

OFFICE INVESTMENT
WITH POTENTIAL FOR ALTERNATIVE USE
(SUBJECT TO CONSENTS)



ELIZABETH HOUSE
13-19 QUEEN STREET
LEEDS, LS1 2TW

PRIME LOCATION | **10%**
SMALL FLOOR PLATE | **LOW**
OFFICE TO SUIT | **RENT** | **NET INITIAL**
OCCUPATIONAL MARKET | **YIELD**

**DOVE HAIGH
PHILLIPS**



A58

LEEDS GENERAL INFIRMARY

WELLINGTON STREET

LISBON STREET DEVELOPMENT

WALKER MORRIS

BURBERRY + FCA

PARK SQUARE

LLOYD'S BANKING GROUP

ELIZABETH HOUSE

QUEEN STREET

WELLINGTON PLACE

CITY SQUARE

UK GOVERNMENT HUB

SKY BET

PWC

CHANNEL 4

LEEDS RAILWAY STATION

Keyline for identification purposes only.



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PRIME LOCATION WITHIN A BIG 6 UK CITY

50m
FROM THE
**AWARD
WINNING**
WELLINGTON PLACE
DEVELOPMENT



INVESTMENT SUMMARY

- Prime location within a Big 6 UK city, 50m from the awarding winning Wellington Place development.
- Positioned on Queen Street, in front of a Q-Park multi-storey car park and the Lisbon Street residential / student / office development. It is opposite offices occupied by Burberry and the Financial Conduct Authority. Aparthotel, Q-Two Residence is also located on the street.
- Prospective purchasers might look at future residential development for the property in what is a rapidly improving location.
- The building provides floor plates with an average size of 5,120 sq ft which suits the Leeds office market where over 80% of all lettings in the past 5 years have been sub 10,000 sq ft (80% in the 12 months up to Q4 2023 were sub 7,000 sq ft).
- It is 25,587 sq ft (2,377 sq m) in size with 15 car parking spaces with an under floor and perimeter trunked specification. It is air cooled having male, female and disabled toilets on each floor. Two lifts service the upper floors.
- Having chosen not to exercise an option to determine on 1 April 2024 the property is let to Clarion Solicitors Ltd on several leases till 31/03/2027.
- The passing rent across the property equates to £18.32 psf which is low. We feel the market might support £21psf or more. The building opposite is let off £30 psf with the best Leeds rents at Wellington Place being £37 psf.

Offers are invited in excess of **£4,700,000** subject to contract and exclusive of VAT. A purchase at this level would reflect a **net initial yield of 10%** and a **reversionary yield of 11.27%** assuming graduated acquisition costs of 6.58%. This reflects a low capital value of **£184 per sq ft**.

LOCATION

The property is located within the City of Leeds, England. Leeds is...

- The main commercial centre of the Yorkshire, as a city region it has an economy worth £69bn (5% of UK's output) and is home to 3 million people with 7 million people within one hour's drive. Over the last 10 years the economy has grown by 34%.
- The second largest centre in the UK for financial and legal services, employing 46,000 people across the professional services sector with well in excess of 30 national and international banks having representation in the city.
- Home to eight universities producing some 39,000 graduates a year and a total student population of around 72,000 making it one of the largest student concentrations in Europe. The city has a very good student retention rate providing an excellent pool of skilled labour.
- Currently ranked as the UK's fifth largest shopping location, which was elevated by the Land Securities Trinity Shopping Centre and Hammerson's Victoria Gate schemes that opened in 2013 and 2016 respectively. The latter saw the arrival of the city's first John Lewis store, the largest outside of London.

- The Telegraph newspaper recently ranked Leeds as the UK's 4th best value city for quality of life in 2024.



King Edward Street, Leeds | CREDIT: Along York Photo

4. Leeds (West Yorkshire)

Yorkshire and Humber

AVG HOUSE PRICE	AVG HOUSEHOLD INCOME
£282,663	£58,459
HOUSE PRICE TO INCOME RATIO	CHILDREAR COSTS
4.84	£243.84

High wages are far from the only draw to Yorkshire's largest city – it has arguably one of the greatest cultural offerings in the country. Walk up from the city centre to Hyde Park, the city's student hub, to visit Britain's best live music venue: Brudenell Social Club is a tiny working men's club that has played host to some of music's hottest acts and regularly tops lists of industry leaders' favourites – and still sells pints for under a fiver. Music lovers would also be wise to check out the intimate Wardrobe and hipster-haven Belgrave Music Hall, while top DJs can be found spinning the decks in clubs including Wire and Beaver Works. Northern Ballet, based in the city, reliably turns out world-leading productions (forthcoming shows include The Nutcracker and Romeo & Juliet), while a few doors down, the Leeds Playhouse plays host to some of this country's most exciting original theatre. Even those with slightly loftier tastes will find much to enjoy: marvel at sculptures by Henry Moore and Barbara Hepworth at the Leeds Art Gallery, attend regular classical concerts from the Leeds Symphony Orchestra and visit, just a short drive away in Haworth, the home of the Brontë sisters. The most expensive suburb is Alwoodley, at the northern tip of Leeds as the city becomes green belt, close to the Eccup Reservoir and the grammar school. This leafy neighbourhood is nestled between golf courses. The area with the most private renters – suggesting a younger community – is Leeds Docks, where apartment blocks have replaced deserted industrial wasteland. According to Savills' Adam, medical professionals tend to live in the city centre close to St James's University Hospital and the Leeds General Infirmary and make up a large proportion of the young buyers and tenants. Channel 4's relocation to the Majestic building in Leeds city centre has also brought young media workers from London to the Yorkshire city.

Poppie Platt



CONNECTIVITY

Elizabeth House is...

Located midway down Queen Street circa 200m West of Leeds Train Station. Queen Street joins Wellington Street which is one of the main bus routes into Leeds from the West. Wellington Street connects to the Leeds inner ring road (A58) and joins with the M621, M1 and M62 motorways to the south of the city. To the North the A58 provides access to the Leeds residential suburbs and routes to Harrogate, York and beyond.

- Leeds is approximately 40 miles east of Manchester, 196 miles north of London and 62 miles west of Hull.

BY ROAD

The national motorway network is accessed from the M621 motorway connecting the city to the south. It provides immediate access to the M1 and A1(M) running north and south and the M62 motorway running east and west.

BY TRAIN

Leeds train station is on the East Coast Mainline and is the 3rd busiest station outside of London. London Kings Cross is 2 hr 15min, Manchester is 52 mins and Birmingham 1 hr 53 mins.

BY AIR

Leeds Bradford Airport is eight miles north-west of the city centre which provides international and domestic flights to over 65 locations with the current 3.7million passengers predicted to reach 8 million by 2026.

SITUATION

Elizabeth House is in a prime city core location opposite offices occupied by Burberry plc and the Financial Conduct Authority. It is flanked by multi-let offices either side with a Q-Park multi story car park immediately behind the property. Aparthotel operator Q Two also occupy the street.

Around 50m from the property is Wellington Place a new office dominated development which has transformed the East Side of the Leeds Central Business District. At 21 acres and 1m sq ft in size it is the largest office development in Leeds for the past 20 years. When completed one in ten jobs in central Leeds will be based here. The effect of the development has been to redefine the prime office pitch within the city. It is home to a host of significant occupiers including Lloyds Banking Group, Allianz, Investec, HMRC, Brewin Dolphin, Sky Bet, WSP, and Buro Happold amongst others.

The situation of Elizabeth House will further improve with the redevelopment of the Lisbon Street site immediately behind the property and the adjacent McLaren led Wellington Square site. The first phase of the Lisbon Street development is onsite. It consists of 629 apartments and 500 student units within two buildings of 33 and 22 floors. Two additional phases will include a hotel and offices. The Wellington Street development has consent for a 330,000 sq ft office led scheme. An additional consent is being considered increasing the scale of development from 19 storeys to 45 storeys moving to a more mixed use scheme.

The train station is 7 minutes walk from the property.





ACCOMMODATION

The property has been measured in accordance with the RICS code of Measuring Practice (6th Edition) and provides the following Net Internal Areas:

	Sq Ft	Sq M
Ground Floor	5,314	493.69
First Floor	5,350	497.03
Second Floor	5,341	496.20
Third Floor	5,419	503.44
Fourth Floor	4,163	386.76
Total	25,587	2,377.12



The building occupies a site area of 0.125 Hectares (0.31 Acres).



DESCRIPTION

The property is a five storey brick and stone clad office building beneath a slate covered mansard roof. The building is arranged in a 'T' shape on a rectangular site fronting Queen Street. Car parking is available to the rear of the property where the tenant uses 15 spaces giving a parking ratio of 1:1,706 sq ft (1:158 sq m). The main access to the building is via Queen Street with one entrance to the middle of the frontage and a further entrance to the lift lobby towards the north extent of the building.

Inside, the accommodation is arranged with the lift, WC's and services in the north side of the building. All floors have lift access and male, female and disabled WC's. The building provides a floor to ceiling height of circa 2.8m (2.34m in the 4th Floor). The offices are built to a high quality specification, all floors have comfort cooling, with data and telephone services provided in part perimeter and part under floor trunking. The building was comprehensively refurbished in 2012.



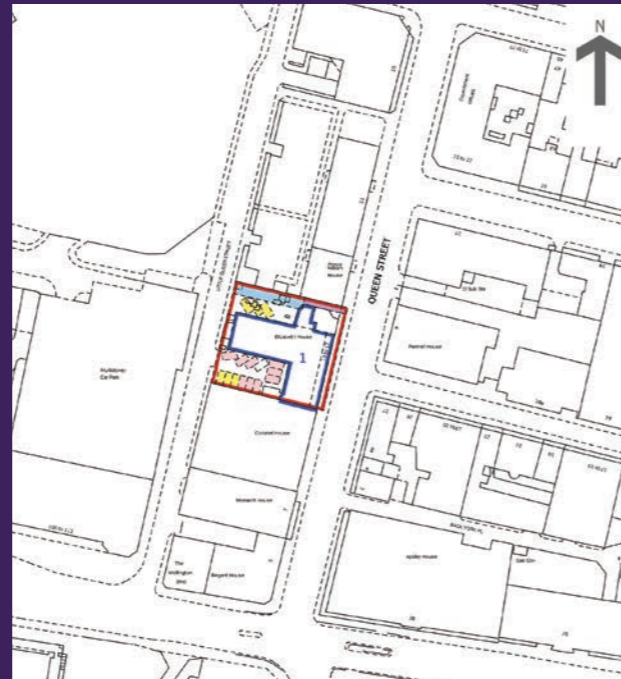
TYPICAL FLOOR PLAN



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TENURE

Freehold - title number: YWE72642.

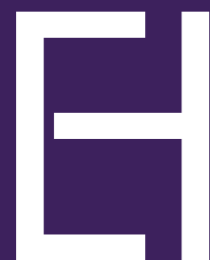


TENANCY

Description	Sq Ft	Sq m	* Car Parking Spaces	Tenant	Lease Start Date	Lease Expiry Date	Rent (psf)	Comments
Ground, 3rd & 4th Floors	14,896	1,383.89	9	Clarion Solicitors Limited	01/04/2012	31/03/2027	£285,000	Inside 1954 Act
Rear 1st Floor	3,346	310.85	1	Clarion Solicitors Limited	29/09/2020	31/03/2027	£68,000	Inside 1954 Act
Front 1st Floor	2,004	186.18	1	Clarion Solicitors Limited	18/12/2015	31/03/2027	£38,000	Inside 1954 Act
2nd Floor	5,341	496.20	6	Clarion Solicitors Limited	27/09/2021	31/03/2027	£111,400	Inside 1954 Act
	25,587	2,377.12	17				£502,400 (£18.32 overall)	

* Whilst the tenant has a right to use 17 spaces pursuant to the leases, they use 15 spaces in practice and that is the number of spaces we have assumed when analysing the rent. We have assumed a rate of £2,250 per space based upon the car spaces used.

A market rent of £21 per sq ft (and £20 per sq ft on the 4th floor) would provide a rental value of **£564,664 (£20.75 per sq ft)** on an overall basis.



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SERVICE CHARGE

Despite the single occupation of the building there are a number of leases on the property and a service charge is in place for the management of the building. The service charge budget for the year ending 31st December 2023 was £156,149pa. Given the single occupation of the building the tenant might feel there are savings to be enjoyed by managing the building themselves. This could well form part of a wider discussion in relation to a new lease.

DATA ROOM

Data room access is available upon request, which includes service charge budget/management information, leases and title documents.

COVENANT

Clarion

Clarion Solicitors Limited is a multi-disciplinary solicitor's practice operating from a single site in Leeds but working nationally and with clients in 75 countries worldwide. The leading independent professional legal research company Chambers and Partners have currently ranked 10 departments and 26 lawyers working for Clarion in their 2024 edition of Chambers which aims to identify excellence within the legal world.

<https://www.clarionsolicitors.com>

The tenant covenant is:

Clarion Solicitors Limited (07185479)

	31/05/2022	31/05/2021	31/05/2020
Turnover	£26,889,273	£23,216,409	£19,558,271
Pre-tax Profit	£4,992,141	£4,599,940	£4,317,792
Net Assets	£5,717,787	£5,197,218	£4,798,523

EXPERIAN CREDIT RISK:

100/100 VERY LOW RISK

LEEDS OFFICE MARKET

The Leeds office market demand is dominated by the city's banking, financial and professional services sector which accounted for 60% of take up in the first half 2023. The property is located within the prime office area known as the city core which has an inventory of circa 9m sq ft.

Leeds city centre has a five-year average office take up of circa 600,000 sq ft. Demand for accommodation within the city is currently strong with the rolling 12 month take up figure to the end of Q3 2023 amounting to 749,510 sq ft. The prime headline rent within the city is £37.00psf a figure which is significantly below the average of the prime rents across the UK's Big 6 regional cities of £39.50psf. The average rent across the city core, across all grades of space is £27.00psf. Such a considerable gap between the best in class space and more secondary accommodation could be indicative of a significant upside potential upon upgrading of accommodation.

Over the past 5 years, in excess of 80% of deals done were for office suites of less than 10,000 sq ft and 81% of deals in the 12 months to Q4 were below 7,000 sq ft in size. Elizabeth House has an average floor plate of 5,117 sq ft, making it well suited to the current occupational market churn.

The recent key transactions within the city include:

Date	Address	Area Sq ft	Tenant	Rent psf	Comments
Sept-23	12 King Street	11,618	Azets	£37.00	15 year lease, 10 year break
Sep-23	West One, Wellington Street	2,081	Mace	£27.00	5 year lease, 3 year break
Sep-23	4 Wellington Place	27,470	Irwin Mitchell	£33.00	Subletting till 2030
Jul-23	12 Wellington Place	12,219	JLL	Q£38.00	-
Jun-23	Granary Building	9,486	White Rose Education	£32.00	10 year lease, 5 year break
Jun-23	Globe Point	4,290	SCC	£36.00	10 year lease
May-23	12 King Street	3,947	Reward Finance	£37.00	10 year lease, 5 year break
May-23	11 Wellington Place	9,000	Hill Dickinson Solicitors	£36.00	10 year lease, 5 year break
Mar-23	12 King Street	7,702	Michael Page Recruitment	£36.00	5th floor, 10 year lease, 5 year break
Mar-23	11 & 12 Wellington Place	124,400	Lloyds Banking Group	Conf. Q £38	Part 5th & 6th – 10th. 10 year lease
Jan-23	City Square House, Leeds	19,956	Market	£36.00	Pre-let. 9th & 10th Floors
Dec-22	Trevelyan Square	54,545	Leeds Trinity University	£34.00	15 year lease with 12 year break
Nov-22	11 & 12 Wellington Place	35,828	Ove Arup & Partners	£34.00	Part 3rd & 4th floors. 15 year lease with 10 year break

In terms of Queen Street the latest evidence available is opposite the property in 6 Queen Street where the Financial Conduct Authority took 14,207 sq ft at a rent of £30psf. Other occupiers within that building include Burberry.

Based upon the above we consider the Market Rent of the property to be circa £21 psf.

RESIDENTIAL USE

In common with many parts of the city, the surrounding area has seen an increasing amount of residential and alternative uses. Leeds has one of the largest stocks of Build To Rent (BTR) accommodation in the UK with almost 3,200 homes which demonstrates a high degree of market confidence. Notable operators include Native, MODA and Grainger. BTR rents for higher end stock range from circa £1,000 pcm for a studio to around £2,000 pcm for a three bedroom apartment. The Lisbon Street scheme behind the property has been forward sold to Cortland and is currently on site with 600 apartments whilst the planners are considering an application for a larger residential element on the Wellington Street site. In terms of city centre residential end values in Leeds, these vary dependent upon specification and location between £350psf - £450psf.





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ENERGY PERFORMANCE CERTIFICATE

The property benefits from an Energy Performance Certificate rating of C.

VAT

The property is elected for VAT and therefore VAT will be payable on the purchase price. It is anticipated that the sale will be structured as a Transfer of a Going Concern.

AML

The purchaser will need to satisfy the Anti Money Laundering policies of the sales agent and the Vendor client. This is usually two forms of Identification and confirmation of the source of funding from the successful purchaser.

PROPOSAL

Offers are invited in **excess of £4,700,000** subject to contract and exclusive of VAT. A purchase at this level would reflect a **net initial yield of 10%** and a **reversionary yield of 11.27%** assuming graduated acquisition costs of 6.58%. This reflects a low capital value of **£184 per sq ft**.

VIEWINGS & FURTHER INFORMATION

For further information or if you wish to arrange a viewing please do not hesitate to contact:

Tom Day

Partner

E: tom.day@dhpproperty.co.uk

M: 07900 318 945

**DOVE HAIGH
PHILLIPS**

Misrepresentation Act: Dove Haigh Phillips for themselves and for the Vendors and Lessors of this property whose agents they are give notice,

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