ASHTON HOUSE
196 Corporation Street, Manchester, M4 4DU

Freehold city centre property extending to approximately 30,000 sq ft, which is part income producing and offers further development opportunity.

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Your attention is drawn to the important notice on the last page of the text.
Investment Highlights

Prime City Centre Location
Prominently situated on the ring road at a strategic corner of the Northern Quarter. Fronting the Co-operative headquarters and surrounded by the renowned NOMA development, under 300 metres from Manchester Victoria Train Station and less than 600 metres from Harvey Nichols, Selfridges, The Printworks and Corn Exchange developments and The Manchester Arena – the largest indoor arena in Europe.

Income Producing
Current income from the upper floors of £350,000 with the potential for additional income from the ground floor and basement, which has been left vacant but has the flexibility to be used for a variety of uses.

Detached period building
Detached Grade II Listed building of historical importance to Manchester, which was constructed around the turn of the Century. Comprises 57 units on the upper floors, 10 units on the ground floor and the basement was most recently used as a 72 bed hostel.

Flexible accommodation
The ground floor units offer the potential to offer longer term guest accommodation, in combination with short term accommodation within the basement hostel. The building extends to 30,000 sq ft.

Redevelopment Potential
Potential to maximise the income from the property by increasing the number of units or residential accommodation at basement level (subject to planning).
Location
Manchester is well connected to the national motorway network with the M602, M6, M61, M56 and M62 all within easy reach. The A664 links with the A6, which in turn joins the A580 (East Lancs Road) and the M602. Manchester Victoria train station, which has been recently refurbished, is less than 300 metres to the south of the property and provides services to Liverpool, Leeds and Newcastle. The development of the Ordsall Cord, currently under construction, is to link Victoria to Manchester Piccadilly, which offers national rail services to London and the regional UK. Manchester Airport, the UK’s largest airport outside London is located some 8.5 miles south of the city centre. The airport offers direct flights to over 220 destinations which is more than any other UK airport and is one of the fastest growing in the UK handling over 25 million passengers for the first time in 2015/16.

Situation
Situated adjacent to the Co-op headquarters building and the NOMA regeneration and development area, together with proximity to Selfridges, Harvey Nichols, the Arena and the Northern Quarter the property benefits from prominent road frontage to the A664, the main inner ring road for the north of the city centre.

The surrounding area comprises the wider NOMA area, a £800 million, 20 acre mixed use redevelopment scheme being undertaken by The Co-Operative and Hermes which has seen the development of 1 Angel Square, adjacent to the property with construction currently underway on Angel Gardens, which will provide 455 residential units when completed.

Description
Constructed around 1900 the property comprises a four storey mixed used building occupying a prominent island site, designed in an Arts and Crafts style with brick elevations and pitched slate roof.

Ground Floor
Internally the ground floor is arranged as 10 apartments, which have been fully refurbished to provide high quality units. Each room has a kitchen, bathroom and separate bedroom accommodation.

Basement
The basement has been used as hostel accommodation with 72 beds and associated amenities including male and female toilets and common room. Part of the basement floor is currently disused and provides the opportunity to create further units or hostel accommodation.

Upper Floors
Floors 1-3 comprise 57 units held on individual Assured Shorthold Tenancies. The accommodation has been refurbished to provide a range of apartments, with a mix of self contained and shared kitchen units.

<table>
<thead>
<tr>
<th>FLOOR AREAS</th>
<th>SIZE (sq m)</th>
<th>Size (sq ft)</th>
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</thead>
<tbody>
<tr>
<td>Basement</td>
<td>636.65</td>
<td>6,745</td>
</tr>
<tr>
<td>Ground</td>
<td>571.3</td>
<td>6,149</td>
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<tr>
<td>First</td>
<td>492.42</td>
<td>5,300</td>
</tr>
<tr>
<td>Second</td>
<td>492.42</td>
<td>5,300</td>
</tr>
<tr>
<td>Third</td>
<td>492.42</td>
<td>5,300</td>
</tr>
<tr>
<td>Total</td>
<td>2,675.21</td>
<td>28,794</td>
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</tbody>
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Manchester – Demographic & Economic Profile

With a population of 2.5 million, Manchester is the 2nd most populated ‘large urban zone’ in the UK and the 16th in Europe, with over 20 million people living within a 2 hour drive time and 7 million within a 1 hour drive time.

Greater Manchester accounts for £28 billion of the regions GDP making it one of the most successful large urban zones outside of London.

There is a particularly high proportion of young adults aged 15-24 which largely reflects the city’s substantial student population (approximately 185,000), which is one of the largest student populations in Europe. There are four universities providing the city with leading edge research and development capabilities.

Employment in Manchester is varied, with a wide pool of potential employees across a range of different industries, including ICT, Bio Science, Creative, New Media, Digital, Aviation, Food and Financial and Professional Services.

Financial and Professional Services account for 56% of jobs in Manchester, placing it in the top 30 cities in the world for this sector. This increase is the highest of any city outside London and supports the Greater Manchester GDP growth forecast of 3.5%.

Over the 5 years to 2014 the Greater Manchester economy grew by 15.2% with the most significant growth seen in Professional Services (53%) and Real Estate (38%).

Global HQ’s in Manchester include PZ Cussons, The Co-Operative Group and Umbro, whilst the UK and European HQ’s include Brothers, Kellogg’s, Adidas, Siemens and Totesport. Greater Manchester has attracted global occupiers such as Ford Credit, Gazprom, Bank of New York Mellon, Google, Emirates and Etihad.
Serviced Apartment Market
The UK extended stay market is expected to see record levels of stock expansion in 2017. Just over 2,600 units are forecast to be delivered next year, reflecting a 13.8% increase and exceeding the 10 year historical average of 6.0% per annum. Manchester leads the regional UK with stock expansion of 73% over the next three years, demonstrating a significant growth and maturing of the sector.

The serviced apartment sector in Manchester reflects an improving market, with 14% of the market comprising units/aparthotels and hostels. Whilst occupancy has been broadly stable in 2015 and 2016 at 86.1% and 85.9% respectively, the Average Daily Rate has increased by 6.5% from £97.23 to £103.57, with the Revenue Per Available Room increasing 6.4% from £83.69 to £89.01.

Manchester Serviced Apartments compared to UK Regional Serviced Apartments 2016
Manchester
- Occupancy – 4.7% higher than UK regional average
- ADR - £103.57 - £10.97 higher than UK regional average
- RevPAR - £89.01 - £13.98 higher than UK regional average

Source: 2017 STR Global Ltd.

Hotel Market
After Edinburgh and London, Manchester is the third most visited city by number of foreign visitors and the city is also the main commercial hub in the North of England. As such accommodation demand is largely driven by an even mix of both leisure-orientated and business guests.

Manchester currently the third largest leisure destination in the UK for overseas tourists behind London and Edinburgh, with just under one million internal leisure visitors each year.

Despite significant amounts of new stock coming into the market, occupancy has remained stable during 2015 and 2016, at 79.9% and 79.8% respectively. There has been consistent growth in both the ADR with the rate increasing from £74.44 in 2015 to £78.70 in 2016.

Growth in Manchester Hotel Market
- Occupancy – stable at c80% despite increase in bedroom stock
- ADR - £4.26 higher, a 5.7% increase from 2015
- RevPAR - £3.37 higher, a 5.7% increase from 2015

Manchester Hotel Market compared to UK Regional Hotel Market 2016
- Occupancy – 3.9% higher than UK regional average
- ADR - £9.25 higher than UK regional average
- RevPAR - £10.10 higher than UK regional average

Source: 2017 STR Global Ltd.
Residential Market

Manchester represents a strong residential investment market, with the underlying demographics of a growing population, employment growth and growing number of private rented accommodation.

As of 2015 Manchester was estimated to have a population of 530,000 and 204,969 households with residents (source: Manchester City Council). This reflects an estimated 5.4% increase in the population since the 2011 Census and a 25.4% increase since the 2001 Census.

In the 10 years to 2011, there was an increase of 2200% in the number of private rented tenants within the postcode sector surrounding the site – an increase which considerably outstrips the increase in privately owned residential units. 75% of people living within the M4 4 postcode are aged 29 or below, with c. 90% of households within the area comprising one or two people.

Asset Management and Development Potential

The units on floors 1 - 3 are let on separate Assured Shorthold Tenancies. They each have electricity sub meters and there is an opportunity to increase the rents.

Floor plans

The upper floors are income producing and they are fully let. There is further opportunity on the ground floor and basement to be used for Hostel, HMO, serviced apartments or residential, subject to the necessary consents.
General Information
Planning
The building is Grade II Listed. The property has existing planning consent for a HMO, student accommodation and a Hotel for Backpackers.

Rating
The property is assessed within the 2010 Rating List with a rateable value of £48,250. The 2017 draft business rates assessment has been published, with the property listed as having a draft rateable value of £79,500.

Tenure
Freehold.

VAT
It is understood that VAT is not chargeable on the purchase price

Sale Process
The property is offered for sale by private treaty and offers are invited for the freehold interest.

Further Information
Further information is available on receipt of a signed non-disclosure agreement.

Viewings
Strictly by appointment with Savills.

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