



CAMBRIDGE NORTH DEVELOPMENT OPPORTUNITY

COULSON BUILDING GROUP SITE
COWLEY ROAD CAMBRIDGE CB4 0WX

THREE ACRE DEVELOPMENT SITE IN THE HEART
OF CAMBRIDGE'S NORTH EAST AREA ACTION PLAN

Executive Summary

The **Coulson Building Group** site is situated within the world renowned and historic City of Cambridge.

- Set within the Northern Fringe Cambridge Cluster
- Short term sale and leaseback with huge development potential at reversion
- Total short income of £248k pa with an ERV of £445k pa if fully let
- C.41,785 sq ft of existing office and industrial accommodation
- Three acre development site
- Opportunity to increase massing to in excess of 250,000 sq ft
- Five minute walk to Cambridge North Railway Station
- Freehold
- **Offers are invited on an unconditional basis for the freehold of the site, subject to contract and exclusive of VAT.**



Location



The Coulson Building Group site is located within Cambridge's Northern Fringe Cluster which is noted as one of the most prominent and accessible locations in Cambridge.

The Northern Fringe comprises of Cambridge Science Park, Cambridge Business Park, St Johns Innovation Park and Cambridge North. It has the highest concentration of Science, R&D and technology companies in the market. Occupiers include Roku, Microsoft, Mathworks, World Pay, Napp Pharmaceuticals, Darktrace and AstraZeneca.

The entrance to the site is along Cowley Road which is the only road access in and out of Cambridge North Development and Station. Cowley Road in-turn links with Milton Road and the A14 approximately 0.5 miles away. It is strategically positioned off Junction 33, just 3 miles east of the M11 (Junction 14) which links to Stansted Airport.

With close access to the Cambridge North Station, Cambridge Central is only 10 minutes away with London Kings Cross being approximately 48 further. The direct line to London Kings Cross runs every 30 minutes from Cambridge North and every 15 minutes from Cambridge Central. In future this line will also connect to the new Cambridge South Station serving Addenbrookes and the Biomedical Campus.

The nearby Cambridgeshire Guided Busway provides frequent public transport along the A14 corridor linking Huntingdon and St Ives to Central Cambridge and Addenbrookes hospital, the Biomedical Campus and Trumpington to the South.



RAIL (minutes)

Cambridge Station. **3**
 London Kings Cross **48**
 London Liverpool Street. **48**



ROAD (miles)

Cambridge North Station. . **0.4**
 A14 (J32 & 33) **0.5**
 Cambridge City Centre **3**
 M11 (J14) **3**



AIR (miles)

Cambridge International Airport. **3**
 London Stanstead **34**
 London Heathrow **75**



North East Cambridge Area Action Plan

A North East Cambridge Area Action Plan (NECAAP) is currently being prepared by the Greater Cambridge Shared Planning Services team (the combined planning functions for Cambridge City Council and South Cambridgeshire District Council).

It is expected to be adopted in 2024/25 and will help guide the development of approximately 8,000 new homes, and over 2.9m sq ft (275,000 sq m) of new commercial space. The NECAAP consists of a number of different sites, including (but not limited to) Anglian Water's Waste Water Treatment Works, Cowley Road Industrial Park, CCC's vehicle depot site and golf driving range, Cambridge Science Park, St John's Innovation Park, Cambridge Business Park, land around Cambridge North Station.

Public transport and strategic cycling infrastructure



Building heights considered suitable for North East Cambridge



KEY

- 4-5 storeys typical height, maximum 6 storeys (18m)
- 5-6 storeys typically, maximum 8 storeys (24m)
- 6-8 storeys typically, maximum 10 storeys (30m)
- 7-11 storeys typically, maximum 13 storeys (39m)

Regeneration will be radical and transformational; development will create new high-density, walkable neighbourhoods with very low car dependency. Potential development parameters for Cowley Road Industrial Park include zoning for business space (B1 / E) and housing, housing density levels of approx. 260 dwellings per hectare, and building heights of 5-6 storeys, max. 8 storeys (24m) (information taken from latest version of AAP).

Formal progression of the NEC AAP will be paused until the Development Consent Order for the relocation of the Waste Water Treatment Works has been determined. Notwithstanding this, planning applications are starting to come forward on the basis of the principles being advocated in the draft NEC AAP policy. A scheme on Cambridge Science Park obtained planning permission to replace a single storey B1 / E use with a new 5-6 storey building (creating a net increase of 57,000 Sq ft (5,300m²), whilst keeping car parking at the same level of provision as the existing.

Masterplanning

A masterplan has been prepared to provide an indicative massing plan for the site which would result in the full demolition of the existing scheme.

INDICATIVE CAPACITY

BUILDING NO.	TYPICAL FLOOR (GIA)		STOREYS	BUILDING TOTAL (GIA)	
	SQM	SQFT		SQM	SQFT
1	720	7,500	5	3,600	37,500
2	310	3,335	6	1,860	20,010
3	390	4,200	8	3,120	33,600
4	790	8,500	5	3,950	42,500
5	830	8,930	5	4,150	44,650
6	340	3,660	8	2,720	29,280
TOTAL				19,400	207,540

LEGEND

-  Site boundary
-  Proposed building location
-  Potential pedestrian / cycle connections
-  Proposed new strategic pedestrian / cycle route
-  Vehicular access points
-  Parking areas
-  Proposed new primary street alignment
-  Proposed new secondary street alignment

The indicative concept plan identifies an approximate amount of accommodation that could be provided on the site for office and or lab use in broad accordance with the Draft North East Cambridge Area Action Plan (NECAAP).

The draft policies in the NEAAP are seeking a major reduction of car parking use in favour of public transport and use of decked car parking for businesses and residents. The policies are also seeking linkages to green spaces which is represented in this concept plan. There are various walking routes and gardens with spaces for some disabled parking, drop off and deliveries.

The buildings would provide a variety of spaces but ultimately provide circa 207,540 sq ft (19,400 sq m) of accommodation.



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Description

The site comprises of a flat three acre site, uniform in shape, running along Cowley Road.

Surrounding occupiers include the Cambridge City Council Driving Range, Veolia and Speedy Services. The site has recently been moved into a new SPV for the purposes of this sale. Prior to that, it was owned by Coulson Group Ltd for 30 years and used as their headquarters. There are a number of buildings on the site which are either occupied or managed by the Coulson Building Group, listed below.



1

The Business Centre (49 Cowley Road)

An extension of William James House; there is one unit let to Atrium Recruitment, the other two units are currently vacant. The accommodation is currently fitted out as a mixture of laboratories and office accommodation. It has its own self-contained Kitchen and WC facilities.

2

William James House (50–55 Cowley Road)

A purpose-built three storey office building which comprises of 33 office suites varying in sizes from 100 to 500 sq ft. Each suite benefits from perimeter trunking with suspended ceilings and inset light panels on the ground and first floor, those suites on the second have sloping ceilings with spot lighting. A number of suites also benefit from air-conditioning. Each floor has its own set of toilets and tea point facilities, and the ground floor includes showers which service all the suites. All suites benefit from a manned reception and have access to a small and large meeting room which are available on hour and day rates retrospectively.

3

The Old Masons Workshop (rear of 55 Cowley Road)

Comprises a self-contained industrial unit of steel frame construction with brick and breeze block elevations with a pitched insulated profiled sheet roof. There are roof lights supplemented by halogen lighting, high windows along one length of the building and a power floated concrete floor. Minimum eaves height: 4.5m.

4

The Ancillary Yard (56 Cowley Road)

Extends to approximately 0.93 acres with secure fencing around the outside and security gate. The site is accessed from Cowley Road providing good access for HGVs. Mains electricity, water supply and drains are supplied to the site. Planning permission was approved in July 2020 for a 40,000 sq ft office development over four floors. Full details are available via the Greater Cambridge Shared Planning Portal using reference: 18/1782/FUL

Cambridge Economy

Cambridge has seen economic outperformance with growth of 2.9% pa over the last five years compared with 2.2% per annum for the UK (Experian). It has a high exposure to the knowledge-based sectors, including hi-tech, education and pharmaceuticals, as well as the creative sectors and professional services reflecting its highly skilled workforce.

This is providing resilience in the context of the current political and economic uncertainties.

Cambridge has 4,074 knowledge intensive companies in the Cambridge Local Authority District in the Cambridge Cluster as defined by Cambridge Ahead.

The most recent data from Cambridge Ahead insight shows statistics from April 2021 – April 2022. The Cambridge Cluster as a whole has circa 26,218 companies with a total turnover of £48 billion, up 10.8% on the year previous. Across this same period, the number of total employees has grown to 227,841, up 2.6% on the previous year. The results show Cambridge's total turnover and how companies have continued to increase

since 2010 when the data began. Over thirteen years, Cambridge's total turnover has increased by £26 billion demonstrating the growth of the Cambridge economy as a whole.

In the wider area assessed by Cambridge Ahead incorporating local authority districts from Uttlesford to Fenland and Huntingdonshire to Fenland, there are 25,725 knowledge intensive firms with a turnover of £51bn. Oxford Economics forecast 8.9% employment growth in the professional scientific and tech sectors in the next five years.

Ongoing infrastructure development of the transport network in the local region is essential to maintain the growth pattern and



the provision will influence the quantum and location of development. Key areas being worked up are the East West Rail Link from Cambridge to Oxford via Cambourne which has been announced in Parliament. Following the completion of the Cambridge North station in 2017, there was a major lobby for a third station to serve the south of the city and in particular Addenbrooke's Hospital. Due to the burgeoning biomedical science hub being developed in the vicinity which has been growing in importance not only locally but internationally with Astra Zeneca selecting it as the location for its international headquarters a new two storey, four platform station has been agreed and is under construction. This will help to connect the Biomedical Campus with the rest of the city.



- The UK's **2nd** most educated workforce
- **1st** Highest Number of start ups in Europe per Capita in 2018 (Dynamic Cities, 2019)
- **3rd** Most Successful University innovation ecosystem in the world (University of Cambridge, 2021)
- **1st** Largest Technology Cluster in Europe (University of Cambridge, 2021)
- 5,300 Knowledge Intensive firms generating **£18bn** in turnover (University of Cambridge 2021)

- **25,725** Knowledge Intensive firms (Cambridge ahead)
- **1st** Highest number of patent applications in the UK (University of Cambridge, 2021)
- **15** Unicorn companies have been created in the city (start ups with a value over \$1bn) (Beauhurst)
- **Top UK City** for new patents granted (centre for cities)

- **8.9%** Oxford Economics forecast 8.9% employment growth in the professional, scientific and tech sectors in the next five years
- **1st** employment growth in 2020
- **1st** city in the UK for employment rate at 81% (2020)
- **1st** city in the UK for post graduate employment and living (2020)
- **1st** in Grant Thornton's Dynamism and Opportunity Index (2021)



Existing Occupiers

The property is let to **22 tenants** on short-term all-inclusive leases or licence agreements. The tenants are responsible for their own telecoms / broadband. The combined income totals approximately **£248k per annum, with an ERV of £445,000pa.**

- 22 number of tenants
- Average office rent of £27.18 per sq ft (inclusive)
- 4.54% average breakdown of income per tenancy
- 15.6% – largest occupier by income
- 12 months – vacant possession achievable by March 2025
- All tenancies excluded from the Security of Tenure provisions of the Landlord and Tenant Act 1954

Coulson Building Group will seek a short term lease for a length to be agreed, paying a peppercorn rent upon the sale of the site whilst they undertake their relocation to a new site locally. There is an opportunity to secure full vacant possession of the sub-tenants by Q1 2025, with the majority of licence and lease agreements expiring before this. These may be extended as agreed with a buyer, but all agreements have one month notice provision in any event.

Vacant possession
of William James
House can be
achieved by
Q1 2025



Cambridge Occupational Market

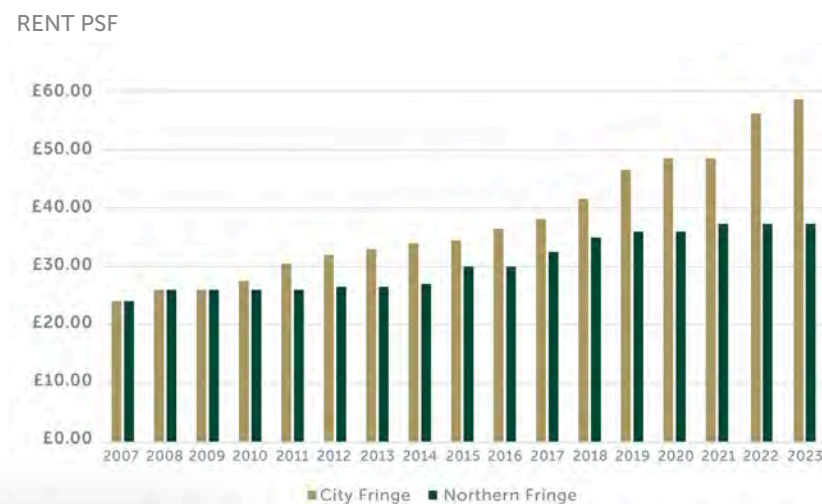
Cambridge has been one of the UK's best performing office markets of late. Notable expansions by the likes of Apple, Roku and Mathworks have driven strong net absorption over the past 2–3 years after demand turned mildly negative following the onset of COVID-19. Recent market data suggests that office rents in Cambridge grew at a faster pace than any other city in the UK over the past few years.

Prime city centre Grade A rents have now exceeded £55.00 per sq ft with the pre-let to Charles Stanley of the first floor of 3 Station Square achieving a headline rent of £57.85 per sq ft and the first floor of 4 Station Square, extending to 7,450 sq ft, let to Taylor Vinters Solicitors at £53.70 per sq ft. Siemens have taken 27,631 sq ft at the recent Brooklands development on Clarendon Road at £53.50 per sq ft.

- Total take-up for 2023 was approx. **680,000 sq ft**
- **Almost 80%** of take-up was for science and tech companies
- Life science take-up (labs) was circa **280,000 sq ft** of this

Address	Date of Transaction	Size (sq ft)	Tenant	Rent PSF
Wingate House, Maris Lane, Cambridge	Nov 2023	3,297	Hydrogen Aircraft Services Limited	£33.00
Recodery, Lionworks, Whittlesford, Cambridge	Nov 2023	11,000	Constructive Bio	£45.00
Parallax, 270 Cambridge Science Park	Oct 2023	15,868	Sandoz	£34.00
One Cambridge Square, Cambridge North	Jan 2023	38,000	Samsung	£40.00
Brooklands, Clarendon Road	Nov 2022	27,631	Siemens	£53.50
Abacus House, Castle Park	Nov 2022	3,503	Willis Towers Watson	£42.00
4 Station Square, Station Road	Sept 2022	7,500	Taylor Vinters	£54.00
Eastbrook House, Shaftesbury Road	June 2022	13,000	Transition Bio	£39.00
3 Station Square, Station Road	May 2022	2,600	Charles Stanley	£58.00
198 Cambridge Science Park	Sept 2021	36,446	Microsoft	£38.00
2 Cambridge Science Park	Aug 2021	118,000	Roku Europe Ltd	£37.00

Prime Grade A Office Rental Trend



Investment Market

Investment activity across Cambridge remains fierce. Demand for science park / technology stock is particularly high in Cambridge due to a combination of factors. The COVID 19 pandemic raised the profile of the sector, with these tenants unable to work from home and requiring permanent space. New life science funds are continuing to enter the market which has further strengthened the demand.

DEVELOPMENT SITES	Price	Sq Ft	Cap val psf	Site Size (Acres)	Cap Val per acre	Purchaser	Date
Westbrook Centre	£75m	123,229	£609	5	£5m	UBS	Feb 2023
163 Cambridge Science Park	£12.17m	10,197	£1,193	1	£12.1	Cadillac Fairview / Stanhope	Jan 2023
Vitrum Buiding	£25m	44,000	£568	1.8	£13.8m	Breakthrough	Q1 22
127 – 129 Cambridge Science Park	£40m	N/A	N/A	2	£20.0m	IQHQ	Q4 21
Grafton Centre	£65m	500,000	£130	12	£5.4m	Native Land	Oct 21
Abstract Land / Clockwinders Site / Cambridge International Technology Park	£135m	N/A	N/A	15	£9.0m	BioMed Reality / Blackstone	Sept 21
Phase II, TWI Land, Granta Park	£100m	N/A	N/A	27	£3.7m	BioMed Reality / Blackstone	Sept 21
Merlin Place, Milton Road	£20.55m	30,000	£685	1.166	£17.6m	Kadans	Sept 21
214 – 240 Cambridge Science Park	£98m	159,904	£612	8.2	£11.9m	Brockton Everlast	Feb 21
Dencora Business Centre, Nuffield Road	£30m	N/A	N/A	3	£10.0m	Brockton Everlast	July 21

INVESTMENT SITES	Price	Sq Ft	Cap val psf	Yield %	Purchaser	Date
Radio House and St Andrews House	£40.91m	40,294	£477	5.86%	N/A	Marketing
Dales Manor Estate, Sawston	£27.25m	130,049	£209	4.55%	Tristan / Canmoor	June 2023
1, 2 & 26 Cambridge Science Park	£180.00m	278,011	£647	4.70%	Brockton	Oct 2022
194 – 198 Cambridge Science Park	£85.00m	109,281	£778	4.01%	Cadillac Fairview / Stanhope	Oct 2022
Botanic Place (Built Apportionment)	£54.8m	53,500	£1,024	4.25%	Railpen	Sept 2022
Capital Park, Cambridge	£185.00m	231,738	£798	1.89%	Longfellow	June 2022
Brookmount Court, Kirkwood Road	£11.00m	20,989	£524	4.00%	Columbia Threadneedle	March 2022
Phase 1000, Cambourne Business Park	£38.70m	102,781	£377	5.50%	Life Science REIT	Dec 2021
Phase 2000, Cambourne Business Park	£50.10m	129,838	£386	5.50%	Life Science REIT	Dec 2021
Merlin Place, St John's Innovation Park	£20.56m	29,135	£705	3.40%	Kadans	Sept 2021

Additional Information

Service Charge

Available in the data room.

EPC

EPCs to be provided on request.

Dataroom

There is a data room available. Access can be provided upon request.

VAT

It is anticipated that an asset sale would be treated as a Transfer of Going Concern (TOGC).

Capital Allowances

TBC.

Anti-money Laundering

In order to comply with current anti money laundering regulations, Carter Jonas will require certain information from the successful bidder. In submitting a bid, you agree to provide such information when the terms are agreed.

Proposal

Offers for the freehold are invited on an unconditional basis, subject to contract. Our client's preference is for a corporate share sale of the SPV, however offers on an asset sale only basis would be considered. Further details on request.





FOR FURTHER INFORMATION

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