



# cardinal house

St Mary's Parsonage, Manchester M3 2LG

An Exciting Refurbishment/Remodelling or  
Redevelopment Opportunity in a Prime Location  
with Extensive Frontages to the River Irwell

\*Illustrative Potential Development



# the opportunity

One of the most exciting development/refurbishment opportunities to come to the market in recent years with extensive frontage to the River Irwell and Parsonage Gardens.

Supported by Manchester City Council's St Mary's Parsonage Strategic Regeneration Framework this neighbourhood will be a major focus for prime mixed use and public realm development over the coming years forming a natural continuation of the highly successful Spinningfields Development.

Cover note:- \* Plans prepared by J M Architects for illustrative purposes only, any redevelopment would be subject to planning.





# investment summary

## Existing Building



- 1960's office building set on basement, ground and eight upper floors
- 55,739 sq. ft. NIA with flexible floor plates of approximately 6,300 sq. ft.
- 17 basement and nine deck level car parking spaces
- Freehold
- Currently producing short term income with agreements in place with tenants to obtain vacant possession by October 2022
- Site of 0.45 acres with a 54m frontage to the River Irwell

## Refurbishment /Redevelopment

- Falls within St Mary's Strategic Regeneration Framework which promotes quality refurbishment and intensified development creating a focus for prime office and mixed use development within Manchester City Centre.
- Light touch refurbishment – Increasing rents together with yield compression and improved ESG credentials.
- Refurbishment and extension – extending Cardinal House to the St Mary's Parsonage elevation and adding additional height. Indicative plans indicate the ability to extend to circa 83,000 sq. ft., subject to planning.
- New build – develop the site more intensively in line with the plans for the neighbouring buildings. Indicative plans show that a building set on ground with 16 upper floors would provide a new Prime Grade A building of circa 140,000 sq. ft., subject to planning.
- Alternative uses – possible re-tasking to hotel, residential or leisure uses or a combination thereof.
- Manchester City Council will support high quality, mixed use, high rise development.
- Development is being proposed by neighbouring property owners and the Council has committed to the improvement of public realm which will result in St Mary's Parsonage becoming a focus of prime office, hotel and residential development over the coming years.





### asking price

Offers are sought  
in excess of **£13.5m**  
for the freehold interest.

This represents a modest capital value  
of £228 per sq. ft. (assuming car parking  
at a capital value of £30,000 per space).

The vendor is seeking offers which are not  
subject to obtaining planning consent.







# manchester

Manchester is the UK's second city and in 2021 was named as **the best city in the UK** and the third best city in the world by **Time Out Magazine**.

Strong leadership from **Manchester City Council** providing significant infrastructure and **public realm improvements** and a **proactive approach to development**.



A regional population of

## 2.8m

and the highest millennial population of any regional city.

Manchester's economy has almost doubled in the last 20 years and is **forecast to grow by 14.49%** between 2022 – 2026.



Greater Manchester has a GVA (gross value added) of **£63m** representing

## 40%

of the North West's economy.

A **global city** and a significant part of the government's **Northern Powerhouse Growth Initiative**.



## 80

of the **FTSE 100 companies** are represented in the city.

UK's third largest airport with more than **22 million passengers** per annum.



One of the **largest student populations** in Europe with over **105,000 students across 5 Universities**.  
The city also benefits from high graduate retention rates.

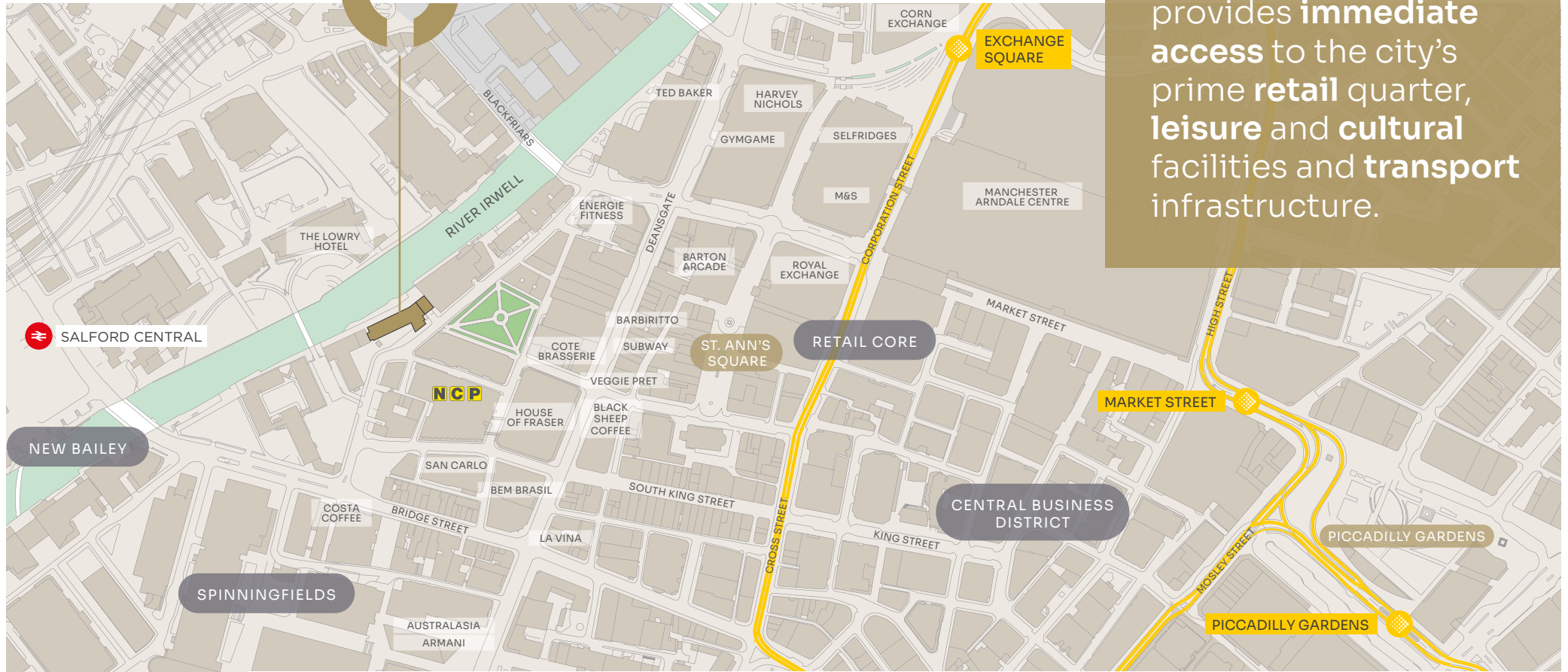
Largest **creative, digital and tech** hub outside London



Rapidly growing **science and R&D** sectors together with a vibrant cultural and leisure economy.



# location



Cardinal House's central location provides **immediate access** to the city's prime **retail** quarter, **leisure** and **cultural** facilities and **transport** infrastructure.





# communications

## Roads

- Manchester has over 100 miles of motorways within its conurbation with the M6 orbital motorway providing connections to the M62 for access to Liverpool and Leeds, the M56 providing access to Chester and North Wales and the M6 providing links to Birmingham, London in the south and Glasgow and Edinburgh in the north.

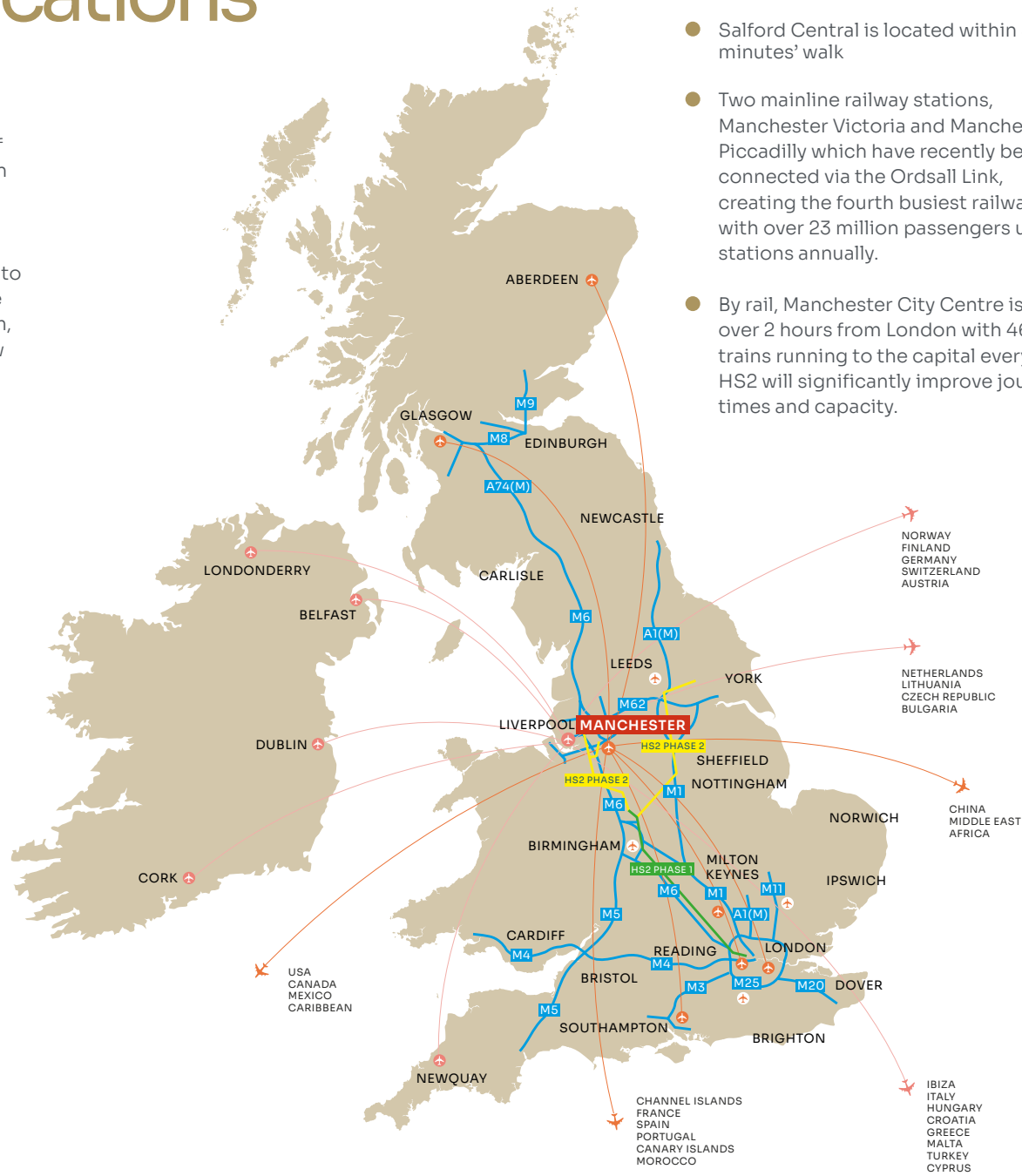


## Metrolink

- Exchange Square is the nearest Metrolink station being within 5 minutes' walk with Victoria Station & St Peters Square Metrolink stops both within 10 minutes offering easy access to Manchester's extensive Metrolink network.

## Rail

- Salford Central is located within 5 minutes' walk
- Two mainline railway stations, Manchester Victoria and Manchester Piccadilly which have recently been connected via the Ordsall Link, creating the fourth busiest railway with over 23 million passengers using stations annually.
- By rail, Manchester City Centre is just over 2 hours from London with 46 trains running to the capital every day. HS2 will significantly improve journey times and capacity.



## Air

- Manchester airport is the UK's third largest airport handling over 22 million passengers a year and is the UK's global gateway from the north.
- Providing 220 national and international flights per day.



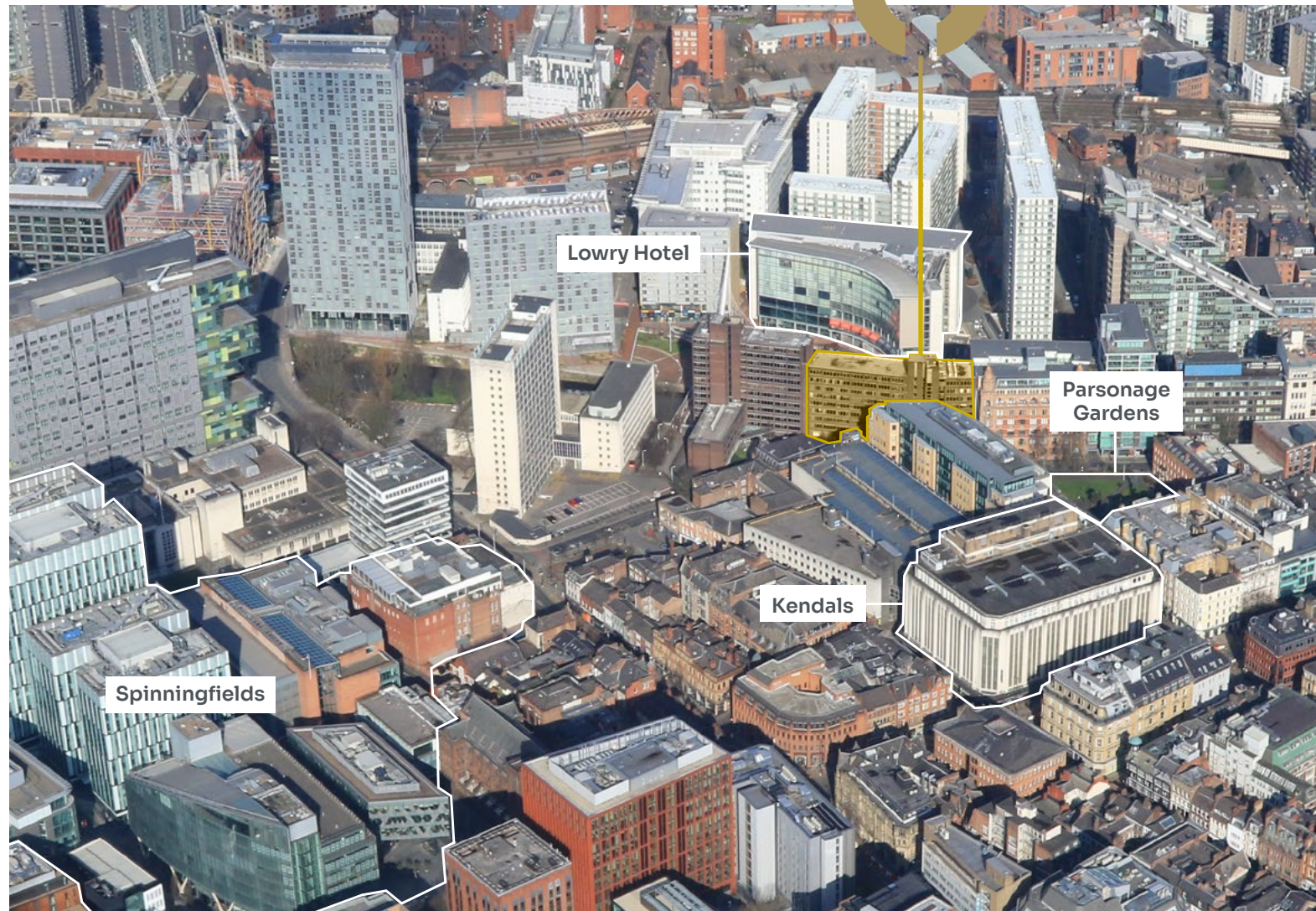


# situation

**Cardinal House** is situated in St Mary's Parsonage in the heart of Manchester City Centre occupying a prominent position overlooking Parsonage Gardens, the River Irwell and the Lowry Hotel.

There are significant development plans in this area which forms a natural continuation of the highly successful Spinningfields development.

The area currently consists of a mixture of period and 1960's office/residential buildings together the iconic House of Fraser department store with its attached multi storey carpark. The Strategic Regeneration Framework has had the effect of generating significant redevelopment plans by many neighbouring owners which will undoubtedly make this area one of the most exciting and prominent districts in Manchester with excellent connectivity and a vibrant mix of uses.



**5 mins**

walk to  
Spinningfields

**5 mins**

walk to  
Salford Central  
Station

**6 mins**

walk to  
Market Street

**8 mins**

walk to  
Exchange Square  
Metrolink

**12 mins**

walk to  
St Peter's Square  
Metrolink

**12 mins**

walk to  
Victoria Station



# st mary's parsonage

The **Strategic Regeneration Framework** was adopted in July 2020 and relates to the comprehensive regeneration of St Mary's Parsonage and the area leading up to Bridge Street which immediately adjoining Spinningfields.

The framework makes specific reference to redevelopment and increased massing to achieve commercial outcomes and seeks to promote high quality commercially focused mix use developments predominantly based on offices with the potential for hotel development and ground floor retail and leisure uses to promote active streetscapes. The document outlines the Council's aspiration for significant improvements to public realm with potential linkages to Spinningfields and an intensification of uses with high rise development on the site of Albert Bridge House which gradually transitions down as the development moves towards St Mary's Parsonage. The document specifically recognises the potential to redevelop / refurbish Cardinal House and the adjacent Alberton House, neither of which are listed and both of which fall outside the adjacent conservation area status.

The Strategic Regeneration Framework demonstrates Manchester City Council's proactive approach to development and regeneration which has previously proved extremely successful in promoting the development of neighbourhoods such as Spinningfields and St Peter's Square.

## Strategic Regeneration Framework Plan





# neighbouring schemes



## Spinningfields (Allied London)

Highly successful mixed use development scheme extending to over 4 million sq. ft. of commercial, leisure, retail and residential space, sat on a 6 acre site with frontage to the River Irwell.



## Albert Bridge House (Oval)

Strategic site of circa 1.5 acres with 157,000 sq. ft. of offices acquired by Oval Real Estate for development.



## Kendals Department Store (Investec)

Plans announced for the demolition and replacement of the current multi storey car park and the repurposing of the upper floors of the Kendals building to provide circa 500,000 sq. ft. of Grade A office space.



## No.1 North Parade (Beaconsfield)

Plans announced for the redevelopment of No. 1 North Parade and the 5 Parsonage to the north side of Parsonage Gardens to provide new build office block extending to circa 83,000 sq. ft. set over 14 storeys.



**The Alberton (Bruntwood)** - currently called Alberton House and adjoining Cardinal House. Planning consent is expected to be submitted shortly for a building of circa 250,000 sq. ft. over 18 floors. Currently 1960's building of similar design and construction to Cardinal House.



## Ramada Site (Property Alliance/Starwood)

Redevelopment of the current Ramada Hotel site to provide a £200 million mixed use development including a new hotel, office space, car park and residential units.



# description

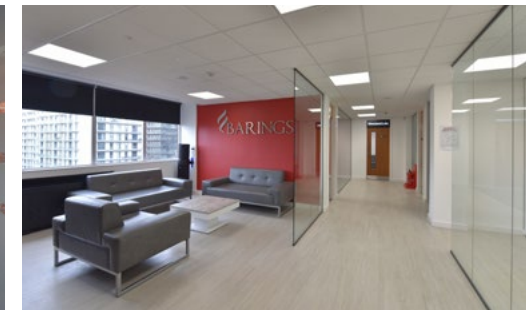
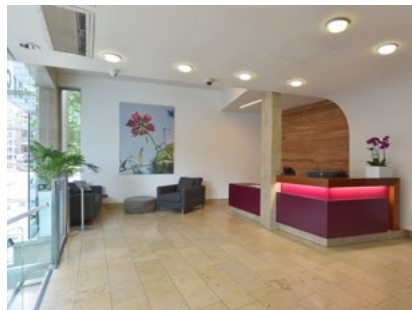
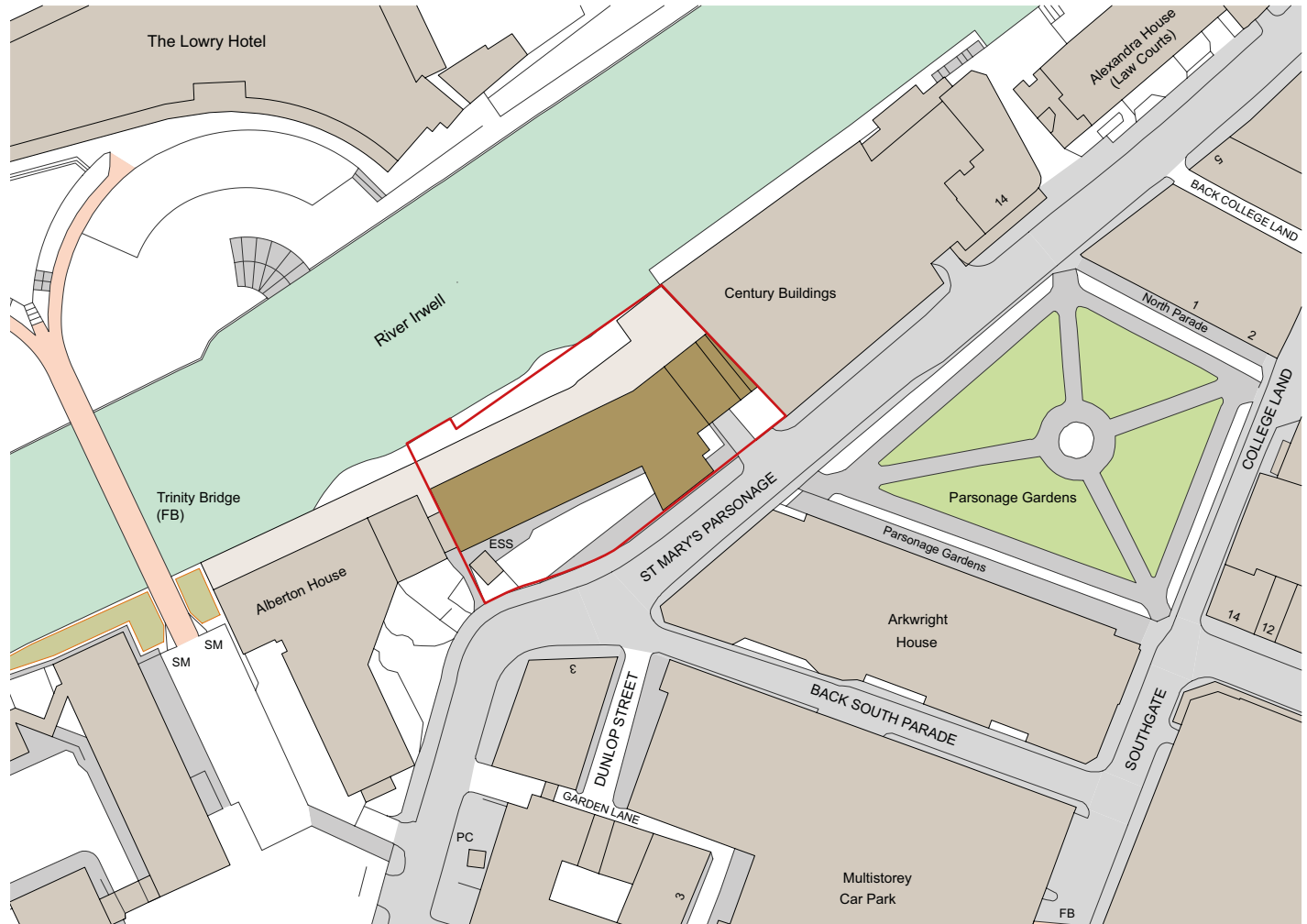
Cardinal House was originally constructed in 1963 and over the years has been subject to a number of high quality refurbishment schemes. The building is of concrete frame construction with brick elevations.

The building is arranged over basement, ground and eight upper floors and has access via an impressive feature entrance foyer with double height glazing. The building has highly efficient floor plates with approximately 6,300 sq. ft. which are divisible.

The building provides the following specification:

- Three x 10 person Otis passenger lifts
- DDA compliant access lift
- Perimeter air conditioning (heating and cooling)
- Full access raised floor
- Suspended ceilings
- Mix of LED/LG7 and Cat 2 lighting
- Male and female WCs on each floor
- Disabled WC facilities
- High quality finishes throughout
- Secure basement and deck parking for 27 vehicles
- Basement bike racks and shower facilities

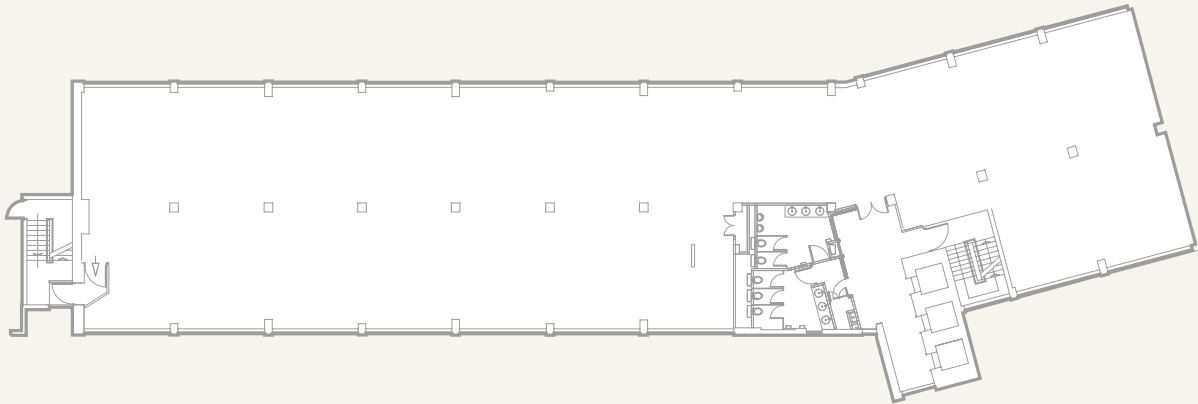
The property sits on a site of **0.45 acres** (19,787 sq ft) offering a significant development site





# existing accommodation

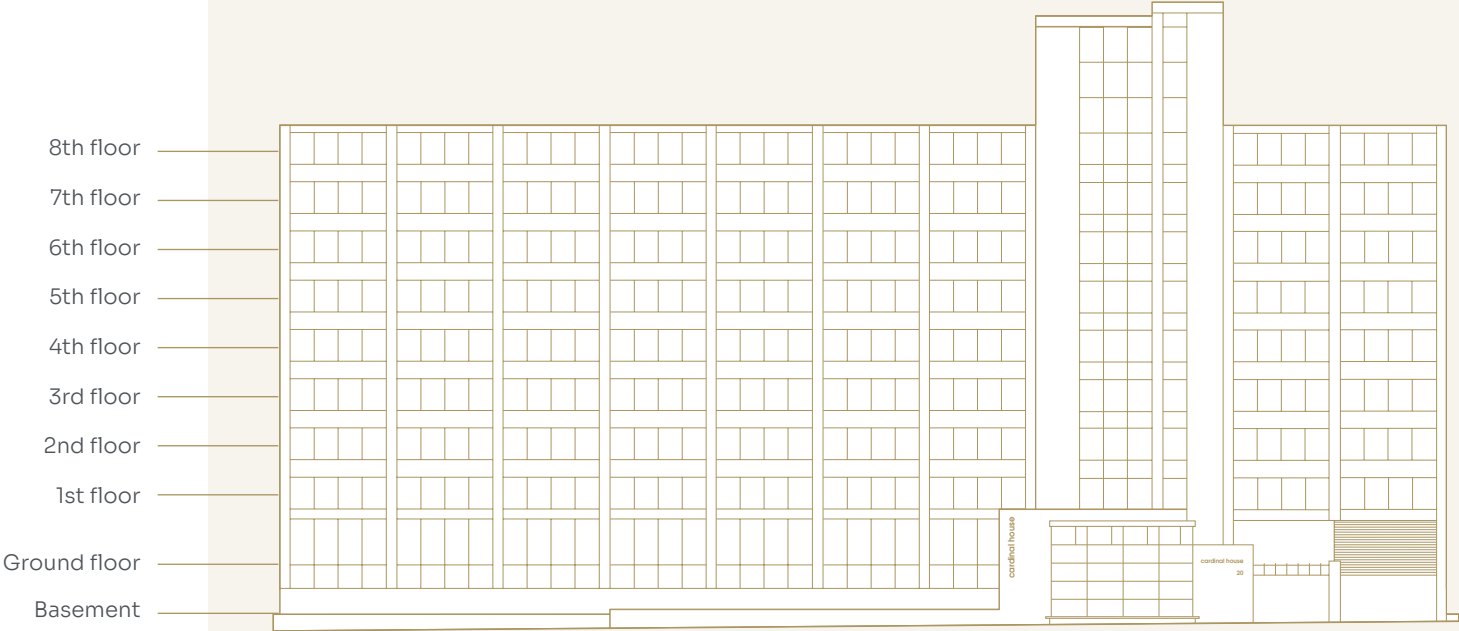
Typical upper floor plate



Floor plates approximately **6,300 sq. ft.**

A summary of the floor areas (NIA)  
is as follows:

Floor	Sq ft	Sq m
Basement	674	62.6
Ground	5,007	465.2
1st	6,084	565.2
2nd	5,907	548.8
3rd	6,296	584.9
4th	6,286	584.0
5th	6,284	583.8
6th	6,274	582.9
7th	6,272	582.7
8th	6,280	583.4
Total	55,362	5,143.55



St Mary's Parsonage



# development and refurbishment options

## Refurbishment

- Cardinal House is already well specified and could be let subject to a light touch refurbishment.
- Refurbishment of the existing building would provide an early opportunity to upgrade the building specification and the ESG credentials to benefit from significantly increased rents and yield compression.

## Refurbishment and Extension

- The property sits on a site of approximately 0.45 acres (19,787 sq. ft.) and is low rise in relation to the development plans being proposed at the neighbouring property, Alberton House.
- Indicative plans show that the construction of an additional super floor incorporating a mezzanine together with the extension of the St Mary's Parsonage elevation to pavement level would increase the net floor area to approximately 82,897 sq. ft. (excluding basement).
- The comprehensive refurbished option would produce a building with a floor depth of 16.2m and floor plates of approximately 8,500 sq. ft. creating the opportunity to substantially increase rents and significantly enhance its ESG credentials through the repurposing of the existing frame.
- The possibility of creating additional space by extending the riverside elevation could also be considered.

## New Build

- Indicative plans showing a new build set on ground and 16 upper floors could be developed (subject to planning) creating a building with a net internal area of 140,829 sq. ft. together with 6,330 sq. ft. of highly valuable terraces overlooking the River Irwell and city centre.

## Use

- The Strategic Regeneration Framework contemplates development in a range of uses. Whilst office development together with ground floor, leisure/retail use is likely to have the most support, this does not exclude a consideration of hotel and residential or any mix thereof.
- Indicative plans have also been prepared showing how a new build on the site could accommodate approximately 26 hotel rooms or 12 residential apartments per floor.

Please note that the indicative plans and floor area schedules have been prepared by J M Architect and are for illustrative purposes only. Purchasers should make their own enquiries as to the feasibility of development/refurbishment.





# new build option

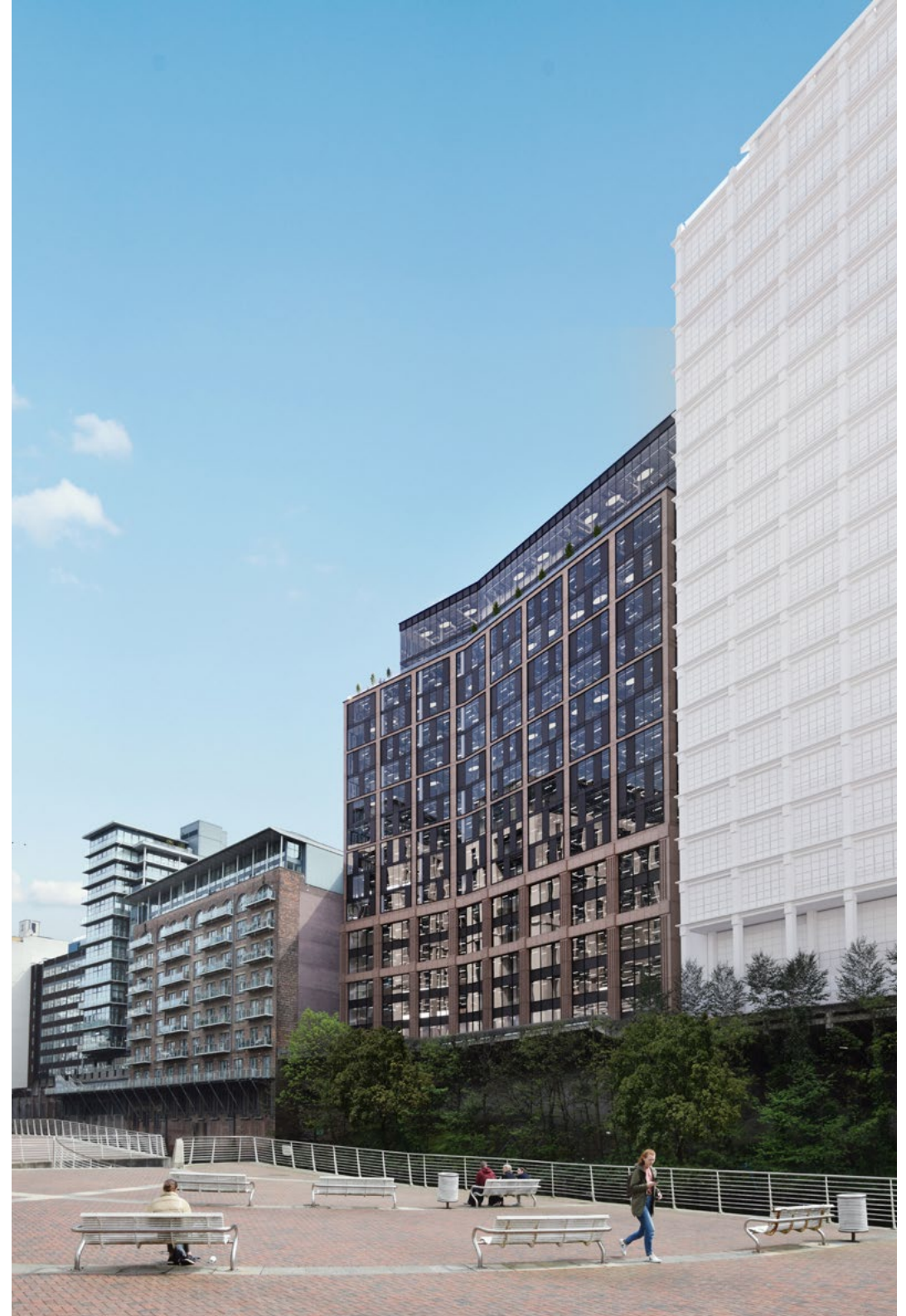
Based on Ground and 16 upper floors with the 16th floor being plant room.

Floor	NIA		GIA	
	Sq. ft.	Sq. m.	Sq. ft.	Sq. m.
Ground	3,101	289	11,227	1,043
1st	9,914	921	11,808	1,097
2nd	9,914	921	11,808	1,097
3rd	9,914	921	11,808	1,097
4th	9,914	921	11,808	1,097
5th	9,473	880	11,292	1,049
6th	9,473	880	11,292	1,049
7th	9,473	880	11,292	1,049
8th	9,473	880	11,292	1,049
9th	9,473	880	11,292	1,049
10th	9,473	880	11,292	1,049
11th	9,473	880	11,292	1,049
12th	9,473	880	11,292	1,049
13th	9,473	880	11,292	1,049
14th	615	596	8,181	760
15th	6,415	596	8,181	760
16th	0	0	1,711	159
<b>Total:</b>	<b>140,829</b>	<b>13,083</b>	<b>178,160</b>	<b>16,551</b>

## Roof Terraces

Roof/ground terraced areas

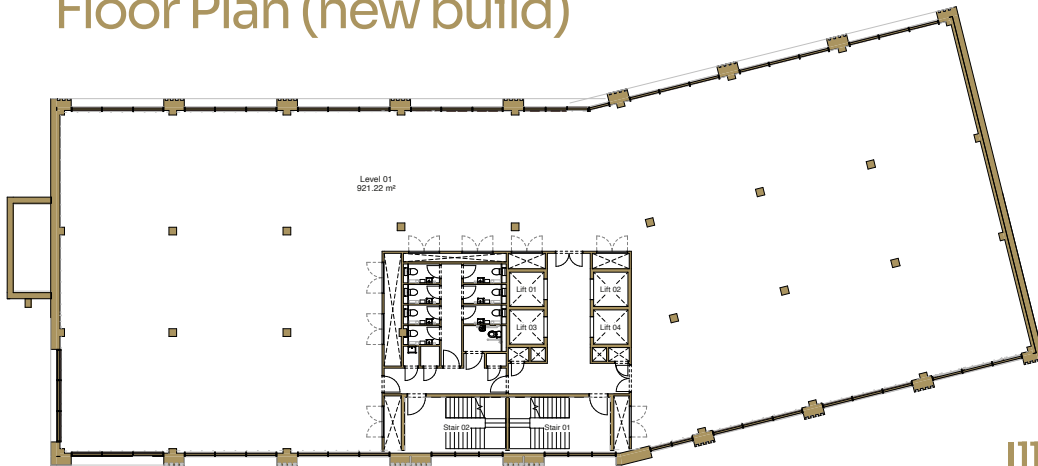
Level	Sq. Ft.	Sq. M.
0	3,122	290
5	517	48
14 - 1	2,379	221
14 - 2	323	30
<b>Total</b>	<b>6,341</b>	<b>588</b>



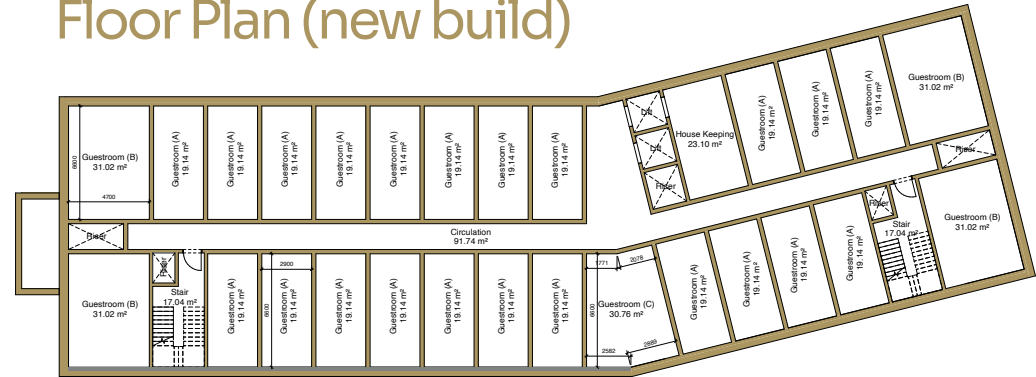


# development floor plans

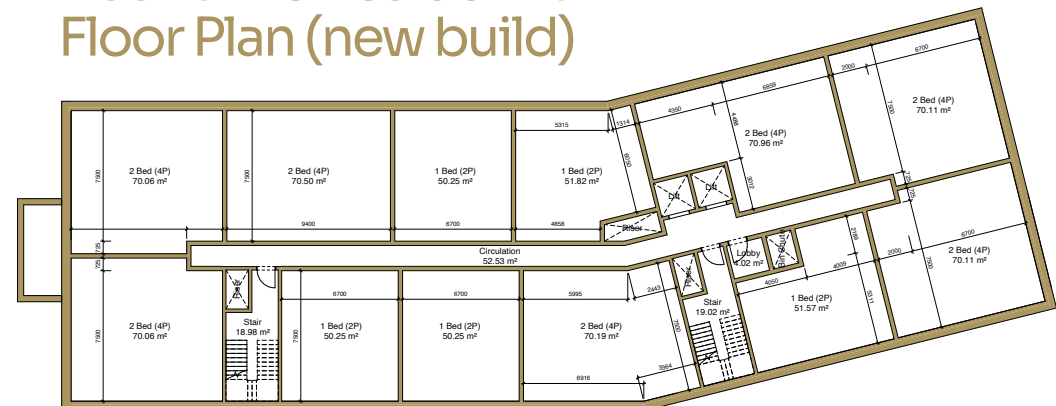
## Illustrative Office Floor Plan (new build)



## Illustrative Hotel Floor Plan (new build)



## Illustrative Residential Floor Plan (new build)





# refurbishment plus extension

There are a number of options, some of which will provide a greater amount of accommodation. However, a straight forward consideration would involve the extension of the floor plate at the front of the building (fronting Parsonage Gardens) to increase the depth of floor plate to approximately 16.2m, giving a floor plate of approximately 8,557 sq. m.

In addition the property could be extended at ground floor level on the riverside frontage. A further storey could also be added to the building giving an effective super floor with enhanced ground to ceiling height incorporating a mezzanine.

Any such refurbishment would be subject to planning and further investigation in relation to construction feasibility.

The anticipated floor areas would be as follows:

Floor	NIA		GIA	
	Sq. ft.	Sq. m.	Sq. ft.	Sq. m.
-1	7,276	675.9	8,309	771.9
Ground	9,224	856.9	11,516	1,069.8
1st	8,223	763.9	10,311	957.9
2nd	8,557	794.9	9,902	919.9
3rd	8,557	794.9	9,902	919.9
4th	8,557	794.9	9,902	919.9
5th	8,557	794.9	9,902	919.9
6th	8,557	794.9	9,902	919.9
7th	8,557	794.9	9,902	919.9
8th	8,557	794.9	9,902	919.9
9th	3,724	346.0	6,953	645.9
9th (mezzanine)	830	77.1	1,830	170.0
<b>Total:</b>	<b>82,897</b>	<b>7,515.3</b>	<b>99,924*</b>	<b>9,282.9</b>

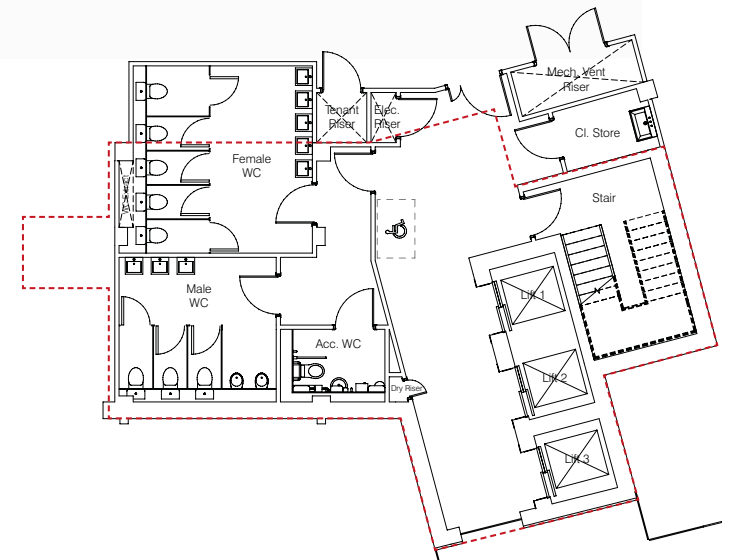
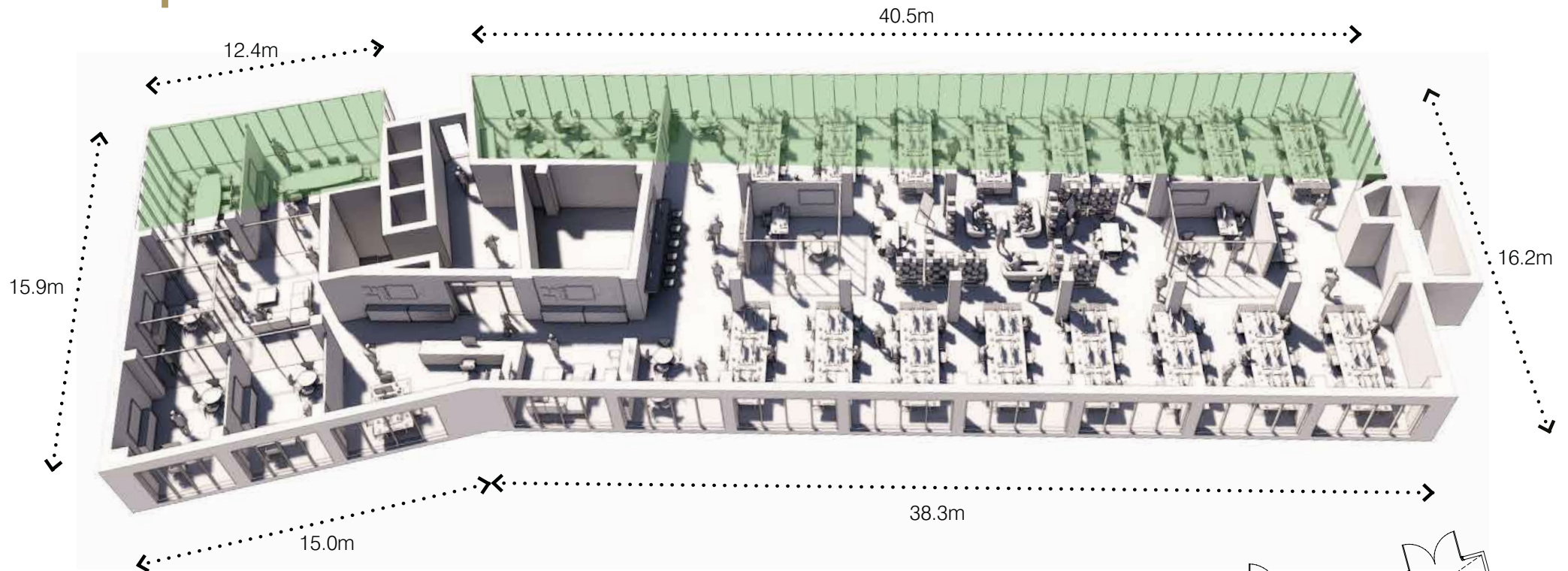
\*The basement is excluded from measurement (areas of the basement could attract rental value, particularly if the ground floor use is let to a leisure or retail user for ancillary space).





# refurbishment floor plan

## Typical Office Floor Plan





# market commentary

## Manchester Investment Market

In 2021 Manchester was the busiest of the Big 9 regional office markets recording £860 million of transactions, its highest since 2018 and more than a third of all activity within the Big 9 market. Prime yields now stand at circa 4.75% with prime capital values in excess of £800 per sq. ft.

There have been a number of recent office transactions which speak to the continued strength of the investment market.

### Sunlight House

Currently under offer at circa £48 million representing a triple net yield of c. 5.15%

### Trinity, John Dalton Street

Sold in May 2022 to Mayfair Capital for £34.55 million representing a net initial yield of 5%

### Canada House

Sold January 2022 to Grosvenor for £21.8 million – 5.4%

### 1 Hardman Boulevard, Spinningfields

Sold December 2021 for £292 million – 4.8%



## Manchester Office Market

Manchester is the largest regional office market outside London and in recent years has been the focus of considerable development activity, which thanks to the Local Authority's active involvement in the market, has been brought forward in a strategic way with demand in dynamics supporting speculative development.

The city centre of Manchester has a total office stock of approximately 24 million sq. ft. and has, for the last decade, consistently been the busiest regional office market in the UK with an average take up of circa 1.2 million sq. ft. per annum. 2021 saw a strong recovery from the Covid dip with take up in excess of 1 million sq. ft. The city has low vacancy rates for Grade A accommodation of approximately 6% and is showing excellent rental growth over the last 5 years.

Prime rents are now moving above £38.50 per sq. ft. and are expected to exceed £40 per sq. ft. in the near future.

City Centre Letting Transactions:

### Circle Square

115,000 sq. ft.  
Roku  
£32.00 per sq. ft. (Oct 21)

### Landmark

10,880 sq. ft.  
Alliance  
£36.50 per sq. ft. (May 21)

### Spinningfields

11,350 sq. ft.  
Field Fisher  
£37.50 per sq. ft. (Nov 20)

### Spinningfields

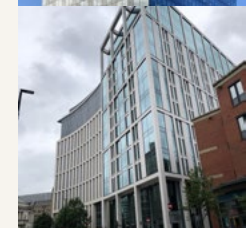
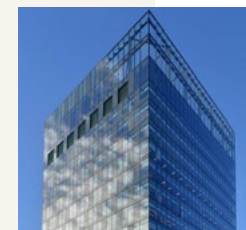
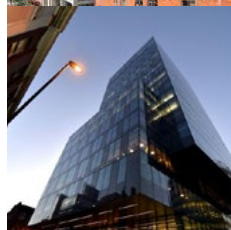
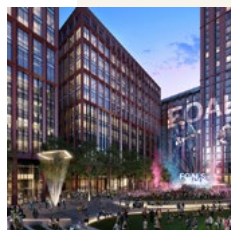
5,600 sq. ft.  
Robert Walters  
£37.50 per sq. ft. (Jun 21)

### Landmark

13,143 sq. ft.  
Grant Thornton  
£38.50 per sq. ft. (Jan 21)

### Bauhaus, Quay Street

17,805 sq. ft.  
Connex 1  
£35.00 per sq. ft. (Nov 21)





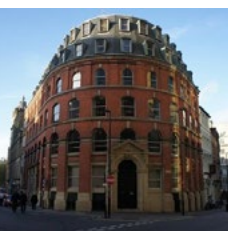
# market commentary continued

## Refurbishment/Development Market

The market for development and refurbishment opportunities remains strong, with strong rental growth for prime refurbished properties, particularly those exhibiting strong ESG credentials.

A number of transactions have demonstrated the strength of demand for investor/developers seeking building to upgrade or repurpose.

Recent Upgrade / Repurpose Opportunities:



**Clarence House**  
Sold December 2021  
£7 million  
(£400 per sq. ft.)



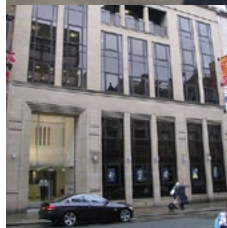
**Freetrade Exchange**  
Sold August 2021  
£9.86 million  
(£291 per sq. ft.)



**Direct Line House**  
Sold February 2022  
£12.5 million  
(£215 per sq. ft.)

**Manchester College Site**  
Sold July 2020  
£10.5 million  
(£269 per sq. ft.)

**44 Peter Street**  
Sold April 2022  
£6.9 million  
(£274 per sq. ft.)

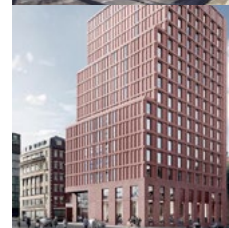


## Manchester Hotel Market

Manchester is the third most visited city in the UK and has been one of the most attractive and vibrant hotel markets in the UK. This has resulted in considerable supply growth with upper upper mid scale seeing the largest increase with 37% of the market and a total of 3,376 hotel rooms being added to current stock. The market is currently experiencing occupational rates in excess of 80%.



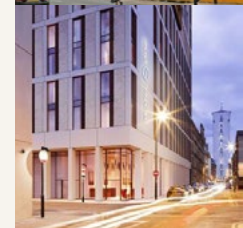
**Malmaison**  
Princess Street  
2020  
- £16,000 per key



**Delata**  
Salford  
188 rooms  
- £7,000 per key

**Native**  
Ducie Street  
2020  
-£16,300 per key

**Stay City**  
St Peter's Square  
2018  
- £8,700 per key



## Manchester Residential Market

2021 – Time Out Magazine named Manchester as the best city in the UK and the third best city in the city in which to live. Manchester's population has grown more than any other regional city in the last decade and this growth is expected to continue driving demand for residential stock both in the rented and owner occupier sector.

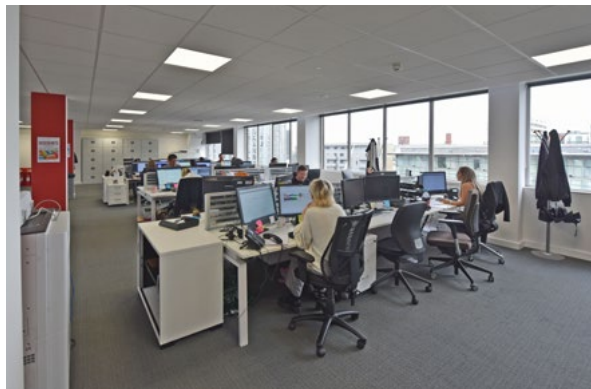
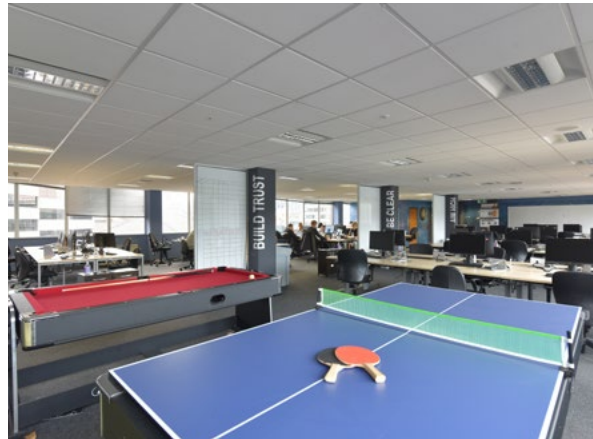
This has led to prime residential capital values outstanding at around £500 per sq. ft.



# tenancies and tenure

## Tenancies

The property is subject to a number of short term flexible tenancies. The current tenancies allow a purchaser to secure full vacant possession within 3 months of servicing notice/s.



## Tenure

The property is held freehold.

The fire escape staircase is located within the neighbouring property, Alberton House which is owned by Bruntwood.

The fire escape arrangement is by way of a 99 year lease from 8 November 1971 which enables occupiers to pass on foot from each floor of Cardinal House for the purposes for obtaining access to St Mary's Parsonage. We understand that Bruntwood plans to redevelop Alberton House, and incorporate the retention of the fire escape.

## VAT

We understand the property is elected for VAT. As such it is anticipated that the sale will be handled by way of transfer of a going concern (TOGC).

## EPC

Further information is available in the data room.

## AML

The Purchaser is required to satisfy the vendor on its source of funds in compliance with Anti Money Laundering regulations.

## Dataroom

Additional information can be found in the data room. Log in details are available on request from Avison Young.