

126

Colmore Row

BIRMINGHAM B3 3AP

Colmore Row
TO LET
Refurbished
suites from
400 sq ft

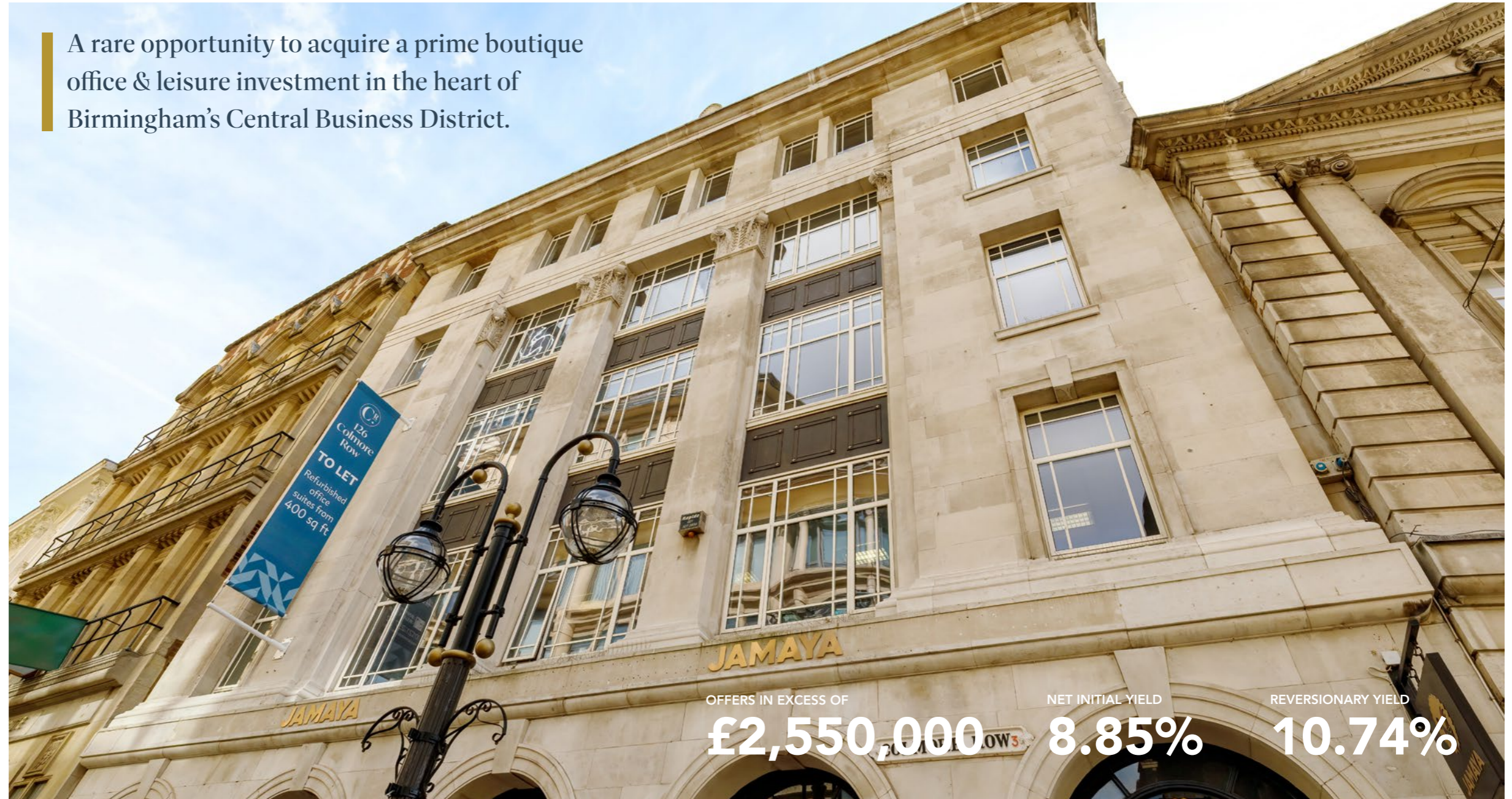
MK2
REAL ESTATE

PRIME CBD INVESTMENT OPPORTUNITY

Investment Summary

- > Birmingham is the UK's second largest city, with excellent transport links and a fast-growing economy.
- > 126 Colmore Row is one of Birmingham's most prestigious addresses, found at the heart of the Central Business District with a variety of amenities within the local vicinity.
- > Boutique office building with leisure offer on the ground floor.
- > 86% of upper floors refurbished.
- > Total current passing rent of £240,304 pa including Rental Guarantees of 12 months on vacant units.
- > Offers in excess of **£2,550,000 (Two Million, Five Hundred and Fifty Thousand Pounds)** subject to contract and exclusive of VAT reflecting a **net initial yield of 8.85%** and a reversion to approximately **10.74%** after allowing purchasers costs of 6.39%.

A rare opportunity to acquire a prime boutique office & leisure investment in the heart of Birmingham's Central Business District.



OFFERS IN EXCESS OF

£2,550,000

NET INITIAL YIELD

8.85%

REVERSIONARY YIELD

10.74%



SNOWHILL DEVELOPMENT

SNOWHILL STATION

GRAND HOTEL

103 COLMORE ROW

ST. PHILIPS PLACE

BULL RING

126
Colmore Row

GRAND CENTRAL

NEW STREET

NEW STREET STATION

BIRMINGHAM MUSEUM
& ART GALLERY

VICTORIA SQ

TOWN HALL

PARADISE



Situation

126 Colmore Row occupies a prime, highly prominent position within the City Centre, positioned on Colmore Row, at the heart of the Central Business District (CBD), bordering Victoria Square and the Paradise office scheme.

The property benefits from Birmingham's superior infrastructure links, being within walking distance of the city's tram, bus and rail networks and will be within walking proximity to the HS2 station at Curzon Street Station.

The surrounding area comprises a mix of modern and period high value office buildings and contemporary retail and leisure facilities. The recent development of 103 Colmore Row, Birmingham newest office skyscraper, and Paradise scheme further promotes the location as Birmingham's premier concentration of professional and business services, with over 500 companies located within the area.



Located at the heart of Birmingham's Central Business District



Description

Built in the 1900s, the property is an attractive multi let period office that has been refurbished to provide a modern, high specification mixed use asset. All whilst retaining many its original characteristics and features at the property.

It is arranged over 7 floors. The basement and ground floor is dedicated leisure space, whilst the upper floors are modern self contained office suites.

The first, second and third floors provide two individual suites per floor, front and rear, whereas the fourth and fifth floor comprise only one suite per floor. The total floor area of the upper office floors extends to 6,961 sq ft, with suites ranging from 399-1,279 sq ft.

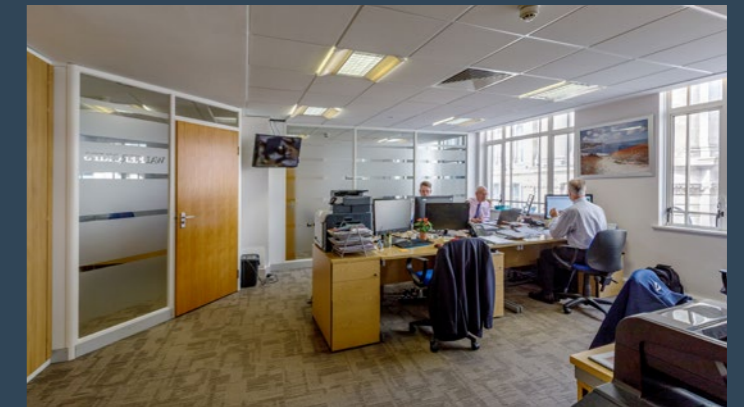
Property has been comprehensively refurbished with the specification include LED lighting, comfort cooling/heating and intercom, double glazed systems to each suite.



Accommodation

The property has been measured in accordance with the RICS Code of Measuring Practice (6TH Edition) and provides the following approximate Net internal Area.

| PROPERTY AREAS | SQM | SQFT |
|----------------------|---------------|-------------|
| Basement | 48.22 | 519 |
| Ground Floor | 198.26 | 2134 |
| First Floor (Front) | 93.27 | 1004 |
| First Floor (Rear) | 68.66 | 739 |
| Second Floor (Front) | 105.63 | 1137 |
| Second Floor (Rear) | 37.07 | 399 |
| Third Floor (Front) | 114.55 | 1233 |
| Third Floor (Rear) | 39.76 | 428 |
| Forth Floor | 106.93 | 1151 |
| Fifth Floor | 80.83 | 870 |
| Total | 893.17 | 9614 |



Tenancies

The property is let to 3 tenants as set out in the schedule.

The total passing rent of **£240,304** per annum to include with Rental Guarantees,

Currently 46% of the building is occupied providing for asset management opportunity to drive rents through new tenancies.



JAMAYA CC LIMITED

Company No: 12483333

A multi-award winning independent Jamaican restaurant which have two restaurants in the UK, one located at 126 Colmore Row and the other in Solihull. Buttershaw Limited is guarantor to the lease.



WALKER CRIPS INVESTMENT MANAGEMENT LIMITED

(Walker Crips Stockbrokers Limited)

Company No: 04774117

An investment management service who has been trading for over a century. From individual share trading to discretionary portfolio management across ISA's, JISAs, SIPPs and SASS's.

2022 Accounts: Net Assets £16.36m and profit before tax £505,000.

REGISTERED ADDRESS LTD

Company No: 05295565

A private company offering address services, company formation and accountancy for annual company returns.

2022 Accounts: Net Assets £3.05m. Profit and Loss Account £434,440. Cash in bank/in hand: £1,432,047.

| PROPERTY | TENANT | DEMISED AREA (sqft) | LEASE FROM | TERM | LEASE EXPIRY | RENT REVIEW | BREAK BREAK | CONTRACTED RENT | RENT (£/sqft) | ERV RENT (pa) | ERV (£/sqft) | RENT WITH RGS | COMMENTS |
|--------------------|-----------------------------------|---------------------|------------|------|--------------|-------------|-------------|-------------------|---------------|-----------------|--------------|-----------------|---|
| Basement & Ground | Jamaya CC Limited | 2653 | 02/07/2021 | 10 | 01/07/2031 | 02/07/2026 | 02/07/2026 | £65,000 | £24.50 | £101,870 | £45.00 | £65,000 | Restaurant and Kitchens fitted out to tenants specification. Low passing rent. |
| First Floor Front | Walker Crips Stockbrokers Limited | 1004 | 27/09/2019 | 4 | 26/09/2023 | - | - | £27,028 | £26.92 | £28,112 | £28.00 | £27,028 | Lease renewal terms agreed, 5 years, £27,028 pa. Completion imminent. Previous rent £22,750 pa. |
| First Floor Rear | Registered Address Ltd | 739 | 14/05/2021 | 5 | 13/05/2026 | - | - | £7,390 | £10.00 | £20,692 | £28.00 | £7,390 | Landlord to provide 12 month Rental Guarantee |
| Second Floor Front | Vacant | 1137 | - | - | - | - | - | - | - | £30,699 | £27.00 | £30,699 | Landlord to provide 12 month Rental Guarantee |
| Second Floor Rear | Vacant | 399 | - | - | - | - | - | - | - | £10,773 | £27.00 | £10,773 | Landlord to provide 12 month Rental Guarantee |
| Third Floor Front | Vacant | 1233 | - | - | - | - | - | - | - | £33,291 | £27.00 | £33,291 | Landlord to provide 12 month Rental Guarantee |
| Third Floor Rear | Vacant | 428 | - | - | - | - | - | - | - | £11,556 | £27.00 | £11,556 | Landlord to provide 12 month Rental Guarantee |
| Fourth Floor | Vacant | 1151 | - | - | - | - | - | - | - | £31,077 | £27.00 | £31,077 | Landlord to provide 12 month Rental Guarantee |
| Fifth Floor | Vacant | 870 | - | - | - | - | - | - | - | £23,490 | £27.00 | £23,490 | Landlord to provide 12 month Rental Guarantee |
| TOTAL | | 9614 | | | | | | £99,418.00 | | £291,560 | | £240,304 | |

The Birmingham Office Market

The Birmingham office market has shown great resilience post pandemic in Q1 and Q2 of 2023, showcased by the 3-year high take-up of office space within the city when compared to previous years Q1 and Q2 combined performance.

2023 Q1 AND Q2 COMBINED UPTAKE

331,215 sqft via 54 transactions

2022 Q1 AND Q2 COMBINED UPTAKE

292,860 sqft

2021 Q1 AND Q2 COMBINED UPTAKE

253,336 sqft.

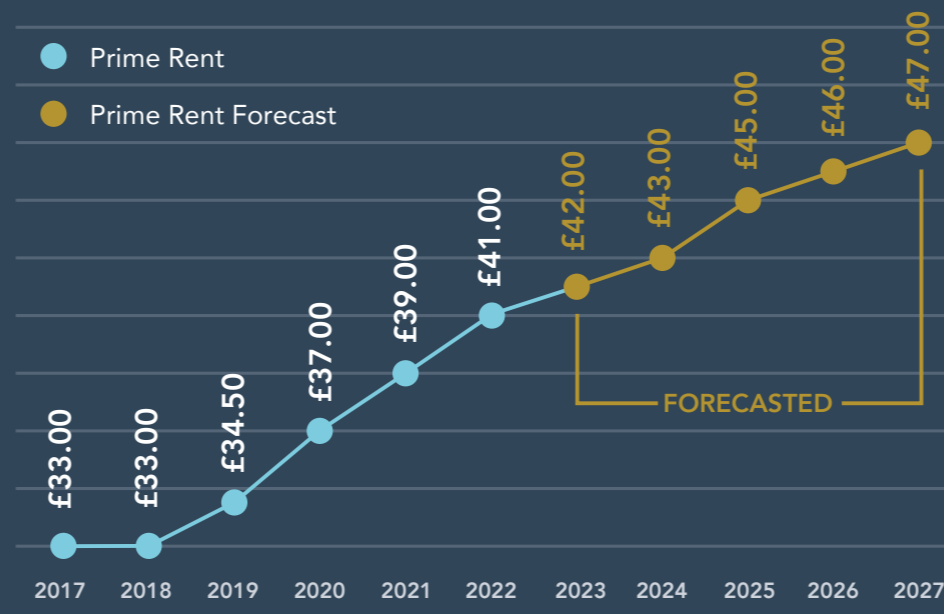
Further growth in the Birmingham CBD office market is also expected, with employment within the city centre projected to grow by 5% in the next 5 years and an estimated 9,200 jobs to be created in the professional and tech sectors over the next 10 years.

Subsequent competition for space is also creating an upward trend in rental demand and growth within the city, with current prime rents now being quoted at £42/sqft and predicted to rise to £47/sqft within the next 5 years.

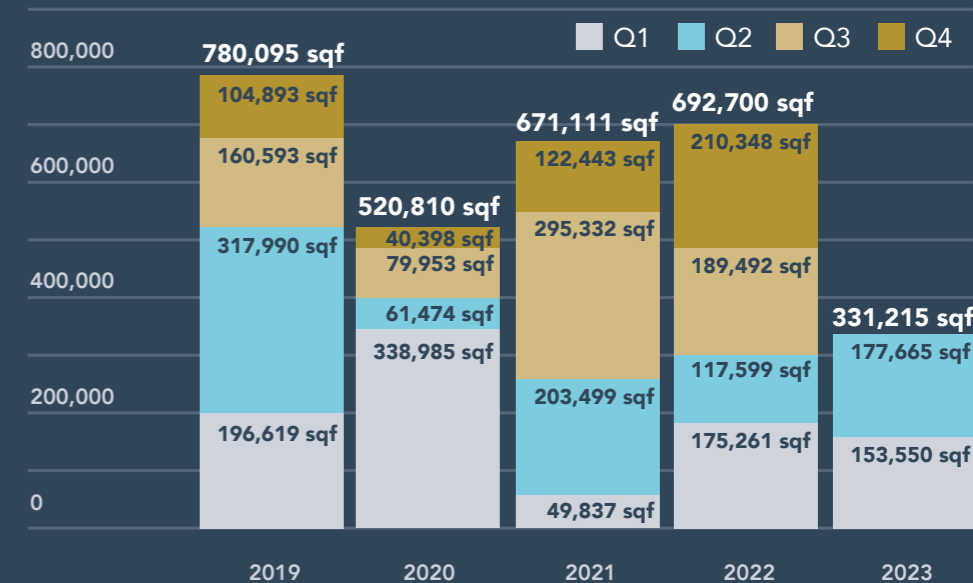
The most active segment of the market has been for suites of sub 5,000 sqft which 126 Colmore Row is ideally placed to service.

Many occupiers in the market are driven more than ever by office location and proximity to a range of amenities to positively incentivise employees to the office space. Making the CBD location more desirable than ever, offering both extensively.

BIRMINGHAM OFFICE RENTS



BIRMINGHAM OFFICE TAKE UP (2019-2023)



KEY STATISTICS



72%

Grade A proportion of take-up over the last five years



18

Completed office transactions in Q1 2023



45,000 sqft

Largest transaction in Q1 2023



5%

Expected office-based employment increase over the next five years



9,200

New jobs in the professional, tech and scientific sector in the next ten years

Recent Transactions

| KEY LETTINGS TRANSACTIONS | SPACE LET SQ FT | ACHIEVED RENT £PSF | DATE | TERM | TENANT |
|--|-----------------|--------------------|----------|----------|---------------------------|
| 22-30 Church Street, B3 2NP | 1,090 | £41.28 | Sep 2023 | 15 Years | Townhouse 20 Limited |
| 2-12 Corporation St, B2 4RN | 2,155 | £32.48 | Aug 2023 | 10 Years | Cha Dudes Limited |
| 36 Bennetts Hill, Birmingham B2 5SN | 1,765 | £22.50 | May 2023 | 5 Years | Fire Landscape Architects |
| The Southside Building, 27-43 Hurst St, B5 4BD | 2,398 | £21.50 | Apr 2023 | 5 Years | First Active 365 |
| The Mailbox, 7 Commercial St, B1 1RS | 2,410 | £27.39 | Nov 2022 | 1 Year | Pharmacy 2U |
| 92-98 Colmore Row, Birmingham B3 3BD | 2,492 | £37.15 | Oct 2021 | 20 Years | Vagabond Wines |

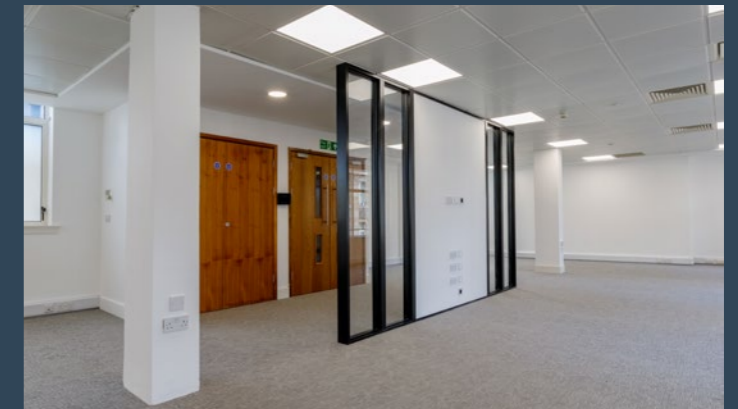
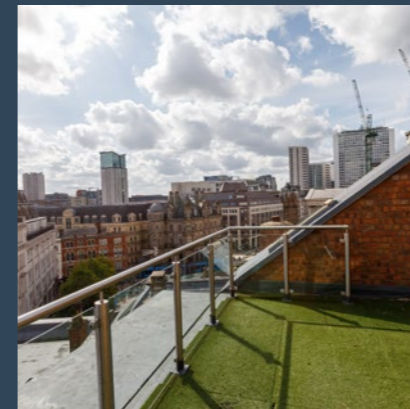
| KEY INVESTMENT TRANSACTIONS | SALE DATE | SALE PRICE | PRICE £PSF | NIY | TOTAL SQFT (NIA) | % OF SPACE LEASED AT SALE |
|---|-----------|------------|------------|-------|------------------|---------------------------|
| York House, 38 Great Charles St Queensway, B3 3JY | Aug 2023 | £3,800,000 | £171.36 | 4.93% | 22,175 | 50% |
| Portman House, 5-7 Temple Row West, B2 5NY | Jan 2023 | £1,400,000 | £225.81 | 4.21% | 6,200 | 82.4% |
| 36 Great Charles Street Queensway, B3 3JY | Jan 2023 | £3,700,000 | £145.00 | 7.41% | 25,535 | 71.4% |
| Cavendish House, 39 Waterloo Street, B2 5PP | Dec 2022 | £6,100,000 | £216.73 | 7.84% | 28,146 | 88.2% |
| Cheltenham House, 14-16 Temple Street, B2 5BG | Sept 2022 | £4,700,000 | £288.34 | 5.89% | 16,300 | 100% |
| 3 Temple Row West, B2 5NY | May 2022 | £1,800,000 | £303.90 | 4.00% | 5,923 | 66% |

Lettings Transactions, Achieved Rent psf
 Investment Transactions, Price psf



Asset Management

- > Let the vacant space and increase the rental profile of the building.
- > Create "semi serviced, plug and play" offer increasing rental income.
- > Increase rent at review on the ground floor and basement to market level.
- > Refurbish the first floor front suite to improve rent.



Further Information & Proposal

OFFERS IN EXCESS OF

£2,550,000

NET INITIAL YIELD

8.85%

REVERSIONARY YIELD

10.74%

TENURE

The Property is held Long Lease Hold of 125 years to City of Birmingham District Council from 12th June 1980.

The current ground rent is £200 per annum subject to incremental increases every 25 years. The next increase is on 14/02/2030 and will rise to £400 per annum.

VAT

The property is elected for VAT and it is anticipated the transaction will be treated as a transfer of a going concern (TOGC).

EPC

Office Accommodation (Floors 1-5): **C (71)**.

Restaurant/café (Ground Floor and Basement): **E (110)**.

Copies the EPCs will made available upon request.

ANTI MONEY LAUNDERING

In accordance with AML regulations the purchaser will need to provide information including the source of funding to complete the purchase.

CAPITAL ALLOWANCES

We understand that any available capital allowances will be retained by the vendor.

PROPOSAL

We are instructed to seek offers in excess of **£2,550,000 (Two Million, Five Hundred and Fifty Thousand Pounds)**, subject to contract and exclusive of VAT. A purchase at this level reflects an attractive **Net Initial Yield of 8.85%**, a reversion to approximately **10.74%** after allowing purchasers costs of 6.39%



For further information or to arrange a viewing please contact;

MK2
REAL ESTATE

Mark Rooke

M: 07985 877 578

E: mrooke@mk2.co.uk

Mark Johnson

M: 07748 105 812

E: mjohnson@mk2.co.uk

Max Sowter

M: 07778 720 516

E: msowter@mk2.co.uk

IMPORTANT INFORMATION

1. No description or information given by MK2 Real Estate Ltd whether or not in these Particulars and whether written or verbal ("information") about the property or its condition or its value may be relied upon as a statement or representation of fact. MK2 Real Estate Ltd do not have any authority to make any representations and accordingly any information given is entirely without responsibility on the part of the agent or the seller.
2. These particulars do not constitute, nor constitute part of, an offer or contract, nor shall they merge in any offer or contract which may hereafter be made between the sellers or lessors and the recipient of the information.
3. The photographs show only certain parts of the property at the time they were taken. Any areas measurements or distances given are approximate only.
4. Any reference to alterations to or use of any part of the property is not a statement that any necessary planning, building regulations or other consent has been obtained. These matters must be verified by any intending buyer.
5. Any buyer must satisfy themselves by inspection or otherwise as to the correctness of any information given.

Designed and produced by Diablo: diablodesign.co.uk MK74 | October 2023