



10
CANONS WAY
BRISTOL





A **COMPREHENSIVELY
REFURBISHED** CITY CENTRE
HEADQUARTERS OFFICE
INVESTMENT SECURED
TO **INVESTMENT GRADE
CREDIT** ON A **LONG LEASE**
WHERE THE TENANT HAS
RECENTLY **CONSOLIDATED
INTO THE BUILDING**

PROMINENT
HEADQUARTERS
OFFICE LET TO LLOYDS
BANKING GROUP ON A
REVERSIONARY RENT



INVESTMENT SUMMARY

- **Landmark headquarters office** building located in Bristol city centre, within walking distance from Temple Meads railway station.
- Bristol is a **leading UK office centre** and one of the strongest markets outside of Central London, highly sought after by both occupiers and investors.
- **Prominent freehold site on Harbourside**, the city's vibrant mixed-use development, close to Bristol's bustling bars, shops and restaurants.
- **BREEAM 'Excellent' building** arranged over basement, ground and four upper floors providing 176,611 sq ft of bright and highly specified accommodation.
- Lloyds Banking Group has just completed a **£15 million upgrade / refurbishment having recently consolidated** their operations into 10 Canons Way.
- Let to Bank of Scotland Plc for **8.1 years term certain** at a passing rent of £5,709,191 per annum reflecting a low overall rent of £32.33 per sq ft.
- Bank of Scotland Plc has a S&P Global and Fitch rating of A+ providing **secure, investment grade credit**.
- Fully occupied by Lloyds Banking Group who have **strong ESG commitments** including achieving operational Net Zero Carbon by 2030.
- **Significant latent reversionary potential** with prime headline rents in Bristol currently at £48 per sq ft trending upwards.



PROPOSAL

Offers are invited for the freehold interest, subject to contract and exclusive of VAT.



BREEAM 'EXCELLENT'
BUILDING BENEFITTING
FROM A RECENT
£15 MILLION UPGRADE /
REFURBISHMENT

10 CANONS WAY HIGHLIGHTS



STRONG ESG CREDENTIALS

BREEAM 'EXCELLENT' BUILDING WITH A TENANT FOCUSED ON ACHIEVING OPERATIONAL NET ZERO CARBON BY 2030



TENANT COMMITMENT

LLOYDS BANKING GROUP HAS JUST COMPLETED A £15 MILLION UPGRADE / REFURBISHMENT HAVING RECENTLY CONSOLIDATED THEIR OPERATIONS INTO 10 CANONS WAY



LONG LEASE

8.1 YEARS TERM CERTAIN IS COMPARATIVELY RARE IN TODAY'S MARKET



SECURE CREDIT

LET TO BANK OF SCOTLAND PLC WHO HAS A S&P GLOBAL AND FITCH CREDIT RATING OF A+



REVERSIONARY POTENTIAL

PASSING RENT IS AT A 33% DISCOUNT TO THE CURRENT BRISTOL HEADLINE RENT OF £48 PER SQ FT PROVIDING SIGNIFICANT LATENT REVERSION



ACCRETIVE DEBT

ACCRETIVE DEBT WITH THE POTENTIAL TO GENERATE ATTRACTIVE CASH-ON-CASH RETURNS



BRISTOL
CITY CENTRE



10
CANONS WAY
BRISTOL

BRISTOL

A CITY OF THE FUTURE

Bristol is the 5th largest conurbation in the UK and the capital of the South West and featured in the Sunday Times Best Places to Live Guide 2023 based on the city's creative and professional jobs, great food and drink and culture. Bristol is amongst the most attractive, successful and culturally prestigious cities in the UK with a diverse population of over 479,000 from more than 185 countries.



EDUCATION AND INNOVATION

Bristol benefits from two outstanding universities, the University of Bristol and the University of the West of England, with almost 40% of students choosing to stay in the city post-graduation, one of the highest student retention rates in the UK. The University of Bristol is currently developing a £500 million Innovation and Enterprise Campus at Temple Quarter focusing on digital, business and social innovation. It is anticipated the Campus will deliver over £620 million of employment and financial benefit to the regional economy over the next decade.

DIVERSIFIED ECONOMY

Bristol is a globally recognised destination for innovation and technology. The forecasted growth rate of jobs in this sector is 5.7% over the next 5 years. Bristol is also home to a diverse mix of sectors including creative and media, life sciences, aerospace engineering and financial services, making it the second fastest growing of all the Core Cities in England and Wales after Manchester.

TECH LANDSCAPE

Bristol ranks among the top 20 European hubs for tech venture capital in 2022, attracting more than £380 million of investment. The city is home to 216 tech startups, including 4 unicorn companies – Graphcore, OVO Energy, Vertical Aerospace and Pax8. Bristol tech companies account for 36% of the city's high-growth businesses, ranking within the top 5 in the 'Tech Power League' in 2021.



EUROPEAN GREEN CAPITAL

Bristol is globally recognised for its sustainability efforts with the city being the first in the UK to be presented with the European Green Capital Award. Bristol is the UK's first Cycling City as well as a Fairtrade City which sees it trading with almost 5 million workers in 58 developing countries. Bristol City Council has produced an ambitious One City Climate Strategy which sets out a framework for Bristol to be carbon neutral and climate resilient by 2030.



RICH IN HISTORY AND CULTURE

Bristol is a thriving cultural hub that encompasses art, history, music, sport, and theatre. It is home to Wallace and Gromit and famous street artist, Banksy, as well as two professional football clubs and the Bristol Bears rugby club. Standing at the heart of the city is Bristol Cathedral, known for its remarkable architecture and historical significance, dating back 900 years.

MEMBER OF THE UNESCO CREATIVE CITIES NETWORK

Bristol is recognised and celebrated for its cultural diversity and sustainable development.

BRISTOL
KEY FACTS



42%

REDUCTION
IN EMISSIONS
SINCE 2005



4

UNICORN COMPANIES:
OVO ENERGY,
GRAPHCORE, VERTICAL
AEROSPACE AND PAX8



£500M

INVESTMENT IN NEW
INNOVATION AND
ENTERPRISE CAMPUS
AT TEMPLE QUARTER



2030

COMMITMENT TO NET
ZERO CARBON



TOP 5

'TECH POWER LEAGUE'
TABLE 2021



£600M

PLANNED
INVESTMENT IN
CLEAN ENERGY
BY 2028



5.7%

FORECASTED
JOB GROWTH
OVER THE NEXT
5 YEARS



£330M

OF VENTURE CAPITAL
INVESTMENT IN TECH
STARTUP'S IN 2023



BRISTOL

EXCEPTIONAL CONNECTIVITY

Bristol benefits from exceptional connectivity domestically and internationally through a well-developed transportation network. Bristol has two mainline railway stations (Temple Meads and Parkway) serving routes across the UK. The city is connected to the M4 and M5 motorways and has an extensive bus network. Bristol Airport offers direct flights to 118 destinations in Europe and North Africa.



ROAD

From 10 Canons Way	Time
Cardiff	50 mins
Reading	1 hr 20 mins
Exeter	1 hr 25 mins
Oxford	1 hr 25 mins
Birmingham	1 hr 40 mins
London	2 hrs

Bristol is located 118 miles west of London at the junction of the M4 and M5 motorways. The city centre is 4 miles from the M4/M5 intersection via the M32.



RAIL

From Bristol Temple Meads	Time
Cardiff	42 mins
Exeter	54 mins
Reading	1 hr 5 mins
Birmingham	1 hr 17 mins
London Paddington	1 hr 29 mins
Heathrow Airport	1 hr 59 mins

Bristol Temple Meads is located just one mile from 10 Canons Way. The electrification of the Great Western Mainline reduced the journey time between Bristol Temple Meads and London Paddington by 14 minutes and increased capacity by 15,000 seats during weekdays.



AIR

From Bristol Airport	Time
Dublin	1 hr
Amsterdam	1 hr 10 mins
Paris	1 hr 20 mins
Frankfurt	1 hr 40 mins
Milan	2 hrs 5 mins
Madrid	2 hrs 20 mins

Bristol International Airport is 8 miles from the city centre and served by a dedicated coach service. It offers scheduled flights to over 100 destinations including all major European cities and is one of the fastest growing regional airports in the UK.



1 HR 29 MINS
fastest journey time from
Bristol Temple Meads to
London Paddington



53 TRAINS DAILY
between Bristol and
London Paddington



OVER £7.5 BILLION
invested by Great
Western Railway including
electrification of the line

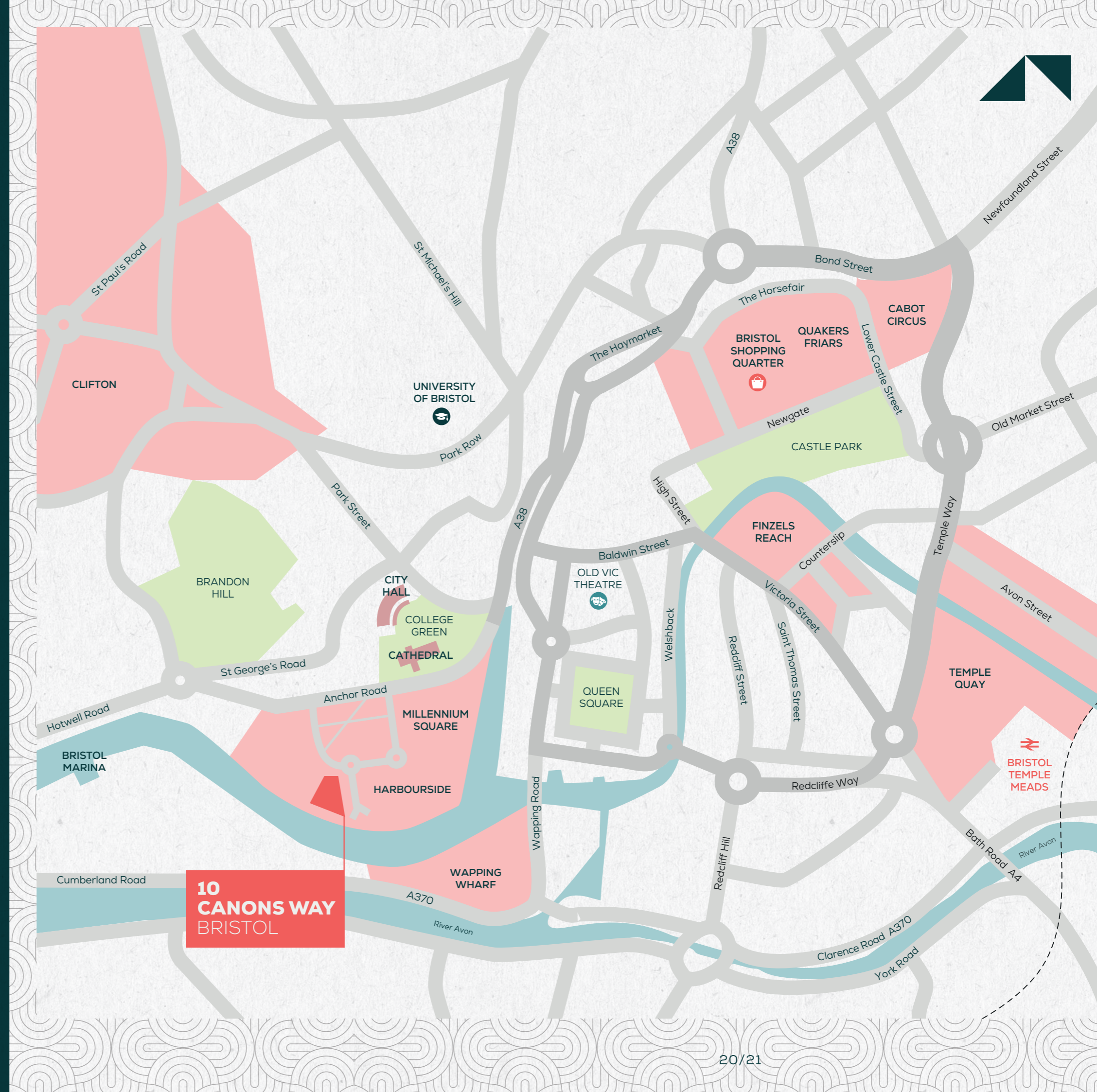
HARBOURSIDE SITUATION

10 Canons Way is situated on Harbourside, at the heart of Bristol's mixed-use regeneration zone. Harbourside has become one of the city's key business districts and is home to prominent occupiers including Hargreaves Lansdown, Triodos Bank, and the Environment Agency.

The Waterfront is a vibrant mixed-use location comprising of office, residential and leisure occupiers, including Lane7, Las Iguanas and Prezzo. This collective mix creates a vibrant community in the centre of the city.

10 Canons Way is located within close proximity to civic amenities such as Millennium Square, Bristol Aquarium and We The Curious and benefits from 1,000 public parking spaces from Millennium Square and the Britannia Harbourside both with 24 hour access.

At weekends, the harbour is alive with bustling markets, waterside restaurants and commonly host sports and activities including windsurfing, paddle boarding, cycling and rowing.



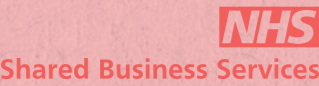
HARBOURSIDE OCCUPIERS

COMMERCIAL

HARGREAVES
LANSDOWN



Triodos Bank



LEISURE

BREWDOG



TESCO
Express

S&L



Lane7

COSTA
COFFEE

ZA
ZA
BRAZILIAN



10 CANONS WAY OVERVIEW

10 Canons Way comprises a comprehensively refurbished city centre landmark headquarters office building arranged over five storeys. Developed by Crest Nicholson Plc and completed in 2007, the building's attractive design incorporates a large, glazed atria and an extensive glazed waterfront elevation, which provides bright and highly specified accommodation.

The property is arranged over basement, ground and four upper floors and provides 176,611 sq ft of Grade A office accommodation. The ground floor is principally used for reception, meeting, conference and training rooms, together with a gym and an impressive café/dining area. The upper floors provide open plan offices with breakout areas. The basement level is primarily used for parking, bicycle storage as well as showers and changing rooms.

10 Canons Way has triangular floorplates with a central core providing excellent divisional flexibility allowing for multiple occupation.



10 CANONS WAY SPECIFICATION

Lloyds Banking Group has recently completed a comprehensive upgrade / refurbishment of 10 Canons Way at a cost of £15 million, which included the following works:

- Full Cat B fit out
- New and enhanced collaboration spaces, meeting rooms, furniture and common facilities
- Refreshed reception and break out areas
- Large staff café/restaurant upgrades
- New LED lighting
- New partitioning
- New decoration and floor finishes
- Refurbished toilet blocks
- Data cabling access floor
- Gym upgrades
- EV charging points



BREEAM
'EXCELLENT'



FULL HEIGHT
GLAZED ATRIUM



CHILLED
BEAM AIR
CONDITIONING
SYSTEM



FLOOR TO
CEILING
HEIGHTS OF
2.8M



FULL ACCESS
RAISED
FLOORS
(400MM VOID)



SIX 13-PERSON
PASSENGER
LIFTS



DDA
COMPLIANT



EV CHARGING
FACILITIES



CANTEEN



GYM FACILITIES



SHOWER
FACILITIES AND
LOCKERS



SECURE
BICYCLE RACKS



95 SECURE
BASEMENT
CAR PARKING
SPACES



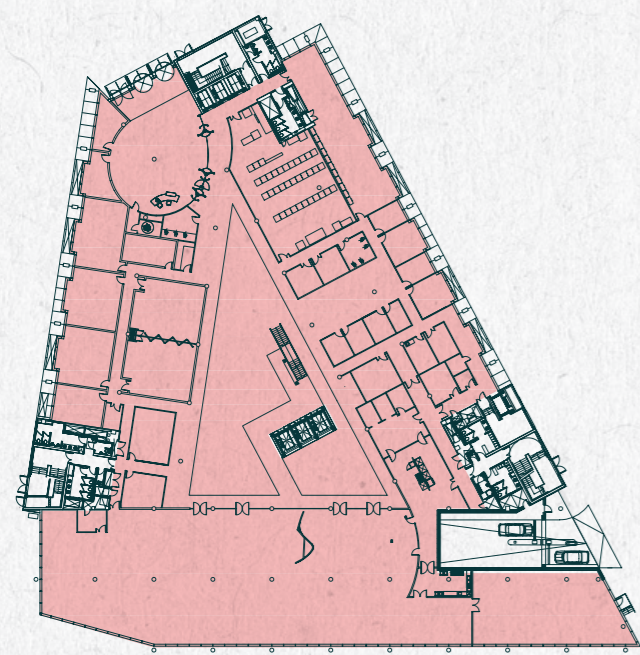
38 MOTORCYCLE
SPACES



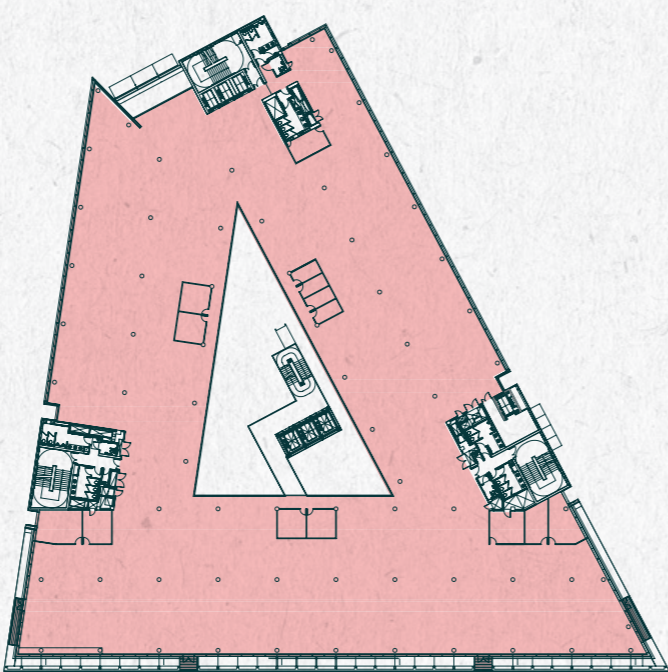
10 CANONS WAY
ACCOMMODATION

The property has been measured by Plowman Craven in accordance with the RICS Code of Measuring Practice (5th Edition). The property provides the following floor areas:

FLOOR	USE	IPMS 3 (SQ M)	IPMS 3 (SQ FT)	NIA (SQ M)	NIA (SQ FT)
Fourth	Office	3,407.0	36,673	2,861.9	30,806
Third	Office	3,442.8	37,058	3,380.7	36,390
Second	Office	3,442.0	37,049	3,376.9	36,350
First	Office	3,443.7	37,068	3,381.8	36,401
Ground	Office	3,447.4	37,107	2,875.6	30,954
	Reception/Atrium			530.5	5,710
TOTAL		17,183	184,955	16,407.4	176,611



Ground Floor



First Floor



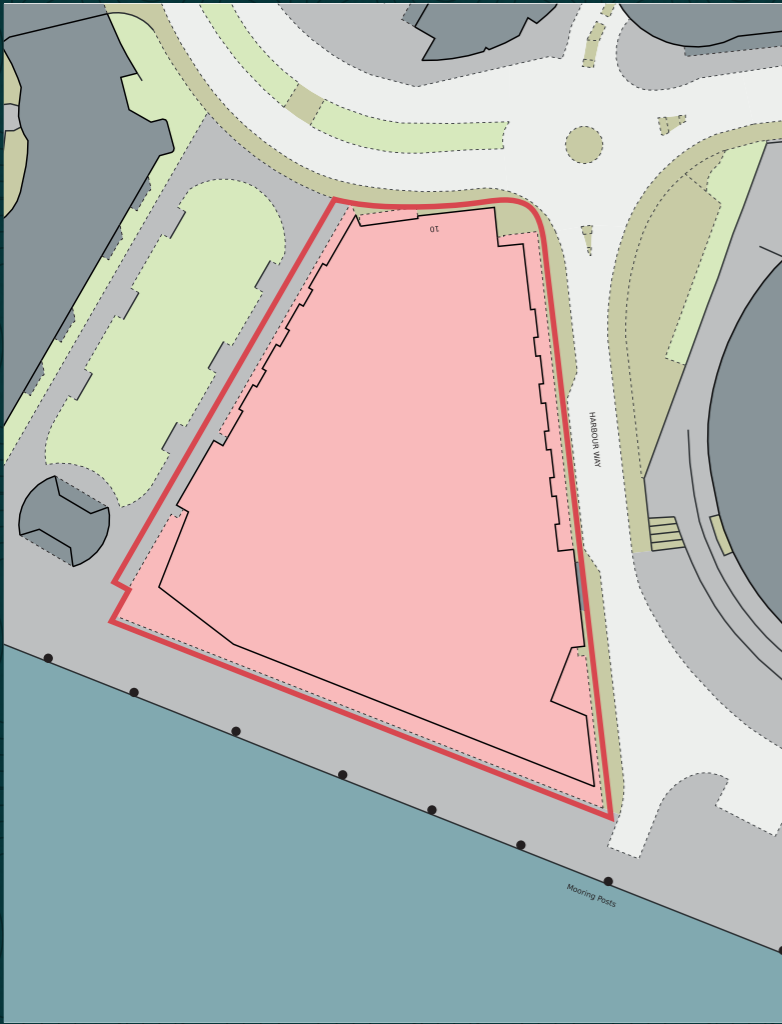
10 CANONS WAY SITE & TENURE

SITE

The site extends to 1.19 acres (0.48 hectares).

TENURE

10 Canons Way is held freehold under title number BL81158 as outlined in red on the plan.



10 CANONS WAY TENANCY

10 Canons Way is wholly let to Bank of Scotland Plc by way of a fully repairing and insuring lease expiring 1 November 2032, providing an unexpired term of 8.1 years. The property is occupied by Lloyds Banking Group.

The current passing rent is £5,709,191 per annum which equates to £32.33 per sq ft overall. There are no further rent reviews.

Scottish Widows Limited act as guarantor to the lease by way of AGA dated 21 December 2018. The lease is subject to restrictions on assignment, most significantly where the proposed assignment will have a materially detrimental effect on the value of the landlord's reversionary interest. Assignment cannot be restricted where it is to a Government or Local Authority covenant, or to a company that is listed within the FTSE 100 or with a S&P Global rating of A+ [or better].

FOLLOWING A COMPREHENSIVE UPGRADE /
REFURBISHMENT, 10 CANONS WAY IS THE REGIONAL
HUB OF LLOYDS BANKING GROUP, WHO HAS
CONSOLIDATED THEIR SOUTH WEST OPERATIONS FROM
THE NEIGHBOURING CANONS HOUSE, DEMONSTRATING
THEIR COMMITMENT TO THE BUILDING



10 CANONS WAY
COVENANT OVERVIEW

Lloyds Banking Group is one of the UK’s largest banking institutions, formed in 2009 by the merging of HBOS and Lloyds TSB. The group has four subsidiaries, namely, Lloyds Bank, Halifax, Bank of Scotland, and HBOS.

Bank of Scotland Plc is a retail and commercial bank that for over 320 years has been supporting the people, business, and communities of Scotland.

Scottish Widows was set up in 1815 and has over 6 million customers across the UK. Scottish Widows’ product range includes life cover, critical illness, income protection, workplace and individual pensions, annuities as well as savings and investment products.

CREDIT RATINGS

Bank of Scotland Plc

A+	S&P Global Ratings	A1	MOODY’S RATINGS
A+	FitchRatings	5A1	dun&bradstreet



BANK OF SCOTLAND

SCOTTISH WIDOWS

Bank of Scotland Plc (Tenant)

Accounts Y/E	31/12/2023	31/12/2022	31/12/2021
Turnover	£12,385,000,000	£8,883,000,000	£7,754,000,000
Pre-tax profits	£351,000,000	£1,137,000,000	£2,316,000,000
Shareholders Funds	£16,591,000,000	£16,038,000,000	£14,035,000,000

Scottish Widows Limited (Guarantor)

Accounts Y/E	31/12/2023	31/12/2022	31/12/2021
Turnover	£7,304,000,000	£8,723,000,000	£7,679,000,000
Pre-tax profits	£(180,000,000)	£260,000,000	£132,000,000
Shareholders Funds	£1,164,000,000	£1,797,000,000	£2,235,000,000



LLOYDS BANKING GROUP

ESG COMMITMENTS



ACHIEVE
OPERATIONAL
NET ZERO
CARBON BY 2030



ACHIEVE WATER
NEUTRALITY
AND ZERO
WASTE BY 2030



50% WOMEN
IN SENIOR ROLES
BY 2025



FOUNDERS
OF THE NET
ZERO BANKING
ALLIANCE



ACHIEVED £21.7 BILLION
OF SUSTAINABLE
FINANCE SINCE
JANUARY 2022



ON THE PATH TO
NET ZERO BY 2050,
OR SOONER



REDUCE
EMISSIONS FROM
SUPPLIERS
BY 50% BY 2030



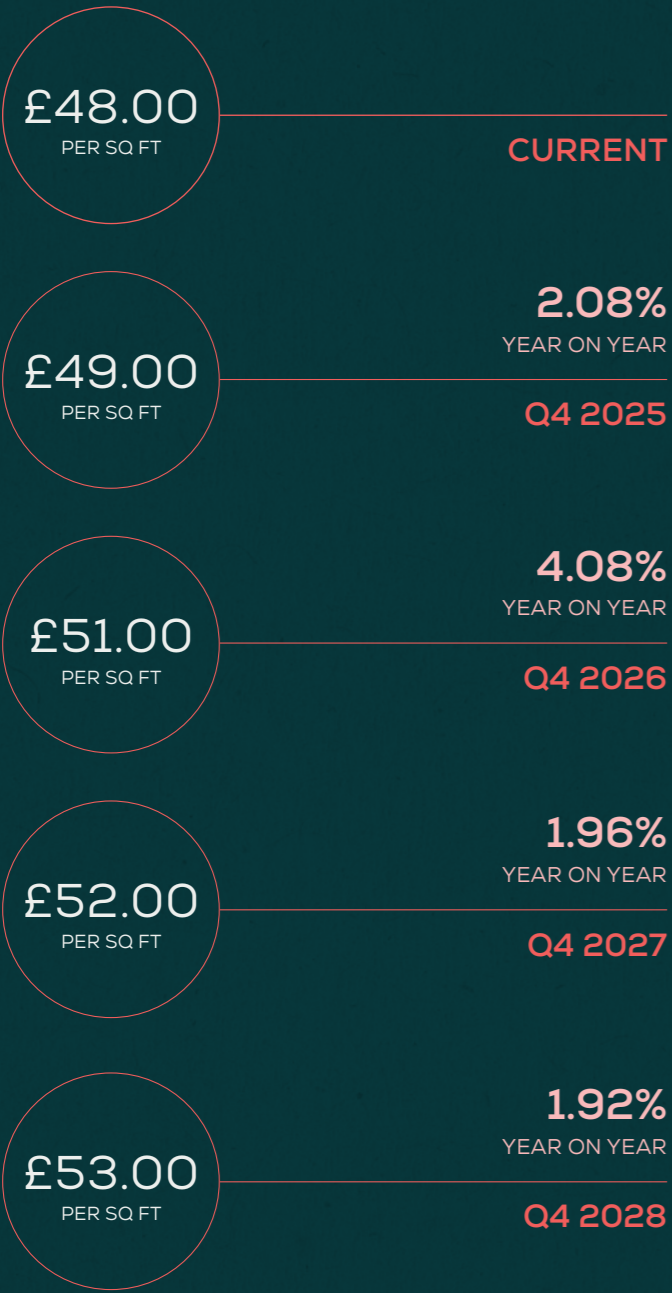
IN PARTNERSHIP
WITH THE UKGBC
AND WORLD
BUILDING COUNCIL

Lloyds Banking Group Sustainability Report 2023: [Read here](#)

BRISTOL

OCCUPATIONAL MARKET

BRISTOL PRIME OFFICE RENTAL GROWTH FORECAST



Source: JLL Research



PRIME RENTS
REACHED A
RECORD HIGH OF
£48.00 PER SQ FT,
WHICH IS THE
HIGHEST ACROSS
THE BIG 6 OFFICE
MARKETS



BRISTOL HAS
EXPERIENCED
253,000 SQ FT BEING
TAKEN UP IN H1 2024.
THIS IS 70% UP ON
THE SAME PERIOD
IN 2023



BRISTOL HAS
2.5% PER ANNUM
FORECASTED
RENTAL GROWTH
FOR THE NEXT
4 YEARS



THE LARGEST
LETTING IN
2023 TOTALLED
66,317 SQ FT



AVERAGE GRADE A
DEAL SIZE IN
2023 TOTALLED
10,187 SQ FT



PROFESSIONAL
SERVICES
ACCOUNTED FOR
42% OF TAKE UP
IN H1 2024



BRISTOL OFFICE
VACANCY RATE
REMAINS STABLE
AT 5.1% IN Q2 2024,
ONE OF THE LOWEST
GRADE A AND
OVERALL VACANCY
RATES OUT OF THE
SIX LEADING CITIES
IN THE UK



405,300 SQ FT OF
SPECULATIVE SPACE
IS DUE TO COMPLETE
BY END OF 2024



BRISTOL CONTINUES
TO SEE A "FLIGHT
TO QUALITY" WITH
GRADE A OFFICES
ATTRACTING PRIME
OCCUPIERS



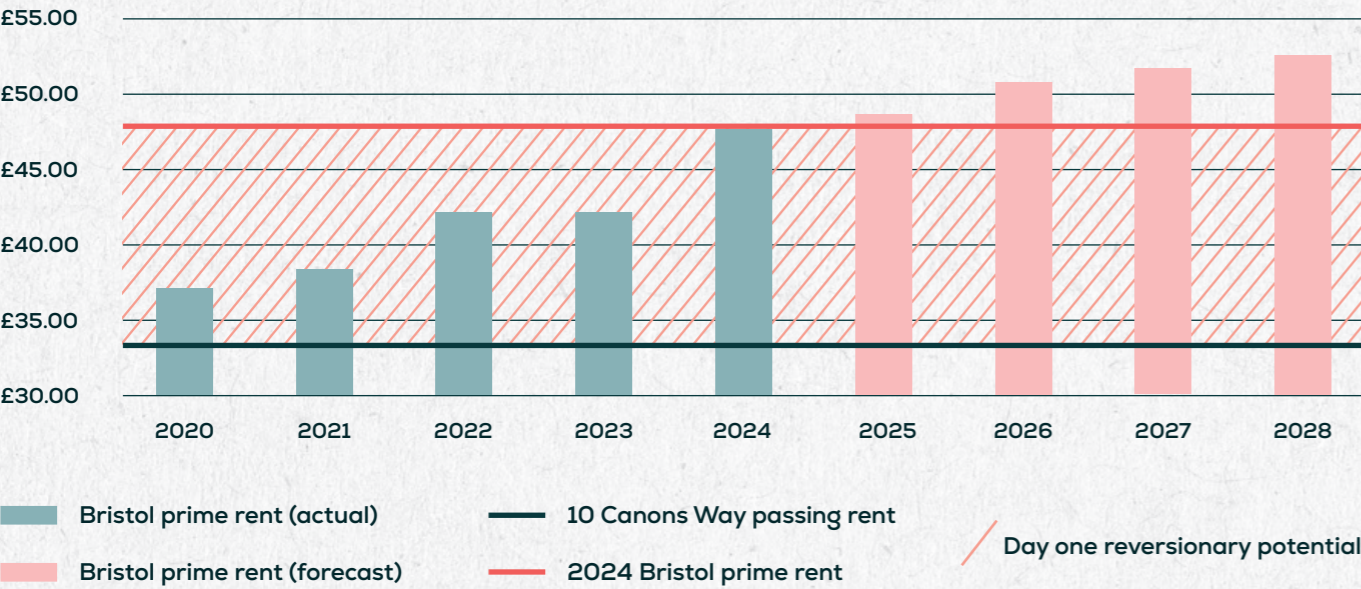
IN 2023, 57% OF
TAKE UP WAS OF
GRADE A OFFICE
SPECIFICATION,
WHICH IS ABOVE THE
5-YEAR AVERAGE

BRISTOL OCCUPATIONAL MARKET

BRISTOL COMPARABLE EVIDENCE

Date	Address	Area (sq ft)	Tenant	Rent (psf)	Lease Length
Q2 2024	EQ	6,000	Knights	£48.00	15
Q2 2024	EQ	7,400	Birketts	£46.00	10
Q2 2024	EQ	12,000	Rathbones	£45.00	10
Q2 2024	One Hundred	7,700	Royal Sun Alliance	£44.50	10
Q2 2024	Assembly B	4,500	Knight Frank	£43.50	10
Q2 2024	10 Victoria Street	7,000	SS&C Financial Services	£42.00	5
Q2 2024	Welcome Building	44,000	DAC Beachcraft	£45.00	10

10 CANONS WAY REVERSIONARY POTENTIAL



ADDITIONAL INFORMATION

DATA ROOM

Access to the Data Room is available on request.

EPC

The property has an EPC rating of C (61).

CAPITAL ALLOWANCES

The benefit of any unclaimed Capital Allowances will be passed to the purchaser on completion.

VAT

The property is not elected for VAT.

AML

In accordance with Anti-Money Laundering (AML) Regulations, the purchaser will be required to satisfy the vendor on the source of the funds used to complete the transaction.

SPV

The property is offered for purchase by way of the sale of 100% of the shares in the SPV which holds the freehold interest in the property.

Further detail is available on request.



10 CANONS WAY BRISTOL

DEBT



JLL DEBT ADVISORY

The JLL debt team is currently advising on the financing of \$1.2 billion of European office financings across 11 transactions having completed \$2.4 billion of office financings over the past 24 months.

Lender appetite is focussed on best-in-class assets and long-let assets. The tenant covenant strength and long unexpired lease term will provide lenders with additional comfort, allowing them to unlock competitive terms.

Below we have set out indicative financing assumptions for this acquisition, which is informed by our live and similar mandates. There is broadly similar depth of liquidity in the first two leverage and pricing scenarios with lenders preferring lower leverage exposure on office assets at 50% LTV, however liquidity in the 60% leverage range still exists albeit with a small lender pool.

LTV	50%	55%	60%
Term	3 years	3 years	3 years
Margin	2.30% - 2.60%	2.50% - 2.80%	3.00% - 3.50%
Lender Fees	1.00%	1.00% - 1.25%	1.25%
Amortisation	Interest Only	Interest Only	1% - 1.5% per annum
Target Lenders	Banks & Insurance Companies	Banks & Insurance Companies	Core Debt Funds

CASH-ON-CASH RETURNS

Based on the commencing rent and guide price, 10 Canons Way has the potential to generate the following gross day-one cash on cash returns:

Margin	3 Year SONIA*	All-in Cost	LTV	Return
2.30%	3.73%	6.03%	50%	9.75%
2.45%	3.73%	6.18%	50%	9.61%
2.60%	3.73%	6.33%	50%	9.46%

* As at 1 October 2024

To discuss financing options for this acquisition, please contact David Barry.

David Barry
07881 249 808
david.barry@jll.com

PROPOSAL

Offers are invited for the freehold interest, subject to contract and exclusive of VAT.



CONTACTS

LONDON



NOEL LANDER
07931 371 825
noel.lander@eu.jll.com



YASMIN FOLEY
07709 507 207
yasmin.foley@jll.com

BRISTOL



OLIVER PAINE
07767 240 854
oliver.paine@jll.com



SHANNON JOHNS
07849 636 665
shannon.johns@jll.com

///survey.nests.script

10 CANONS WAY
HARBOURSIDE
BRISTOL BS1 5LF



DISCLAIMER
JLL for themselves and for the vendors or lessors of this property whose agents they are, give notice that:- a. the particulars are set out as a general outline only for guidance and do not constitute, nor constitute part of, an offer or contract; b. all descriptions, dimensions, references to condition and necessary permissions for use and occupation, and other details are believed to be correct, but any intending purchasers, tenants or third parties should not rely on them as statements or representations of fact but satisfy themselves that they are correct by inspection or otherwise; c. no person in the employment of JLL has any authority to make or give any representation or warranty whatever in relation to the property; d. Any images may be computer generated. Any photographs show only certain parts of the property as they appeared at the time they were taken. © 2024 Jones Lang LaSalle IP, Inc.

