



4 **HARDMAN
SQUARE**
Spinningfields | Manchester

christopher
dee...
property investment

SUMMARY

4 HARDMAN SQUARE

Spinningfields | Manchester

One of Manchester's finest office investments
For Sale



INVESTMENT SUMMARY

Situated in the prime pitch of the UK's second city, within the largest financial centre outside London

Located at the heart of the premier regional office development of the UK

54,300 sq ft of the highest quality Grade A office accommodation

Let to the undoubted covenants of HSBC Bank plc and Grant Thornton UK LLP for an average weighted unexpired lease term of 7 ½ years

Aggregate income £1,626,133 pa

Offers sought in excess of £25,000,000

Initial yield 6.15% net of purchase costs

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MANCHESTER

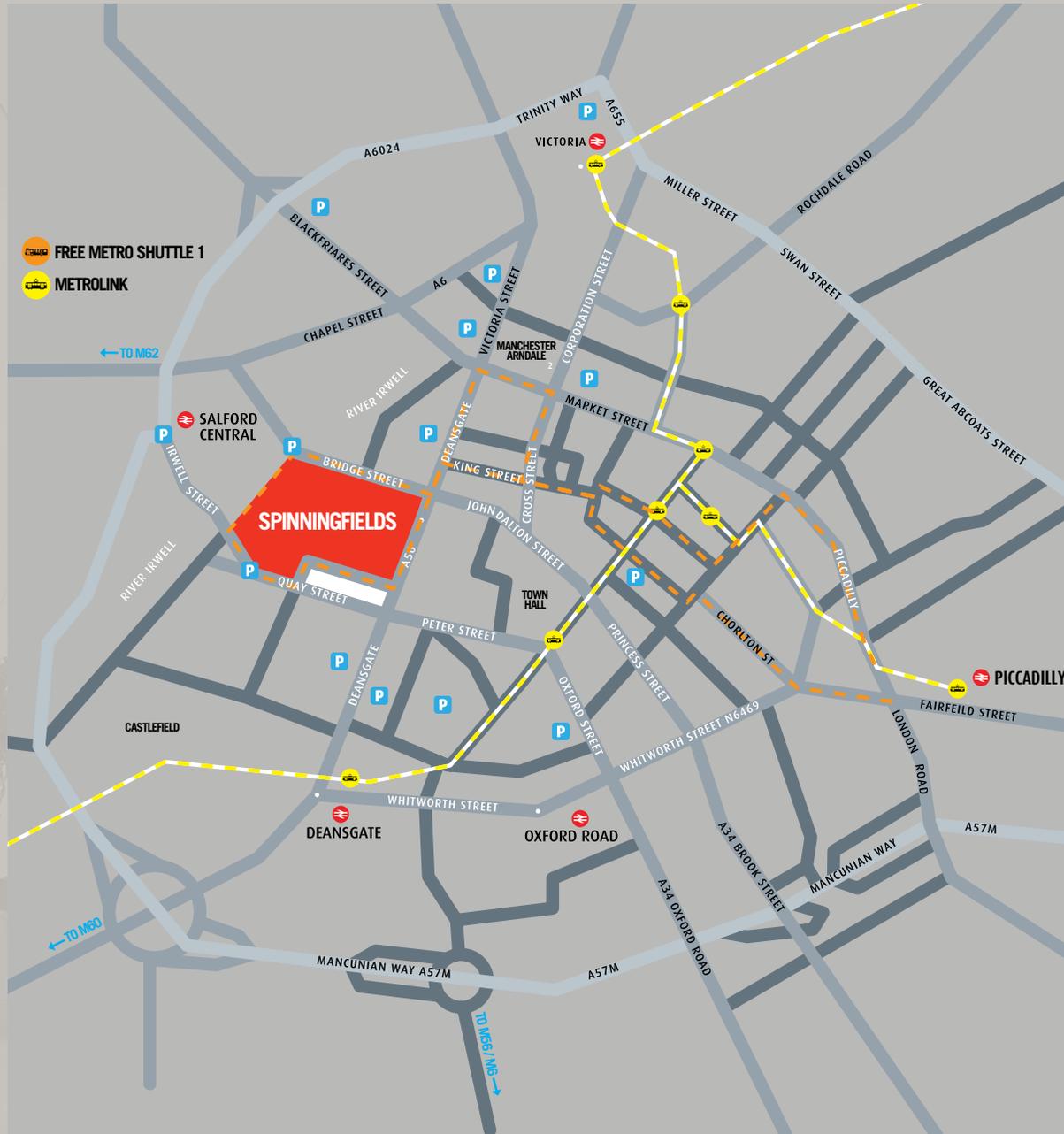
Now a player on the world stage, Manchester is the largest financial and business centre outside London and the acknowledged administrative, cultural and educational capital of the North West region. The Greater Manchester conurbation is home to over 2.5 million people and boasts the UK's largest regional economy, producing an estimated annual GDP of £50 billion.

The local economy is diverse, with an estimated 70 of the FTSE 100 companies having representation, together with more than 50 international banks and 600 major overseas businesses.



MANCHESTER

City Centre Map



CONNECTIVITY

A major contributory factor in the continuing success of Manchester is its connectivity on an international, national and regional level.

Air

Manchester Airport, the UK's third largest airport where over 100 airlines offer direct departures to 225 destinations worldwide, more than any other UK airport. Current airport throughput of 22 million passengers a year is expected to reach 50 million by 2030.

Rail

Manchester city centre has two mainline rail termini; Victoria and Piccadilly. Victoria caters mainly for local and commuter services, whilst West Coast Mainline Services are available from Piccadilly. London Euston is now just 127 minutes away, three times an hour.

Road

Manchester sits at the hub of a local motorway network which represents 20% of the total UK motorway system. Access to anywhere around the country starts here.

Metro

With funding approved for £1.5bn of works to extend the existing tram network to provide 4 more lines to East Didsbury; Manchester Airport; Oldham & Rochdale; and Ashton-under-Lyne. On completion of these works, coverage will be more than doubled, with lines to all points of the compass.



Drive Times from Manchester

Birmingham	- 1hr 52mins
Bristol	- 3hr 9mins
Cardiff	- 3hr 30mins
Edinburgh	- 4hr 7mins
Glasgow	- 3hr 42mins
Liverpool	- 46mins
London	- 3hr 55mins
Newcastle	- 2hr 37mins
Nottingham	- 1hr 46mins

Railway Times from Manchester

Birmingham	- 1hr 32mins
Bristol	- 3hr 03mins
Cardiff	- 3hr 41mins
Edinburgh	- 3hr 36mins
Glasgow	- 3hr 15mins
Liverpool	- 54mins
London	- 2hr 07mins
Newcastle	- 2hr 37mins
Nottingham	- 1hr 54mins



SPINNINGFIELDS

“An exemplar in high quality mixed use development.”

The Canary Wharf of the North, Spinningfields is the major regeneration area that has blossomed into the prime office pitch within Manchester city centre and one of the most significant developments in the UK. It has a growing international reputation and has attracted almost half of the grade A requirements since inception.

10 years after commencement of the first buildings, Spinningfields now provides over 1.5m sq ft of the highest quality office accommodation, residential and retail space across 9 individually designed signature buildings. It is home to a Who's Who of financial and professional businesses including RBS, Bank of New York Mellon, Deloitte, Barclaycard, BDO and DWF.





SPINNINGFIELDS

Aerial

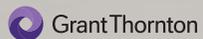
Key

- 1 - Leftbank Apartments
- 2 - NCP
- 3 - Mancat
- 4 - RBS

- 5 - 3 Hardman Square
- 6 - Civil Justice Centre
- 7 - New Magistrates Court
- 8 - DWF/Deloitte

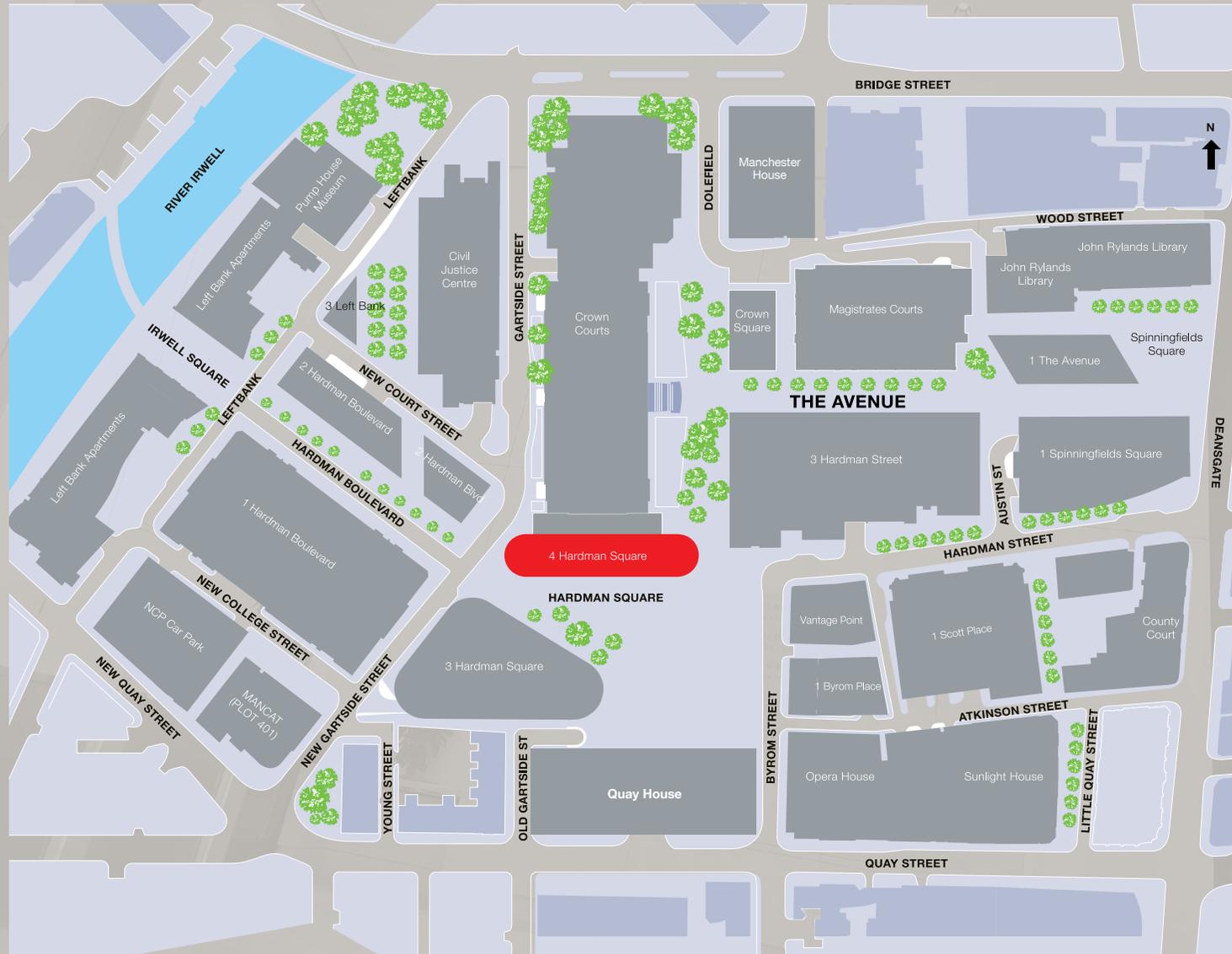
- 9 - Beachcroft/GMC/PKF/M&S/
Investec/Brown Shipley/BNY
Mellon/Regus/ LSH/Baker Tilly/
BDO Stoy Haywood/Pinsent
Masons

- 10 - McGrigors LLP



SPINNINGFIELDS

Map



DKNY

 **MULBERRY**



EMPORIO ARMANI

Waitrose

L.K. Bennett
London

A U S T R A L A S I A
MANCHESTER

FLANNELS

THE PROPERTY

Completed in December 2006, 4 Hardman Square, in conjunction with 3 Hardman Square, was designed by Foster & Partners.

The property provides five levels of the highest quality office accommodation above a double height ground floor that comprises the office reception, three unit shops with mezzanine floors and a double level plant room.

The building has been designed around the Prisoner Loading Bay of the adjacent Crown Court which covers part of 4 Hardman Square's footprint at ground and mezzanine level. The building's structural framework wraps around but is completely independent from the structure of the Loading Bay.

Constructed with a super structure frame of steel columns and beams, externally the building is clad with a continuous floor to floor wrap-around unitised, double glazed aluminium curtain walling system with external horizontal brise soleil.



The offices are approached through a generously proportioned, double height reception area with stone tiled flooring. Three passenger lifts (2 x 8 person and 1 x 13 person) provide access to the upper floors.

The offices have a floorplate of almost 11,000 sq ft which is completely column free, providing ultimate flexibility for either open plan or cellular occupation. Internally, the office accommodation has been completed to a very high specification which includes:

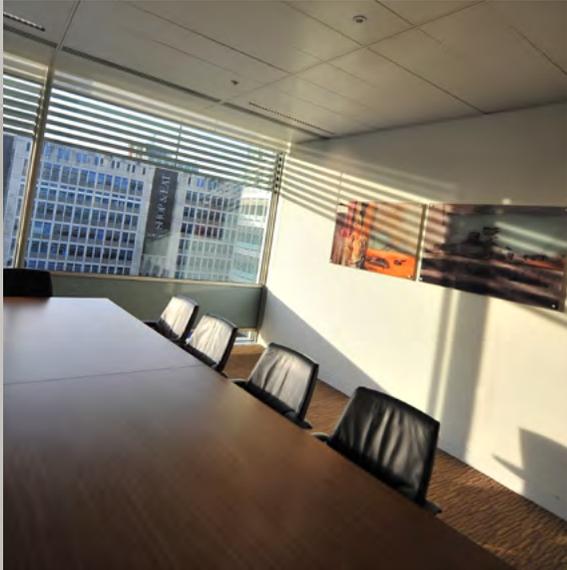
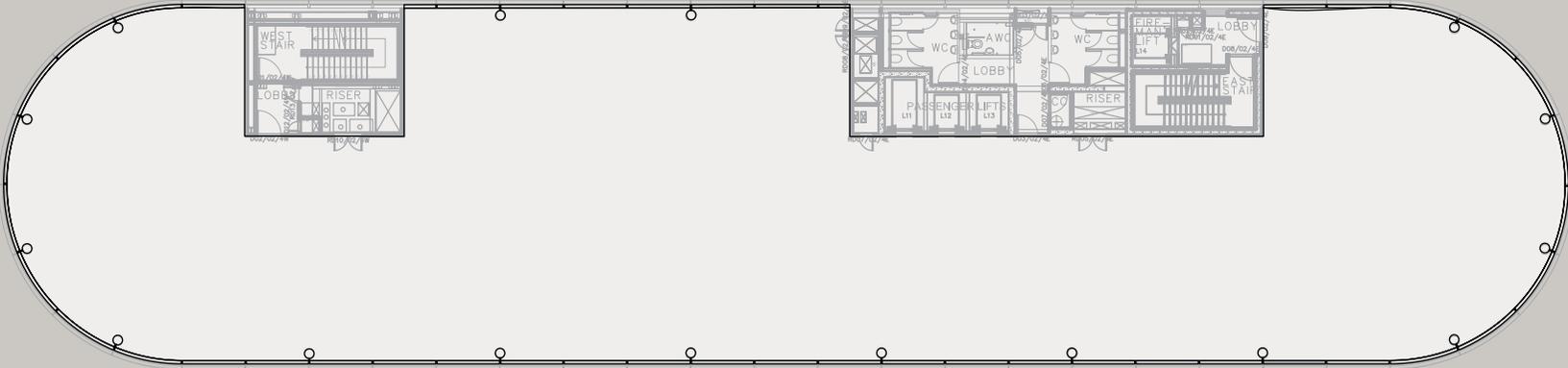
- 2-pipe fan coil air conditioning
- Fully accessible raised floors with a clear 150mm void
- A generous clear floor to ceiling height of 2.75m
- Suspended ceilings with acoustic metal tiles and integral lighting
- Male, female and disabled WCs on each level

The property has the benefit of 18 car parking spaces situated in the communal underground car park accessed from Gartside Street that sits below 3 Hardman Square and the open space of Hardman Square which will be extended to cater for 1 and 2 Hardman Square as and when they are developed. Pedestrian access to this car park is through a dedicated, secure entrance in 3 Hardman Square directly opposite the 4 Hardman Square reception.

The property has achieved a BREEAM assessment of "Very Good", the second highest accreditation available.



TYPICAL FLOOR PLAN



FLOOR AREAS

The property has been measured in accordance with the RICS Code of Measuring Practice (6th edition). We calculate the property provides the following net areas, which were agreed with the tenants and formed the basis of the calculation of the initial rentals in 2006:

Floor	Use	sq m	sq ft
Ground	Reception	79.2	853
	Retail	298.4	3,212
1st	Offices	1,009.9	10,870
2nd	Offices	1,009.6	10,867
3rd	Offices	994.5	10,167
	Corridor	57.7	621
4th	Offices	1,010.3	10,875
5th	Offices	1,012.4	10,897
Total		5,422.0	58,362



TENURE

Title to the property is held under two leasehold interests, each having 145 years unexpired, which respectively demise:

1. The office building (excluding the Prisoner Loading Bay area at ground and mezzanine level)
2. An area of the basement car park sitting under Hardman Square that is accessed from 3 Hardman Square

Both leases are for a term of 150 years less one day from 27 December 2006 at a fixed peppercorn rent.

A detailed tenure structure diagram can be found on the document store.

Under a separate deed, there is an option to purchase the freehold interest for £1 at any time after 1 May 2032 and a right of pre-emption over the intermediate lease and supplemental lease.



TENANCY SCHEDULE

The property is let in accordance with the tenancy schedule below and produces a current aggregate income of £1,626,133 per annum. We calculate that the money-weighted average unexpired lease term is approximately 7½ years.

Demise	Area sq ft	Tenant	Term yrs	Lease start	Lease end	Rent £pa (£psf)	Review (break)	Comment
Levels 5, 4 & part 3	5 10,897	Grant Thornton UK LLP	15	20 Dec 2006	19 Dec 2021	£772,665** (£30.00)	20 Dec 2011*	3rd floor area of 621 sq ft is corridor, valued at 50% of the office rate
	4 10,875							
	3 3,673							
	3 621							
	T 26,066							
Car park	10 spaces	Grant Thornton UK LLP	15	10 Apr 2007	19 Dec 2021	£35,000 (£3,500)	20 Dec 2011*	
Levels 1, 2 & part 3	1 10,870	HSBC Bank plc	15	20 Dec 2006	19 Dec 2021	£790,468 (£28.00)	20 Dec 2011* (19 Dec 2016)	12 months' notice on break
	2 10,867							
	3 6,494							
	T 28,231							
Car park	8 spaces	HSBC Bank plc	15	26 Apr 2007	19 Dec 2021	£28,000 (£3,500)	20 Dec 2011* (19 Dec 2016)	Break cannot be exercised in isolation
Retail Unit 1	658	4 Hardman Square Retail Limited	150	27 Dec 2006	24 Dec 2156	-	N/A	Leases contain a right of Pre-emption in the event the tenant wishes to dispose
Retail Unit 2	2,554	4 Hardman Square Retail Limited	150	27 Dec 2006	24 Dec 2156	-	N/A	
Total	57,509					£1,626,133		

* Rent review not actioned

** Rent is the minimum payable under the review provisions with effect from 20 December 2011

TENANTS' COVENANTS

100% of the income is secured against the undoubted covenants of HSBC Bank plc and Grant Thornton UK LLP.

HSBC Bank plc

Headquartered in London, HSBC is one of the largest banking and financial services organisations in the world. HSBC's international network has around 7,500 offices in 87 countries and territories across Europe, the Asia-Pacific region, North, Central and South America, the Middle East and Africa.

Listed on the London, Hong Kong, New York, Paris and Bermuda stock exchanges, the company has around 100 million customers worldwide.

For the last 3 accounting years, the company has reported the following results:

Year ending	31 Dec 2010 £m	31 Dec 2009 £m	31 Dec 2008 £m
Total income	18,099	19,102	16,175
Pre-tax Profit	4,011	4,014	4,366
Net Worth	20,682	16,588	8,143

Dun & Bradstreet give the company a 5A1 Rating and a Failure Score of 99, representing a minimum risk of business failure.



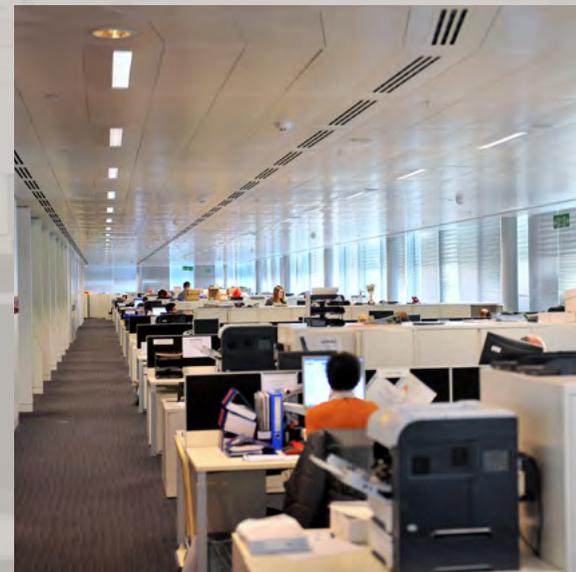
Grant Thornton UK LLP

Part of the global audit, tax and advisory organization Grant Thornton International with revenue of \$3.7 billion, the UK member, Grant Thornton UK LLP, operates from 24 locations across the UK and has over 200 member partners and more than 3,500 staff.

For the last 3 accounting years, Grant Thornton UK LLP has reported the following results:

Year ending	30 Jun 2011 £m	30 Jun 2009 £m	30 Jun 2008 £m
Total income	351.7	356.9	355.1
Pre-tax Profit	66.8	61.6	33.7
Net Worth	(37.2)	(70.7)	(51.6)

Dun & Bradstreet give the company an N1 Rating and a Failure Score of 100, representing a minimum risk of business failure.



THE MANCHESTER OFFICE MARKET

Manchester has been the strongest regional office market consistently over the last 10 years with take up being the highest of any regional city in each of the last 4 years. One of the City's key advantages has been its ability to attract inward movers, such as Bank of New York Mellon, Gazprom, General Medical Council, Premier Foods and Ticketmaster.

In 2010, there was a record take-up of over 1.3 million sq ft, 50% above the city's long term average annual take-up of 850,000 and double the next best regional city's take-up (Birmingham at 650,000 sq ft). The strength of the year was further underlined by the fact that Spinningfields, a primary driver of the grade A market in the last decade, saw three lettings totalling 45,500 sq ft. 2011 estimates are that the final total take-up for the year will be around 600,000 sq ft.

Lettings of the best grade A accommodation that have been concluded during 2011 include:

Address	Sq ft	Tenant	Rent psf
1 The Avenue, Spinningfields	7,750	Brewin Dolphin	£28.50
	7,790	Outsourcing	£29.00
	10,900	McGrigors	£29.00
1 New York St	11,000	Marks & Clerk	£28.00
Belvedere, Booth St	13,700	Savills	£26.50
Chancery Place, Booth St	15,600	I2	£28.00
One St Peter's Sq	63,000	KPMG	£29.00

There is currently approximately 450,000 sq ft of available grade A accommodation in the city centre, 80% of which is contained in two buildings. Without exception, quoting rents on this accommodation are in the £28 - £30 per sq ft range.

Known requirements for the city include Panone (65,000 sq ft), Santander Group (40,000 sq ft), BUPA (120,000 sq ft), Response (50,000 sq ft) and Lloyds Banking Group (200,000 sq ft).

With no speculative development under construction, and One St Peter's Square the only likely commencement in 2012, a reduction in the supply of Grade A space is anticipated in the medium term which is expected to put upward pressure on headline rents



WARRANTIES

A comprehensive package of design and construction warranties will be assigned to the purchaser.

VAT

The property has been elected for VAT and hence VAT will be payable on the purchase price. However, it is intended that, subject to agreement with HMRC, the transaction is to be treated as the Transfer of a Going Concern.

PROPOSAL

We are instructed to seek offers in excess of £25,000,000 (TWENTY FIVE MILLION POUNDS), subject to contract and exclusive of VAT. A purchase at this level would show an initial yield of 6.15% net of normal acquisition costs.

DOCUMENT STORE

Title information, lease documentation and information regarding the property, including floor plans, EPC and a detailed specification can be viewed at or downloaded from:

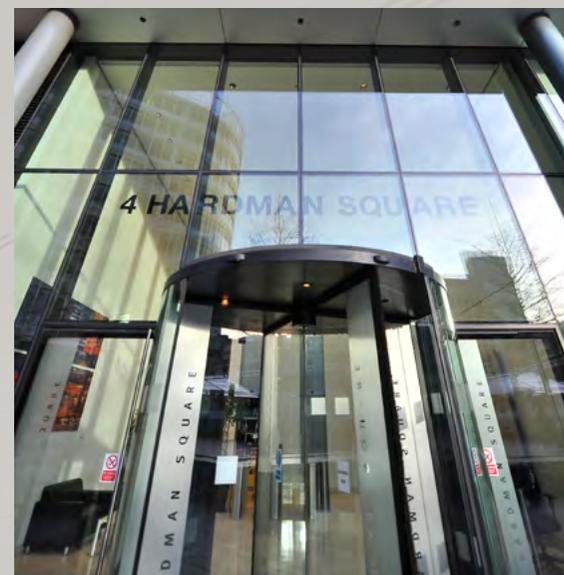
FURTHER INFORMATION

For further information or to arrange an inspection please contact:

Chris Dudhill
07931 743 643

or

Chris Jones
07957 138004



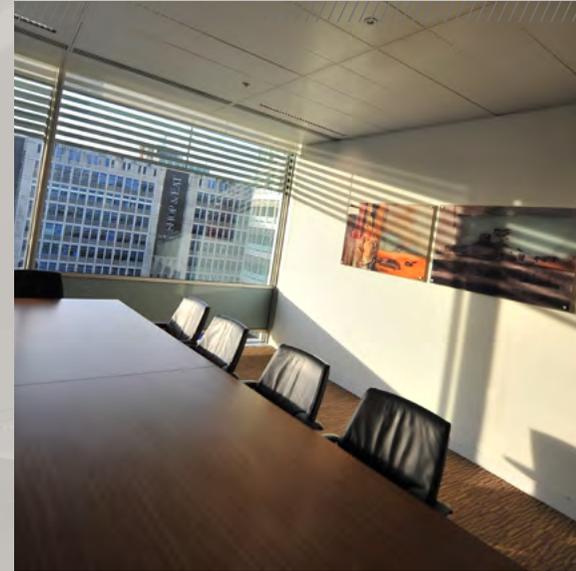
DOWNLOADS



DOWNLOADS

MISREP: The accuracy of any description, dimensions, references to condition, necessary permissions for use and occupation and other details contained here in is not guaranteed and is for general guidance only and prospective purchasers or tenants must not rely on them as statements of fact or representations and must satisfy themselves as to their accuracy. Christopher Dee nor any of its employees or representatives has any authority to make or give any representation or warranty or enter into any contract whatever in relation to the property. Rents quoted in these particulars may be subject to VAT in addition. The reference to any mechanical or electrical equipment or other facilities at the property shall not constitute a representation (unless otherwise stated) as to its state or condition or that it is capable or fulfilling its intended function. Prospective tenants/purchasers should satisfy themselves as to the fitness of such equipment for their requirements. Designed and Produced by 90 Degrees Design & Marketing 0161 833 1890, December 2011.

GALLERY 01



GALLERY 02

