

Jones Lang LaSalle

Edwards & Co

City Gate III, Castlefield, Manchester – Planning Use Commentary

March 2008





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1. Introduction
2. Jones Lang LaSalle and Edwards and Co's involvement in the Manchester Office Market
3. Availability, Planning Use and Comments
4. Interest in City Gate III
5. Concluding Comments

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1. Introduction

This document outlines availability of similar ground floor existing stock in Manchester city centre and the fringes together with comments regarding their awarded planning permissions.

The document also highlights Jones Lang LaSalle and Edwards and Co's involvement in the Manchester Office Market and includes an overview of enquiries and their progress at City Gate III highlighting their knowledge and strength of advise in the market.

It concludes with a synopsis as to why City Gate III will benefit from B1 Planning Use from an agency perspective.

Neither Jones Lang LaSalle nor Edwards and Co offer planning advice within this document but an overview of how City Gate III will benefit from B1 planning use.

2. Jones Lang LaSalle and Edwards and Co's involvement in the Manchester Office Market

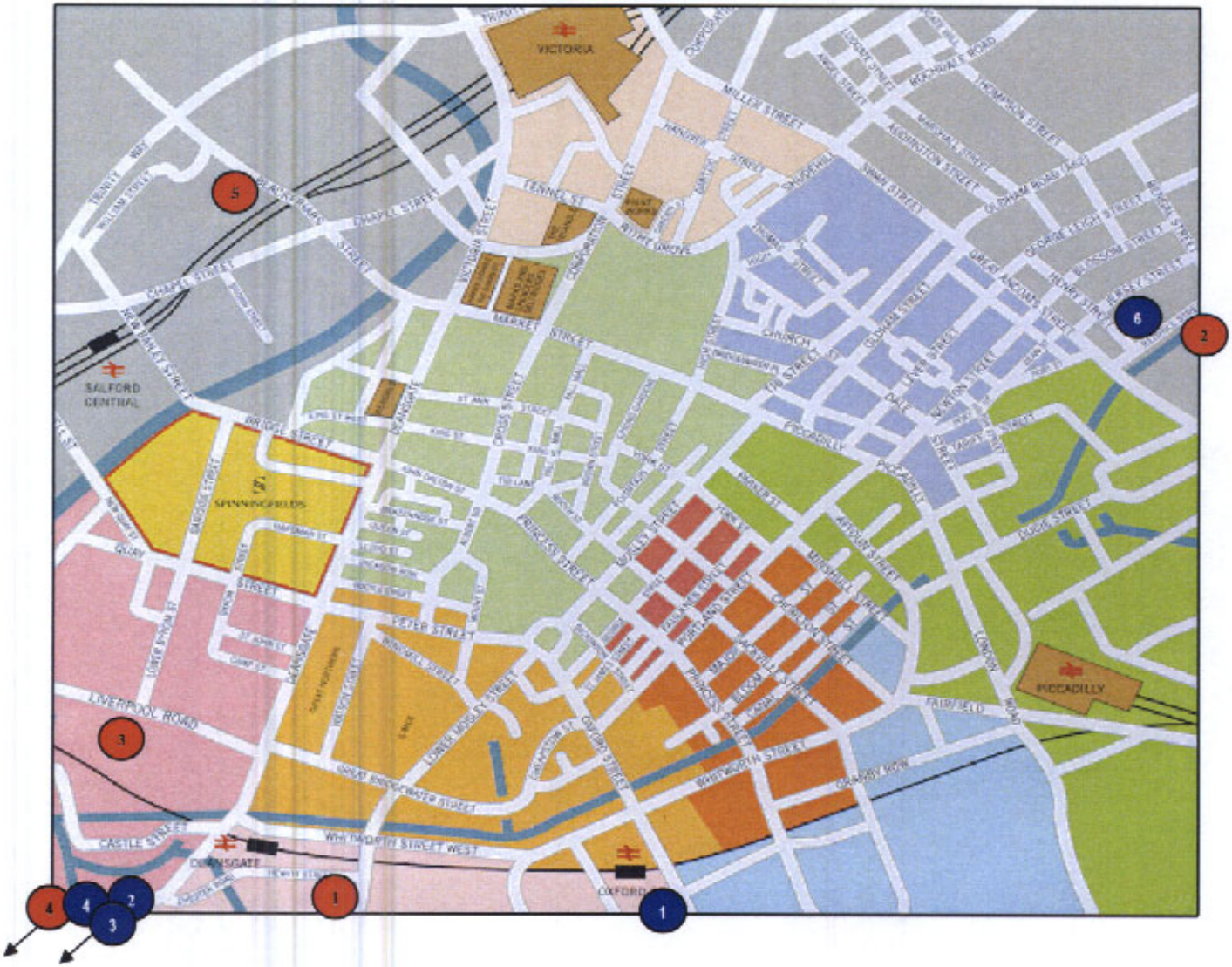
Jones Lang LaSalle is an active player in the Manchester Office Market combining local expertise with national and international clients. Jones Lang LaSalle are advisers on major strategic developments in the North West offering advise on over 900 acres in the region.
The team's key letting instructions in Manchester City Centre include Spinningfield's, Chancery Place, Ship Canal House and Belvedere.

In 2007 Jones Lang LaSalle transacted 375,000 sq ft of office space in 27 transactions.

Edwards and Co have been established in Manchester for 18 years and is a well recognised and regarded multi discipline partnership of Chartered Surveyors. The office department is considered to be one of the most active agency teams in the city centre and are regularly accredited with the achievement of undertaking the most number of transactions.
The team advise a cross section of clients on a variety of office space throughout the city centre and the North West.

In 2007 Edwards and Co transacted 412,000 sq ft of office space in 116 transactions.

3. Availability, Planning Use and Comments



Light Green: Traditional prime core
Dark Green: Piccadilly (regeneration area)
Yellow: Spinningfields (regeneration area)
Red: China Town
Light Orange: Southern Gateway
Dark Orange: The Village
Purple: Northern Quarter
Pink: Castlefield/Central Spine
Cream: Millennium Quarter

Blue Dots: Existing Buildings

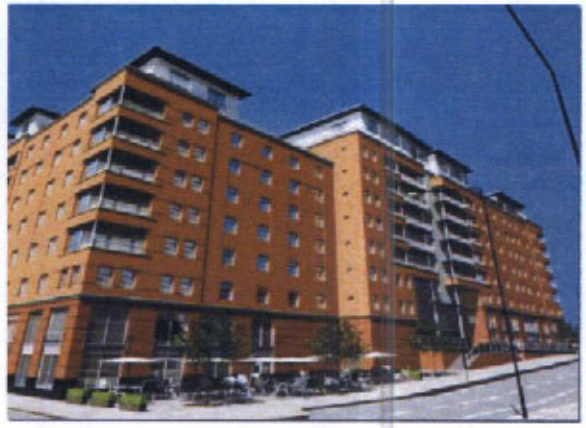
1: The Quad
2: Base
3: Moho
4: City Gate Phase II

Red Dots: Development Activity

1: Hill Quays
2: ISIS
3: 360°
4: St. George's Island
5: Spectrum
6: Royal Mills

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Property / Quoting Price	Size (sq. ft.)	Specification	Car Parking	Planning Consents	Comments	Image
The Quad, Hulme Street Freehold £190 per sq. ft. £20,000 per space	Unit 6: 3,660 Unit 7: 3,885 Unit 8: 5,016 Unit 9: 8,493 Total: 21,054	Finished to shell and core. No perimeter glazing provided.	1:702 sq. ft. Maximum 30 spaces. Secure NCP next door with 216 spaces.	A1 / A2 / A3 / B1	Substantial floor to ceiling height will enable a mezzanine floor to be constructed increasing the floor area considerably. In close proximity to Oxford Road and Student Village. Excellent public transport links.	
Base, Castlefield Long Leasehold £212 per sq. ft.	2,240 (Including mezzanine)	Finished to shell and core. Possible full fit out packages available.	1:560 sq. ft. Maximum 4 car parking spaces.	A1 / A2 / B1 / D1	Double height frontage. Excellent transport links. Purchaser able to claim back capital allowances on fit out works. Adjacent occupiers include local estate agents.	

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Property / Quoting Price	Size (sq. ft.)	Specification	Car Parking	Planning Consents	Comments	Image
Moho, Ellesmere Street Long Leasehold £120 per sq. ft. £20,000 per space / £3,000 per annum to rent.	Unit 1: 1,582 Unit 2: 2,465 Unit 3: 1,410 Unit 4: 2,217 Unit 5: 2,874 Total: 10,548 Units can be subdivided and combined in a number of ways.	Finished to shell and core with capped services. Full height glazing included.	Secure basement car parking facilities available.	A1 / A3 / B1 N.B. The Burton Place scheme has identical consents plus D1 and D2. All units have been sold.	Large open plan space. One of a number of mixed use new build developments in Castlefield. Adjacent occupiers include architects, foreign residential developers and local estate agents.	

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Property / Quoting Price	Size (sq. ft.)	Specification	Car Parking	Planning Consents	Comments	Image
Hill Quays, Commercial Street Long Leasehold £250 per sq. ft. (Includes car parking)	Unit 1: 2,508 Unit 2: 4,241 Unit 3: 3,537 Unit 4: 2,530 Unit 5: 6,964 Unit 6: 3,199 Total: 22,979 Units can be merged.	Suspended ceilings with LG3 lighting, perimeter trunking, double glazing, male/female/disabled WCs.	1:638 sq. ft. Maximum 36 spaces.	B1	PC Q3/4 2006 Waterfront setting. Excellent public transport links. Only tenant fit out work required.	
ISIS Islington Wharf, Great Ancoats Street Long Leasehold £150 - £220 per sq. ft.	TBC	Finished to shell and core. Possible full fit out packages available.	TBC	A1 / A2 / A3 / A4 / B1	1st Phase PC Q2 2007 2nd Phase PC Q3 2008 A vibrant canal side community including a hotel, retailing and business space, creating a new destination for Manchester with 500 apartments.	

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Property / Quoting Price	Size (sq. ft.)	Specification	Car Parking	Planning Consents	Comments	Image
360°, Duke Street Long Leasehold £222 per sq. ft.	4,360	Finished to a shell and core. Possible full fit out packages available.	1:1,453 Maximum 3 spaces.	A1 / A2 / B1 / D1	PC Q3/4 2006 Situated adjacent to the city's historic Roman fort and only a few minutes walk from the heart of the city. Purchaser able to claim back capital allowances on fit out works.	
St. George's Island, Castlefield Long Leasehold £192 per sq. ft.	3,541	Finished to shell and core. Possible full fit out packages available.	1: 1,180 Maximum 3 spaces.	A1 / A2 / A3 / B1 / D1	PC Q3/Q4 2006 Double height canal side frontage. Excellent transport links. Purchaser able to claim back capital allowances on fit out works.	

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Property / Quoting Price	Size (sq. ft.)	Specification	Car Parking	Planning Consents	Comments	Image
Spectrum, Blackfriars Road Long Leasehold £200 per sq. ft. £18,000 per space.	4,756 (Including mezzanine)	Finished to shell and core. Possible full fit out packages available.	1:793 sq. ft. Maximum 6 car parking spaces.	A1 / A2 / B1	Phase 1 PC Q2 2007 This new city centre development will consist of residential, office and retail units. Blackfriars is the first major development in this location. Within easy walking distance of the city's main retail and business districts and Victoria Station.	
Royal Mills, Jersey Street POA	Offices: up to 46,466 Retail / leisure: up to 29,711	Offices: Suspended ceilings with LG3 lighting, raised floors, double glazing, male/female WCs, kitchen facilities. Retail / leisure: Finished to shell and core.	1:559 sq. ft. Maximum 83 car parking spaces.	A1 / A3 / A4 / B1	Phase 1 PC Q2 2007 The development will consist of residential, office and retail units facing an internal covered courtyard. Within easy walking distance of the city's main retail and business districts and Piccadilly Station.	

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4. Interest in City Gate III

Jones Lang LaSalle and Edwards and Co. have jointly acted on behalf of Blantyre Developments Limited for approximately two years implementing a full and varied marketing campaign.

We have collectively put in place initiatives including marketing boards, property particulars, and advertisements within the Commercial Property Register. The details have been included in extensive targeted mailing campaigns and the availability of the accommodation has also been included on our respective websites.

The ground floor of City Gate III has been marketed as having A1, A2, A3 and D1 use class permission and has attracted very limited interest from various retail led parties including convenience store operators, an alternative medicine practitioners, dentists, showroom operators, a physiotherapist and beauticians.

Although the initial interest shown is encouraging, matters do not progress primarily due to two major factors. That the property does not benefit from the sufficient pedestrian footfall and nor does it benefit from the set down parking that a destination operator such as a showroom operator would require.

Whilst the scale of the property in its entirety (the residential element included) is a particularly prominent and high profile building, the building sits on the junction of one of Manchester's major arterial interchanges which is a particularly busy and potentially congested location which continues to be of no interest to any retail parties.

The principle interest in the subject property over the past two years has continued to be from the office sector with operators including charity organisations, mortgage advisors, architect practises and creative designers.

During the past 12 – 24 months the southern fringes of the city centre have become increasingly popular destinations for footloose occupiers seeking accommodation which does not form part of the traditional prime core and Central Business District. Typically these occupiers have required accommodation which is not stereotypical in its specification, but is characterful in style and nature. Accordingly office occupiers are often attracted to the subject property for its ability to accommodate bespoke fit out requirements within it's existing developers shell and core condition.

6. Concluding Comments

After 2 years of hard marketing efforts Jones Lang LaSalle and Edwards and Co would strongly recommend that City Gate III is granted consent for B1 Office Use in addition to the existing uses already granted.

The resulting occupation of the accommodation will bring much needed life and activity to a high profile gateway to the city and further benefit to the surrounding area, providing the city council with accommodation that will attract an appropriate Rateable assessment.

Latest market information demonstrated in the availability section of this report highlights a broad range of existing and pipeline mixed use developments within Manchester's City Centre and fringe areas.

The justification for B1 Planning Use includes the glazed frontage, underground parking and the strong highway links , making it an excellent candidate.

It is clear that Castlefield and the surrounding area has been identified as an attractive area for a range of mixed uses within the Manchester City Centre Strategic Plan (2004 – 2007).

City Gate III is thwarted by it's current range of permitted uses for the reasons mentioned above and for these reasons permission for the addition of B1 Office Use ensuring the vacant unit will become occupied and benefit the surrounding area.