£70,743,000	£66,104,000	£49,353,000



Two Snowhill is the national headquarters for the UK Government's High Speed 2 infrastructure project.

The Secretary of State for Transport operates the Department for Transport, the government department responsible for the English transport network. The Department for Transport works with government agencies and partners to support the transport network that helps the UK's businesses and gets people and goods travelling around the country. The department plans and invests in transport infrastructure to keep the UK on the move.

HS2 is a new high-speed railway linking up London, the Midlands, the North and Scotland, connecting around 30 million people.

29% of contracted income www.hs2.org.uk

HS2 is a state-of-the-art, high-speed line critical for the UK's low carbon transport future. It will provide much-needed capacity across the country and is integral to rail projects in the North and Midlands- helping rebalance the UK economy.

As a government department, The Secretary of State for Transport offers an undoubted covenant strength.



Landmark Space is a leading serviced office, co-working, and virtual office provider operating 40 centres in 9 UK locations.

Landmark have over 15,000 UK based customers covering a range of sectors. Two Snowhill is the largest Landmark centre in Birmingham, with the company also operating a smaller centre in Brindleyplace.

Landmark Space Ltd (company no. 05374141) has a 3A1 D&B rated credit score, representing a minimum risk of business failure.

7% of contracted income www.landmarkspace.co.uk

Recent financial performance is summarised as follows:

	31 December 2022	31 December 2021	31 December 2020
Turnover	£82,777,000	£64,060,000	£95,906,000
Profit Before Taxes	(£5,822,000)	(£12,480,000)	(£29,542,000)
Tangible Net Worth	£12,648,000	(£27,590,000)	(£19,723,000)
Net Current Assets	£12,051,000	(£23,763,000)	(£6,259,000)



BIRMINGHAM OFFICE MARKET

Birmingham has one of the most established office markets in the UK, with over 19 million sq ft of built stock, along with a high-quality business community and a vibrant Central Business District. The supply - demand dynamics in the Birmingham office market are compelling, and Two Snowhill offers a unique opportunity to benefit from an existing lack of available supply and strong recent rental growth.

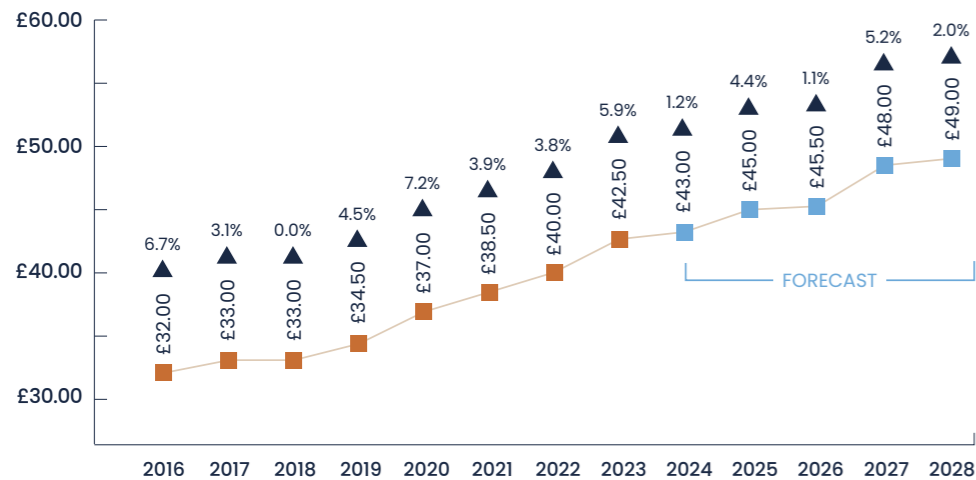


Market conditions provide an exceptional platform to implement a successful asset management strategy for both the current tenancies and upcoming vacancy, extending the term and growing income over time.



RENTS AND FUTURE GROWTH

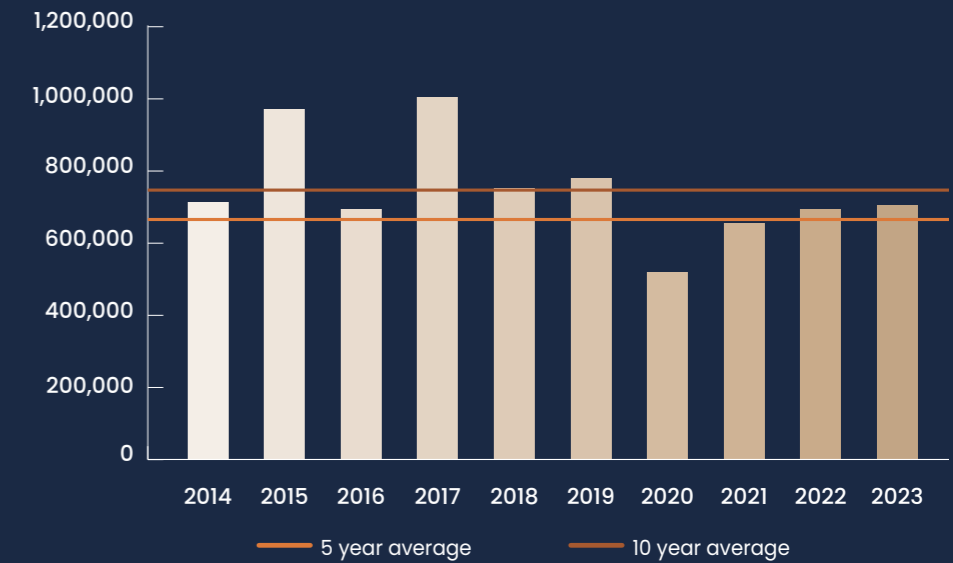
Prime office rents in Birmingham currently stand at £42.50 psf, having grown strongly over recent years, rising from £32.00 psf in 2016. There has been year-on-year growth averaging over 4.00% per annum over this period, and growth of 5.90% during 2023. JLL forecasts that rents will continue to move 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 average rent at Two Snowhill is £30.04 psf, offering significant reversionary potential.



Prime rents in Birmingham currently stand at £42.50 psf, a 29% premium to the average rent at Two Snowhill and are forecast to reach close to £50.00 psf over the next 5 years, providing a strong base for rental performance.

TAKE UP

Birmingham's CBD market has experienced an extremely strong 10 years, with a number of record years of take up recorded. 2023 saw a robust and positive take-up picture, with take-up improving year on year 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. There is a notable flight to quality evident in the marketplace, with the very best accommodation set to outperform. Two Snowhill is well positioned to build on the existing tenancies by creating market leading refurbished space at the upcoming vacancy on 6th Floor, in tandem with wider amenity improvements, to capture a new premium rental level within the building.



DEMAND

Tenant demand is extremely strong, with a record Q4 2023 of take-up showing a notable recent uptick in market absorption. There is currently over 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 multiple 30,000 sq ft + requirements. The upcoming vacancy at Two Snowhill will be well placed to capture this existing and future tenant demand.

KEY LETTING TRANSACTIONS

Date	Building	Occupier	Size (Sq Ft)	Rent (PSF)
Under Offer	One Snowhill	Trowers & Hamlin	15,000	£36.00
Under Offer	45 Church Street	Howden Insurance	10,206	£35.00
Q4 2023	The Colmore Building	Kennedys Law	6,279	£39.00
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
Q4 2022	103 Colmore Row	Colliers	9,215	£40.00
Q4 2022	One Centenary Way	Goldman Sachs	110,000	£38.50

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 delays.

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 a 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. The current live requirements due to place space under offer in the near term will reduce this Grade A vacancy further.

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 lower than previous years, offering a window of limited competition for newly refurbished stock. 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, which Two Snowhill is well placed to benefit from.



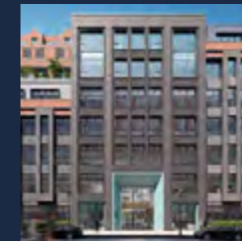
The upcoming vacancy on 6th floor has the potential to offer some of the highest quality Grade A space in the Birmingham marketplace



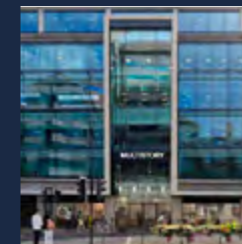
Billiards Building
2024 Refurbishment
Floorplate Size: 4,000 - 8,500 sq ft
Target Rent: £37.50 psf +
Size: 34,351 sq ft
Under Offer: 8,000 sq ft



5 St Philips Place
2024 Refurbishment
Floorplate Size: 19,000 sq ft
Target Rent: £40.00 psf +
Size: 60,000 sq ft



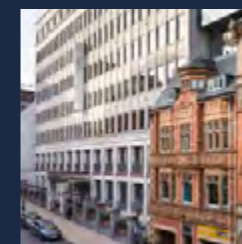
19 Cornwall Street
2024 Refurbishment
Floorplate Size: 9,600 sq ft
Target Rent: £37.50 psf +
Size: 133,000 sq ft



Multistory
2024 Refurbishment
Floorplate Size: 41,000 sq ft
Target Rent: £35.00 psf +
Size: 90,000 sq ft



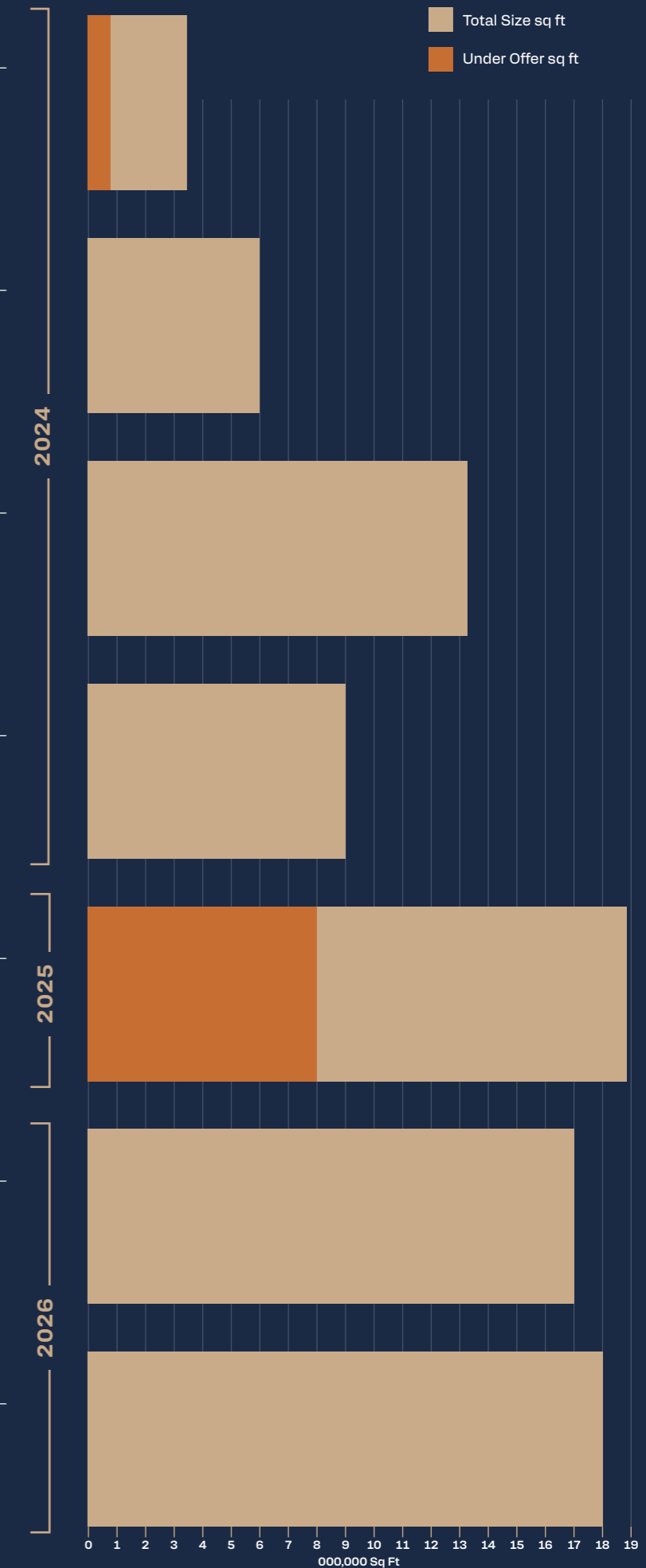
Three Chamberlain Square
2025 New Build
Floorplate Size: 22,000 sq ft
Target Rent: £43.00 psf +
Size: 189,000 sq ft
Under Offer: 80,000 sq ft



120 Edmund Street
2026 Refurbishment
Floorplate Size: 21,000 sq ft
Target Rent: £37.50 psf +
Size: 170,000 sq ft



Drum, Grand Central
2026 Refurbishment
Floorplate Size: 17,000 sq ft
Target Rent: £40.00 psf +
Size: 180,000 sq ft



FUTURE SUCCESS THROUGH DEVELOPMENT



TWO/SNOWHILL



1. Smithfield

Developer: Lendlease
Scheme: Major 17 hectare mixed use quarter
Details: Over 3,000 residential units, retail space & other uses
Status: In Planning, 2027+ delivery



2. Birmingham Curzon St (HS2)

Developer: HS2
Scheme: New Railway Station
Details: Intercity terminus station & Public Realm
Status: Under Construction, 2030+ delivery



3. Martineau Galleries

Developer: Hammerson
Scheme: Major office & residential led mixed use quarter
Details: Office, Residential (1,300 units) & other uses
Status: Outline Consent, 2030+ delivery



4. Post & Mail

Developer: Chatham & Billingham
Scheme: Office & Residential
Details: 250,000 sq ft offices, 150 residential units
Status: Subject to Funding, 2027 + delivery



5. Snowhill BTR

Developer: HUB Group & MARK
Scheme: Residential
Details: 462 units
Status: Subject to Funding, 2026+ delivery



6. Great Charles Street Square

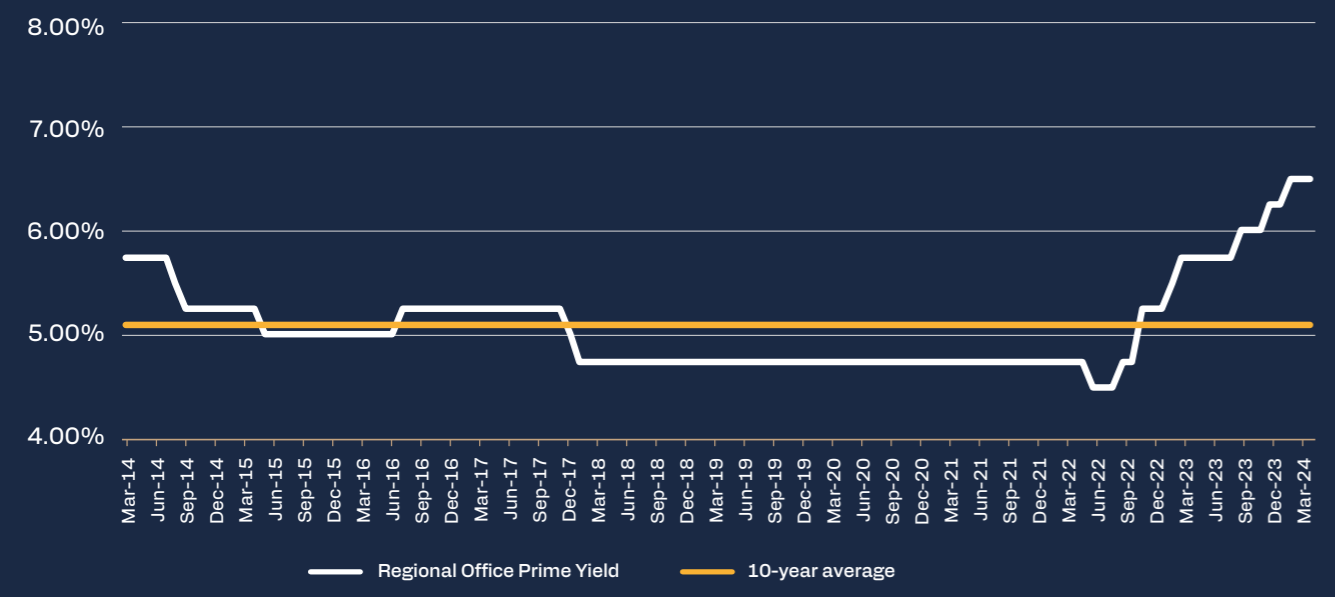
Developer: Moda Living
Scheme: Residential Led Mixed Use Community
Details: Over 700 residential units in a number of buildings
Status: Under Construction, 2025+ delivery

INVESTMENT MARKET ATTRACTIVE BUYING CONDITIONS

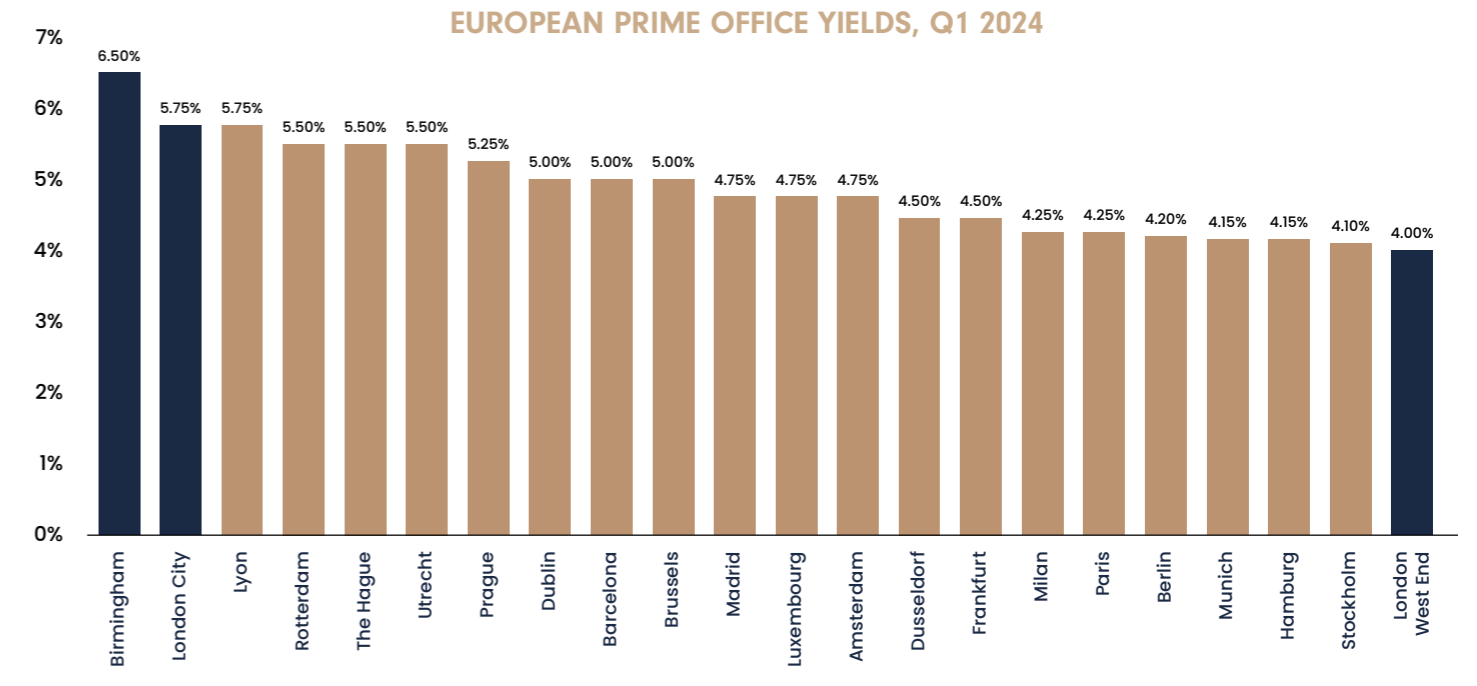
- ↑** Prime Birmingham office yields are at a historic high point rising from 4.75% 24 months ago to 6.50% today
- %** Two Snowhill offers an attractive arbitrage from current 5-year SWAP rates, with exceptional upside
- %** Markets forecasts predict prime regional office yields are likely to begin hardening towards the end of 2024
- 🌱** Investor demand for best in class ESG enhanced assets remains resilient and poised to rebound
- ↓** Interest rates are expected to fall
- 📍** Birmingham is a top UK city with significant level of inward investment and notable ongoing rental growth



HISTORICALLY ATTRACTIVE YIELD ENTRY POINT



UK CITIES OFFER ATTRACTIVE RELATIVE PRICING DYNAMICS



ASSET MANAGEMENT INITIATIVES/BUSINESS PLAN

1 - 2 YEARS

SHORT-TERM OBJECTIVES

Initiative	Result
Action rent reviews on HS2 and Landmark leases due in January 2025 and August 2025	Capture significant reversion on 30% of existing income, which currently averages less than £28.50 psf
Refurbish, reposition and relet upcoming 6th floor vacancy, which returns to landlord in January 2025	Opportunity to set a new headline rent . Existing 6th floor rent is £28.00 psf with a refurbished ERV of close to £40.00 psf
Opportunity to link 6th floor refurbishment with upgrade to building's end of journey facilities and amenity provision	Improve building profile to secure new headline rent, and aides tenant retention
Capitalise on Gowling's commitment to their UK Headquarters by negotiating the removal of their break options	Improve the WAULT to 7.1 years if break is removed on 7th – 14th floors
Explore break removal and expansion conversations with Landmark who are performing well, at over 90% occupancy	Improve WAULT and facilitate future self generation of occupiers for the building
Let three vacant retail units totalling 6,469 sq ft, or explore an alternative use for some of this accommodation	Take building occupancy to 100%



3 + YEARS

MEDIUM & LONG-TERM OBJECTIVES

Initiative	Result
Explore direct leases with Gowling's subtenants on the 7th & 8th floors	Grow income, extend term, and receive 24 month rent penalty on space released
Action next rent reviews and capitalise on the constrained development pipeline in Birmingham city centre together with the upcoming delivery of HS2	Significant rental reversion on over 60% of existing income
Initiate recommendations in the ESG Audit including replacing end of life cycle plant to improve the sustainability credentials	Achieve EPC A and increase the CRREM decarbonisation pathway from 2033 to 2049
Benefit from the flexibility of the floorplates and explore subdividing any floors which come back	Help grow rental tone and enable the building to cater to all size requirements
Review car parking rates and increase all to £3,000 per space	Grow the rent by up to £27,750 pa
Given the quality of the property and the nature of the tenant's occupation/businesses, there is strong potential to restructure and extend the leases	Increase WAULT and liquidity at exit



FURTHER INFORMATION

VAT

The property has been elected for VAT.

EPC

C(69)

CAPITAL ALLOWANCES

Further information available upon request.

SERVICE CHARGE

There is a comprehensive service charge operating at Two Snowhill, with a current budget of £3,706,819 pa. The service charge is inclusive of the estate charge. Further details are available on request.

CORPORATE

The property is held in a single asset Lux Co SPV, which is potentially available to purchase. Further details are available on request.

SURVEY PACK

A suite of surveys has been prepared, with reliance/assignment available:

- Building & M&E Survey - Hollis
- Measured Survey - Plowman Craven
- Environmental Survey – Ramboll
- Cladding Survey – Tee Technical
- Net Zero Carbon Audit - JLL

DATA ROOM

Access to the data room can be provided upon request.

PROPOSAL

Offers are sought in excess of **£101,700,000 (One Hundred and One Million, Seven Hundred Thousand Pounds)**, subject to contract and exclusive of VAT, for the long leasehold interest.

A purchase at this level reflects a **highly attractive net initial yield of 9.00%** and a **low Capital Value of £313 psf**. The net initial yield improves to 9.44% if the single asset Lux Co SPV is purchased.

CONTACTS

SIMON VERRALL

E: simon.verrall@jll.com

M: +44 7815 940 656

BEN KELLY

E: ben.kelly@jll.com

M: +44 7809 198 910

JESSICA LOVERIDGE

E: jessica.loveridge@jll.com

M: +44 7933 388 374

BETHANY POPPLE

E: bethany.popple@jll.com

M: +44 7596 316 628



MISREPRESENTATION ACT 1967 | DISCLAIMER COPYRIGHT © JONES LANG LASALLE IP, INC. 2022 All rights reserved. Jones Lang LaSalle for themselves and for the vendors of this property whose agents they are give notice that: a) The particulars are set out as general outline only for the guidance of intending purchasers and do not constitute, nor constitute part of, an offer or contract. b) The information contained in this communication has not been independently verified. No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained herein. Neither Jones Lang LaSalle nor any of their employees, directors, advisers and / or representatives shall have any responsibility or liability whatsoever for any loss howsoever arising from any use of or reliance upon this communication or its contents or any further communication relating to the subject matter of this communication or otherwise arising in connection with this communication. The information set out herein is confidential and may be subject to updating, completion, revision, verification and amendment and such information may change materially. c) No person in the employment of Jones Lang LaSalle has any authority to make or give any representation or warranty whatever in relation to the subject matter of this communication. May 2024. Designed and produced by Creativeworld Tel: 01282 858200.

