



# TRAMSHED

Clare Road, Cardiff, CF11 6QP

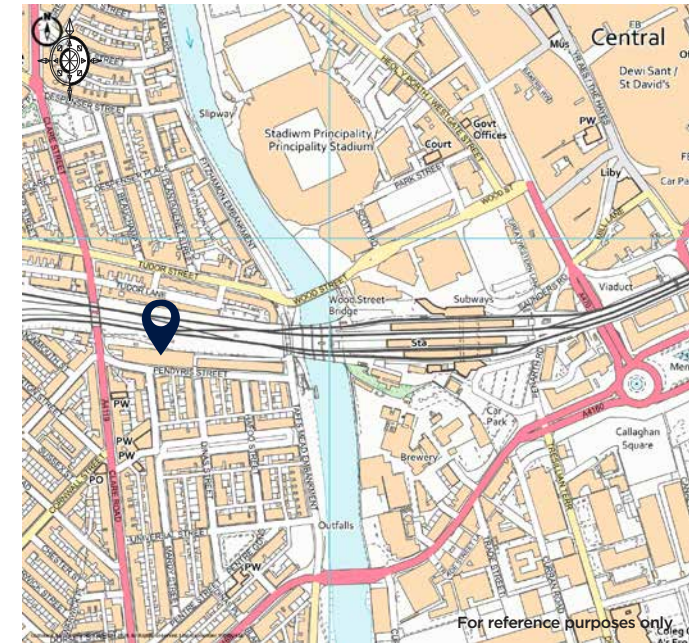
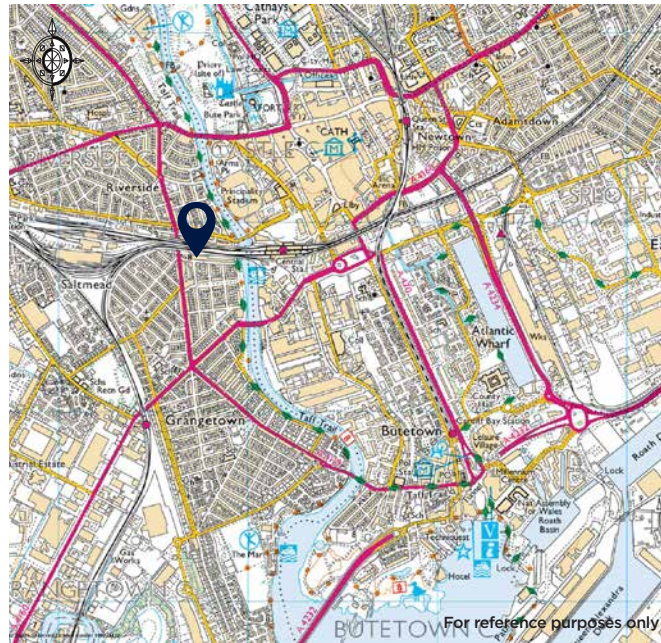
Well-let long leasehold residential, co working office / leisure investment with development opportunity

savills



## EXECUTIVE SUMMARY

- Fully refurbished historical prominent Cardiff city centre building
- High quality residential, co-working office space and live music, arts and leisure venue
- Close proximity to Cardiff Central station and Central Square
- Attractive Grade II listed building totalling 57,088 sq ft (5,303 sq m) including the residential sold off on LLH and 32,749 sq ft (3,042 sq m) commercial space
- The property was converted and re-developed in 2015.
- Low passing rent of only £281,875 per annum (£8.61 per sq ft)
- Planning application submitted for an additional 11,539 sq. ft. office development with associated car parking
- We are instructed to seek offers in excess of **£3,200,000 (Three Million Two Hundred Thousand Pounds)** exclusive of VAT
- This represents an attractive **Net Initial Yield of 8.22%**, after deducting standard purchaser's costs of 7.12%.
- This reflects a **low capital value of only £97.71 per sq ft**



## LOCATION

Cardiff is the capital city of Wales and the home of the Welsh Government. The city is strategically located approximately 150 miles (240km) west of London, 106 miles (171km) south west of Birmingham and 43 miles (69km) west of Bristol.

Cardiff benefits from excellent road links and can be accessed from 4 junctions of the M4 motorway (29-33). Cardiff International Airport is located 12 miles (19km) to the south west of Cardiff city centre and offers scheduled flights to a number of European destinations. Cardiff Central Railway Station provides intercity rail services to London Paddington approximately twice an hour with a journey time of approximately 1 hours 50 minutes.

Cardiff is a popular tourist destination attracting millions of visitors every year. There are numerous attractions including the iconic Principality Stadium, Cardiff Castle, Cardiff Bay and the Cardiff International Sports Village.

Cardiff has an established retail core which includes a major shopping centre, known as St. Davids 2 which was completed in 2009. This development, together with the original St David's Shopping Centre, comprises a combined 1.4 million sq. ft. of retail space, including a 260,000 sq. ft. John Lewis store. This retail development has elevated Cardiff firmly into the top 10 of the UK's retail hierarchy.



## CATCHMENT AND DEMOGRAPHICS

Cardiff serves an extensive catchment area with over 1.5 million people. The magnitude of the catchment is demonstrative of both the strength of Cardiff's leisure offer and the lack of any significant competing centres. Cardiff is a dynamic and vibrant city with a lively and thriving leisure and restaurant scene. Due to the attractive lifestyle that the city offers, the city boasts an above average proportion of the most affluent AB social group. Cardiff is projected to grow by a further 26% over the next 20 years and is one of the fastest growing of the UK cities. Over a quarter of the city's primary population is considered as 'Affluent Achiever'.

The city is consistently ranked UK's number one city for quality of life and is ranked number three in Europe. It's affordability is the key to its popularity with the cost of living in Cardiff cheaper than many other major UK cities, being 38% cheaper than London and 12% cheaper than Edinburgh.

The city benefits from 21 million tourists per annum, who boost local expenditure by almost £1.3 billion a year, in addition to a sizeable student population. Many of the 70,000 students who study at the three universities in the city opt to remain in the city after graduating, attracted by the strong jobs market. This reflects the presence of several large organisations, including PwC, Legal & General and Eversheds, who are attracted by the highly-educated workforce, 57% of whom are qualified to degree level.

## CARDIFF CITY CENTRE INFRASTRUCTURE INITIATIVES

Cardiff City Council and Welsh Government have acknowledged that the future growth of the Welsh economy is dependent on a strong and vibrant capital city. The Enterprise Zone is just one of numerous initiatives which form part of a detailed Master Plan for the city which will vastly improve the infrastructure and boost the economic profile of Cardiff to firmly consolidate its position as one of the major regional centres in UK. These initiatives include:

### Cardiff Capital Regional City Deal

In March 2016 Cardiff was one of 10 local councils to sign the Cardiff Capital Regional City Deal (CCR). The CCR is a regional investment vehicle aiming to bring together region wide infrastructure projects. With a gross value of £1.2 billion, projects include the electrification of the South Wales Valley rail network, a metro system worth £734 million, creation of 25,000 jobs in the region and a new innovation hub development.

### Cardiff Central Enterprise Zone

The established Cardiff Central Enterprise Zone is centred on the Cardiff Central Railway Station and is the only Enterprise Zone in the UK dedicated to attracting and growing the financial and professional services sector.

### Central Square

The commitment from Legal & General to the Central Square regeneration scheme reflects the improving confidence in Cardiff as a centre of growth and opportunity. The scheme will have a potential capital value in the order of £400 million when fully completed. One and Two Central Square are complete and provide 130,000 sq ft and 150,000 sq ft of office space respectively. BBC Cymru Wales relocated to their new 170,000 sq ft facility in 2019. Legal and General have recently signed a lease for 120,000 sq ft at The Interchange

which is currently under construction and will in addition include 300+ build to rent units, multi-storey car park and integrated new bus station. In addition to Legal and General and BBC Cymru Wales, other occupiers located at Central Square include HMRC, Hodge Bank, Blake Morgan and Hugh James. Rents of £25.00 per sq. ft. are being achieved.

### Brains Brewery Redevelopment / Central Quay

Rightacres and SA Brains & Co have formed a joint venture to redevelop the site, which is just south of Cardiff Central Station. The site could accommodate up to two million sq. ft. of developments including offices, residential apartments, hotels and leisure. The new site will be known as Central Quay and will further transform Cardiff city centre.

### Electrification of the main intercity rail line

Completed in early 2020, electrification of the main railway line has significantly improved Cardiff's connectivity with faster journey times to London.

## SITUATION

The property occupies a prominent position on the corner of Clare Road and Pendryis Street, a short distance (0.8 miles) from Cardiff Central railway station, as well as, Cardiff's prime office core known as Central Square which comprises over 700,000 sq. ft. of Grade A office space including the new headquarters for BBC Cymru Wales and The Interchange, a mixed use commercial and residential scheme and transport hub.

Directly next to Cardiff Central is the new Central Quay Development, a large mixed use development currently under construction which is proposed to include hotels, offices, luxury apartments and a university campus.

The property is in close proximity to other major attractions in Cardiff city centre including the Principality Stadium (0.3 miles), Cardiff Castle (0.8 miles), as well as the retail and leisure core accessed via St Mary Street (0.6 mile).



## DESCRIPTION

Tramshed is a Grade II Listed building originally built between 1900 and 1902 to accommodate Cardiff Tram Depot and Central Workshops. The property has since been re-developed into a successful mixed use scheme arranged over two floors and comprising:

- 1000 capacity multipurpose performance venue
- 30 live/work residential apartments (sold on long leaseholds)
- Co-working, flexible office space/tech hub
- Boutique 40-seat cinema
- The Waiting Room café/bar

The property is of both historical and architectural significance. Following its use as a tram depot for West Cardiff, the property was converted to store trolley buses before being turned into a workshop for vehicle maintenance for Cardiff Council until its closure in 2013. The property received planning permission to be re-developed into its current form in 2015. Architecturally the property is unique with its attractive external façade of eleven red brick gables each with semi-circular arched windows. The property has been sympathetically restored to emphasise its original features whilst providing a modern and high quality live, work and play venue.

To the rear of the property there is a service yard providing car parking and delivery vehicle access.

A planning application has been submitted for a 4-storey office building on the land to the rear. The proposed development is to provide circa 11,500 sq. ft. of office accommodation plus undercroft parking including delivery and service vehicle access. The development is designed to continue the success of the co-working office space already operating within the Tramshed. For further details of the application please refer to Cardiff Council (planning ref: 17/01744/MJR).

The total site area is approximately 1.06 acres (0.43 hectares)



## TENANCY

The commercial element of the property is let to Tramsheds Tech Limited (reg no: 09866502) and TEG Venues UK Limited (reg no: 09331751). Income is also received from the grounds rents from the residential live/work apartments.

UNIT	TENANT	TOTAL SQ FT	RENT	RENT PER SQ FT	START	REVIEW	LENGTH (YRS)	EXPIRY	COMMENTS
Entertainment Venue	TEG Venues UK Limited	15,909	£80,000	£5.03	23/10/2015	Every 3 years	15	22/10/2030	
Studio	Tramshed Tech Limited	1,506	£10,000	£6.64	01/12/2019	25/03/2021 and 25/03/2026	15 (less 28 days)	03/10/2031	Break date: 25/06/2025
Dance Studio	Tramshed Tech Limited	696	£6,000	£8.62	10/11/2016	Every 3 years	15	09/11/2031	Assignment from Alchemy Tramshed Limited
Café	Tramshed Tech Limited	4,919	£46,000	£9.35	03/10/2016	Every 3 years	15	02/10/2031	To be assigned to Tramshed Tech Limited
Serviced Offices/Tech Hub	Tramshed Tech Limited	9,719	£135,225	£13.91	28/07/2016	Every 5 years	15	27/07/2031	2021 break date removed by agreement. Next break date: 28/07/2026. The tenant pays an additional fit out rent of £15,000 per annum for the term of the lease.
<b>Total Commercial</b>		<b>32,749</b>	<b>£277,225</b>						
Residential Ground Rents	31 units	24,339	£4,650		25/03/2016		250	24/03/2260	Rent is subject to review
<b>Total Commercial / Residential</b>			<b>£281,875</b>	<b>£8.61</b>					

The building currently has a SC including the residential common parts of £86,056 per annum (£1.50 per sq ft).

## TENURE

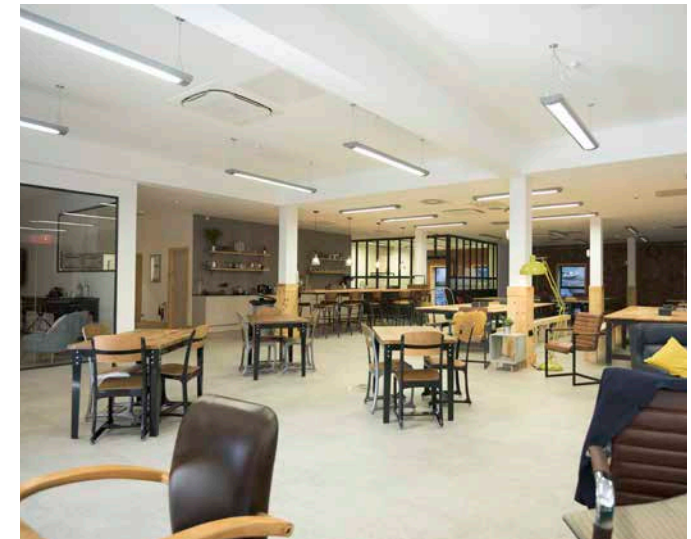
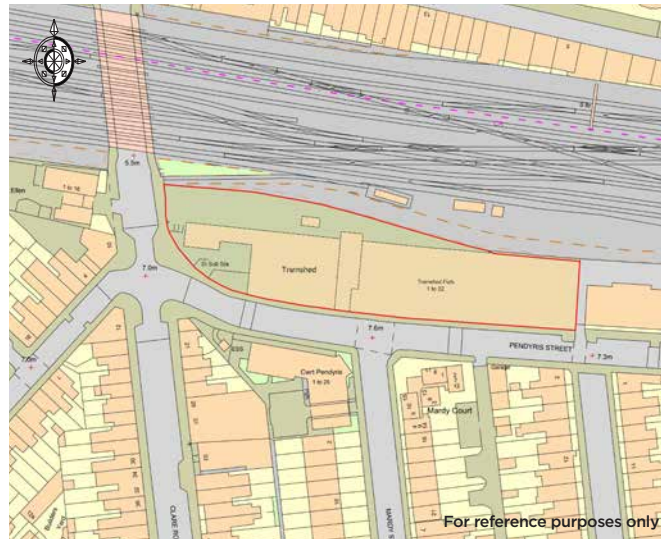
Long leasehold for a term of 999 years from 19/06/2015. The ultimate freehold owner is Cardiff Council.

## EPC

An EPC is available on request.

## VAT

The property is elected for VAT and as such we anticipate the transaction can be treated as a TOGC (Transfer of a Going Concern).







## PROPOSAL

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This reflects a **low capital value of only £97.71 per sq ft.**

## CONTACT

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