

**RARE OPPORTUNITY TO ACQUIRE A NEW BUILD
CITY CENTRE OFFICE INVESTMENT**



SHEFFIELD DIGITAL CAMPUS

BT Group

Coffee shop

BT FIT OUT IN ASSEMBLY, BRISTOL



INVESTMENT SUMMARY

Endeavour offers a rare opportunity to acquire a landmark new build office building, situated at the renowned Sheffield Digital Campus.



Sheffield is strategically located at the heart of the UK, benefitting from nationwide connectivity and an exceptional talent pool



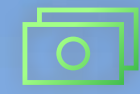
Endeavour is the fourth and final building at the renowned Sheffield Digital Campus development



Endeavour is a landmark office building, providing 65,510 sq ft of best in class, new build office accommodation



Entirely leased to the undoubted covenant of BT Group plc on a new 15 year lease (with a break at year 10) from practical completion



£1,699,483 passing rent per annum, reflecting £26.00 per sq ft



Outstanding ESG credentials with an EPC A and targeting BREEAM Excellent rating



Strong reversionary potential with forecast Grade A rental growth set to achieve £32.00 per sq ft in Sheffield city centre



PROPOSAL

Offers are invited in excess of

£25,460,000

(TWENTY FIVE MILLION FOUR HUNDRED AND SIXTY THOUSAND POUNDS)

for the long leasehold interest, subject to contract and exclusive of VAT.

A purchase at this price reflects the following investment profile

(allowing for purchaser costs of 6.76%):

NET INITIAL YIELD

6.25%

CAPITAL VALUE (PER SQ FT)

£389

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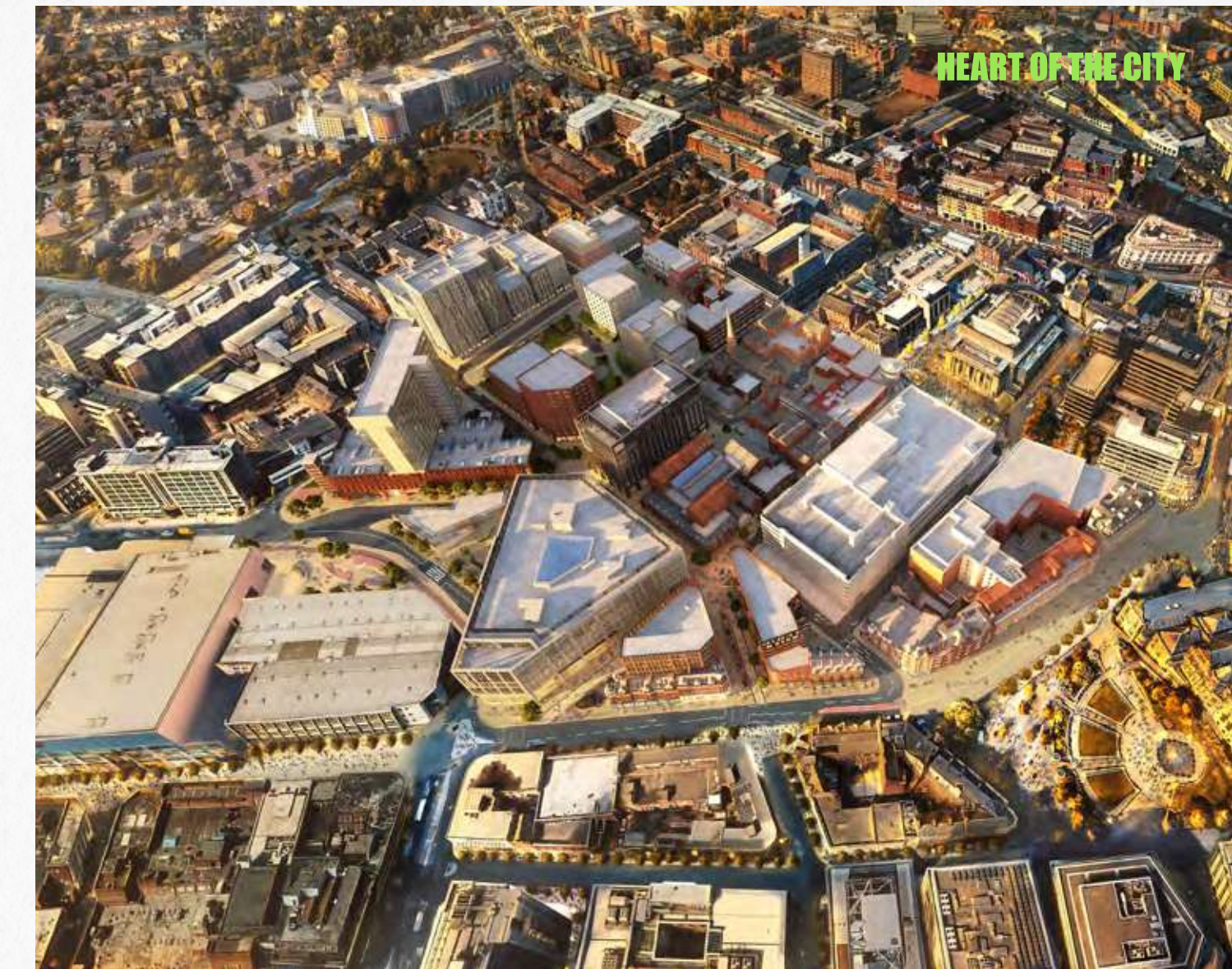
THE CITY OF SHEFFIELD

Sheffield is a dynamic city, strategically-positioned at the heart of the UK.

It is a renowned regional powerhouse, playing a vital role in the economic landscape of the North of England, with strengths in digital and tech, as well as advanced manufacturing, sport, health and wellbeing.

Sheffield has undergone significant regeneration and infrastructure development in recent years, with the developing Heart of the City, West Bar, Sheffield Digital Campus, Sheffield Olympic Legacy Park and South Yorkshire Innovation District providing some of the best facilities for businesses looking to grow and thrive.

The city also has a thriving talent pool, boosted by the presence of two universities (University of Sheffield and Sheffield Hallam), claiming the fifth highest student population across all UK cities.



Sheffield is England's fourth largest city, with a population of over 569,000 and an economy worth over £11.3bn



In 2022, Sheffield was voted the top UK city, outside of London, to start a business



63,000 students across two universities



61% of Sheffield is made up of green spaces



1.4m workforce catchment



2.7k new businesses started in 2021

SHEFFIELD DIGITAL CAMPUS

ENDEAVOUR - SHEFFIELD DIGITAL CAMPUS

Spread across four buildings on a prominent city centre site immediately adjacent to the mainline train station and bus interchange, Sheffield Digital Campus is a state-of-the-art office district designed specifically with Sheffield's fast-growing creative and digital community in mind.

Developed by Scarborough Group International, as part of a joint venture with Sheffield City Council, Sheffield Digital Campus provides 249,100 sq ft of high-quality, flexible business space across four buildings, with a working population of circa 2,500.



DEAL OF THE YEAR



DEAL OF THE YEAR



OUTSTANDING DEVELOPMENT OF THE YEAR

ELECTRIC WORKS

2009

54,000 sq ft

A creative and digital hub for businesses in the North of England

VENTANA HOUSE

2010

80,000 sq ft

Occupiers include Spaces, Atkins and Simcyp

ACERO

2017

49,500 sq ft

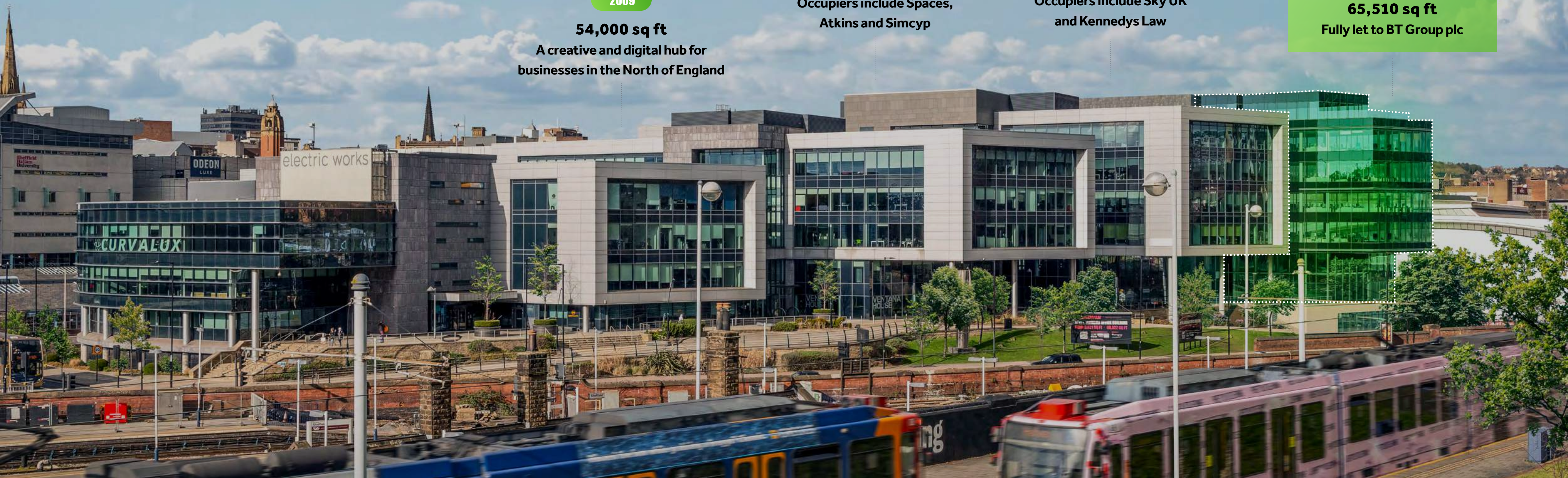
Occupiers include Sky UK and Kennedys Law

ENDEAVOUR

2023

65,510 sq ft

Fully let to BT Group plc



Completed in June 2023, Endeavour is a new build, state-of-the-art building designed by CJCT Architects, providing best-in-class office accommodation.

Arranged over eight storeys and benefitting from a private roof terrace with panoramic views of the city skyline. Endeavour has been designed to create an exceptional arrival experience, with a double height reception flooded with natural light.

A full suite of warranties will be available to the purchaser, as set out below:

DESIGN TEAM WARRANTIES

Main Contractor	GMI Construction Group PLC
Architect	CJCT (Studio North) Limited
Civil and Structural Engineer	Ove Arup and Partners Limited
Quantity Surveyor and Employer's Agent	Burnley Wilson Fish
Principal Designer	John A Millar T/A Arrol Associates
BREEAM Consultant	Hydrock Consultants Limited

SUB-CONTRACTOR WARRANTIES

Structural steelworks	BSB Structural Ltd
Piling works	Green Piling Ltd
Curtain walling	Casu Consulto Limited
Mechanical and electrical works	KNG Building Services Ltd
Design and installation of lifts	Kone PLC
Design, supply and installation of the roofing package	Briggs Amasco Limited
Precast concrete stairs	Rightcast Limited
Metal package and design of lower ground perforated panels, cat ladder, balustrades and cycle store cage	Yorkshire Fabrications Limited



ESG CREDENTIALS

The comprehensive and considered construction of Endeavour ensures the property is well positioned to meet future occupational requirements and environmental legislation.

It also provides an excellent base from which to enhance its excellent ESG credentials.

ENVIRONMENTAL



EPC A - future-proofing the asset for upcoming MEES requirements (EPC B by 2030)

BREEAM®

BREEAM rating excellent



70% EV charging points



Adjacent to excellent public transport links

SOCIAL



Part of an established campus supporting over 2,500 jobs in the a professional and creative industries

GOVERNANCE



Opportunity to ensure consumption data sharing



Opportunity for landlord to measure energy, water and waste



78 cycle spaces



Zero fossil fuels burned on site



Building envelope constructed using 75% post-consumer recycled aluminium



Heating and cooling provided by air source heat pumps



4,844 sq ft of ground floor amenity space to create a social hub for the occupier(s)



Opportunity to implement a fit out policy that reflects the sustainability ambitions of the building



Opportunity to commission a Fitwel assessment to further highlight buildings environmental credentials



PIR controlled LED lighting



PIR controlled Low-Flow sanitaryware



Increased plant species within landscaping



6th floor private roof terrace



Opportunity to include green clauses within new leases / regears

BUILDING SPECIFICATION

OCCUPANCY



Cooling heating - VRF heat recovery – 1 person / 8 sq m, with enhanced fresh air provision (1.68 litres/second/sq m) and filtration to align with WELL Standard (IWBI)



4 destination controlled passenger lifts (2 serving the ground and sixth floors, 4 serving the podium to fifth floors)



Superloo toilets – designed to a capacity of 1 person / 8 sq m based upon 100% of the population of the whole building (split 50:50 male and female) with a separate ambulant disability WC across all floors



Floor divisibility – wing-by-wing (two suites, per floor (podium to fifth floors) to futureproof occupancy of the building)



17 demised car parking spaces (to include 12 electric car charging spaces and 2 accessible spaces)



1MVA, 3-phase electrical supply



78 cycle storage racks within a secure store area



8 motorcycle bays



Means of escape – 6 sq m per person

KEY DIMENSIONS



Structural office floors imposed loads 3.50 kN/ sq m (2.5 kN/ sq m live loads plus 1 kN/ sq ft for demountable partitioning)



Zones of enhanced imposed office floor loadings of 7.5 kN/ sq m



Raised access floor void – 150mm



Office floors finished floor-to-ceiling height – 2.7m



600 x 600 perforated metal tile suspended ceiling



Depth of ceiling void – 860mm



Column grid – 6m x 16.9m

MEP SPECIFICATION



Male, Female and Ambulant, electric showers with changing facilities, lockers and dedicated drying rooms, located within the buildings core at the ground floor, accessed directly from the secure podium car park and cycle facilities



GENT fire alarm system, sprinkler system provided to the office floorplates and automated external opening for Fire Fighting Lobby Protection



Energy consumption is capable of sub-division and sub-metering (two suites, per floor (podium to fifth floors) to allow future letting flexibility



Mitsubishi VRF system, controlled via a central BMS, zoned in line with BCO guidance, roof mounted ASHP



BP Pulse, 7kW Smart EV charging bays within a shared, secured podium car parking structure



Domestic electric hot water heaters within the building core areas to serve WC, showers and cleaning facilities



PIR, Low-Flow fittings specified to sanitaryware to achieve a 40% reduction in water consumption with major leak detection



Containment provided to facilitate CAT B fitout works



EPC A – 22



BREEAM Excellent – 74.1%



Recessed all LED lights, with PIR lighting control

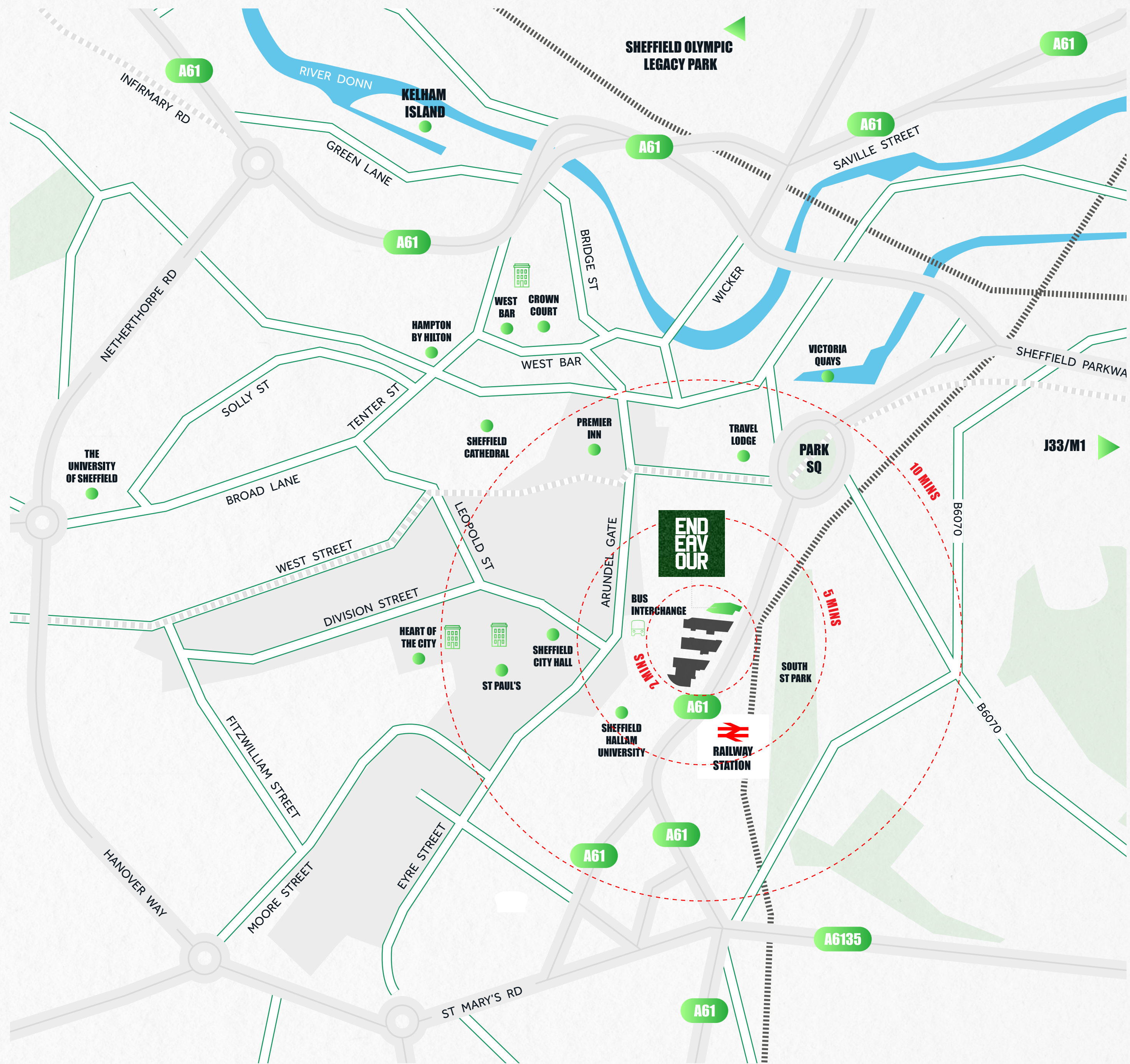
SITUATION

Endeavour occupies a prime location, opposite Sheffield Railway Station, adjacent to the Bus Interchange and Supertram stop, and just a few minutes drive from Junction 33 of the M1.

Sheffield Digital Campus is an established business district, connecting the railway station to St Paul's Place and the Heart of the City, which will provide up to 1.5m sq ft of individually designed and repurposed buildings surrounded by enlivened streets and public spaces.

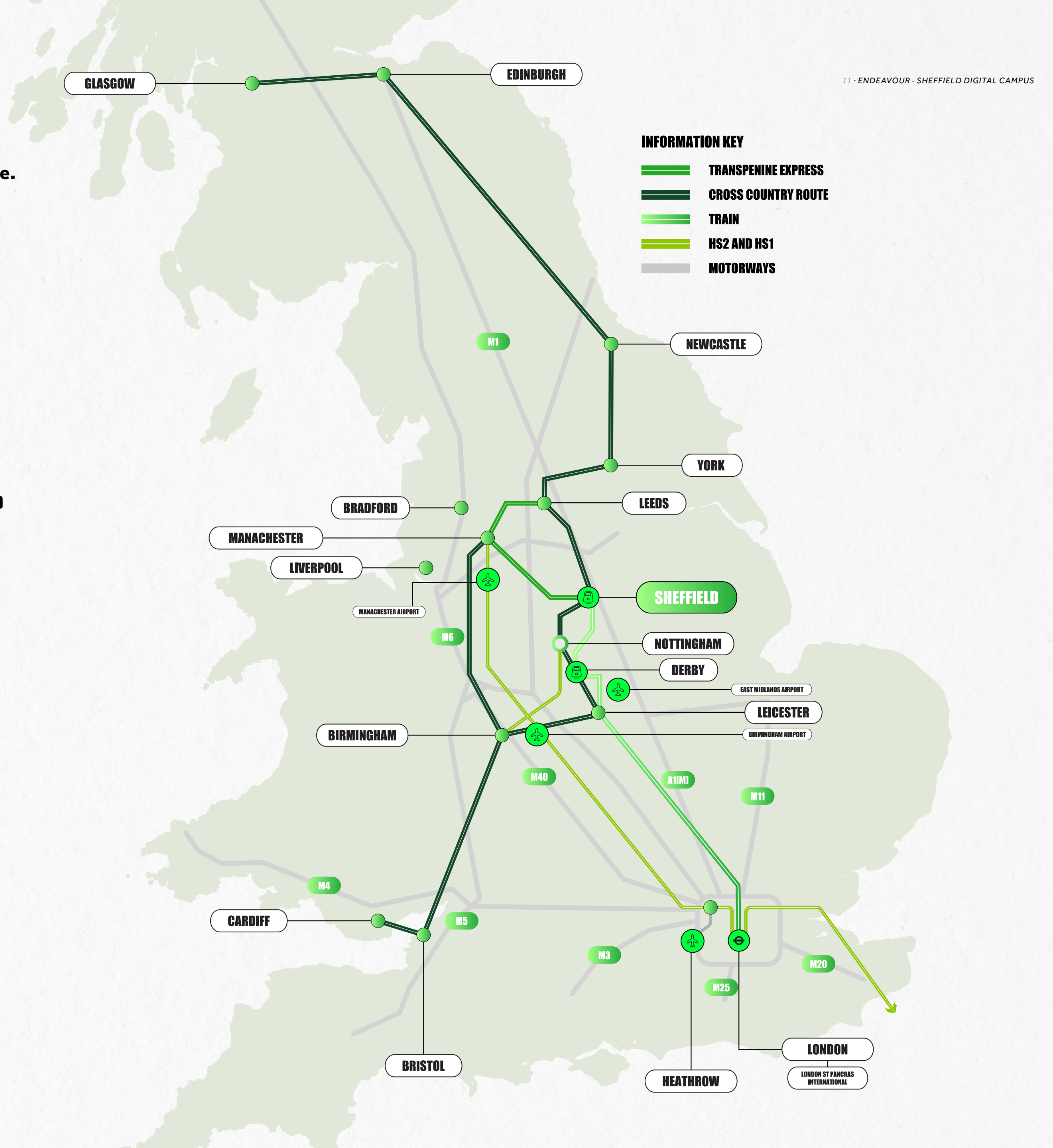
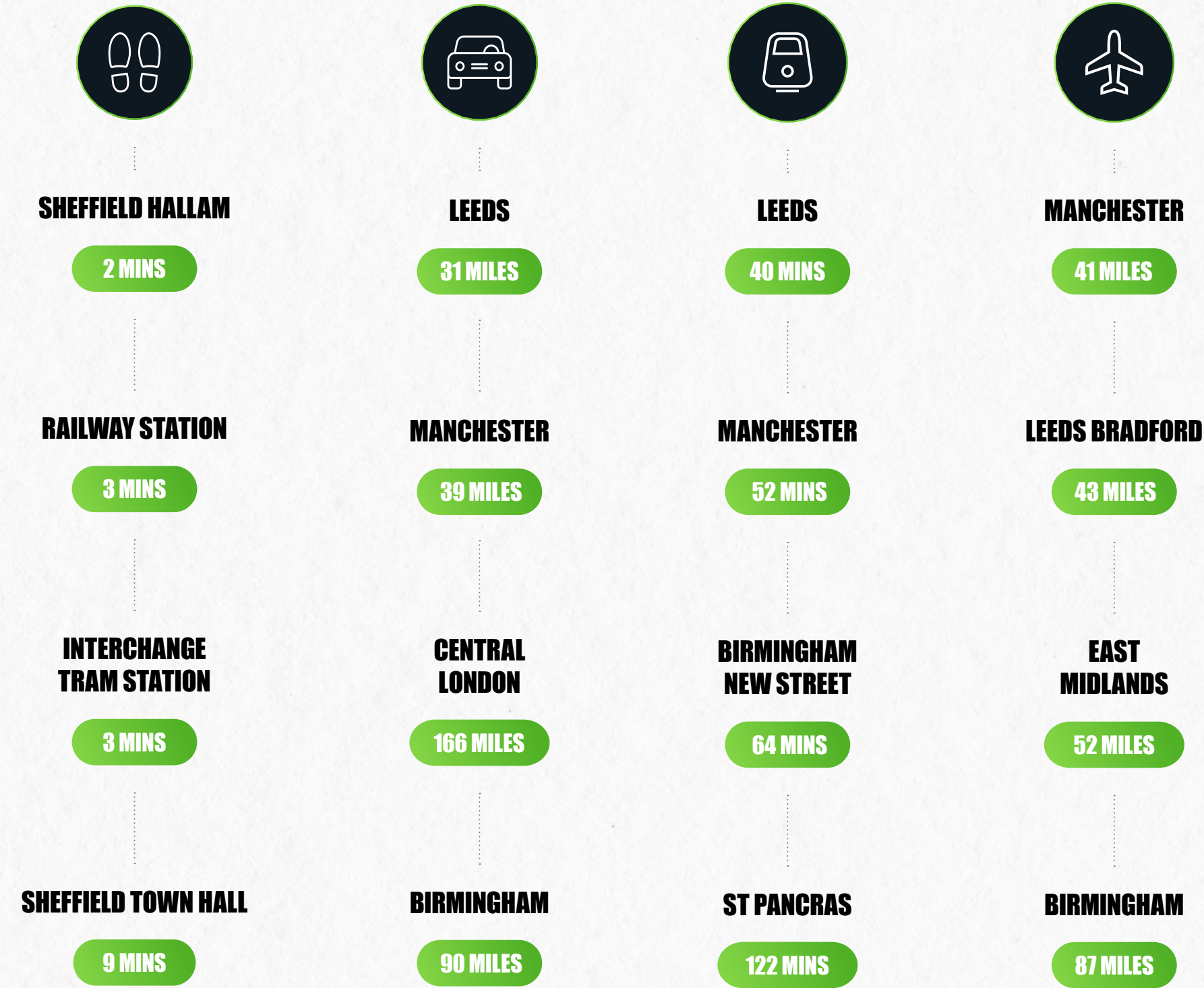
It also benefits from being within close proximity to Sheffield Hallam University and the city centre, which boasts an eclectic mix of quirky shopping districts alongside a large variety of high-street brands and two of the UK's largest food halls; Cutlery Works and Kommune.

What 3 Words /// income.strong.float



CONNECTIVITY

Endeavour benefits from unrivalled connectivity by foot, train, car, tram and plane.



SURROUNDING AREA



HALLAM
UNIVERSITY
TRAM STOP

SHEFFIELD
RAILWAY
STATION

HEART OF THE
CITY II

SHEFFIELD HALLAM
UNIVERSITY

ST PAUL'S PLACE

WINTER GARDENS

SHEFFIELD CITY HALL

BUS INTERCHANGE

THE CRUCIBLE

SHEFFIELD DIGITAL CAMPUS

O2 ACADEMY

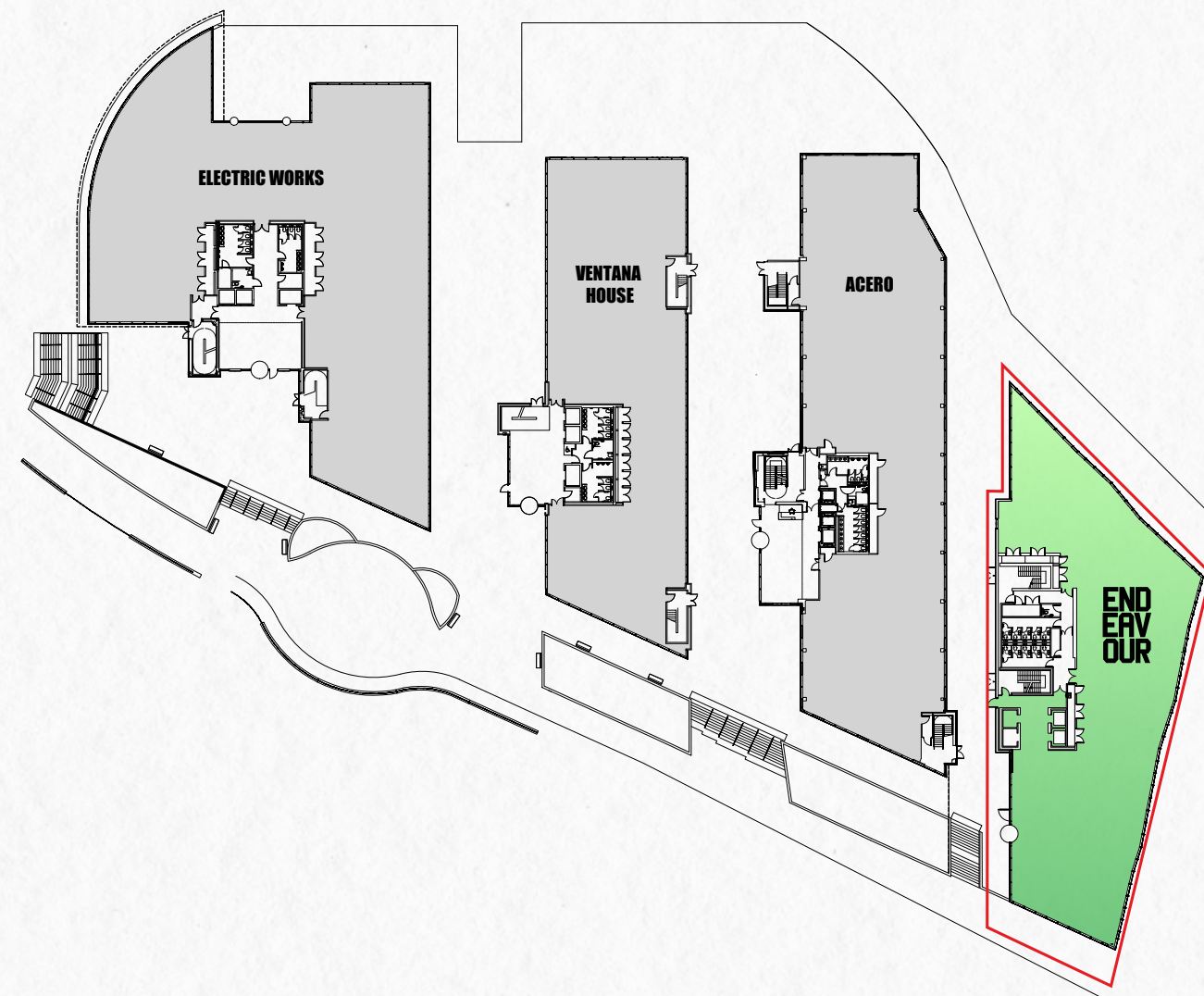
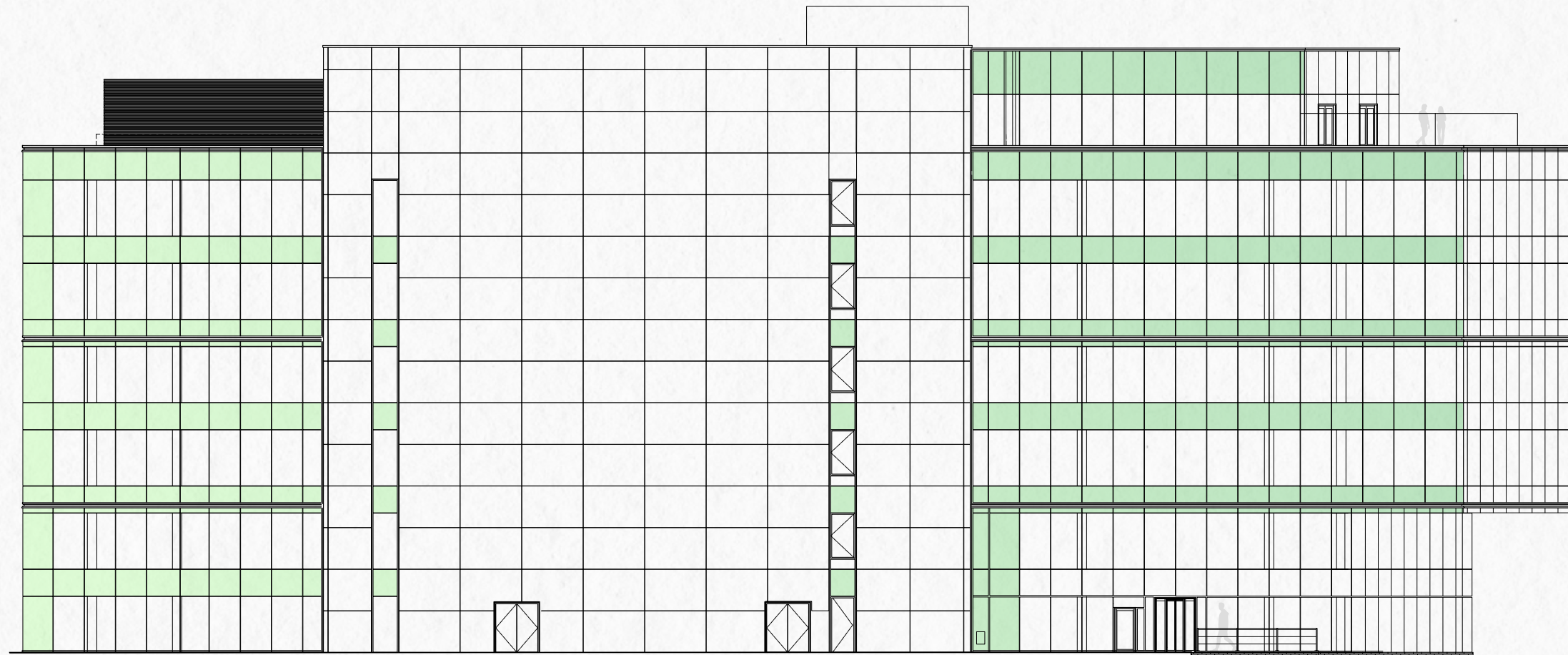
ENDEAVOUR

WEST BAR



ACCOMMODATION

Endeavour extends to approximately 65,510 sq ft and has been independently measured in accordance with the RICS IPMS3 Code of Measuring Practice by Met Geo Environmental.



SIXTH FLOOR

Office Space	3,499 SqFt	325 Sq M
Roof Terrace	629 SqFt	58 Sq M

UPPER FLOORS

Second	10,069 SqFt	935 Sq M
Third	10,074 SqFt	936 Sq M
Fourth	10,043 SqFt	933 Sq M
Fifth	10,062 SqFt	935 Sq M

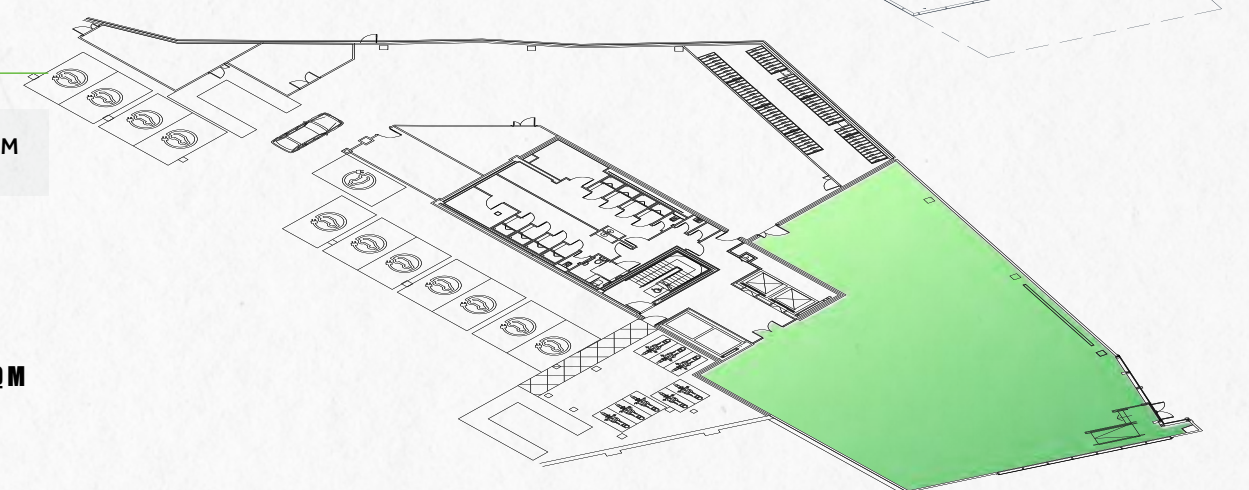
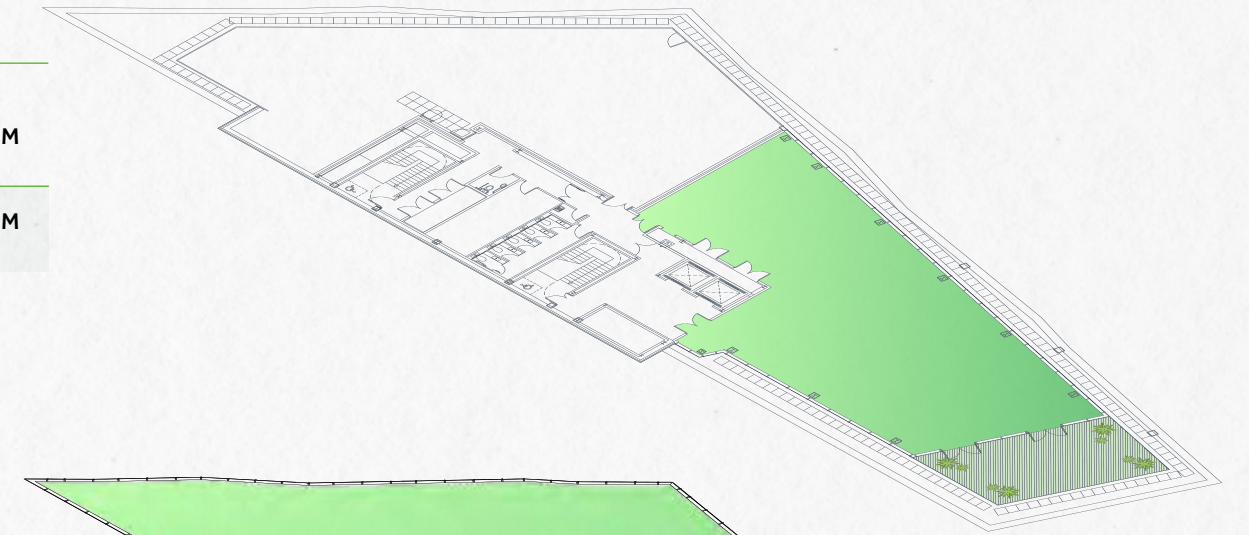
LOWER FLOORS

Podium - Office	7,610 SqFt	707 Sq M
Podium - Reception	1,513 SqFt	141 Sq M
First	7,591 SqFt	705 Sq M

GROUND FLOOR

Ground	5,050 SqFt	469 Sq M
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TOTAL	65,510 SQ FT	6,086 SQ M
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TENANCY

The property is let to BT Group plc on a full repairing and insuring lease for a term of 15 years from practical completion at a rent of £1,699,483 per sq ft (including 17 car parking spaces let at £1,750 per annum, per space).

- The rent reflects £26.00 per sq ft across the office space and £13.00 per sq ft for the reception.
- The rent is capped based on the target floor areas stipulated within the AFL (64,596 sq ft).
- The lease is also subject to five-yearly OMV rent reviews and a break option at the tenth anniversary.

	YEAR ENDING 31/03/22 000'S GBP	YEAR ENDING 31/03/21 000'S GBP	YEAR ENDING 31/03/20 000'S GBP
Turnover	20,850,000	21,331,000	22,905,000
Profit Before Tax	1,963,000	1,804,000	2,353,000
Tangible Net Worth	1,487,000	(1,678,000)	874,000

D&B Credit Rating 5A 1 - Minimal Risk

BT Group



Our new base in Sheffield will provide colleagues with a state-of-the-art new base equipped with the spaces and technology which will make an office fit for the future ... Endeavour provides us with the perfect location in the heart of the city and surrounded by the renowned Digital Campus, which reflects the growth, creativity and ingenuity which are core to BTs work.

BRENT MATTHEWS, BT GROUP PROPERTY DIRECTOR

COVENANT

BT Group plc is a British multinational telecommunications holding company headquartered in London. It has operations in around 180 countries and is the largest provider of fixed-line, broadband and mobile services in the UK, and also provides subscription television and IT services.

BT Group plc provides an economic boost of more than £1.28bn to the Yorkshire region. it is also responsible for creating £1 in every £160 generated across Yorkshire and the Humber.

Endeavour will become one of BT Group plc's strategic hubs and flagship office under its Better Workplace Programme (the largest workplace improvement and consolidation scheme of its type ever in the UK undertaken) which aims to improve and consolidate its UK footprint.

OCCUPATIONAL MARKET



Sheffield offers an attractive discount when compared to the Big 6 regional centres



Sheffield take-up 2022 - 308,578 sq ft in line with the 10 year average



Just 6 months Grade A supply, one of the lowest in the UK



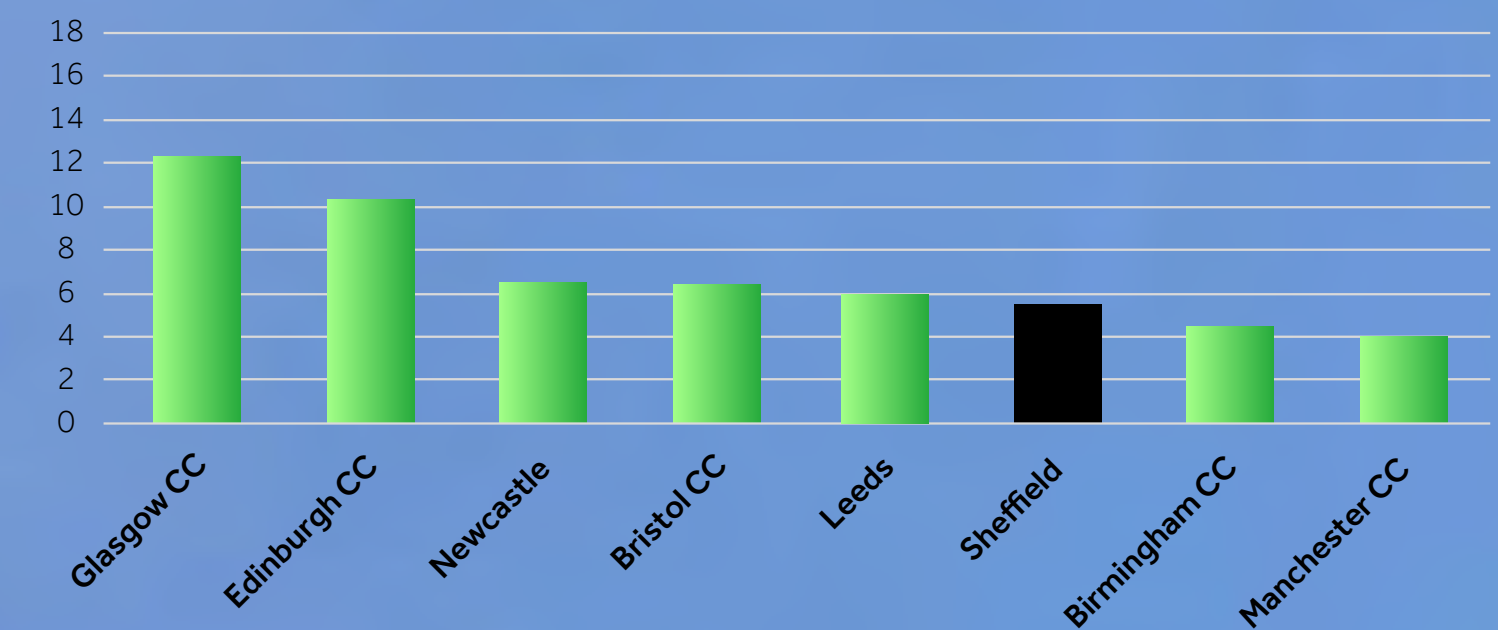
Q2 2023 headline rents in Sheffield are £30.00 per sq ft and are forecast to hit £32.00 per sq ft by 2025

RECENT LETTINGS

We list below a selection of recent letting transactions and key availability:

PROPERTY	TENANT	SIZE (SQ FT)	RENT PER SQ FT	DATE
Elshaw House	PC Q4 2023	75,000	Q1 £32.00	Quoting
Isaacs House	PC Q2 2023	38,375	Q £27.00	Quoting
3 St Paul's Place	Freeths	2,089	£25.00	Oct-22
3 St Paul's Place	Rise at Seven	4,684	£25.00	Sep-21
Grosvenor House, 1 Charter Sq	CMS	45,500	c £25.00	Mar-20
Acero, Sheffield Digital Campus	Egress Software Technologies Ltd	7,400	£26.00	Jan-19

GRADE A AVAILABILITY AS MONTHS OF SUPPLY - REGIONAL MARKETS



INVESTMENT MARKET

Regional office investment volumes reached £5bn in 2022, falling just short of the five year average. Despite the wider economic issues faced by the UK, the Regional Office Market remained buoyant and continued to be an attractive destination for the deployment of domestic capital.

There has been an acute lack of new-build, best-in-class assets coming to the market over the past 18 months.

That being said, those that have come to market have experienced a significantly high level of demand and competitive bidding processes. The national investment transactions below demonstrate continually strong investor (domestic and overseas) sentiment and resilient demand and liquidity for newly refurbished best-in-class assets.

However, since the onset of Covid-19, there has been a profound lack of supply of such stock.

UK REGIONAL NEW BUILD TRANSACTIONS

DATE	PROPERTY	TOWN	AREA	WAULT	PRICE	NIY	CV PER SQ FT
Exchanged	Halo	Bristol	115,607	10	£73,000,000	5.65%	£629
Q2 2022	Unilever Eden Campus	Kingston	281,982	15	£245,640,000	4.60%	£871
Q4 2021	Assembly (Building A)	Bristol	319,637	20	£134,500,000	4.73%	£421
Q3 2020	Babcock, Bristol Business Park	Bristol	131,999	15	£55,195,000	4.60%	£418

INVESTMENT RATIONALE

Endeavour is the last phase of the renowned Sheffield Digital Campus development. This provides Sheffield with a prime, best-in-class regional office development.

BT has publicly announced Endeavour as an important investment, securing its presence in Yorkshire.



Let to BT Group plc - a blue chip company (5A 1 - Minimal Risk) for a 15 year lease from practical completion



Outstanding ESG credentials (EPC A and BREEAM Excellent)



Capture a significant reversion at rent review, with prime headline rents set to reach £32.00 per sq ft in Sheffield



Unrivalled connectivity throughout the UK and internationally



Highly-secure income profile - 10 year term certain



Rare opportunity to acquire a new build, best-in-class asset



Future-proofed asset, designed with both single-let and multi-let capabilities





VAT

We understand the property has been elected for VAT and it is intended that the sale will be treated by way of a Transfer of a going concern.

DATA ROOM

Further information is available on the data room. Please contact a member of the team to request access.

TENURE

Long leasehold for a term of 250 years from Friday 23 June 2023.

SERVICE CHARGE

An Estate Charge is managed for the entirety of Digital Campus. This is wholly recoverable from the tenant.

Further information is available on the data room.

EPC

EPC - A

PROPOSAL

Offers are invited in excess of £25,460,000 (Twenty Five Million Four Hundred and Sixty Thousand Pounds) for the long leasehold interest, subject to contract and exclusive of VAT.

A purchase at this price reflects the following investment profile (allowing for purchaser costs of 6.76%):

Net Initial Yield: 6.25%

Capital Value (per sq ft): £389



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