



OLD BAKERY YARD

Jews Lane
BATH
BA2 3DG

Prime Freehold Purpose Built
Student Accommodation

Summary

Super prime regional city PBSA investment.

- A **rare freehold PBSA** opportunity in Bath, one of the UK's best performing student markets.
- **Completed in 2022 to a high specification**, comprising 63 generous ensuite rooms (14.9 sq m) and associated kitchen/ lounge rooms sizes arranged in 5-7 bed clusters.
- The University of Bath and Bath Spa University have both been successful in **increasing their student numbers significantly** over the last five years.
- Bath has **27,726 full time students** of which 5,097 (18%) are international.
- Bath is **structurally undersupplied** with only 2,516 (9.1%) of students able to access privately operated PBSA and reflects one of the **highest student to bed ratios in the UK standing at 2.92:1**.
- Very limited private sector competition, with **only 786 Direct Let PBSA beds in the city**, as a result of a highly restrictive planning environment and an Article 4 directive restricting HMOs.
- **Rental growth of 19.7% for the past five years**, fuelled by a growing student population and limited PBSA development.
- **Fully let in its first and second years since opening in 2022/23**, with waiting lists for both years.
- Operated on a direct let basis with all rooms being let for 51 weeks at £270.00 per week inclusive of utilities and wi-fi, equating to a **gross rental income of £867,510**.
- Total operating budget for 2023/24 stands at £191,185, equating to **£3,035 per bed**.



- ✓ Rare Freehold
- ✓ Completed in August 2022
- ✓ 5-7 bed ensuite clusters
- ✓ Fully let in 2022 & 2023
- ✓ Gross rental income of £867,510

Proposal

Cushman & Wakefield are instructed to seek offers in excess of **£11,500,000 (Eleven Million, Five Hundred Thousand Pounds)** for the freehold interest, which equates to a **net initial yield of 5.5%**, based upon purchaser's costs of 6.8%.

Situation

Surrounded by amenities.

Student Schemes

- 1 Twerton Mill
- 2 Waterside Court
- 3 Charlton Court
- 4 Avon Studios
- 5 Bath Junction
- 6 The Depot
- 7 Scala

Amenities

-  Oldfield Park Station
- A McDonalds
- B M&S
- C Lidl
- D Hobbycraft
- E Costa
- F Pure Gym
Scoop Wholefoods
Trek Bikes



Location

Old Bakery Yard is situated west of Bath city centre.

A convenient location for students at both the University of Bath and Bath Spa University.

- The property is located within Bath's core PBSA offering along Lower Bristol Road with schemes including Waterside Court and Charlton Court (Unite), Twerton Mill (iQ), The Depot (Student Roost) and soon to be Bath Junction (EQT).
- Bath Spa University's new Locksbrook Campus (Bath School of Art, Film & Media) is a short walk away, which the university has identified as a key area to focus development on in order to meet their future growth strategy.
- The location has excellent amenities within a short walk including:



M&S
FOODHALL



SCOOP
WHOLEFOODS



COSTA



Bus

Lower Bristol Road is on the main university bus route and there is a **bus stop less than 100 metres away** from which students can easily access frequent dedicated university bus services to both university campuses.

Train

Oldfield Park Station is a short walk and provides **2-minute train journeys** to Bath Spa Station.

Walk & Cycle

Central Bath is a **20-minute walk** away or an **8-minute bike ride** along the riverside cycle path.

Description

A 63-bed student development.

The property provides a high-quality purpose built 63-bed student development completed in August 2022.

Accommodation

Floor	Beds
Ground	16
First	21
Second	21
Third	5
Total	63



✓ Ten apartments

All bedrooms are ensuite and arranged in predominantly 5-7 bed cluster flats across ten apartments including two accessible rooms.



✓ Contemporary

It is a comfortable and contemporary environment providing interior designed secure accommodation.



✓ Facilities

The scheme provides large, contemporary finished, kitchen & living facilities within each cluster.

The ground floor includes a reception, management office, laundry, bike store and refuse store.



✓ 14.9m² room size

The bedrooms are generously proportioned with an average room size of 14.9m².



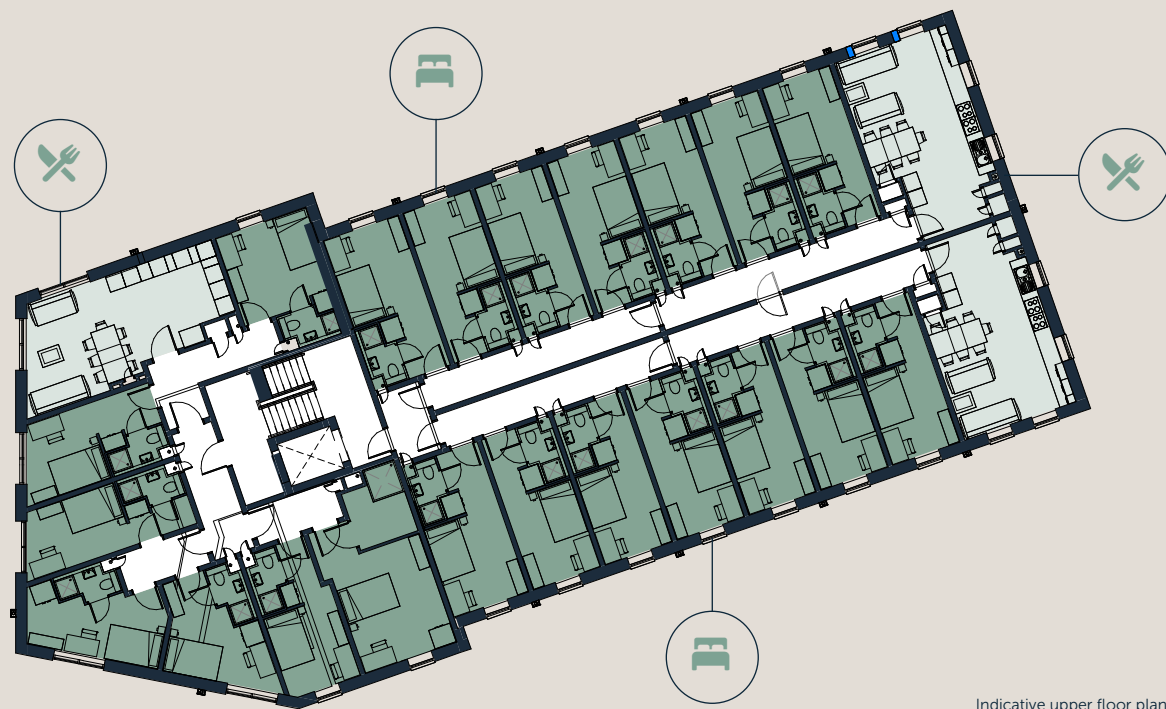
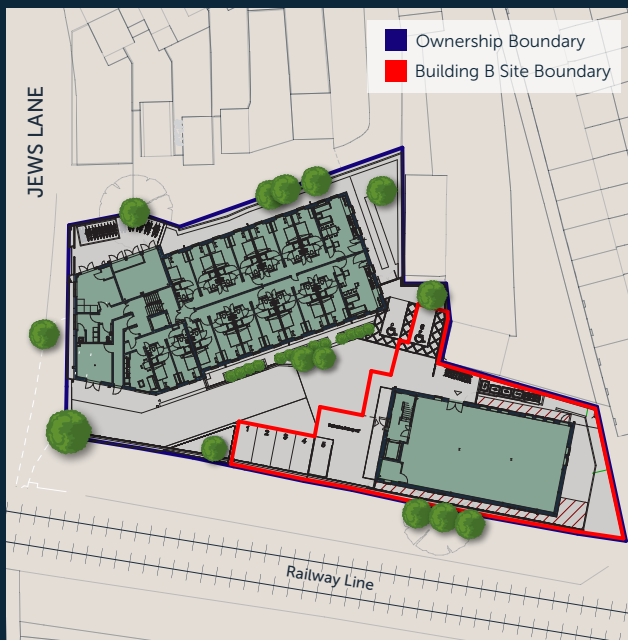
✓ Broadband

Each resident has access to high security broadband providing 1-gigabit wireless service.

Tenure

The property is held freehold.

The freehold title includes a two-storey office building, which will be retained by the vendor on a new 250 year lease at a peppercorn rent (outlined in red).



Indicative upper floor plan

Bath Student Market

Bath is a key university city.

Bath remains one of the most constrained PBSA markets in the UK due to the tight planning environment, its UNESCO World Heritage status and limited availability of development land.

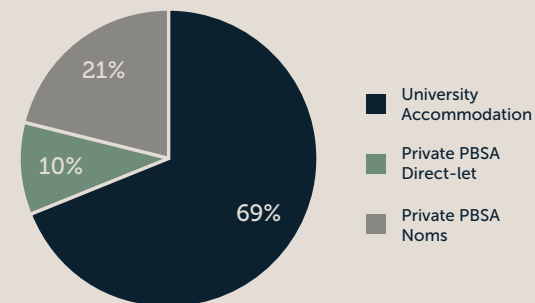
- Bath is a key university city, being home to two universities, University of Bath and Bath Spa University, which are located to the east and west of the city centre, respectively.
- Bath has around 27,726 full-time students, of which 5,097 are international students, accounting for 18% of the student population.
- Bath is host to seven operator brands providing 2,516 bedrooms, of which only 786 beds are available as direct let. The provision of private PBSA is very small representing only 9.1% of the full-time population. The provision of privately owned and operated PBSA is significantly lower than the volume of international students (5,097) in Bath.
- Unite is the largest private provider in Bath with both schemes subject to nomination agreements providing 647 beds. The remaining 17 schemes provide an average of 110 students beds (small schemes being a feature of this market).
- C&W's analysis indicates the true demand pool within Bath is around 21,960, meaning 13,702 students are residing in HMOs or alternative accommodation, putting significant pressure on the existing housing stock. This pressure is highlighted by the student to bed ratio which currently stands at 2.92:1 being in the top five within the UK and significantly above the national average for a 'two university' city.



There are currently **8,258 student beds** in Bath and these can be split into three bed types as follows:

- ✓ **University Owned Beds**
5,742 beds (69%)
- ✓ **PBSA, Direct Let**
786 beds (10%)
- ✓ **PSBA, under Nomination Agreements**
1,730 beds (21%)

Bath Student Bed Type Composition (%)'



Rental Profile

Student income for 2023-24.

The property is let on Assured Shorthold Tenancy agreements for a fixed period of 51 weeks from between 13th – 15th September 2023.

All tenancies have been signed on the basis of £270.00 per week on 51 weeks inclusive of utilities and wi-fi. A security deposit of £1,300 per tenancy has been secured from each tenant.

The total student income is £867,510 for 2023-24.

- ✓ £270.00 per week
- ✓ 51 weeks
- ✓ Inclusive of utilities and wi-fi.
- ✓ A security deposit of £1,300
- ✓ Rents are paid in 3 installments (September, January & May)



Bath's PBSA Rental Market

Direct let beds continue to let significantly in excess of the universities owned or nomination agreement stock. This reflects the structural imbalance in the Bath market with the current lack of direct let stock available to students being just 786 beds.

All direct let rentals are let on 51 week tenancies and rents vary between £241.00 and £376.00 per week inclusive as at 2023/24.

We outline a number of comparable PBSA schemes starting from' rents for 2023/24.

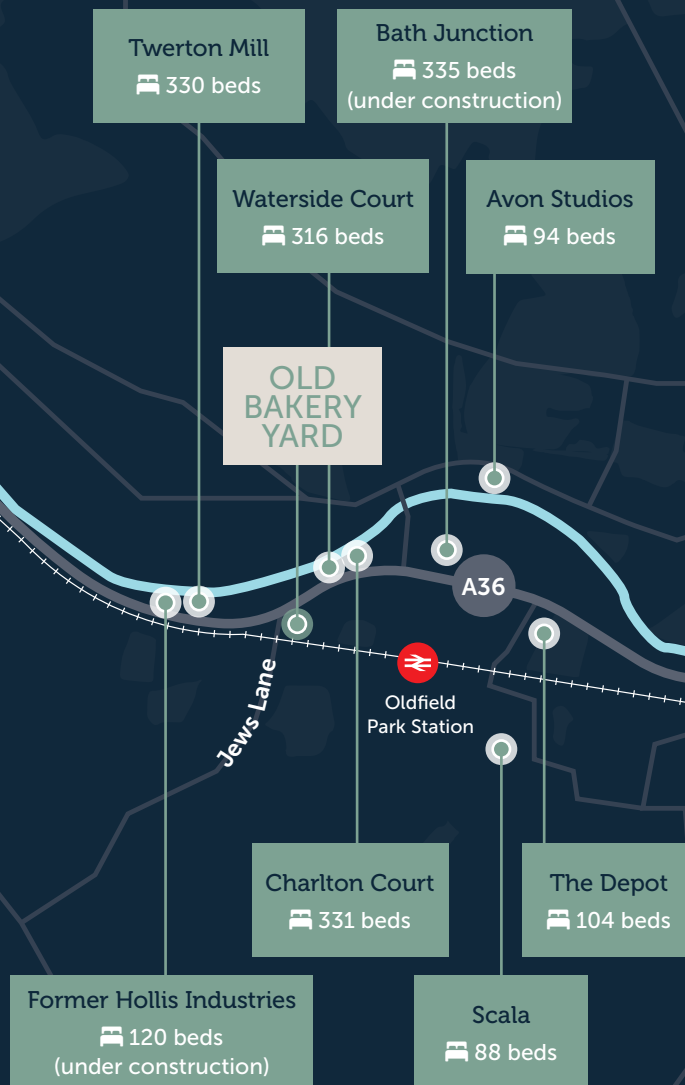
Scheme	Ensuite Rents (PW)	Studio Rents (PW)	Contract Length	Availability
Hello Student James House	£251 (Noms)	£307 – £376 (DL)	51 weeks	Sold out
Hello Student The Exchange	£241 – £253 (Noms)		51 weeks	Sold out
iQ Twerton Mill	£210 – £227 (Noms)	£274 – £287 (Noms)	51 weeks	Sold out
Host Centurion House	£225 – £241 (DL)	£315 – £355 (DL)	51 weeks	Sold out
Fresh Avon Studios		£282 – £325 (DL)	51 weeks	Sold Out

Bath

Universities & PBSA.

Old Bakery Yard Jews Lane Bath BA2 3DG

Bath Spa University
🎓 10,595 FT Students



University of Bath
🎓 17,131 FT Students

Old Yard Bakery

Environmental Social & Corporate Governance.

Health & Happiness



Encouraging cycling and public transport, thereby contributing to improvements in air quality.



Above average room sizes, which provide a more comfortable living and studying environment for residents.

Travel & Transport



Designed for minimal car use – car free, drop-off zones for student residents and a service bay for refuse collection.



On-site, secure cycle stores for residents.



Close to key bus routes to the city and university campus.

Sustainability



Inner city, brownfield development.



Built using sustainable and durable materials that contribute to the local character.



A development designed to help meet local and national policy sustainability objectives.



Rainwater and runoff are dealt with on site using a range of SuDS measures - reducing pollution in run-off during heavy rain.



Low flow bathroom basin taps, aerated shower heads, and low-flush toilets - to maximise water efficiency.

Management Agreement

The owner has employed Carter Jonas Property Management to carry out letting and property management services. This includes lettings, tenancy management, maintenance, health & safety, budgets, financial management and all statutory requirement.

The operating budget for the academic year 2023/24 is set at £191,185, which equates to £3,035 per bed. A copy of the full 2023/24 Operational Budget is available upon request.

Carter Jonas



Bath Universities

University of Bath

Named University of the Year by The Times and The Sunday Times Good University Guide 2023.

The University of Bath is located on a 200-acre campus located above Bath on Claverton Down. Its academic status has increased over recent years and its reputation for student experience is very high. In The Times academic tables for 2023, the University is ranked 8th in the UK and the highest in the South West. In the QS World University Rankings for 2023 the University has moved up to 148th place.

The University facilities are well invested and modern, notably the new £70 million School of Management building which opened in 2022. The University has developed both its academic estate and its residential hall of residence portfolio. The Halls of Residence include buildings of great quality although the rents often reflect this.

The rents are typically £210 - £251 per week for its ensuite on campus accommodation.

The University of Bath has 17,131 full time students, of which 27% of which are international.



Further information is available at:
www.bath.ac.uk/topics/about-the-university/

Bath Spa University

Bath Spa University is ranked 77th in the UK by the Times Good University Guide for 2023.

Bath Spa University has developed a strong reputation in Arts & Design and Teacher Training and is housed at Newton St Loe (owned by the Duchy of Cornwall) and Locksbrook.

The University has significant plans to develop their city presence at its Locksbrook Campus, which has already received both a RIBA South West Award and RIBA National Award in recognition of the amazingly inspirational space it has created to design, make, do, create and learn in. The campus is the focus of the School of Art, Film and Media and has plans to expand this significantly over the coming years having acquired further land and buildings. This campus is located in close proximity to Old Bakery Yard.

Bath Spa University has 10,595 full time students, which has grown 52% on 2020/21 numbers.



Further information is available at:
www.bathspa.ac.uk/about-us/

University of Bath (2022/23)

Undergraduates	14,481
Postgraduates	2,650
Total Full Time Students	17,131
International Students	4,622



27%

International students

Bath Spa University (2021/22)

Undergraduates	9,385
Postgraduates	1,210
Total Full Time Students	10,595
International Students	475



52%

Increase in Full Time Students
between 2020/21 - 2021/22

Planning Context

Planning permission.

Planning permission for the demolition of existing buildings and redevelopment comprising a student accommodation building and flexible employment building was granted September 2019 (planning application ref: 18/02831/FUL).

Planning Policy

Bath is considered one of the most difficult planning environments to secure a PBSA consent. This is evidenced by the low volume of direct let PBSA in the city. The restrictions on HMOs have also been enforced which have 'frozen' the volume of traditional student accommodation in chimney pot locations such as Oldfield Park.

Planning Control

Land availability in the city is heavily restricted due to World Heritage status, concentration of Listed Buildings and designations of Conservation Areas. Due to its tight urban centre and competing land uses Bath also has high underlying residual land values. The City of Bath has adopted restrictive planning policy and has drafted further restrictions.

Article 4 Direction

As part of a package of measures to help manage the concentration of HMOs in the Bath district, on the 12th June 2013 Bath & North East Somerset Council agreed implement an Article 4 direction. This is a planning tool which triggers the need for planning permission for change of use from a family house to a small HMO across the whole City of Bath.



Development Pipeline

There are a limited number of deliverable schemes in the development pipeline with a number of student planning applications being refused as well as competition for alternative uses and Council policy severely restricting the pipeline.

Development pipeline in Bath is limited to the following schemes:

- ✓ **Bath Junction (335 beds)**
Being developed by Watkin Jones and funded by EQT
- ✓ **Hartwell Garage (186 beds)**
to be developed by Hartwell Group
- ✓ **Former Hollis Industries building (120 beds)**
being developed by Alumno & Heitman
- ✓ **Frome House (66 beds)**
to be developed by Crossman Group

The historic nature of Bath means that new development is set to continue to be limited.

Further Information

Old Yard Bakery.

Capital Allowances

Capital Allowances would be available to the purchaser and the vendor would work with the purchaser to facilitate this.

Warranties

A full set of collateral warranties are available and are assignable to the purchaser.

EPC

B (30)

Other Tax

- Prospective purchasers should satisfy themselves as to their ultimate SDLT liability.
- The property is not elected for VAT purposes.

Transaction Structure

The property is available by way of an asset sale. We understand Multiple Dwellings Relief is also applicable.

AML

To discharge its legal obligations, including under applicable anti-money laundering regulations, Cushman & Wakefield will require certain information of the successful bidder. In submitting a bid, you agree to provide such information when Heads of Terms are agreed.

The Proposition

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☐ Designed and produced by kubiakcreative.com 235708 10/23



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