



Market Statement & Summary

2-5 Highland Square, Clifton, Bristol, BS8 2YB

Prepared for

SF Tebbby & Sons Ltd

24 May 2024

Mr R Tebby
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VALUATION
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CONSULTANCY

24 May 2024

A 26 Queen Square, Bristol, BS1 4ND

T [REDACTED]

W [REDACTED]

By Email

Dear Roger

RE: 2-5 HIGHLAND SQUARE, CLIFTON, BRISTOL, BS8 2YB

[REDACTED]

[REDACTED]

Background

We have been instructed to provide a market statement with respect to the above property to accompany a planning application.

In this market statement, we set out a summary of the Bristol Industrial market, our opinion of market demand, corresponding tenant requirements and finally our conclusions with respect to the marketing and letting prospects. The key focus of the marketing statement is to set out the marketing undertaken by CSquared, market reaction and feedback.

Location and Description

The property comprises the former SF Tebby & Son MOT testing station and garage having been located at the site for over 50 years and now relocated in Avonmouth. The property comprises a mid-terrace property, originally a coaching/stable block, set across ground and part first floors. The ground floor is arranged as three interlinking bays with the floor levels rising in each, south to north. Part of the first floor above Unit 2 has already been converted to provide student accommodation and consequently is restricted in height. The remaining first floor space is arranged as office accommodation.

The property is located at 2-5 Highland Square, Clifton, a largely residential area, set back (approx. 50m) from the frontage of Whiteladies Road. Nearby occupiers are predominantly residential flats and houses. Vehicular access is generally poor due to the narrow surrounding streets and parking spaces. Access not considered possible.

Accommodation

We have measured the property in accordance with the RICS Statement of Measurement Practice (2nd Edition) to comprise the following approximate gross internal floor areas:

Accommodation	Sq M	Sq Ft
Ground Floor	221.95	2,389
First Floor	29.64	319
Total GIA	251.58	2,708

Internally, the accommodation is relatively basic in nature. We briefly outline the specification below:

Specification

- Concrete floors.
- Painted stone masonry and plastered / open ceilings.
- Timber internal doors.
- Single glazed timber casement windows.
- Mix of surface mounted fluorescent lighting and spot lighting.
- Multi-pitched tile roof
- Single WCs (one located in offices, one ground floor workshop)
- Mains services including gas, three phase electricity and drainage

Market Commentary

Take-up of industrial space over the past 2 quarters has been constrained due to weaker consumer confidence creating uncertainty in the market and due to a lack of supply of modern, environmentally sustainable accommodation. The financial pressure on businesses and households remains acute with expectations of interest rate reductions looking less likely in the first half of 2024 and reducing at a slower rate than previously anticipated. This is factoring into decision making with the timing and amount of space required impacted. Only 344,336 sq ft of transactions across 43 deals occurred in Q1 2024, down from 473,779 sq ft across 37 deals in the same quarter of 2023.

Annual take-up of industrial space in Bristol for 2023 fell in comparison to the previous year but we do expect a modest uptick overall in 2024 as several large units are under offer that will assist in buoying the figures. Total take up for the year 2023 was 1,507,225 sq ft with 30 acres of land sold or let across 142 transactions (Source IAS). This was down by 36.4% on 2022, where take-up was 2,370,997 sq ft with 45.89 acres of land sold or let across 142 transactions (Source IAS).

There is good demand in the market across all size ranges with a clear preference for buildings that offer better ESG credentials. In part, this is driven by corporate clients seeking sustainable buildings, but equally the cost savings offered by more energy efficient buildings considering increased energy costs have become very important to all occupiers.

[REDACTED]
[REDACTED]
We are also aware of proposals from banks and lending institutions to link finance rates to EPC standards to reduce their own exposure to risk. If implemented as planned, this will have a huge impact and further render older industrial buildings such as 2-5 Highland Square obsolete.

The above has made it increasingly difficult to let older industrial accommodation [REDACTED] where the costs of enhancement are prohibitive. There is clear evidence of a two-tier market [REDACTED] on of the lower grade stock simply not able to attract occupiers unless at substantially reduced rents.

Market Demand

The overwhelming majority of tenants require industrial space sub 5,000 ft², [REDACTED] 'lot' of demand being 1,500 – 2,500 ft². Typically, occupiers want space across a single floorplate [REDACTED] (unlike Highland Square) with an office content of less than 15%. Yard space is highly sought after and in short supply.

Demand in the central areas of Bristol has increased, largely due to the demand from last mile delivery operators, with pressure mounting due to the redevelopment of substantial industrial areas such as St Philips Marsh.
[REDACTED]
[REDACTED]

Access for articulated vehicles and large goods vehicles are often required by tenants. Even where such access is not required in the daily use of the property, tenants are often mindful of the fact that they may wish to re-market a lease at some point in the future and thus it becomes relevant. This has had a negative impact in marketing the accommodation to let.
[REDACTED]
[REDACTED]

Marketing

We originally took instructions on 24 May 2022 to market the property on a leasehold basis. We prepared a colour marketing brochure which we mailed to over 70 applicants registered with us seeking premises of this type. We listed the property on our proprietary software, Agency Pilot, linking to the following sites:

- Rightmove Commercial
- EGpropertylink
- Realla (formerly Co-Star)
- Movehut

In addition, we erected 5 x 4 agency boards erected at the property. We received little interest industrially but did receive tenant enquiries from:

[REDACTED]
[REDACTED] German Vehicle Servicing Specialist.
[REDACTED] – storage requirement for consumables.

[REDACTED]
[REDACTED] agreed with the serviced apartment operator in January 2023 for the [REDACTED] consumables based on a three-year lease at a rent of £21,000 per annum [REDACTED] s, insurance and all other outgoings but not external repairs. Unfortunately, terms did not progress and the letting fell through on 7 March 2023. The property was subsequently withdrawn from the market on 23 April 2023 after no other interest was forthcoming.

[REDACTED]
[REDACTED]
We re-listed the property on 24 January 2024, quoting an all-inclusive rent of £40,000 per annum which accounts for rates, all external repairs and insurance costs. It was felt this would give certainty to occupiers with respect to their occupational costs.

The details were again added to all the web portals previously stated and [REDACTED] to 79 applicants on our database seeking premises of this type. We received interest from many [REDACTED]s (individuals) requiring an MOT testing facility, however, we are advised by our client the property no longer meets the legal requirements to operate an MOT testing station.

We have only received three other enquiries, whose names we have redacted for compliance purposes, but which comprised:

- [REDACTED]
[REDACTED]
- | | |
|-----------------------------|--|
| 1) Tyre Depot & Mechanic | New business. Hours of use & access problematic. |
| 2) Personal Fitness Trainer | The location was considered not quite suitable. |
| 3) A leisure use | The building is was considered unsuitable. |

Conclusions

[REDACTED]
Interest was muted due to the poor vehicular access, age of the property and physical constraints. Those individuals who enquired for MOT use did not generally appreciate the requirements for an MOT testing station. The other issues raised by occupiers were incompatibility with residential uses in the area, especially hours of operation and vehicle access.

[REDACTED]
From our experience of marketing the unit, industrial occupiers are deterred by the residential location, poor access and presence of residential accommodation over part of the property that has practical implications in terms of use. Most of the demand (generally private individuals) has been from those wanting an MOT testing station / vehicle servicing to which the property is no longer suited. The physical condition and stepped nature of the accommodation across three bays with differing floor levels also makes the space less attractive to occupiers.

We attach as Appendix 1 a copy of the most recent marketing particulars.

We trust the above is self-explanatory and informs your decision making but if you have any questions, please let me know.

Yours sincerely

[REDACTED]





TO LET

Flexible Industrial Accommodation

DESCRIPTION

The property comprises a former car garage / workshop set across three interconnecting bays on the ground floor with first floor offices. There is 3 phase electricity, gas and mains water / drainage are available although heating appliances have been decommissioned.

LOCATION

The property is located in Clifton, an affluent suburb of Bristol. The area is a popular commercial and residential centre attracting a wide range of businesses as well as being a renowned retailing and tourism destination. Clifton is served by excellent transport connections including frequent train services to Bristol Temple Meads from Clifton Down station, from which there are services across the UK via the national rail network.

SITUATION

The property is situated on the western side of Highland Square, just 50m from Blackboy Hill via Highland Crescent and comprises the former Tebbby & Sons MOT and service centre. Wesley Place and the High Street provide access to Clifton Downs. Due to the largely residential nature of the location, the property is well suited to less intensive uses, namely storage, light industrial or potentially garaging.

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ACCOMMODATION

The property benefits from the following Net Internal Floor Areas:-

Workshop / Warehouse	221.95 Sq M	2,389 Sq Ft
First Floor Office	29.64 Sq M	319 Sq Ft
Total	251.58 Sq M	2,708 Sq Ft

All figures taken in accordance with IMPS, incorporating the Code of Measuring Practice 6th Edition.

TENURE

Property to let on an Internal Repairing and Insuring Lease, terms to be agreed.

Commencing rate of £40,000 pa, inclusive of rates, insurance and repairs, save for utilities and outgoings which remain the responsibility of the tenant.

RATING ASSESSMENT

Rateable Value (April 2023)	£12,750
UBR (23/24)	0.499
Rates Payable (April 2023)	£6,362

Rates payable subject to small business rate relief eligibility.

LEGAL COSTS

Each party is to be responsible for their own legal and professional fees incurred in any transaction.

EPC TEXT

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PLANNING

The property has been used as a car repair, servicing & MOT test centre for many years, but is considered well suited for alternative uses such as storage and light industrial use, subject to obtaining the necessary consents. Interested parties are advised to contact the local planning authority, Bristol City Council, to confirm their proposed use.

FURTHER INFORMATION

Further information is available upon request and viewings can be arranged via the sole agents at CSquared:

[Redacted contact information]



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Important notice: These Particulars do not constitute an offer or contract and although they are believed to be correct, their accuracy cannot be guaranteed and purchasers must satisfy themselves as to their accuracy. No person representing CSquared has any authority to make representation or warranty whatever in respect of the property. All measurements are approximate. Under the Finance Acts 1989 & 1997, VAT may be levied on the rent or sale price.

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