LOCK 14

OPHEEM
RESTAURANT

45-59 Summer Row
Birmingham
B3 1JJ

Prime Freehold City Centre Mixed-Use Investment
• Prominently located directly opposite Paradise, the UK’s biggest City Centre development, outside of London.
• Situated amongst a diverse mix of high profile occupiers including; University College Birmingham (UCB), Regus Spaces, Mitchells & Butlers, PWC, DLA and Arup.
• The consented 47 storey Octagon Build to Rent (BTR) tower is positioned opposite with proposed BTR schemes at the Brindley Car Park and Sytner Garage sites, also in close proximity.
• Let to 2 tenants, the property comprises an established award winning Michelin* restaurant together with newly refurbished high specification offices let to the substantial and growing Arden University.
• Lock 14 comprises 23,352 sq ft (NIA) over basement, ground and two upper floors, and is let to Arden University Ltd on a new 10 year lease with tenant break option at year 5 at a passing rent of £368,720 pa, representing 88% of the total income.
• The passing rent on Lock 14 reflects a low £17.41 per sq ft on the Net Internal Area of ground and upper floors assuming a nominal rate of £5 per sq ft on the basement.
• Opheem restaurant comprises 10,767 sq ft (GIA) over basement and ground floors, let at a base rent of £51,000 pa subject to annual RPI linked uplifts plus 10% of profit (calculated and payable quarterly).
• Opheem restaurant is considered highly reversionary with an estimated Market Rental Value in excess of £80,000 pa.
• Total passing rent of £419,720 per annum.
• We are instructed to seek offers in excess of £6,300,000 subject to contract and exclusive of VAT.
• A purchase at this level will reflect a Net Initial Yield of 6.25% after allowing for purchaser’s costs of 6.63% and a low capital value of £184.65 per sq ft.
Birmingham is the commercial and administrative centre of the West Midlands with a population of 2.9 million and forms the largest City and Local Authority by area outside of Greater London. Birmingham has a strong economy and is a major engine of UK growth, producing £121 billion GDP per annum (2020 estimate) ranking 10th across Europe. The City’s business and financial services sector is the second largest in the UK employing over 130,000 people within the City Centre with the majority focussed around the Central Business District. The City has benefitted most out of any regional centre from “north shoring” over the past decade and has attracted major national occupiers including HSBC, Deutsche Bank and HS2. Birmingham attracts over 26 million visitors each year and has a fast growing leisure and tourism sector, boosted by Birmingham’s successful bid to host the 2022 Commonwealth games.
The property occupies a highly prominent location within Birmingham City Centre, overlooking Paradise, the UK’s largest city centre development outside of London. The property is well placed to benefit from Birmingham’s fantastic transport infrastructure and is within easy walking distance of the recently extended Metro Tram at Centenary Square and mainline railway stations of Snow Hill and New Street. The new HS2 station at Birmingham Curzon Street is currently under construction. The immediate surrounding area comprises a mix of modern office developments and complimentary hotel, retail and leisure uses that offer high quality amenity for the Central Business District. The CBD area is Birmingham’s premier concentration of professional and business service companies with over 500 companies located in the area.
Description

The property was redeveloped behind a retained façade in 2002 and previously comprised the well renowned Apres Bar and Mechu nightclub. Opheem restaurant opened in 2018 and has been fitted-out to an impressive standard by the tenant to include an open kitchen and private dining room.

Lock 14 has just been comprehensively refurbished at a cost of £1.62m +VAT to the following specification:
- Exposed services with suspended LED lighting.
- Air conditioning.
- Two DDA compliant 8 person passenger lifts.
- Bicycle storage.
- Shower and changing facilities.
- Private roof terrace.

The site area is approximately 0.266 of an acre.

Accommodation

<table>
<thead>
<tr>
<th>Opheem Restaurant (GIA)</th>
<th>Sq ft</th>
<th>Sq m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basement</td>
<td>5,450</td>
<td>506.31</td>
</tr>
<tr>
<td>Ground</td>
<td>5,317</td>
<td>493.97</td>
</tr>
<tr>
<td>Sub-Total</td>
<td>10,767</td>
<td>1,000.28</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Lock 14 (NIA)</th>
<th>Sq ft</th>
<th>Sq m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basement</td>
<td>3,052</td>
<td>283.54</td>
</tr>
<tr>
<td>Ground</td>
<td>2,650</td>
<td>246.20</td>
</tr>
<tr>
<td>First</td>
<td>6,605</td>
<td>613.68</td>
</tr>
<tr>
<td>Second</td>
<td>6,362</td>
<td>591.05</td>
</tr>
<tr>
<td>Third</td>
<td>4,682</td>
<td>434.87</td>
</tr>
<tr>
<td>Sub-Total</td>
<td>23,352</td>
<td>2,169.34</td>
</tr>
<tr>
<td>TOTAL</td>
<td>34,119</td>
<td>3,169.62</td>
</tr>
</tbody>
</table>
Tenancy Schedule

<table>
<thead>
<tr>
<th>TENANT (GUARANTOR)</th>
<th>AREA (SQ FT)</th>
<th>LEASE START</th>
<th>LEASE END</th>
<th>LEASE BREAK</th>
<th>BASIC RENT PA</th>
<th>RENT PER SQ FT</th>
<th>NEXT RENT REVIEW DATE</th>
<th>REVIEW TYPE</th>
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</thead>
<tbody>
<tr>
<td>Arden University Ltd (Global Universities Systems Holdings BV)</td>
<td>23,352</td>
<td>20/08/2021</td>
<td>19/08/2031</td>
<td>19/08/2026*</td>
<td>£368,720</td>
<td>£17.41</td>
<td>20/08/2026</td>
<td>Upwards Only Open Market</td>
</tr>
<tr>
<td>Opheem Ltd</td>
<td>10,767</td>
<td>01/01/2020</td>
<td>31/12/2039</td>
<td></td>
<td>£51,000</td>
<td>£4.74</td>
<td>01/01/2022</td>
<td>Annual RPI + 10% profit share calculated and payable quarterly</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>34,119</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>£419,720</strong></td>
<td><strong>£12.30</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Break subject to 9 months written notice. Arden University are entitled to 12 months’ rent free post break if the option is not exercised.

Arden University benefits from an initial rent free period until 19/02/2023. It is proposed that the vendor will provide rent cover during this period.

There is a service charge relating to Communal Areas and Common Parts. A service charge budget will be made available on the Data Room.

Tenant Covenants

**ARDEN UNIVERSITY LTD**

Established in 1990, Arden University currently has circa 16,000 students enrolled for the 2021/22 academic year. They provide flexible online and full-time study programmes for foundation, Degree, Master’s and MBA qualifications. Their HQ is located on site and they also have study centres in London, Ealing, Birmingham, Manchester and Berlin.

Their most recent company accounts are summarised as follows:

<table>
<thead>
<tr>
<th></th>
<th>31/10/2020</th>
<th>31/10/2019</th>
<th>31/10/2018</th>
</tr>
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<tbody>
<tr>
<td>Turnover</td>
<td>£36,280,014</td>
<td>£23,777,405</td>
<td>£16,116,935</td>
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<tr>
<td>Profit before tax</td>
<td>£1,261,637</td>
<td>-£1,925,433</td>
<td>-£3,977,815</td>
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<tr>
<td>Shareholders’ Funds</td>
<td>£6,167,544</td>
<td>£4,608,773</td>
<td>-£9,165,179</td>
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</table>

**GLOBAL UNIVERSITY SYSTEMS HOLDINGS BV (GUARANTOR)**

Arden University’s guarantor operates as a holding company registered in the Netherlands. As a corporate group, it owns and operates several private for-profit colleges and universities in the UK, Canada, Israel and Europe, as well as other brands and companies in the education sector, such as the e-learning provider InterActive. In the UK, the group includes; London School of Business and Finance (LSBF), The University of Law and Arden University.

A Dun & Bradstreet report is available on request.

**OPHEEM LTD**

Opheem is owned and managed by Aktar Islam, winner of Gordon Ramsay’s F Word in 2009. The restaurant achieved its first Michelin * in October 2019 and is the first and only Michelin starred Indian restaurant in the UK outside of London. The restaurant operated a successful takeaway service during periods of forced closure and the company currently has no rent arrears.

Further information is available on www.opheem.com
Thus far in 2021, the Birmingham city centre office market has recorded 253,336 sq ft of take-up across 44 deals. This compares with 520,000 sq ft take-up in 2020, 780,000 sq ft in 2019 and 754,000 sq ft in 2018.

Since the easing of restrictions during April 2021, we have witnessed a flurry of activity, with many occupiers and their employees realising the importance of the workplace for company culture, learning and development of their younger members of staff as well as the generation of ideas. Occupiers are changing the way that they occupy their workspaces with more emphasis being placed onto working zones that promote collaboration. We are expecting a large uptick in activity from September onwards as businesses look to bring their workforce back to the office and a short period of reoccupation providing greater clarity on the amount of space they will need going forward.

There are currently over 800,000 sq ft of active known requirements for Birmingham’s CBD. This represents a significant increase over the previous 2 years and has resulted from a rise in new market entrants and a shift in occupational work patterns.

New build Grade-A rents in Birmingham are now at £39.50 per sq ft, and anticipated to breach the £40.00 per sq ft in the near future.
Further information

EPC
Lock 14 has an impressive EPC rating of B 49. Opheem restaurant has an EPC rating of (XX).

VAT
We understand that the property is elected for VAT. It is intended that the sale will be treated as a Transfer of a Going Concern (TOGC).

CAPITAL ALLOWANCES
Capital Allowances relating to the recent refurbishment are in the process of being assessed and will be made available to a qualifying purchaser.

DATA ROOM
Access to the data room is available on request.

Proposal

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Contact

For further information or to arrange a site inspection, please contact the following:

Jonathan Devaney
0121 233 6490
jonathan.devaney@knightfrank.com

Ben Wisher
0121 233 6456
ben.wisher@knightfrank.com

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