

PROLOGUE WORKS

25 MARSH STREET
BRISTOL
BS1 4AQ

**FULLY REFURBISHED EPC A FREEHOLD OFFICE INVESTMENT
UNDERPINNED BY RESIDENTIAL CONVERSION POTENTIAL**

 **ADS RE** **CBRE**



INVESTMENT SUMMARY

- Rare freehold office investment opportunity located within Bristol city centre, moments from the city's absolute prime offices such as EQ and 10 Victoria Street.
- Situated on Marsh Street, adjacent to Queens Square and its surrounding significant amenities.
- Fully repositioned 9 storey building, totalling 37,128 sq ft NIA, 48,350 sq ft GIA.
- Comprehensive cap ex programme under taken at a cost of +£5.7 million, £154 per sq ft.
- Fully electric building, with new VRF air conditioning and lifts, generous end of trip facilities, reclad front elevation and 29 space secure car park.
- EPC A25 rated, with outstanding sustainability credentials and a Cycling Score Gold Award.
- Well suited floorplates to the local market, averaging c.4,125 sq ft.
- Multi let to 6 tenants, with an AWULT of 2.06 years to breaks and 3.54 years to expiries.
- Current passing rent of £740,170 pa, reflecting a low average rent of £26.10 psf across let space.
- Total vacancy of 8,772 sq ft, providing immediate value add potential.
- Substantial reversionary potential, with an ERV of £1,133,255 pa, reflecting an average rent of £30.52 psf.
- ERV of £27.50 - £28.50 psf for CAT A accommodation and £33.50 per sq ft on a fully fitted basis.
- Material discount to Bristol prime city centre rents, which are shortly anticipated to reach in excess of £51.00 per sq ft.
- Significant asset management opportunities to add value including expanding and regearing occupiers, letting accommodation on a fully fitted basis and creating a ground floor self-contained unit.
- Accretive anticipated yield on cost where rolling out fully fitted specification.
- Alternative potential to explore change of use by way of Permitted Development Rights as the building sits outside of Article 4 Direction.
- Value underpinned by residential conversion at the guide pricing, offering a purchaser material optionality.
- Nearby office premises have exchanged for residential conversion at pricing understood to be c.£270 per sq ft.

Offers are invited for our client's freehold interest.





BRISTOL



Awarded
**UK's Best
Place to
Visit in
2024** by
TimeOut



Ranked as one of
the **top 5 cities in
Great Britain** to
start a business
(2022)

Exponential
population
growth
**(+10.6%
between
2011–2021)**

Two outstanding
universities;
**University of
Bristol** and
**University
of the West
England** with
68,700 students,
up 33% in the
last 5 years

**£1.3bn value of
the visitor
economy in
Bristol and South
Gloucestershire**

Bristol has been ranked fifth on
the '**New Levelling Up Tech
Power League**' of fast-growing
tech cities, 2021

**Population of
550,000** and
a larger urban
zone of 1.6 million
residents

UK
'Big 6'
Regional
City

78.5%
employment
rate, second
highest in the
UK



International
airport with
**direct flights
to over 100
destinations**





COMMUNICATIONS



ROAD

Bristol city centre offers direct access to the M4 and M5 intersection via the M32.

The M4 motorway connects the city on an east/west axis from London to Wales, and the M5 is north/south west axis from Birmingham to Exeter.



RAIL

Bristol has two main railway stations. Bristol Temple Meads is situated south east of the city centre and Bristol Parkway is situated to the north of the city centre with both providing direct access to London, the Midlands and the south west.

Network Rail have invested over £5bn on the electrification of the Great Western Line. This enables the line to run faster and offer more services between Bristol and London.

- **Prologue Works**
- Bristol Airport
20 minutes, 8 miles
- Bath
40 minutes, 16 miles
- Cheltenham
1 hour, 43 miles
- Cardiff
1 hour, 43 miles
- Reading
1 hour 30 minutes, 78 miles
- London
2 hours 30 minutes, 119 miles
- Heathrow Airport
2 hours 5 minutes
- London Paddington
1 hour 36 minutes
- Birmingham
1 hour 35 minutes
- **Bristol Temple Meads**
- Cardiff
48 minutes
- Exeter
1 hour 17 minutes



AIR

Bristol International Airport is located 8 miles south west of the city centre; it offers direct flights to over 100 destinations and handles over six million passengers per annum.

- **Bristol Airport**
- Dublin
1 hour
- Jersey
1 hour
- Amsterdam
1 hour 10 minutes
- Edinburgh
1 hour 10 minutes
- Paris
1 hour 20 minutes
- Madrid
2 hours 15 minutes
- Rome
2 hours 40 minutes





LOCAL OCCUPIERS

- | | | |
|-------------------------------|-------------------------------|------------------------------|
| 1 Anthesis | 7 KPMG | 13 True Digital |
| 2 Arts Council England | 8 OVO Energy | 14 Turley |
| 3 BGF | 9 Prysm Media Group | 15 VWV |
| 4 Chapman Taylor | 10 Runway East Bristol | 16 EQ Bristol |
| 5 Edico Media Ltd | 11 Simitive Ltd | 17 Armourers House |
| 6 Just Eat | 12 TLT | 18 10 Victoria Street |

LOCAL AMENITIES

- | | | |
|---------------------------------|---------------------------------|------------------------------|
| 1 Arnolfini | 7 Friska | 13 Sainsburys Local |
| 2 Bella Italia | 8 Graze | 14 St Nicholas Market |
| 3 Bristol Hippodrome | 9 Harbourside | 15 Tesco Express |
| 4 Bristol Marriott Royal | 10 Mercure Bristol Grand | 16 The Bristol Hotel |
| 5 Cosy Club | 11 Premier Inn | 17 Turtle Bay |
| 6 Franco Manca | 12 Raddison Blu | 18 Watershed |



Floating Harbour

Bristol Amphitheatre

Millennium Square

Waterfront

Bristol Aquarium

Queen Square

1 minute walk to Queen Square

Armourers House

Radisson Blu Hotel

KPMG

King Street

PROLOGUE
WORKS



SITUATION

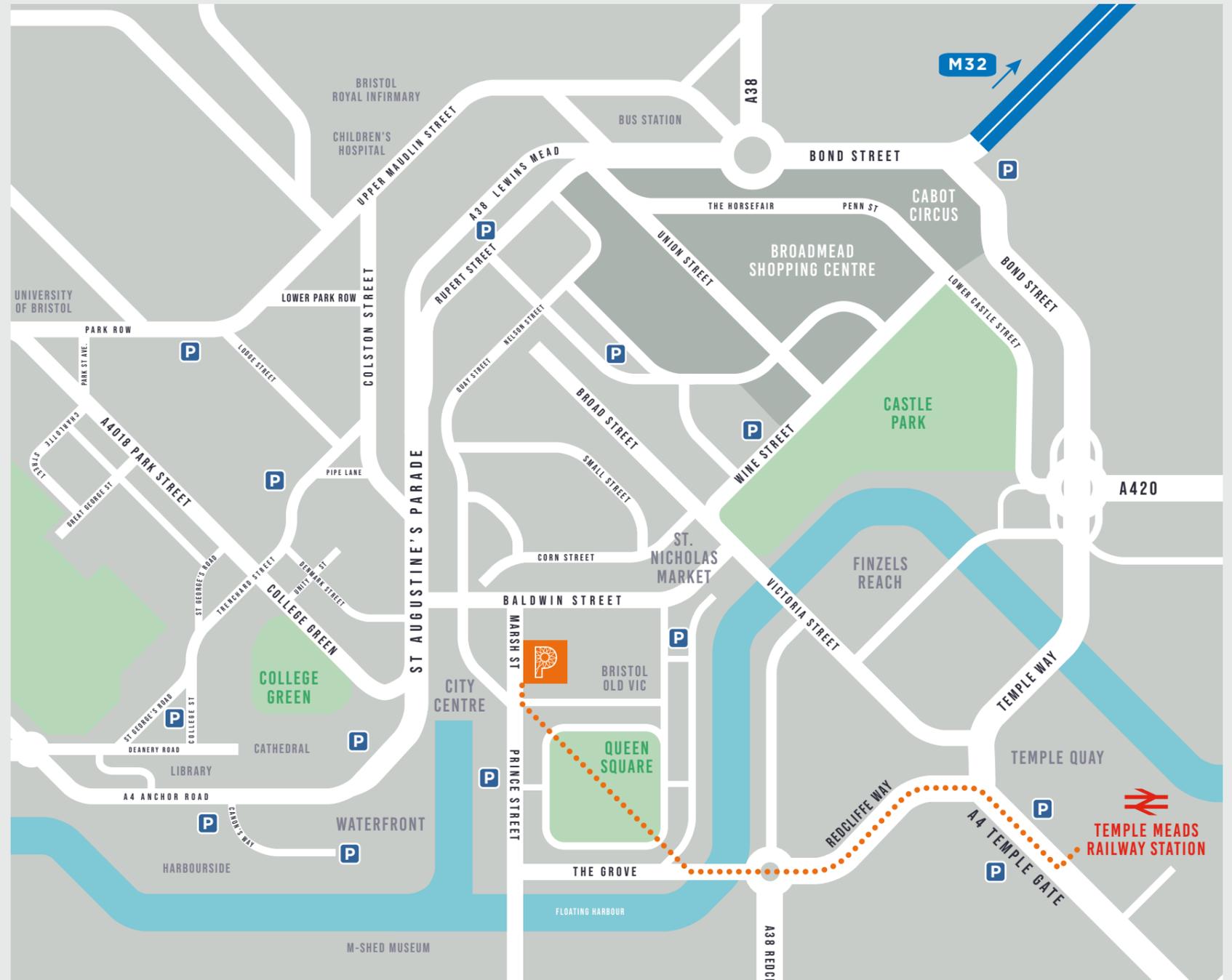
Prologue Works is located at **25 Marsh Street** off the junction of Colston Avenue, Prince Street and King Street, within a **one minute walk of Queen Square** and a **5-minute walk of all the bars and restaurants at Harbourside and King Street**.

Positioned just off several of the National Cycle Network routes, the building has excellent cycle connectivity to the wider Bristol area. Temple Meads station is within a 15-minute walk or 5-minute cycle.

The building is strategically located within 200 metres of the city's inner ring road, providing direct access to the M32 and M4/M5 motorways. Bristol Airport is only 20 minutes away.



5-minute walk from the amenities at Harbourside and King Street





SURROUNDINGS & SUSTAINABILITY

Occupiers and investors alike are increasingly demanding robust ESG credentials.

Bristol was the UK's first local council to declare a climate emergency, with the **city intensely focused on achieving carbon neutrality** by 2030



With its **EPC A rating**, Prologue Works meets and **exceeds current and future regulation targets**

Prologue Works central location is ideally suited for businesses and their employees to work and relax, thanks to the **rich and varied surrounding amenity offer**



Bristol stands out as a **global leader in sustainability**

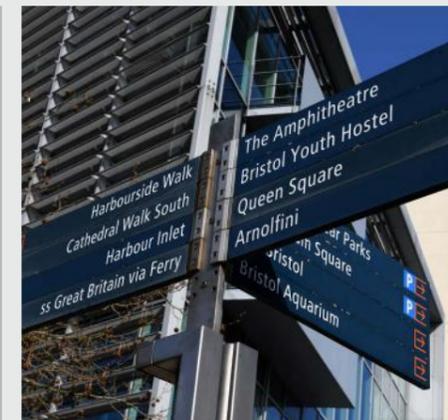
Bristol has also been recognized as **the European Green Capital in 2015**, highlighting its commitment to environmental initiatives



Outstanding Transport Amenity - Bus stop within 150 metres and **Temple Meads Station** within a 15 minute walk



The Bristol City Leap partnership aims to **invest £360 million** in clean, low-carbon energy, which will **create over 1,000 jobs**, **reduce emissions by 150,000 tonnes** and **transform Bristol into a zero-carbon and nature-rich city**





DESCRIPTION

Fully repositioned to prime specification throughout, at a cost of **+£5.7 million, £154 per sq ft.**

Prologue Works provides a comprehensively refurbished and fully repositioned 9 storey office building offering an exposed services finish and open plan accommodation throughout.

The vendor completed an extensive programme of works in 2020 at a cost of +£5.7 million, reflecting £154 per sq ft, to deliver an absolute prime specification, including manned reception, landlord Air Handling Unit, fully refurbished WCs and state of the art end of trip facilities.

Specification of works available on request.

Specification Highlights



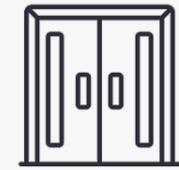
Exposed Services Finish



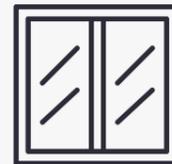
Male & Female Showers On Every Floor



Manned Reception



Relocated & Repositioned Entrance



Double Glazing



Centralised Landlord AHU



29 Car Parking Spaces
1:1,280 Sq Ft



Overhauled Roof

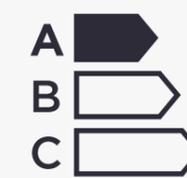
ESG Highlights



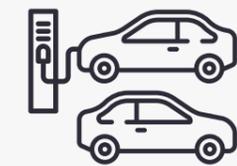
All-Electric Building



Fully De-Gassed



EPC A25
Valid to May 2034



2 x EV Parking Spaces



48 x Secure & Dry Cycle Spaces.
Cycling Score Gold Award



New VRF Air Conditioning System



2 x New 8-Person (630kg) Lifts



Low Voltage LED Lighting





Sixth Floor



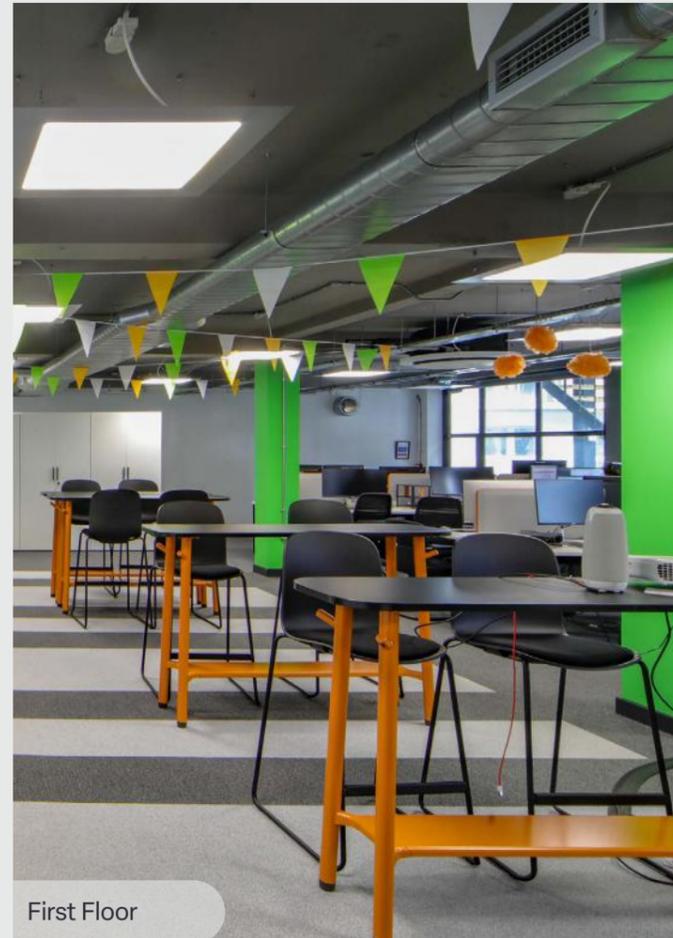
Third Floor



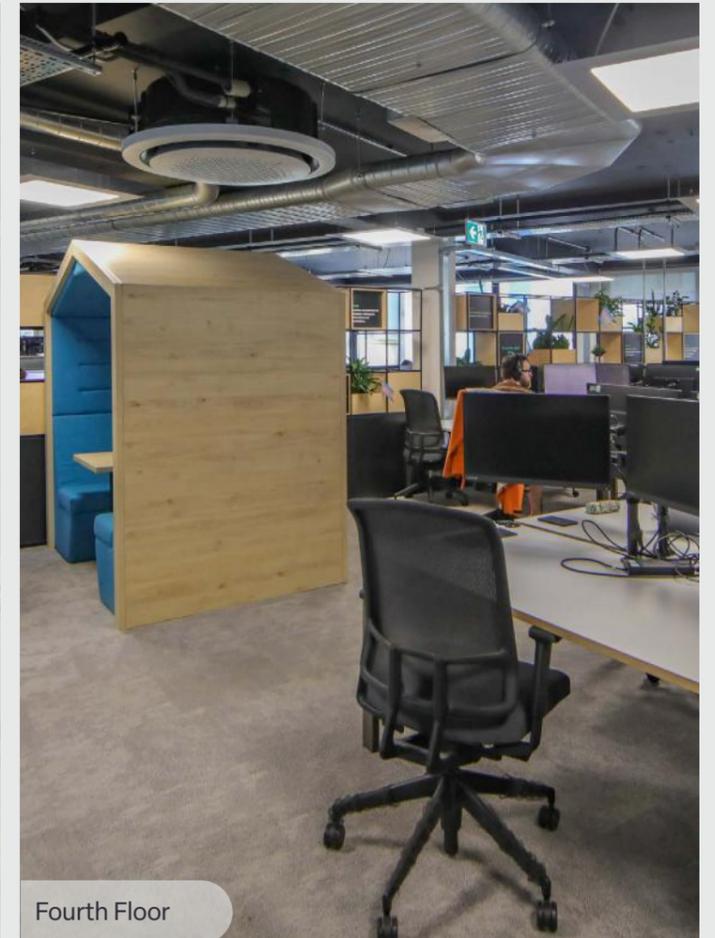
Fourth Floor



Ground Floor



First Floor



Fourth Floor



ACCOMMODATION

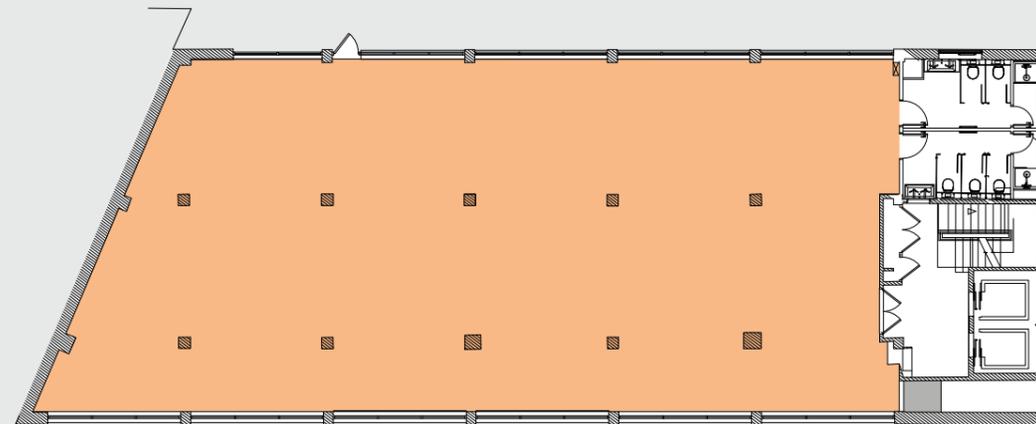
Prologue Works has been measured in accordance with the RICS Code of Measuring Practice (6th Edition) and provides the following areas.

Floor	Net Internal Area		Gross Internal Area	
	Sq M	Sq Ft	Sq M	Sq Ft
8	319.9*	3,443*	383.2	4,125
7	320.1**	3,446**	382.7	4,119
6	407.0	4,381	465.7	5,013
5	407.8	4,390	465.8	5,014
4	407.3	4,384	465.2	5,007
3	407.3	4,384	465.2	5,007
2	407.1	4,382	465.4	5,010
1	407.1	4,382	465.4	5,010
G	365.7	3,936	455.9	4,907
B	-	-	444.4	4,783
TOTAL	3,449.3	37,128	4,458.9	47,995

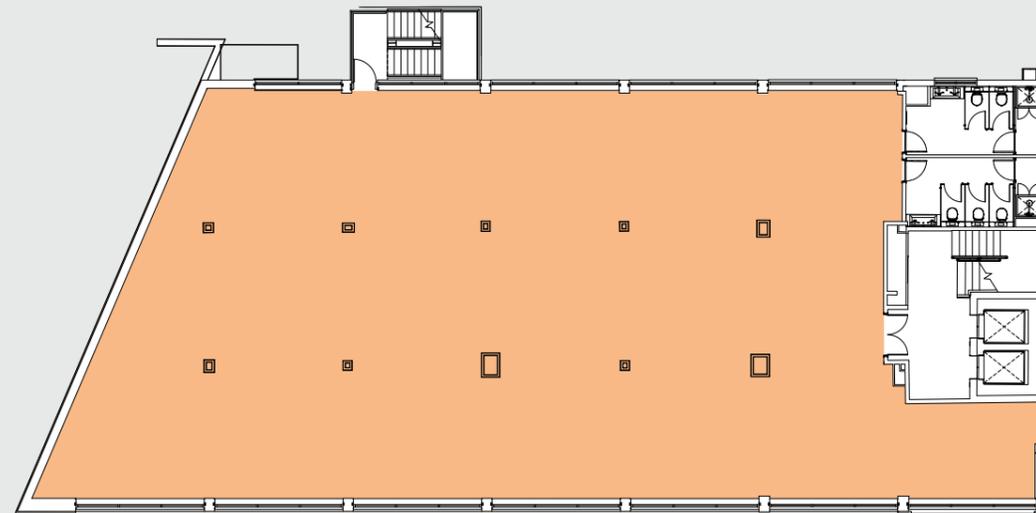
* Additional storage of 1.4 sq m, 15 sq ft

** Additional storage of 4.8 sq m, 52 sq ft

8th Floor Plan



5th Floor Plan



For indicative purposes only

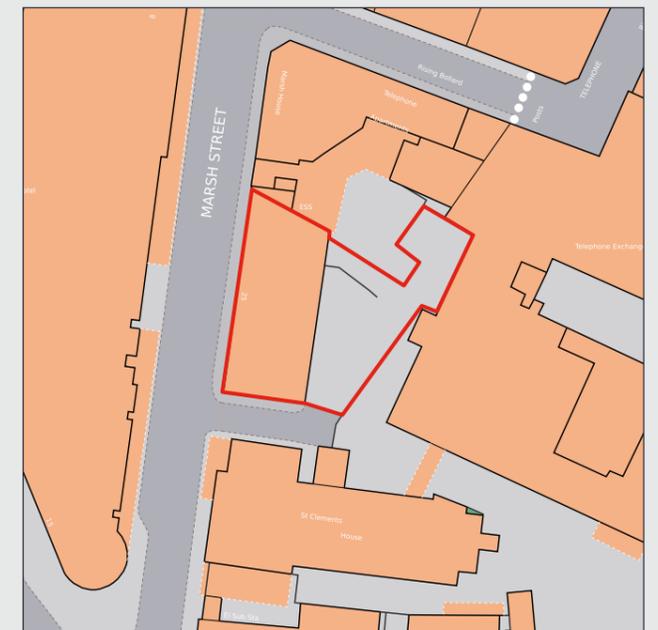


Net Internal Area of
37,128 Sq Ft

Gross Internal Area of
47,995 Sq Ft

Average Floorplate Size
4,125 Sq Ft

Title Plan



For indicative purposes only



Third Floor – Sage Ltd



TENANCY

Prologue Works is let to six tenants and benefits from an Average Weighted Unexpired Lease Term of 2.06 years to breaks and 3.54 years to expiries.

All leases are held on effective Full Repairing and Insuring terms, with none benefitting from security of tenure.

The total passing rent of £740,170 per annum reflects a highly reversionary average rent of £26.10 per sq ft across let space.



Floor	Area (Sq Ft)	Tenant (Surety)	Lease Start	Lease Expiry	Break Date	Rent Review	Rent (£ Pa)	Rent (£ Psf)	ERV Basis	ERV (£ Pa)	ERV (£ Psf)	Comments
Ground	3,936	First West of England	22-Jul-22	21-Jul-32	21-Jul-27	22-Jul-27	£104,304	£26.50	CAT A	£108,250	£27.50	
First	4,382	Parallel Wireless Ltd (Parallel Wireless inc)	19-Oct-20	18-Oct-25	-	-	£116,414	£26.57	CAT A	£120,520	£27.50	Rent free applies up to 18-Feb-25. Vendor to top up.
Second	4,382	Vacant	-	-	-	-	£0	£0.00	CAT A / Fully Fitted	£120,525 / £146,800	£27.50 / £33.50	Floor has been de-rated, no rates currently apply.
Third	4,384	Brightpearl Ltd - T/A Sage	01-Sep-20	31-Aug-30	01-Sep-25	01-Sep-25	£114,930.50	£26.22	CAT A	£120,580	£27.50	6 month rent deposit.
Fourth	4,384	Clearbank Ltd	10-Feb-20	09-Feb-25	-	-	£117,660	£26.70	Fully Fitted	£146,880	£33.50	
Fifth	4,390	To Be Vacant	-	-	-	-	£0	£0.00	CAT A / Fully Fitted	£120,725 / £147,085	£27.50 / £33.50	To be vacant from 18-Oct-24
Sixth	4,381	Hartley SAS Ltd	13-Dec -23	12-Jun-25	Mutual Rolling Breaks**	-	£110,325	£25.18	CAT A / Fully Fitted	£120,495 / £146,775	£27.50 / £33.50	
Seventh	3,446	Ping Identity Ltd (Forgerock US Inc.)	08-Nov-19	07-Nov-29	-	08-Nov-24	£88,842	£25.78	CAT A	£98,225	£28.50	Additional 52 sq ft of storage space on the floor.
Eighth	3,443	Ping Identity Ltd (Forgerock US Inc.)	08-Nov-19	07-Nov-29	-	08-Nov-24	£87,694	£25.47	CAT A	£98,140	£28.50	Additional 15 sq ft of storage space on the floor.
TOTALS	37,128						£740,170	£26.10*		£1,054,340 / £1,133,255	£28.40 / £30.52	

*Across let space.

**Landlord may terminate upon 3 months notice and tenant may terminate upon 2 months notice.



COVENANT OVERVIEW

Prologue House's central location, outstanding specification and economic occupational cost has been of significant attraction to the Tech and Finance industries, securing a core base of highly secure covenants.

Occupiers of note include:



Ping Identity Ltd (Company No. 07227664) is an identity and access management (IAM) software company. It was founded in 2010 and is headquartered in San Francisco, California, with offices in London, New York City, and Singapore.

ForgeRock US, Inc. (Company No. 27-2710676) are guarantor to the lease.



Parallel Wireless Ltd (Company No. 08738456) is a telecommunications company based in Nashua, New Hampshire which develops and sells wireless network hardware and software. Its products are used by mobile network operators worldwide.

The company's products are based on a software-defined architecture, which allows for greater flexibility and scalability than traditional hardware-based networks.

Parallel Wireless Inc (Company No. 4731442) are guarantor to the lease.

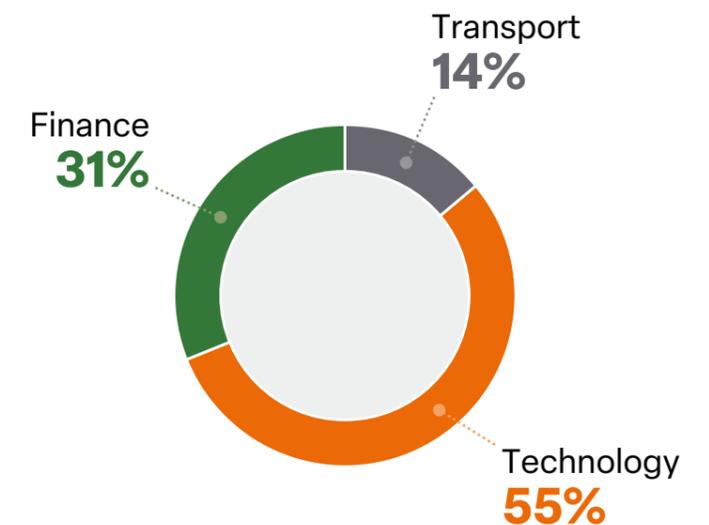


Brightpearl Ltd (Company No. 06260621) is a provider of cloud-based retail management software. The company was founded in 2007 and is headquartered in Bristol. The Sage Group plc, leader in accounting, financial, HR and payroll technology for small and mid-sized businesses acquired Brightpearl for \$340 million in January 2022.

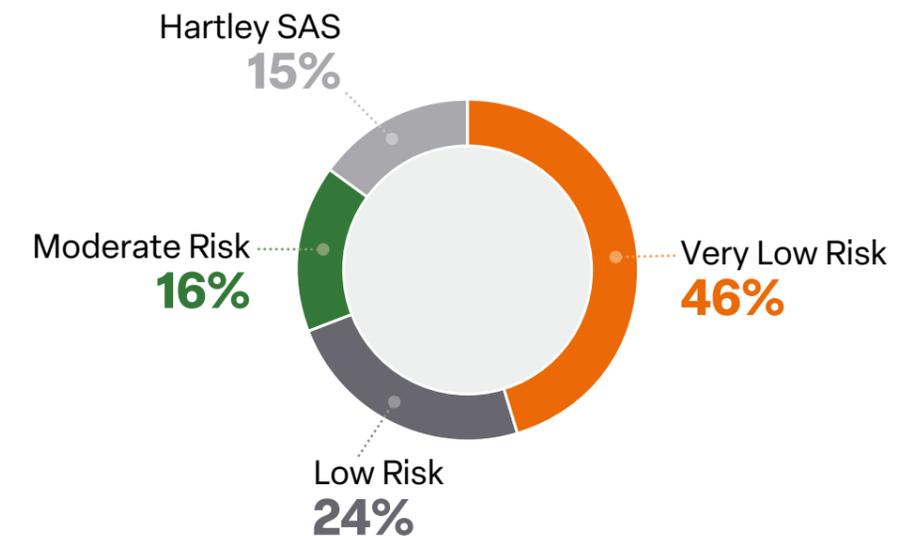


First West of England Ltd (Company No. 00025088) is a bus and coach operator based in Bristol, England. It is a subsidiary of FirstGroup. The company operates services in the West of England, including Bristol, Bath and surrounding towns in the north of the region, the coastal resort of Weston-super-Mare in the west, parts of West Wiltshire in the east and Glastonbury, Street and Wells in the south.

Sector Diversification



Covenant Strength





ASSET MANAGEMENT

Prologue Works provides a Purchaser with significant asset management opportunities.

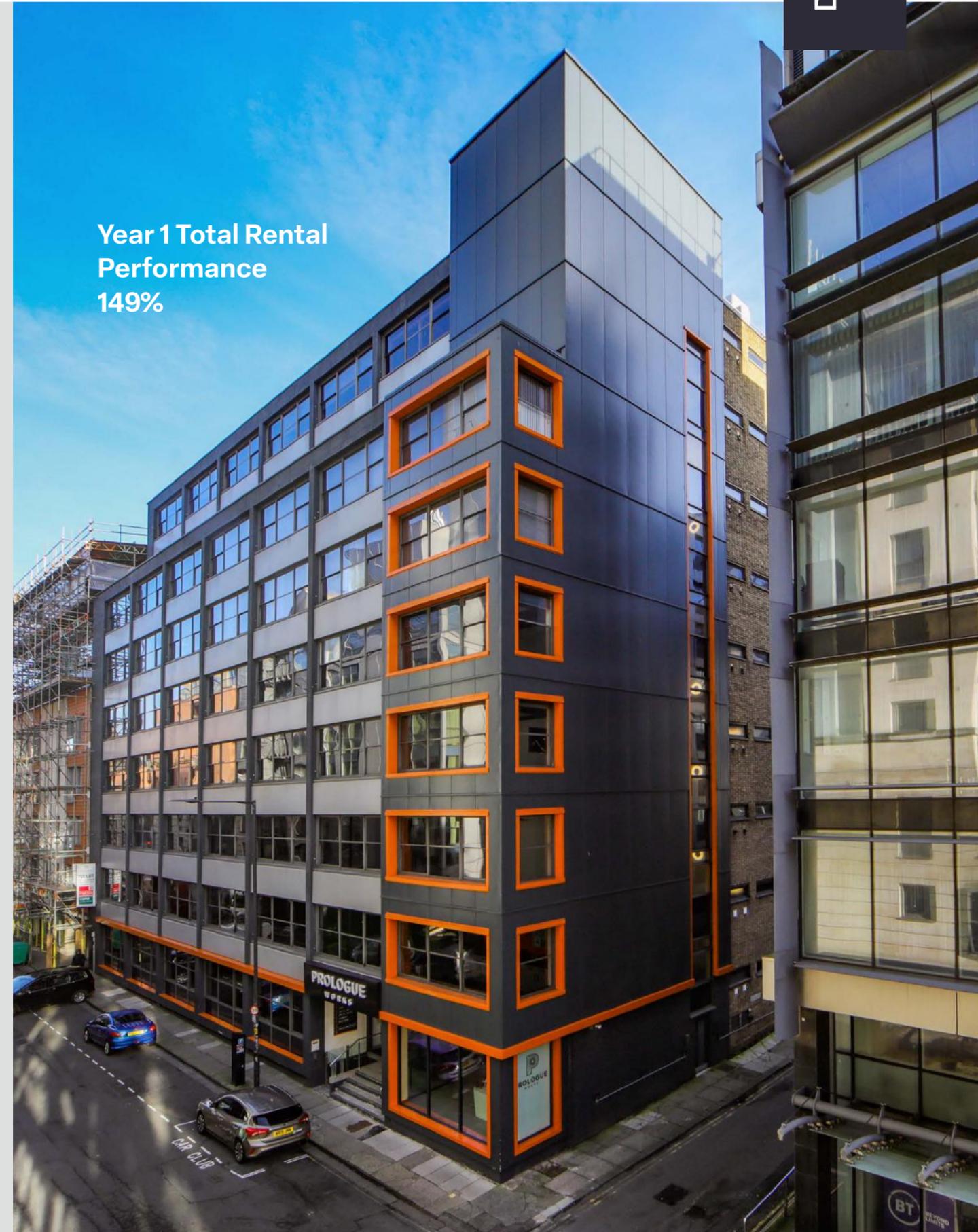
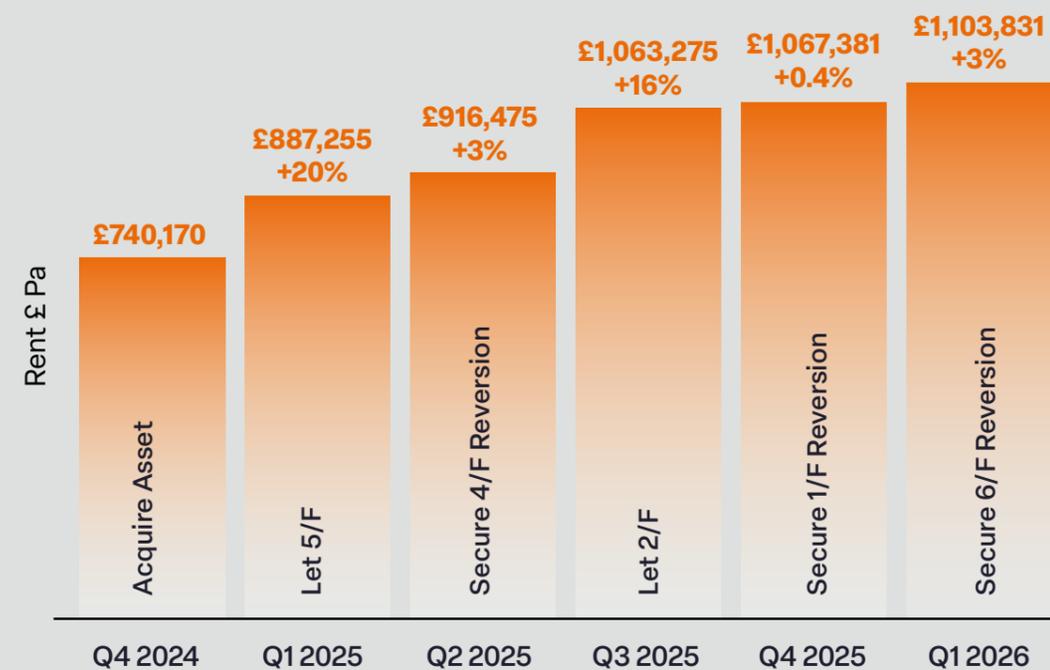
Occupier interest and demand for fully fitted accommodation has been clearly evidenced in the success of Bristol's city centre premises positioned to meet the modern occupiers' needs and serviced providers.

A fully fitted office provision at Prologue Works would attract a rental premium to CAT A specification access an enhanced pool of occupiers, resulting in reduced letting voids and shorter incentives.

Prologue Work's floorplates are ideally suited to capitalise on Bristol's active occupier demand and average letting size.

Potential separately exists to commit existing occupiers further and expand their footprint, demonstrating Prologue Works' appeal.

Forecast Income Performance



Year 1 Total Rental Performance 149%



MARKET COMMENTARY

Bristol Office Market

Bristol is the most significant office market in the South West of England. The market comprises approximately 12.5 million sq ft, with prime rents anticipated to shortly reach +£51 per sq ft.



Bristol is one of the UK's leading office markets, showcasing some of the most robust occupational dynamics.

Q3 2024 Take up Averaged 4,308 Sq Ft, Perfectly In Line with Prologue Works' Floorplate Offering

The city has the highest headline rent among the Big 6 regional cities, at £48.00 per sq ft, which is anticipated to shortly achieve in excess of £51 per sq ft. Average annual rental growth is forecast at 3% over the next 5 years (2025-2029).

Office take-up in Bristol City Centre has been consistent over H1 2024, with 29 deals completing in Q2, reflecting a take up of 126,056 sq ft and average letting of 4,347 sq ft, perfectly in line with Prologue Works' floorplate offerings. H1 2024 Take up has totalled 253,035 sq ft, demonstrating underlying occupational demand for space.

CAT A Market

High demand for best-in-class office space has continued to drive rental tone for those occupiers who are not sensitive to their real estate costs. The significant rental growth which is shortly anticipated to see Bristol's prime rents break £51 per sq ft, is not however attainable for many occupiers.

A large demand pool has inevitably resulted from occupiers seeking more affordable accommodation without wanting to compromise on high quality workspace or their policies towards energy efficiency and environmental responsibility.

Prologue Works is extremely well placed to capitalise on this demand pool of socially minded, high-quality occupiers, with its outstanding, environmentally focussed accommodation at attractive occupational cost.

Key prime lease transactions are shown below, which sit at a c.43% premium to Prologue Works highly compelling ERV, demonstrating value for occupiers seeking mid to high level options.

Date	Address	Area (sq ft)	Tenant	Rent (psf)	Lease Length	Walking Distance from Prologue Works
	Prologue Works			£27.50 – £28.00		–
Q3 2024	Castlemead	3,727	Opus Apeiro	£33.50	10	13 mins
Q2 2024	EQ	6,000	Knights	£48.00	15	10 mins
Q2 2024	EQ	7,400	Birketts	£46.00	10	10 mins
Q2 2024	One Hundred	7,700	Royal Sun Alliance	£44.50	10	9 mins
Q2 2024	Assembly B	4,500	Knight Frank	£43.50	10	12 mins
Q2 2024	10 Victoria Street	7,000	SS&C Financial Services	£42.00	5	9 mins
Q2 2024	Tower Wharf	13,559	Ridge and Partners	£34.00	10	14 mins
Q1 2024	Welcome Building	44,000	DAC Beachcroft	£45.00	10	18 mins



FULLY FITTED MARKET

Q3 2024 – Fully Fitted Accommodation Accounted For 45% of Transactions

There has been growing demand for fully fitted offices, especially for sub 5,000 sq ft accommodation, which accounted for 45% of transactions last quarter.

This trend is driven by a growing number of occupiers preferring to avoid the initial capital outlay for fit-outs and spreading these cost through premium rents over the lease term.

As occupiers have become more aware of the fully fitted option, the complexities and uncertainties of managing a Category B fit-out has contributed to increased demand on fully fitted spaces, particularly for occupiers upsizing from serviced offices.

Fully fitted rents have substantiated premiums of £5.00 – £8.00 per sq ft quality and fitout dependent, against CAT A rents. Letting voids and tenant incentives equally reduce for fitted options, presenting compelling opportunities for landlords to roll out hybrid CAT A and fully fitted accommodation in suitable buildings.

FULLY FITTED EVIDENCE

Prologue Works Fully Fitted ERV Sits 25% Below The Average Transactions Shown

Date	Building	Area (sq ft)	Rent (psf)	Term (Break)
–	Prologue Works	–	£33.50	–
Q3 2024	Blok	4,882	£45.00	6 Years (Yr 3)
Q3 2024	Pivot + Mark	3,282	£47.50	5 Years (Yr 3)
Q2 2024	10 Victoria Street	7,028	£42.00	5 Years (Yr 3)
Q2 2024	10 Victoria Street	2,390	£40.00	5 Years (Yr 3)
Q2 2024	Merchants House	1,144	£34.00	5 Years (Yr 3)
Q1 2024	The Fairfax	2,013	£42.50	10 Years (Yr 5)
Q2 2023	The Distillery	4,440	£60.00	5 Years (Annual)
	Average	3,597	£44.43	

INVESTMENT MARKET

Bristol is a leading regional office market with **approximately £1.8bn transacting over the past 5 years**. Set out below are the key investment transactions in Bristol.

Date	Property	Size (Sq Ft)	Price (Million)	NIY	Price (PSF)	Wault Certain
Available	10 Victoria Street	47,732	£24.7	6.75%	£517	3.2
Negotiating	EQ Victoria Street	194,426	C.£101	C.7.25%	C.£523	8.9
Feb 2024	Programme All Saints Street	174,387	£36.6	8.8%	£210	4.0
Feb 2024	Halo Counterslip	115,979	£69.75	5.77%	£601	9.6
Dec 2023	Temple Quay House	141,666	£49.5	5.97%	£349	13.2
Apr 2023	90 Victoria Street	24,377	£7.75	7.80%	£317	3.3
Mar 2023	10 Queen Square	17,470	£5.3	7.50%	£303	3.0
Dec 2022	31/32 Queen Square	13,124	£4.35	6.96%	£331	1.4
Jun 2022	The Paragon	75,373	£40	4.94%	£531	4.5



ALTERNATIVE USE



Prologue Works is located within the city core which is home to a range of offices, residential buildings and hotels. The building therefore offers outstanding potential for repositioning for a variety of alternative uses and the capital value is fully underpinned on an alternative use basis.

Prologue Works could provide an excellent opportunity to convert the building to residential use in due course. The recent relaxation of Permitted Development rights in Bristol (with no Article 4 Direction) has created huge opportunities for office-to-residential conversions this year given the strength and depth of the residential market.

Capital values as high as £275+ pre sq ft have been achieved for other offices in the immediate vicinity that can benefit from potential residential conversion via PD, as outlined in the comparable table opposite:

Date	Property	Size (sq ft)	Price	Price (psf)	Wault Certain	Tenure
Under Offer	The Quorum	66,013	£18 Million	£273	C.1.0	Freehold
Exchanged	Armourers House	25,790	£7.1 Million	£275	0.25	Freehold
Jul 2024	Somerset House	14,267	£4 Million	£280	Vacant	Freehold
Feb 2024	2 Rivergate	67,440	£14.5 Million	£215	1.0	Freehold
Feb 2024	College House*	25,765	£5.6 Million	C.£260*	Vacant Upper Parts	Leasehold
-	Average	-	-	£252	-	-

* Incorporates ground floor retail element. Apportioning separate value to the retail element, the vacant upper parts (15,703 sq ft) apportion to c.£260 per sq ft.



PROPOSAL

Offers are invited for our client's freehold interest.

ADDITIONAL INFORMATION

VAT

The property is VAT registered and therefore VAT will be payable on the purchase. It is the intention to treat the sale as a TOGC.

DATA ROOM

Access to our online data room is available on request.

SERVICE CHARGE

The current service charge budget for the year ending 24 March 2025 reflects an average rate of £8.78 per sq ft.

No leases are subject to service charge caps.

CONTACTS

For further information or to arrange a viewing please contact the joint agents:

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