

Redcliff Quarter

Bristol

BS1 6LL

**An Outstanding
Mixed Use Development
Opportunity**



The Opportunity

- Following the successful completion of Phase 1, there is now an opportunity to purchase the remainder of Phase 2 Redcliff Quarter, one of Bristol's most exciting mixed use development sites.
- The property comprises a freehold site of 0.80 hectares (2.00 acres) including Cross Street which is currently under construction.
- Redcliff Quarter is situated in a prime location close to the city's public transport network and a short walk to Bristol Temple Meads railway station.
- Planning permission has been granted for mixed use development comprising:
 - 211 residential units including a tall building of 22 storeys
 - 236 bed hotel
 - 22,077 sq ft (GIA) cafe / restaurant / retail space
 - 23,670 sq ft (GIA) food hall
 - 16,652 sq ft (GIA) of office space
- Part of the site is currently under offer to Jurys Hotel Management UK Ltd for a new, 236 bed boutique hotel. The lease is for a minimum term of 30 years and includes 5 yearly rent reviews linked to CPI (0% - 4%).
- Whilst the existing consent has established the principle of mixed-use development, there is an opportunity to revise the consent to include alternative uses, create a more efficient scheme and further enhance value.
- Offers are invited to purchase the remainder of Redcliff Quarter Phase 2 on an unconditional basis. It is envisaged that Phase 2 will be sold with the benefit of the hotel pre-letting however offers for the hotel investment as a separate forward funding opportunity may also be considered.



Bristol – An Award Winning City



“First city to be awarded the European Green Capital”

Bristol is the fifth largest city in the UK and the regional capital of the South West of England. The city has a population of 550,000 and a large surrounding urban zone of 1.6 million residents. Bristol has long been one of the main financial hubs outside of London however the city is rapidly establishing itself as one of the UK's most exciting creative and technology hot spots.

Bristol benefits from two outstanding universities in Bristol University and the University of the West of England. Bristol University is investing £300m in a new city centre campus adjacent to Temple Meads which will provide teaching space for 3,000 students and accommodation for 1,500 under graduates and post graduates.

Bristol has one of the strongest graduate retention rates in the UK creating a young and highly skilled workforce. The city offers affordable house prices and an employment rate of 77% which is the highest in the UK's core cities and 2.8% higher than the national average. Bristol actively promotes a desirable life / work balance with the advantage of being close to London and within easy reach of the UK's south west coastline.

It is unsurprising that Bristol is a repeated winner of the Sunday Times “Best City to Live”.

Connections

Rail

Bristol has two mainline train stations, Bristol Temple Meads in the city centre and Bristol Parkway serving the north of the city. Temple Meads station is located a short walk from Redcliff Quarter and provides access to the UK’s major cities.



Swindon	34 mins
Cardiff	52 mins
Reading	1 hour 10 mins
Birmingham New Street	1 hour 23 mins
London Paddington	1 hour 39 mins
Manchester Piccadilly	2 hours 58 mins
Newcastle	4 hours 58 mins
Glasgow	5 hours 47 mins
Edinburgh	5 hours 52 mins

Road

Bristol is situated at the intersection of the M4 and M5 motorways providing quick and easy access to the rest of the UK. Access to both motorways is via the M32 which links Bristol’s City Centre to junction 19 of the M4.



Bath	12 miles
Cardiff	44 miles
Exeter	80 miles
Birmingham	90 miles
London	119 miles

Air

Bristol International Airport is located eight miles to the south of the city and offers domestic and international flights to 125 destinations. The airport handles around 8.5m passengers a year and recently won ACI’s Best Airport in Europe (5-10m passenger) award.



Situation

Amenities

1. Glassboat Brasserie
2. Bella Vista
3. Pret A Manger
4. Philpotts
5. Marcos Olive Branch
6. Temple Gardens
7. Castle Park
8. Friska
9. Veen
10. Broadmead
11. Cabot Circus
12. Bristol Temple Meads
13. Queen Square

Hotels

14. Bristol Harbour Hotel & Spa
15. Travelodge
16. Premier Inn
17. Novotel
18. Hilton Garden Inn
19. Bristol Marriott Hotel

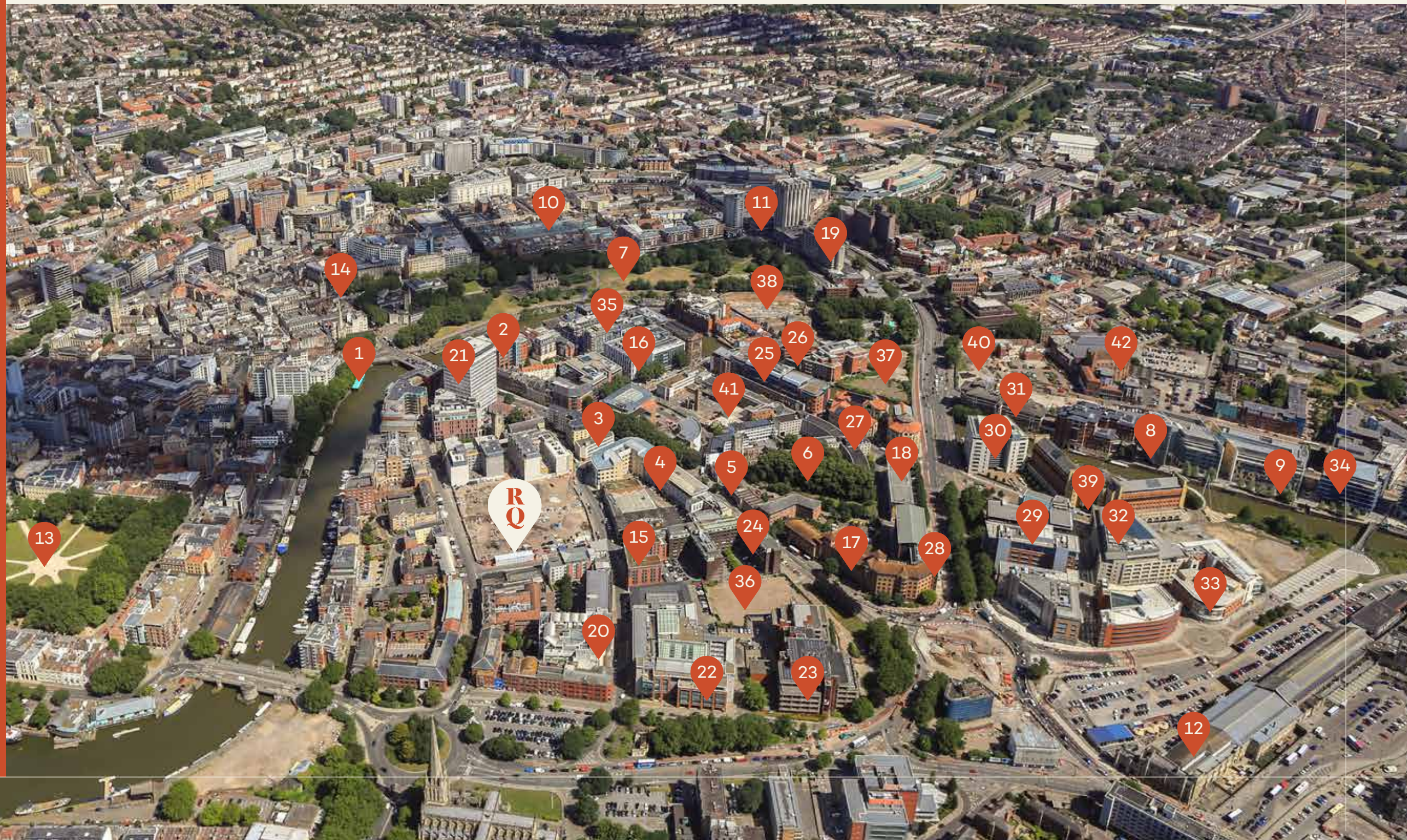
Occupiers

20. Direct Line
21. TLT Solicitors
22. DAC Beachcroft / Smith & Williamson
23. Bristol City Council
24. Barton Willmore
25. NFU
26. Oracle
27. Aecom
28. University of Law
29. HSBC
30. Womble Dickinson
31. NatWest/RBS
32. Central Government
33. Regus
34. PWC

Nearby developments

35. Finzel Reach
36. Aspire
37. Assembly
38. Castle Park view
39. Temple Quay
40. Glassfield
41. Fire Station
42. Soapworks

Redcliff Quarter is situated in Bristol's City Centre within a few minutes' walk of Temple Meads Railway Station. Bristol's inner ring road is within close proximity providing access to the M32 which in turn links with the M4 and M5 motorways.



Redcliff Quarter

– The Story So Far



Redcliff Quarter was formed following the acquisition of four separate elements between 2014 – 2017. Phase 1 comprising 128 residential apartments was forward funded by A2Dominion and completed in November 2018.

The first two buildings of Phase 2, blocks A&B comprising 118 apartments and four retail / leisure units totalling 16,000 sq ft have also been forward funded by A2Dominion and are currently under construction. Galliford Try commenced on site in July 2018 with completion due Spring 2020.

There is now the opportunity to purchase the remainder of the Phase 2 land.

Planning Consent



A detailed planning report is available in the data-room however the current consent is summarised as follows.



In November 2017 planning consent was granted for two planning applications (16/O2349/F & 16/O2964/F) for the redevelopment of Phase 2 of Redcliff Quarter to provide:

- 317 residential units
- 186 bed hotel
- 38,610 sq ft (GIA) of café / restaurant and retail floor space
- 23,670 sq ft (GIA) foodhall
- 16,652 sq ft (GIA) of offices
- associated infrastructure, plant, basement car parking, highway and pedestrian access.

In May 2018 planning permission was granted to vary the original permissions to increase the number of residential units in blocks A & B by 12 and remove the basement beneath these blocks.

Blocks A & B comprise 118 residential units and four retail / leisure units totalling 16,000 sq ft all of which have been forward funded by A2Dominion.

Following the sale of blocks A & B, an application was made and permission granted to vary the hotel consent to increase the number of rooms to 236 and remove the basement from this part of the site.

Under the current planning consents, the remainder of Phase 2 will comprise:

- 211 residential units
- 236 bed hotel (no basement)
- 22,077 sq ft (GIA) of café / restaurant and retail floor space
- 23,670 sq ft (GIA) foodhall
- 16,942 sq ft (GIA) of offices
- associated infrastructure, plant, basement car parking, highway and pedestrian access.

The Property

The property comprises a level, rectangular site extending to approximately 0.80 hectares (2.00 acres). The site is enclosed by Three Queens Lane, St Thomas Street, Redcliff Street and to the northern boundary Cross Street, a new pedestrianised street currently under construction as part of blocks A&B.



Hotel Pre-Let

Part of the site (known as “block C”) is currently under offer as a pre- let to Jurys Hotel Management UK Limited for a new 236 bed four star hotel to be operated under their NYX brand.



The agreement for lease is currently progressing but not exchanged. The cost of construction under a fixed price build contract has been provided by an established and experienced contractor but has not been tendered.

The draft agreement for lease, indicative development appraisal and covenant information is available in the data room.

Lease terms are as follows:

Tenant:	Jurys Hotel Management UK Limited.
Property:	236 bed hotel built to the agreed specification.
Rent:	£8,000 per room equivalent to £1,888,000 per annum.
Rent Free:	3 months rent free period from the completion of the lease.
Lease Term:	30 years plus two tenants options to extend by a further 10 years each.
Rent Review:	5 yearly linked to CPI with a cap and collar of 0.0% - 4.0%.
Alienation:	Assignment of the whole permitted subject to landlord’s consent and provided the assignee is of sound financial standing which shall be at least equal to or greater than a net asset value of 30,000,000 euros.
FF&E and OS&E:	The landlord will pay £14,000 plus VAT per room on completion of the lease.
Guarantor:	Fattal Hotels Limited up to a maximum liability of two years rent and Sunflower Management GmbH & Co KG Berlin. Fattal Hotels Limited will be released as a guarantor when Sunflower’s net asset value exceeds 30,000,000 euros (linked to annual CPI increases from the start of the agreement for lease).
Bank Guarantee:	On completion of the lease the tenant will deliver a bank guarantee from a UK registered bank for 6 months rent.

Market Commentary



Residential & PRS

The Bristol residential market has grown dramatically over the last 5 years with over 8% year on year house price growth since March 2014, far exceeding the UK average. Despite the current market uncertainties due to the macro economic environment, Bristol's residential market remains strong with demand outstripping supply. The UK Cities House Price index confirms that Bristol house prices grew 2.2% in the year to March 2019 and Knight Frank would expect high quality residential apartments in this location to achieve £550-£600 per sq ft.

The Bristol rental market also continues to perform strongly due to the high influx of overseas and UK professionals into the city and a move towards city centre living. Studio and one bed flats in particular are sought after by investors and renters alike. This is having a positive impact on the emergence of the Private Rented Sector in Bristol with a number of schemes underway or in the pipeline.

Offices

Take up in 2018 totalled 532,085 sq ft in line with the ten year average. Bristol's office market remains chronically undersupplied with grade A availability under 4.00%, close to its lowest level for 20 years. This lack of supply has resulted in strong rental growth over recent years with prime rents now standing at £35.00 per sq ft. The supply / demand imbalance looks unlikely to be addressed in the near future with only 92,000 sq ft under construction at Royal London's Glassfields scheme (due for completion in 2020).

Leisure

Bristol is one of the UK's top destination cities attracting on average 9 million visitors per year and supported by one of the fastest growing airports in the UK. The city also has a burgeoning population of students and young professionals all of which have contributed to Bristol having one of the highest GDP growth rates of all major cities tracked by the ONS. Bristol's leisure offer is spread throughout the city centre with key locations including Wapping Wharf, King Street, Finzels Reach and Harbourside all within a short walk of Redcliff Quarter.

Legal & Technical Data-Room

Access to the data-room is
available upon request.

Proposal

We are instructed to seek offers for
the unconditional freehold purchase
of Phase 2.

It is envisaged that Phase 2 will be
sold with the benefit of the hotel
pre-letting however offers for the
hotel investment as a separate
forward funding opportunity may
also be considered.

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