

BBC | **cymru
wales**

**NEW BROADCASTING HOUSE
CENTRAL SQUARE | CARDIFF**

BBC
Broadcasting
House
Cardiff

Prime Pre-Let Office Funding Opportunity



EXECUTIVE SUMMARY

- Opportunity to forward fund the new BBC Cymru Wales Headquarters building.
- Let entirely to **British Broadcasting Corporation** on a **non assignable** full repairing and insuring lease providing a **term certain of 20 years**.
- Unique landmark Foster + Partners designed building in the heart of central Cardiff, the capital city of Wales.
- BBC Cymru Wales New Broadcasting House will be located at the centre of the new 4.9 hectare (12.11 acres) **Central Square** scheme being developed by Rightacres Property Co Limited.
- Unrivalled connectivity, with Cardiff Central Train Station and the potential new bus station being located directly adjacent to the property.
- A net total of **15,732 sq m (169,339 sq ft)** of accommodation arranged over basement, ground and five upper floors.
- Undoubted covenant of **British Broadcasting Corporation**, established by Royal Charter in 1927.
- An initial rent of **£4,064,015 per annum**.



- Rent reviewed on every 5th anniversary of the term in accordance with RPI subject to a **cap of 5% per annum and a collar of 1% per annum compounded annually.**
- A new 250 year leasehold interest from The City of Cardiff Council at a peppercorn rent.
- Planning consent anticipated in April 2015 with a **target for practical completion of the developer's works in May 2017.**
- On behalf of Rightacres Property Co Limited, we are instructed to seek a full forward funding proposal for the development based upon a price in excess of **£79,800,000** subject to contract and exclusive of VAT. A purchase at this level reflects a **net initial yield of 5.00%** assuming purchaser's costs at 1.8%.
- At this price, the yield profile assuming Oxford Economics consensus RPI forecasts will be as follows:

Year 5 :	5.94%
Year 10 :	7.02%
Year 15 :	8.24%.

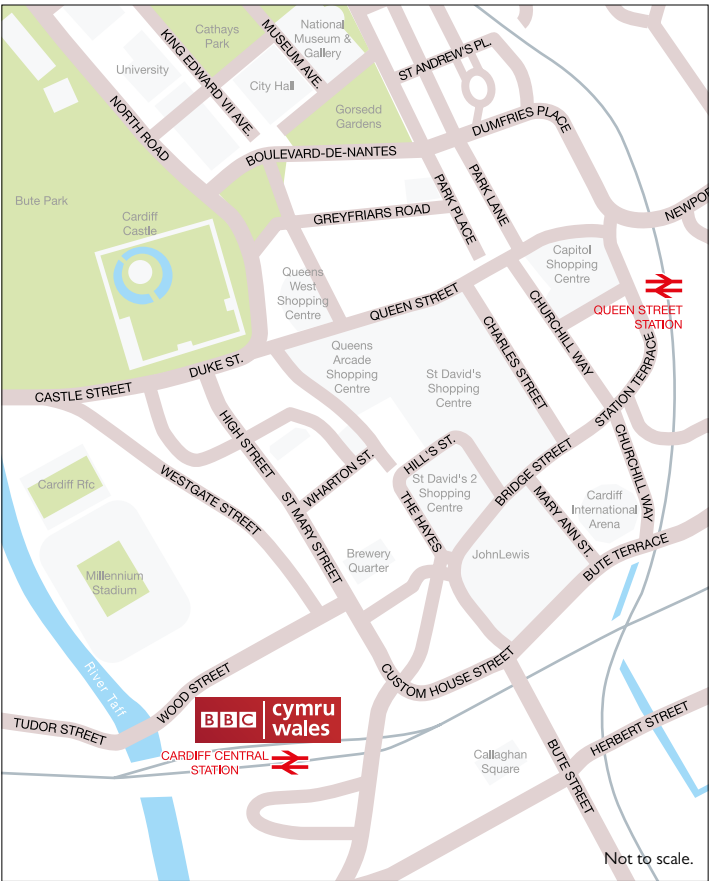
LOCATION

Cardiff is the capital city of Wales, with an estimated resident population of 346,000 with a further 1.2 million within a 45 minute travel time. Capital City status was granted in 1955 and the city has grown as Wales' economic and political centre being the home to Welsh Government.

Cardiff is Wales' prime business location with occupiers including Admiral Insurance, Lloyds Bank, Eversheds, BT Plc and Centrica. Cardiff is placed 5th in the UK retail rankings in Experian's strongest market potential category. St David's Shopping Centre, Cardiff's principal retail destination, is anchored by John Lewis and extends to a total of circa 950,000 sq ft.

Tourism plays a large part in Cardiff's economy with an estimated 18.3 million visitors per annum and is ranked sixth in the world in National Geographic's alternative tourist destinations.

The city is renowned for hosting some of Europe's most prestigious sporting events such as the European Rugby Cup Final, Ashes Cricket Tests, assisting to host the 2012 Olympic Games and is the head quarters for Wales Rally GB. These events and many others helped Cardiff to be awarded the European City of Sport for 2009 and 2014. Cardiff was also awarded the European City of Culture in 2008 and the Best UK City for Young People in 2013.



SITUATION

The BBC Cymru Wales New Broadcasting House building is to be situated in the heart of the city within the new Central Square development which is directly adjacent to Cardiff Central Train Station and the Millennium Stadium. Central Square is set to incorporate 1.4 million sq ft of mixed use development including office, hotel, residential and retail accommodation.

Cardiff Central Train Station is under review by Network Rail for large scale redevelopment to enhance its capacity from 13 million to 30 million passengers a year over the next 20 years. This will increase the car parking capacity to the rear of the station and potentially also provide further retail, leisure and office accommodation.

The St David's Shopping Centre is within a short walking distance of the property. St David's Shopping Centre includes occupiers such as John Lewis, Gap, Apple, Hamleys, TM Lewin, Hugo Boss, Radley and Hollister. There is also a strong restaurant offering within the City Centre, with occupiers including Wagamama, GBK, Carluccios and TGI Fridays.

Central Square lies within the boundary of the Cardiff Enterprise Zone which has been created to assist with Cardiff's growth as an international business location. The Enterprise Zone scheme is set to provide the business infrastructure investment required to compliment Cardiff's thriving leisure and retail offering. Central Square also lies within a Tier 2 Assisted Area.



COMMUNICATIONS

Cardiff is well served by both road and rail communications. The city is situated on the M4 motorway, and lies approximately 236 km (147 miles) east of London. South Wales links via the M5 and M50 motorways to both the Midlands and south west of England. Almost 80% of the UK population lives within a 4 hour drive of Cardiff.

Distance by road

London	236.0 km	147 miles
Bristol	69.2 km	43 miles
Birmingham	181.9 km	113 miles
Swansea	66.8 km	41 miles
Newport	23.5 km	15 miles

High speed rail services give rapid access to all major cities across the UK. Cardiff Central Station is one of the principal stations on the Great Western Line from London to Swansea. Frequent services run to and from London Paddington, with an average journey time of 2 hours. From London, connections can be made onto Eurostar services to Europe.

Cardiff Central Station is also the hub of the extensive Valley Line Network serving the inland towns of south east Wales, from where a significant proportion of the city's work force is drawn.

National Rail Times from Cardiff

London	2 hours 7 minutes
Bristol	50 minutes
Swindon	1 hour
Reading	1 hour 35 minutes
Exeter	2 hours 23 minutes
Manchester	3 hours 10 minutes
Liverpool	3 hours 30 minutes
Newcastle	5 hours 34 minutes
Edinburgh	6 hours 17 minutes
Glasgow	6 hours 22 minutes

The electrification of the train line between London Paddington and Cardiff Central is set to be completed in 2017. The travel time to London is set to be reduced to a time in the region of 1 hour 45 minutes.

Flight times from Cardiff International Airport

London	46 minutes
Birmingham	42 minutes
Manchester	50 minutes
Edinburgh	1 hour 10 minutes
Belfast	1 hour 9 minutes
Dublin	1 hour 5 minutes
New York	7 hours 27 minutes
Dubai	7 hours 18 minutes
Zurich	1 hour 28 minutes
Milan	1 hour 42 minutes
Munich	1 hour 39 minutes
Paris	55 minutes
Barcelona	1 hour 55 minutes

Cardiff International Airport provides regular flights to a number of European and International destinations. The airport lies approximately 22.5km (14 miles) to the south west of the City Centre.



THE CENTRAL SQUARE PROJECT

The BBC Cymru Wales New Broadcasting House building makes up nearly 170,000 sq ft of the total anticipated 1.4 million sq ft development at Central Square. Rightacres has already commenced construction on a 135,000 sq ft Grade A office building at One Central Square. Future developments within Central Square are planned to include further grade A office accommodation, a high quality residential tower, hotel and complimentary retail and leisure space, as well as a high quality urban and civic environment.

A masterplan has been prepared by internationally renowned architects Foster + Partners, to ensure the redevelopment of Central Square creates a strong relationship with Network Rail's upgrading and redevelopment plans for Central Station.

This scheme will transform Cardiff's landscape and greatly add to the city's offering of grade A office accommodation. Central Square will become Cardiff's prime office location and create a carefully planned and managed new centre for commerce in Wales.

The development will incorporate a contemporary integrated transport hub which will create unrivalled local and international transport links. Central Square is being planned in a sustainable way and will result in a lively, vibrant and creative hub for business, retail and leisure in Cardiff.



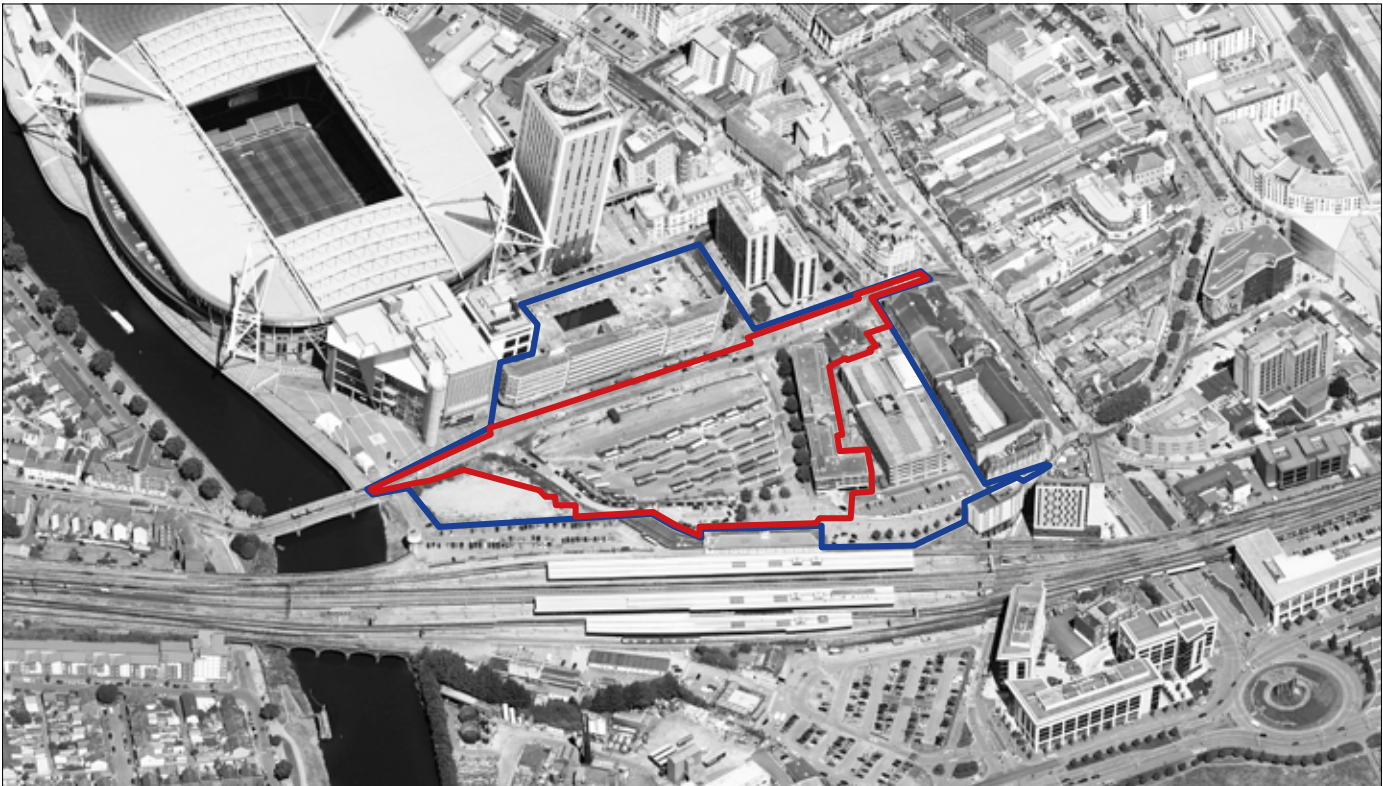
THE CENTRAL SQUARE PROJECT MASTERPLAN AREA

The Central Square scheme has commenced with One Central Square currently under construction following planning consent granted in July 2014.

The Central Square Masterplan Area Vision Study was completed in October 2014, which covers circa 4.9 hectares (12 acres) and is edged in blue below. Central Square is set to incorporate circa 1.4 million sq ft of mixed use development including offices, hotel, residential and retail uses.

A detailed planning application was submitted on 23rd December 2014 for the 2.5 hectare (6.18 acre) site, edged red, which contains the BBC Cymru Wales New Broadcasting House building and Plot 2 Central Square. It is anticipated that planning consent will be granted at the planning committee meeting in April 2015.

Masterplan Area



THE SITE

The site for the BBC's new building currently comprises part of Cardiff's Central Bus Station and will be developed through Rightacres' Masterplan Agreement with The City of Cardiff Council.

The demise will include the basement car park and access ramp, external areas under the building canopy in the immediate vicinity of the building and the ground floor retail units.

The proposed title boundary is outlined on the adjacent site plan.



PUBLIC REALM WORKS

The City of Cardiff Council has committed to undertake substantial public realm works surrounding the Central Square scheme. As set out in the Masterplan Agreement, these works are to be delivered before January 2018 at a cost of around £5.4m. Rightacres will deliver these works, acting as the Council’s agent. The works include the creation of Central Street, Marland Street, Millennium Walkway and Central Square on a phased basis.

The carefully designed public realm improvements for the north, south and west linkages to and from Central Square and Wood Street will meet the challenges of a busy city arrival point, as well as dealing with major event days at the nearby Millennium Stadium. This will provide an appropriate setting for the buildings contained within this proposal as well as future developments.

The public realm works to be undertaken will:

- provide a high quality public realm which is successful in both event day and non-event day scenarios.
- create clear and legible pedestrian routes that acknowledge pedestrian flows and desire lines and that integrate the scheme into the existing urban area.
- unify and enhance the structure of the site through hard and soft landscape intervention.
- create opportunities for public art integrated within the public realm proposals which contribute to the character and identity of the space.
- ultimately, in later phases, establish Wood Street as an enhanced public transport corridor with widened footways, dedicated cycle routes, bus lanes and avenue tree planting to create a well-defined street character throughout the development.

The first phase of the public realm works will include the formation of a new civic square between Cardiff Central Train Station and BBC Cymru Wales New Broadcasting House and three new pedestrian streets between the station and Wood Street.

The public realm is underpinned by a grid paving layout of natural stone materials derived from the structural grid of the proposed buildings to create a seamless interface between built form and public space. The strong geometry of built form and public realm reinforces the character and identity of the development to create a new civic quarter and gateway to the City Centre.

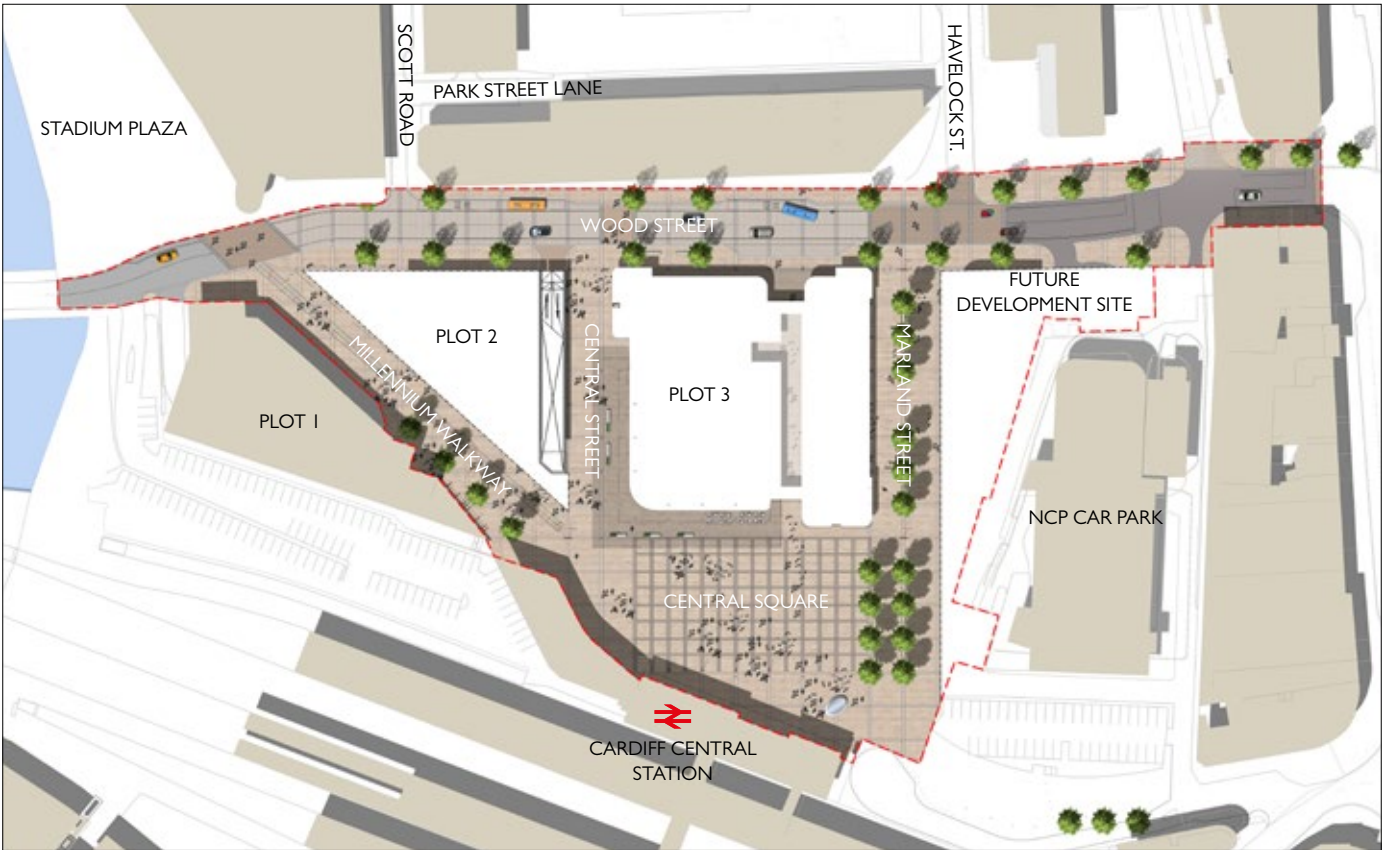


View along Marland Street

ENVIRONMENTAL & GROUND CONDITIONS

The geotechnical report and remediation programme documentations are available within the data room.

Public Realm Plan



“Locating the BBC Cymru Wales New Broadcasting House in Central Square provides a once in a lifetime opportunity to get much closer to our audiences, to help transform part of our capital city and to work with a wider range of partners to strengthen Wales’s reputation as a world class creative community.”

Rhodri Talfan Davies - Director of BBC Wales.

THE BUILDING

BBC Cymru Wales New Broadcasting House will be a highly specified landmark office building at the heart of the new prime business quarter, Central Square and at the entrance to Cardiff’s Central Train Station.

The Foster + Partners designed building will achieve a BREEAM rating of ‘Outstanding’ and comprise basement, ground and five upper floors. The building will have a net internal area of around circa 170,000 sq ft of high specification office, studio and complimentary retail accommodation which will be completed for occupation in 2018.

The main foyer will be accessible from two elevations, Central Square and Wood Street through a central atrium, which will lead to a central core and provides access to all floors through four passenger lifts and a feature staircase.

The building will comprise a basement level car park including 83 car spaces, 20 motorbike spaces and 200 bicycle stands, with access provided via a ramp from the northern elevation. The bin stores, recycling point, shower & changing facilities along with certain plant rooms will also be located at this level.

BBC Cymru Wales New Broadcasting House will be the new home for BBC’s broadcasting facility currently located in Llandaff, Cardiff. The building will provide accommodation for circa 800 staff, in a mix of production, studio and office accommodation.



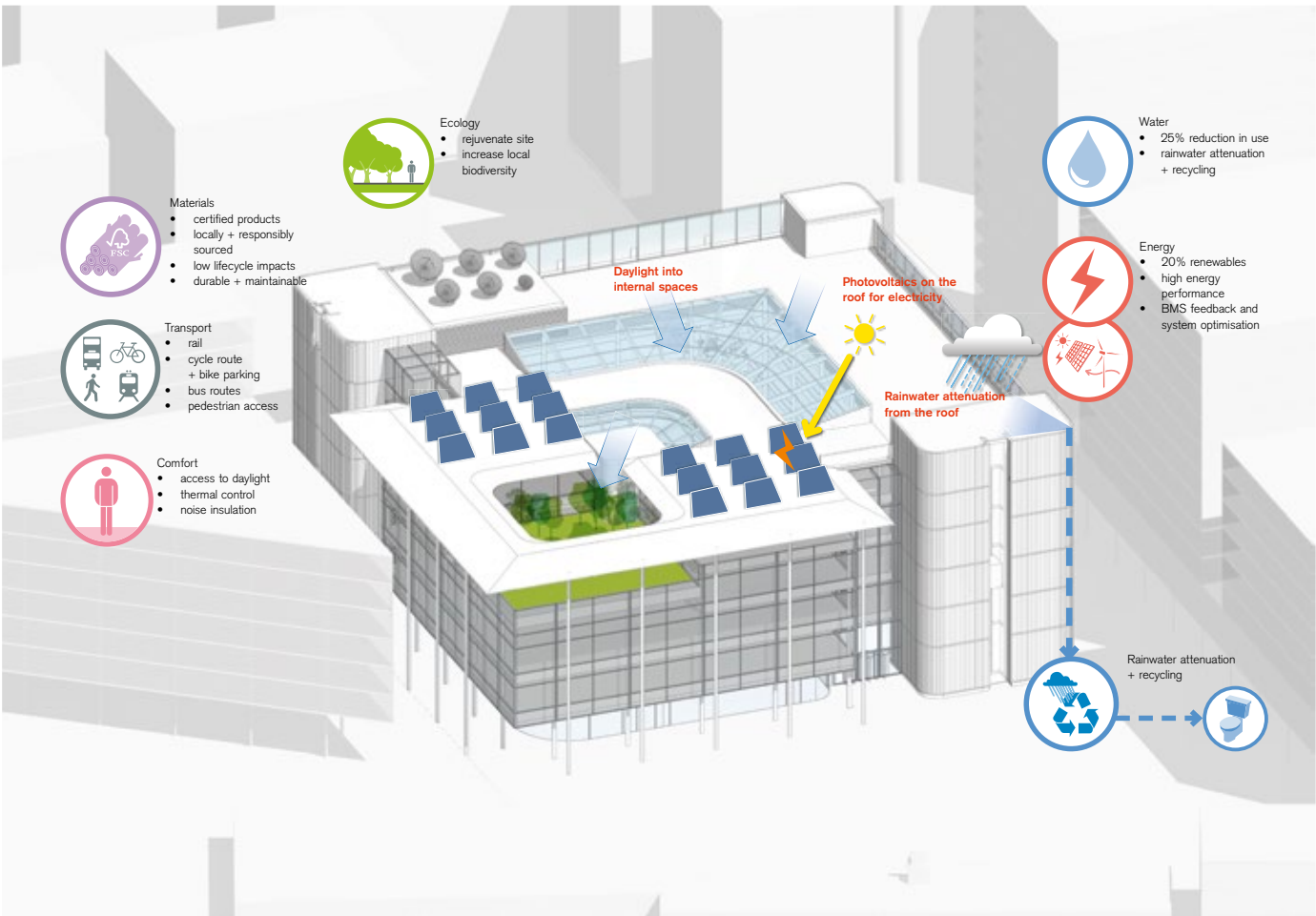


BASE BUILDING SPECIFICATION

The design features and landlord base build specification of this BREEAM ‘Outstanding’ building include:

- Typical upper floor plate of between 28,000 to 35,000 sq ft (2,601 to 3,251 sq m).
 - M&E fit out will allow for 1 person per 8 sq m.
 - Excellent floor to ceiling height throughout with a minimum of 3.2m on all floors.
 - Four passenger lifts with a capacity of 1275kg/17 person each. Two further 8-person passenger lifts will be provided in cores B and D.
 - Two fire fighting lifts will be provided, one within core A and one in core C.
 - Core C provides an additional goods lift with a 2,500 kg capacity.
 - Floor loadings at 3.5 kN/m2 imposed load, 1.0 kN/m2 imposed load allowance for partitions and a plant floor design load of 7.5 kN/m².
 - Impressive five storey glazed atrium entrance lobby with two dedicated entrances, one from Wood Street and the other off Central Square.
 - Intelligent building management control system.
- Accessible raised floors - all floors will have 300mm raised access floors apart from the 5th floor which is 500mm to suit the central apparatus room. The ground floor is a mix of retail, atrium (no raised floors) and performance/studio spaces which will have raised floors of 300mm to suit the function.
 - LED luminaries utilised throughout, dimmable where appropriate and controlled via passive infra-red occupancy detectors.
 - Four pipe air-conditioning system.
 - Male, female and disabled toilets are located within two cores on each floor with additional facilities at ground floor.
 - Secure basement car parking providing 83 spaces (1:2,040 sq ft) together with 20 motorbike spaces and 200 bicycle stands as well as provision of changing facilities, lockers and eight showers.
 - Working in conjunction with the BBC, the building will achieve the minimum BREEAM for Offices 2011 ‘Outstanding’ rating including natural daylighting, acoustics, high specification of materials, rainwater harvesting, responsible sourcing of materials, solar collection via roof mounted PVs and ecology.

Building environmental qualities





View from Wood Street.



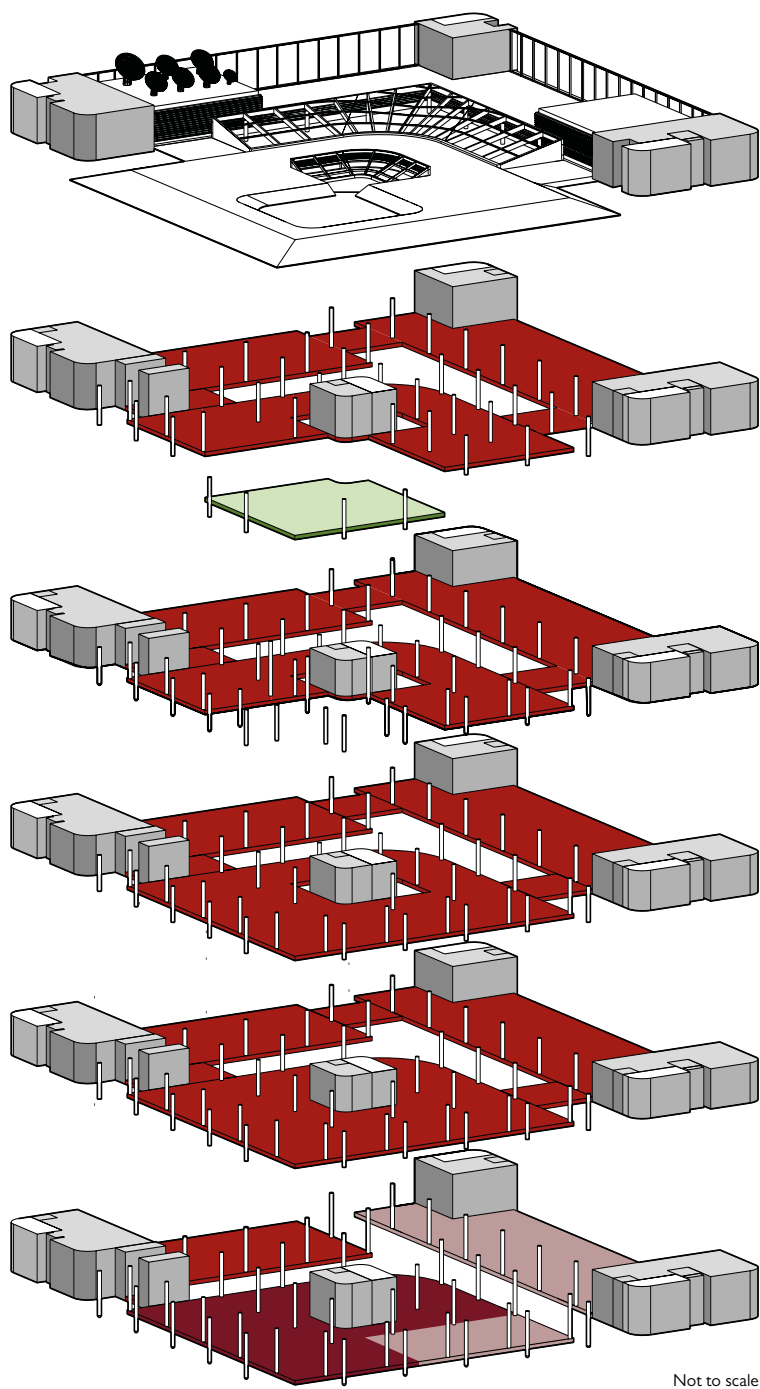
View along Wood Street.

SCHEDULE OF
ACCOMMODATION

The building is anticipated to have a Net Internal Area as follows. An independent measurement will be undertaken at practical completion to confirm the as built Net Internal Area.

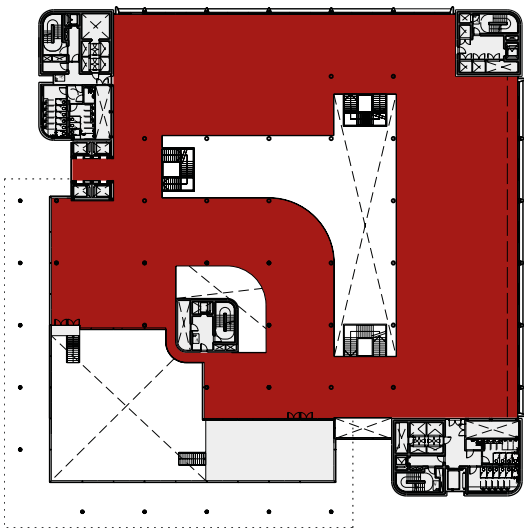
Floor	Use	Net Internal Areas	
		sq m	sq ft
Fifth	Office	1,932	20,797
	Staff Restaurant	375	4,037
	Apparatus Room	308	3,315
Fourth	Garden		
Third	Office	2,748	29,579
Second	Office	2,728	29,364
	Production/TV	488	5,253
First	Office	3,317	35,704
Ground	Main Foyer	471	5,070
	Office	597	6,426
	Production/TV	1,111	11,959
	OB Vehicle Garage	139	1,496
	Public cafe	168	1,808
	Retail	850	9,149
Basement	Storage	500	5,382
Total		15,732	169,339

Building sections

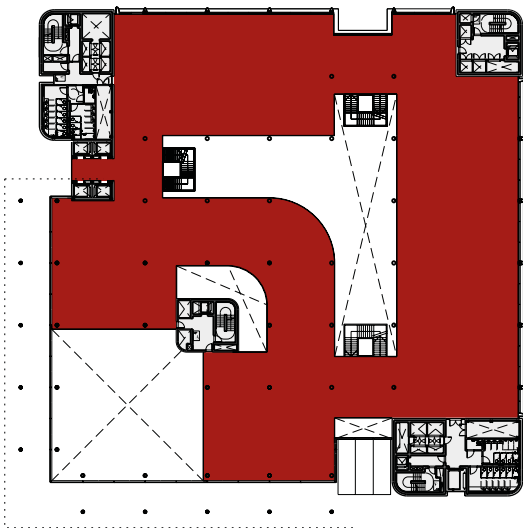


Not to scale

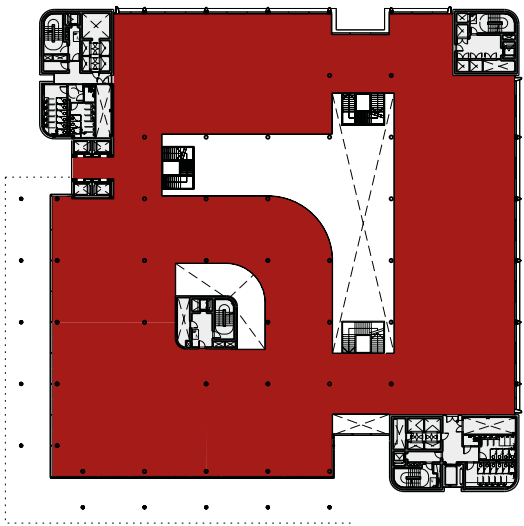
Fifth floor plan



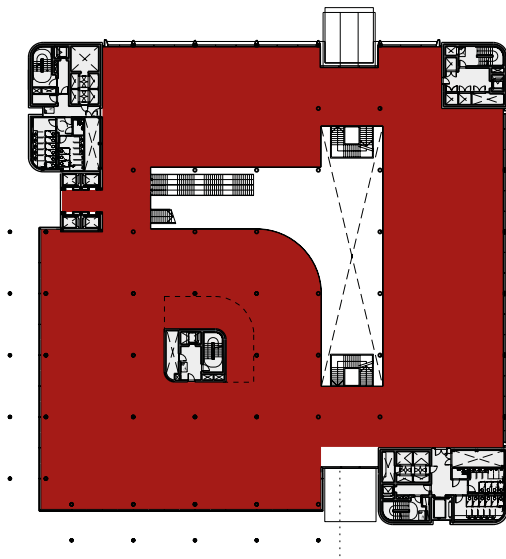
Third floor plan



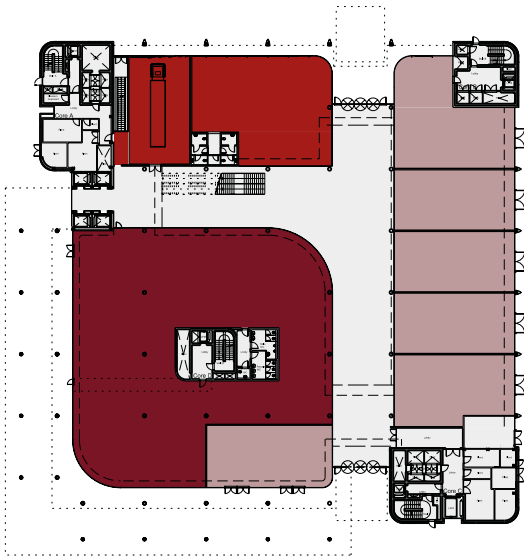
Second floor plan



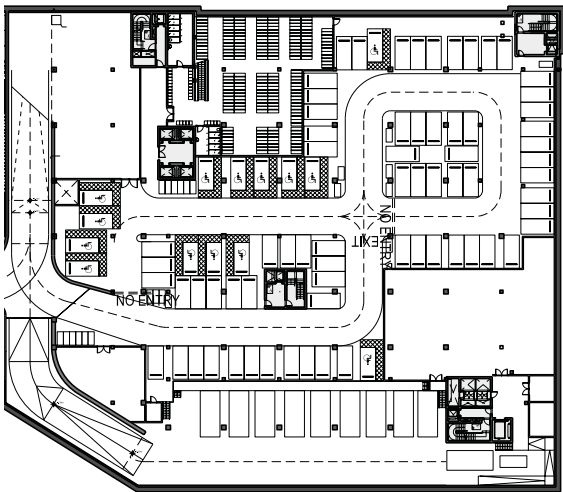
First floor plan



Ground floor plan



Basement plan



Not to scale

AGREEMENT FOR LEASE

The Agreement for Lease is attached to the Design Development Agreement. Following receipt of Planning Consent in April 2015, the Agreement for Lease will be signed in July 2015. Rightacres will remain responsible for the delivery of the property on any sale or forward funding.

Rightacres' core obligations are as follows:

- To construct the property in accordance with the agreed specification.
- To provide warranties on or before practical completion.
- To rectify snagging and deal with defects during the defects liability period.
- To deliver improvements to public realm in the vicinity of the property.

Lease completion will occur 15 working days after certified practical completion.

The tenant may terminate the agreement if:

- Rightacres has not commenced works within 6 months from exchange of the Agreement for Lease.
- Practical completion has not been issued by the date 30 months from the start date.
- Rightacres commits a material breach.
- Insolvency is suffered by the BBC or Rightacres, the latter is subject to suitable funder step in rights.
- The building's net internal area falls below 98% of the minimum target area of 148,965 sq ft.



THE LEASE - KEY TERMS

Tenant:	The British Broadcasting Corporation (BBC).
Term:	20 years from lease commencement.
Demise:	BBC Cymru Wales New Broadcasting House together with the basement car park and access ramp. The demise will include external areas under the building canopy in the immediate vicinity of the building.
Rent:	£4,064,015 per annum.
Rent Free:	36 months from lease commencement.
Rent Review:	Reviewed on every 5th anniversary of the term in accordance with RPI subject to a cap of 5% per annum and a collar of 1% per annum both compounded annually.
Repair:	Full repairing and insuring (see below).
Alteration:	The tenant has right to alter the building subject to landlord's consent but does not require consent for non-structural alterations.
Alienation:	The lease is not assignable by the BBC. The BBC may underlet whole floors or self contained parts of floors, subject to Landlord's consent.
Yielding Up:	The BBC is required to reinstate the property to a British Council for Offices 'Cat A' specification and to leave the property with such elements of fit out as the landlord requires.
Inherent Defects:	The tenant does not have a repairing liability in respect of inherent defects (excluding wear & tear damage caused by the BBC). The tenant must serve notice of an inherent defect and if the landlord or third party expert agree, the landlord covenants to use reasonable endeavours to enforce its rights under all beneficial warranties held. These provisions end after the date that is 12 years from lease commencement.

TENURE

The property is to be held under a new 250 year head leasehold interest from The City of Cardiff Council at a peppercorn rent.

The head lease is assignable and contains rights to alter the building, subject only to compliance with planning and building regulations.

For the first ten years of the term, the head lease is restricted to a use within Class B1 Town and Country Planning (Use Classes) Order 1987 together with ancillary uses with Use Classes A1 and A3, or such other uses as may be consistent with the use of the Premises within Cardiff Central Business District.

COVENANT INFORMATION



British Broadcasting Corporation

The British Broadcasting Corporation (the BBC) is the largest broadcasting corporation in the world, established by Royal Charter in 1927. Across its network the BBC offers services including eight national television channels, a range of regional programming, ten national radio stations, 40 local radio stations and an extensive website (www.bbc.co.uk) which also hosts its on-demand television and radio service, BBC iPlayer.

In 2013/14 the BBC's turnover equated to £5.066 billion, this generated a profit before tax (excluding gains and losses on disposals) of £188.9m.

The BBC is governed by the BBC Trust, which is responsible for setting the Corporation's overall strategy and ensuring the interests of licence fee payers are protected.



CARDIFF OCCUPATIONAL MARKET

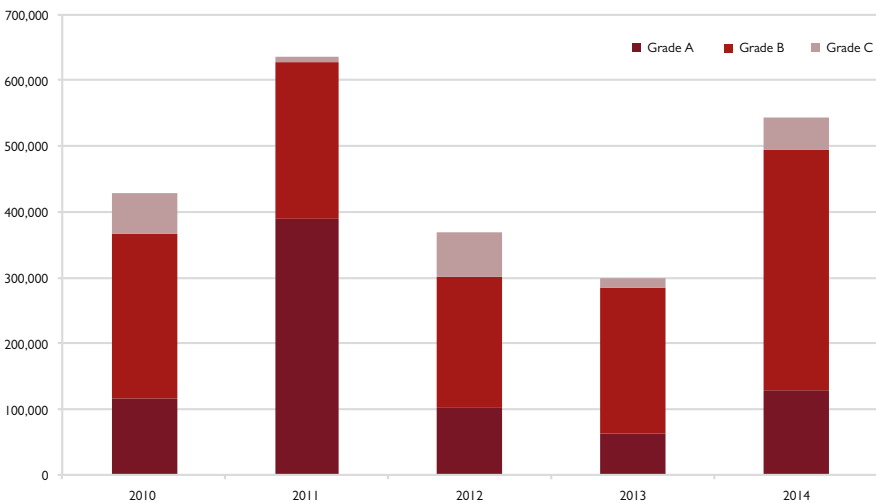
The Cardiff office market extends to a total of circa 10 million square feet and is Wales' principal location for commerce. This market is split broadly into three areas; Cardiff Central Business District (CBD), Cardiff Bay and the Out of Town business parks. In recent years, the CBD has migrated from the eastern side of the city, now focusing on the areas surrounding Cardiff Central Train Station which includes schemes such as Callaghan Square. This movement in the CBD has been a major catalyst in the conception of Central Square which lies at the heart of the CBD and Cardiff's Enterprise Zone.

Currently, the City Centre office market is focused around the former MEPC & Rightacres joint venture development at Callaghan Square which extends to circa 300,000 sq ft of grade A office accommodation. The five buildings are let to tenants such as Eversheds, ING, Allied Irish, Centrica and Deloitte. The site south of Callaghan Square is owned by the Welsh Government, which including Network Rail's southern car park site, is anticipated to be brought forward for future development.

Cardiff Bay is dominated by Welsh Government which occupies Crickhowell House (125,930 sq ft) along with The Senedd, which houses the National Assembly debating chamber and committee rooms. This area has been developed in the main by Aviva Investors as part of Cardiff Waterside. Other buildings within Cardiff Bay are 3 Assembly Square (66,000 sq ft), Caspian Point I (58,000 sq ft), Caspian Point II (32,000 sq ft) and the newly constructed Glo Works (33,000 sq ft).

Take up for offices in 2014 totalled 542,519 sq ft equating to an 82% increase on 2013. This clearly reflects a marked improvement in the occupational market and resulted in 2014 take up being above Cardiff's 10 year average annual take up of 450,000 sq ft. The level of take up for 2015 is set to continue at a good pace with a number of sizeable grade A requirements, totalling circa 300,000 sq ft, due to be transact in 2015.

Cardiff Annual take-up by grade



The current prime rent for Cardiff is £21.00 per sq ft. It is forecast that demand for new grade A accommodation will drive rents upwards towards £24.00 per sq ft by 2017, which will be a record for Cardiff City Centre.

Recent Grade A Transactions

Occupier	Building	Size (sq ft)	Headline Rent (psf)	Date
Parsons Brinkerhoff	I Capital Quarter	15,000	£19.00	Under offer
Blake Morgan	I Central Square	28,077	£21.00	Q4 2014
Alert Logic	I Capital Quarter	10,000	£19.00	Q3 2014
Finance Wales	I Capital Quarter	22,000	£19.00	Q3 2014
HSBC	I Callaghan Square	12,600	£21.00	Q3 2014
Centrica	3 Callaghan Square	14,666	£21.00	Q3 2014
The Welsh Ministers	3 Assembly Square, Cardiff Bay	12,489	£23.00	Q3 2013
ITV	3 Assembly Square, Cardiff Bay	10,819	£22.00	Q3 2013

NATIONAL INVESTMENT MARKET

The investment market for regional offices has performed strongly throughout 2014 with prime regional yields compressing, a trend which is continuing into 2015.

The yield gap between prime London and regional offices has been at record levels and this is encouraging institutional, overseas and private investors to focus more on non-London assets.

This interest has been reinforced by the improvement in the regional economies and the significant increase in occupier demand and take up, resulting in new record rents being achieved in many of the UK regional markets.

Highlighted below are a number of regional investments and a list of other comparable, index linked income/funding transactions.

Property	Tenants	Area (sq ft)	Yield	Capital Value	Capital Value (psf)	Date	Comments
Translation Building, White City, London	Imperial Bioincubator Ltd (Imperial College guarantor)	187,405	c.3.60%	c.£150.00m	c.£800	Under Offer	25 years lease with annual RPI uplifts capped at 4.0% pa. Forward funding.
Stage 6, BBC Television Centre, London	BBC Worldwide Ltd (BBC Commercial Holdings guarantor)	94,009	c.3.70%	c.£67.70m	c.£720	Under Offer	25 year lease with annual uncapped RPI increases.
Port Hamilton, Edinburgh	Lloyds Bank	271,637	5.64%	£105.50m	£349	Oct-14	25 year lease with annual RPI linked uplifts capped at 3.0% pa.
2 Snowhill, Birmingham	Wragge & Co LLP	301,867	5.50%	£171.10m	£567	Sep-14	19 years unexpired and 14 years to break.
1 Hardman Boulevard & One Spinningfields Square, Manchester	RBS	497,436	4.80%	£320.00m	£643	Jul-2014	23.25 years until expiry. 5 yearly RR linked to 3.0% pa compounded.
Admiral House, Newport	EUI Limited (Admiral Group Plc guarantor)	80,814	6.42%	£18.46m	£228	Jul-14	20 year lease with a tenant break at year 16.
Crickhowell House, Cardiff	National Assembly for Wales	125,930	5.37%	£40.50m	£321	Mar-14	18 years unexpired with open market rent reviews.
Admiral Group Plc, Cardiff	EUI Limited (Admiral Group Plc guarantor)	205,912	5.85%	£58.62m	£285	Dec-11	25 year lease. RPI linked uplifts with 1.5% and 3.0% cap and collar. Forward funding.
BBC Drama Village, Cardiff Bay, Cardiff	Welsh Assembly Government (sublet to BBC)	210,000	4.75%	£46.00m	£219	Mar-11	23 year lease. RPI linked uplifts with 3.0% and 5.0% cap and collar. Forward funding.



Crickhowell House



Admiral

CONSTRUCTION & OCCUPATION TIMESCALES

Rightacres Property Co Limited submitted a detailed planning application on 23rd December 2014 and anticipates a planning consent will be secured at Cardiff’s Council Planning committee on 15th April 2015.

The programme currently reflects the following key dates:

Description	Date
Design Development Agreement (including AFL and Lease)	19th December 2014
Planning Application	23rd December 2014
Planning Consent	April 2015
Agreement to Lease	July 2015
Site Possession and Set Up	August 2015
Construction Works including Developer Funded Fit out	21 months from commencement
Practical Completion	May 2017
Public Realm Works	Phased over the period July 2015 to January 2018
BBC Start Technical Fit Out	May 2017
BBC Occupation (migration from current base)	January 2018

Critical Path / Timeline Diagram

Name	Duration	Start Date	End Date	2015												2106												2017												2018											
				J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J					
BBC Planning Period	16w	Jan 15	Apr 15																																																
Judicial Review – Challenge	8w	Apr 15	Jun 15																																																
Stage Design	16w	Jan 15	Apr 15																																																
ER Documentation	4w	Feb 15	Feb 15																																																
Tender	8w	Mar 15	Apr 15																																																
Review Period	2w	May 15	May 15																																																
Market Tender (if Required)	8w	May 15	Jul 15																																																
Sign AFL	1w	Jul 15	Jul 15																																																
Forward Sale Unconditional Date	3w	Jul 15	Jul 15																																																
Site Possession	1w	Aug 15	Aug 15																																																
Site Mobilisation	3w	Aug 15	Aug 15																																																
Construction Activities (To include delivery of Developers Funded Fit out)	86w	Sep 15	Jun 17																																																
BBC Technical Fit out	29w	Jun 17	Jan 18																																																
BBC Migrate Staff from Llandaff Offices	24w	Jan 18	Jul 18																																																

PROCUREMENT PROCESS

The main design work and masterplan for Central Square has been completed and a professional team is engaged for the delivery of the BBC.

The main contractor will be appointed following receipt of the planning consent in April 2015 with construction set to start in August 2015. Further detailed information will be provided following receipt of planning consent (S106 Agreement already in an agreed form). On the basis of a start date of August 2015, the developer’s works will complete in May 2017 followed by the BBC technical fit out. The BBC are due to take occupation in January 2018 following migration from their current base.

DEVELOPMENT TEAM

Rightacres Property Co Limited has appointed a highly professional and experienced development and delivery team, which are set out below:

Description	Team
Developer	Rightacres Property Co Limited
Architect	Foster + Partners
Employers Agent	Gleeds Cost Management Ltd
Cost Consultant	Gleeds Cost Management Ltd
Structural Engineer	Arup
M&E Consultant	Arup

A full set out of warranties will be provided upon completion.

THE DEVELOPER



Rightacres Property Co Limited is one of Wales’ most successful private property developers and has been established since 1967. During this time, Rightacres has delivered some of the most notable office and hotel developments within Cardiff and the wider region.

Rightacres were joint venture partners with MEPC on the delivery of the 309,000 sq ft grade A office development at Callaghan Square, one of Cardiff’s prime office locations. Rightacres has also delivered prelet developments including St Williams House (140,000 sq ft) for Lloyds Bank and the redevelopment of Belmont House for a 200 bedroom Premier Inn and 80,000 sq ft of office accommodation. Rightacres is currently speculatively developing a prime grade A office building, One Central Square (135,000 sq ft) and also delivering a new £45 million Cardiff & Vale College building.

2 Callaghan Square

A 46,000 sq ft joint venture office development with MEPC completed in 2002.



St Williams House

A 144,000 sq ft Lloyds TSB Plc pre-let office development completed in 2002.



Cardiff & Vale College

The development of a £45m new college campus on Dumballs Road, Cardiff.



One Central Square

135,000 sq ft speculative grade A office building to be completed in December 2015.



St Patrick’s House

A 51,000 sq ft office development completed in March 2000 and let to AA Insurance Services.



3 Callaghan Square

A 43,000 sq ft joint venture office development with MEPC completed in 2008.



Rightacres continues to create sustainable development solutions for modern businesses, complementing the urban environment.

For further information on Rightacres Property Co Limited, please visit www.rightacres.co.uk

PROPOSAL & TRANSACTION STRUCTURE

Rightacres Property Co Limited is seeking an investor to acquire the site and fund the development costs necessary to complete the development of BBC Cymru Wales New Broadcasting House and letting to The British Broadcasting Corporation.

Rightacres will manage the construction process through to practical completion and completion of the lease.

Rightacres is prepared to consider a variety of funding options, in order to facilitate the procurement of the property.

The preferred structure would be the funder acquiring the site following completion of the Agreement for Lease and thereafter funding all of the development costs on a monthly drawdown basis. On completion of the lease, a balancing payment will be made to Rightacres less the building contract retention sum, rolled up interest, site acquisition and associated costs plus the outstanding rent free.

We are instructed to seek offers in excess of £79,800,000 which reflects a net initial yield of 5.00% based on purchasers’ costs assumed at 1.8%, subject to contract and exclusive of VAT based on the summary development appraisal below.

At this price, the yield profile assuming Oxford Economics consensus RPI forecasts will be as follows:

Year 5 : 5.94%
Year 10 : 7.02%
Year 15 : 8.24%.

Development Appraisal		£'s
Land Cost		2,000,000
SDLT & Costs (@ 6.60%)		132,000
		2,132,000
Construction Cost		
Construction		46,170,000
Construction Contingency (@ 5.00%)		2,308,500
Section 106 & Planning		£640,000
		49,118,500
Professional Fees		
All Professional Fees		5,894,000
Development Management Fees (@ 2.50%)		1,228,000
Other Fees		750,000
		7,872,000
Finance Cost		
Interest @ 5.00%		2,223,000
Total Development Cost		61,345,500
Revenue		
GDV @ say 5.00% on £4,064,015		81,280,000
Less		
36 months' rent free (PV 3 years)		10,532,000
Purchaser's costs @ 1.80%		1,463,000
		69,285,000
Profit		7,939,500
Profit on Cost		12.94%
Rent Cover		1.95

Notes:
1. The above is based upon the currently anticipated net lettable floor areas and is subject to change.
2. The above is based on currently agreed fees with the professional team and the construction cost has been comprehensively priced by Gleeds Cost Management Ltd. A copy of this report is available in the data room.

CAPITAL ALLOWANCES INFORMATION

Rightacres has the benefit of the Capital Allowances (excluding the fit out works directly funded by the BBC), which can be assigned with the sale subject to negotiation. Details of the Capital Allowances are available within the data room.

VAT STATUS

The property will be registered for VAT.

FURTHER INFORMATION

Further information and documentation can be obtained from the data room and access can be obtained from DTZ. All access is to be granted at the discretion of Rightacres, the BBC and their representatives and will require the signature of a Non Disclosure Agreement.

For further information, please contact:

Jason Winfield

020 3296 2116
jason.winfield@dtz.com

Richard Wadham

020 3296 4452
richard.wadham@dtz.com

Andrew Gibson

029 2026 2246
andrew.gibson@dtz.com

Nick Allan

0117 910 5282
nick.allan@dtz.com



Important Notice

DTZ gives notice to anyone who may read these particulars as follows:

1. These particulars are prepared for the guidance only of prospective purchasers. They are intended to give a fair overall description of the property but are not intended to constitute part of an offer or contract.
2. Any information contained herein (whether in the text, plans or photographs) is given in good faith but should not be relied upon as being a statement or representation of fact.
3. Nothing in these particulars shall be deemed to be a statement that the property is in good condition or otherwise nor that any services or facilities are in good working order.
4. The photographs appearing in this brochure show only certain parts and aspects of the property at the time when the photographs were taken. Certain aspects may have changed since the photographs were taken and it should not be assumed that the property remains precisely as displayed in the photographs. Furthermore no assumptions should be made in respect of parts of the property which are not shown in the photographs.
5. Any areas, measurements or distances referred to herein are approximate only.
6. Where there is reference in these particulars to the fact that alterations have been carried out or that a particular use is made of any part of the property this is not intended to be a statement that any necessary planning, building regulations or other consents have been obtained and these matters must be verified by any intending purchaser.
7. Descriptions of a property are inevitably subjective and the descriptions contained herein are used in good faith as an opinion and not by way of statement of fact.

March 2015

