

# A Long Income Tech & Creative Studio Investment.



## Duke & Parr

Ropewalks, Liverpool, L1 5JQ

Let to the Undoubted  
Covenant of Sony Interactive  
Entertainment Europe Ltd

**SONY**

A development by











Edinburgh	Sun	21	9
Sat	21	6	
Belfast	Sun	20	9
Sat	21	8	
Cardiff	Sun	21	7
Sat	24	5	
London	Sun	25	8
Sat	26	6	



# Executive Summary

LOCATED IN LIVERPOOL'S THRIVING CREATIVE DISTRICT - ROPEWALKS - DUKE & PARR PROVIDES A UNIQUE OPPORTUNITY TO ACQUIRE ONE OF LIVERPOOL'S MOST ICONIC PERIOD PROPERTIES.

STEEPED IN RICH HERITAGE, THE BUILDING HAS BEEN TRANSFORMED TO PROVIDE THE CITY'S MOST EVOLVED, AND TECHNOLOGY FOCUSED WORKSPACE.



- Liverpool is the UK's fifth largest city; it is at the centre of the UK's second largest regional economy

- Duke & Parr is let in its entirety to the undoubted covenant of Sony Interactive Entertainment Europe Limited, a major global tech giant, responsible for the PlayStation brand. The property is let for a period of 11.5 years from 28 October 2022 (no break options) at a headline rent of £713,474 pa

- The market for refurbished Grade A suites is currently £30 psf in Liverpool city centre. This compares to a very low passing rent at Duke & Parr of £18.38 psf (assuming £5 psf for the basement)

- The property is underlet (on co-terminus terms to the Sony Lease) and is the home to Firesprite, a visionary gaming studio which was acquired by Sony in 2021. Firesprite builds innovative showcase titles for PlayStation platforms as part of the PlayStation Studios family

- Fully remodelled in 2022, the part Grade II listed property is comprised of two adjoining buildings which provide 50,893 sq ft (NIA) of work and studio space arranged over ground, 1st, 2nd and two basement floors

- Sony have recently finalised their extensive CAT B fit out, which is estimated to have cost c. £4m, helping to make Duke & Parr one of the most inspiring and technologically immersive workspaces

- Originally built in 1800 (extended in 1852) and reinvented several times since, the building is the epitome of sustainability and embodied carbon

- Furthermore, having been extensively remodelled and refurbished internally, Duke & Parr benefits from an EPC rating of B, making it fully compliant with MEES 2030 Regulations

- Freehold.

SONY



## PROPOSAL

Offers are sought in excess of **£9,900,000 (Nine Million, Nine Hundred Thousand Pounds)** ex VAT and Subject to Contract.

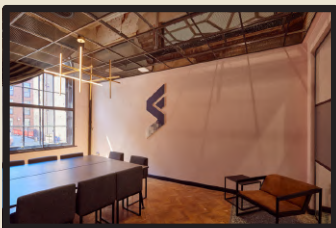
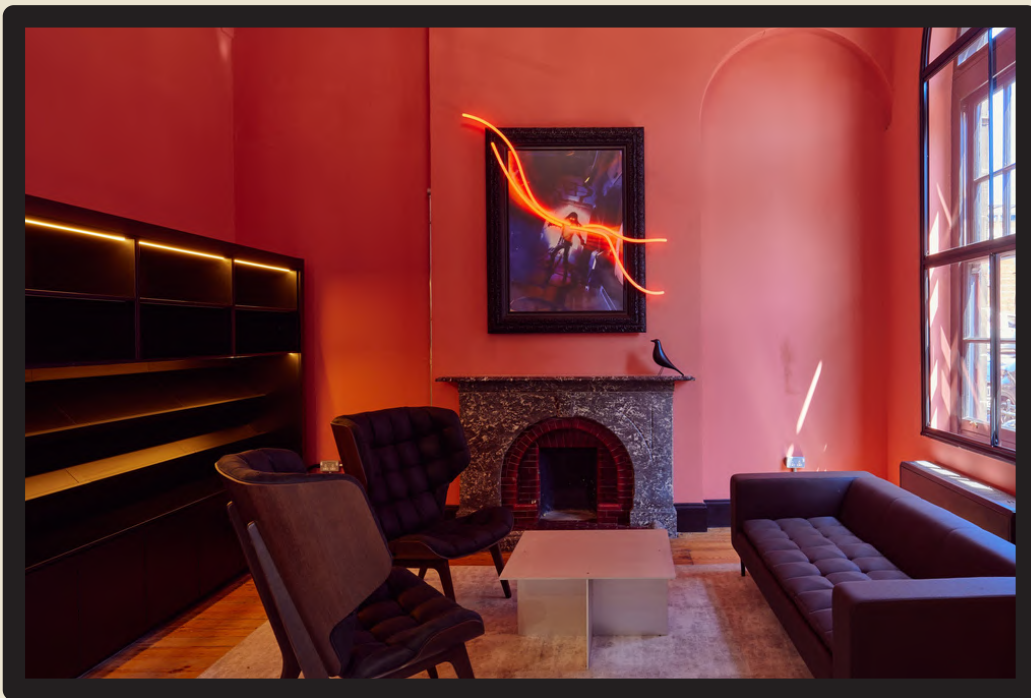
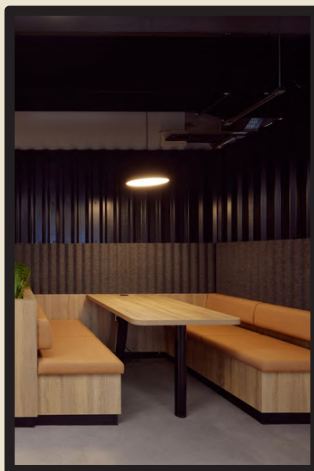
A purchase at this level would reflect a **Net Initial Yield of 6.75%**, assuming purchaser costs of 6.69%.

Low capital value of **£195 psf**.









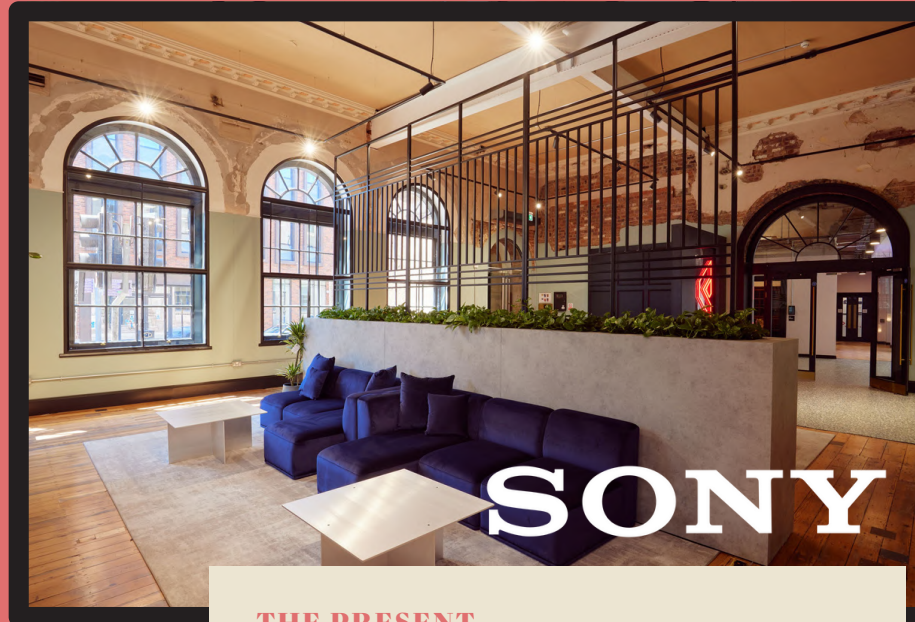


# Duke & Parr

## THE PAST

THE ROOTS OF THE ROPEWALKS DISTRICT AND THE SUBJECT BUILDING NOW KNOWN AS 'DUKE AND PARR' GO BACK TO THE LATE 17TH CENTURY WHEN LIVERPOOL'S MARITIME ECONOMY WAS GROWING SO EXTENSIVELY. MANY OF THE SUPPORTING MARITIME INDUSTRIES OCCUPIED THE AREA INCLUDING THE ROPERIES FROM WHERE THE ROPEWALK'S NAME IS DERIVED.

- Duke and Parr was originally constructed in 1800 and was used as the Union Newsroom, standing in the centre of the aristocratic region of trade.
- In 1852, the building was occupied by the Free Public Library and Museum. A brick extension to the rear of the property was built to house natural history collections of the 13th Earl of Derby which became the basis of the Liverpool Museum
- The building has been refined over time and was later occupied as the headquarters of Bibby Line Group, one of Liverpool's oldest shipping companies.



## THE PRESENT

MOST RECENTLY THE BUILDING HAS BEEN METICULOUSLY RENOVATED WITH THE PART GRADE II LISTED PROPERTY HAVING BEEN STRIPPED BACK TO EXPOSE AND CELEBRATE ITS NATURAL BEAUTY.

Fast forward just under 225 years and Sony, a global technology company, now call Duke & Parr home. The building is future proofed and at the forefront of the workplace revolution, providing a distinct and stimulating place to work, learn and socialise. Just like it always has stretching back to the 19th Century.



Property  
Awards2023

25 YEARS  
insider  
PROPERTY  
AWARDS  
NORTH WEST 2023  
SHORTLISTED

## AWARDS

Due to the successful renovation, Duke & Parr has been nominated for several prestigious property awards, including Property Week's Property Awards, North-West Business Insider's Commercial Property Awards, and the Liverpool City Region Property Awards.



# Why Liverpool?

Liverpool is the UK's fifth largest city situated in the North West of England, located in the county of Merseyside. The city has a metropolitan area population of 2.2million and a population of 6.2million people live within an hour drive.

THE CITY HAS BEEN NAMED AS ONE OF THE BEST UK CITIES TO LIVE IN 2023 BY THE SUNDAY TIMES AND HAS BEEN RANKED 4TH IN THE UK FOR ECONOMIC GROWTH POTENTIAL.

## ECONOMY

Liverpool is part the UK's second largest regional economy, worth more than £32bn.

It is home to over 250,000 businesses including an array of multinational corporations and FTSE 100 companies: Barclays, Land Rover, Investec, Santander, Jaguar and HBOS Plc.

Liverpool welcomes over 67 million visitors per annum and the tourism economy is worth an estimated £4.9 billion per annum.

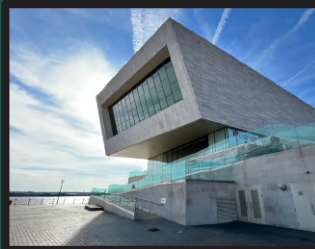


## CULTURE

The city boasts an impressive cultural heritage and thriving arts, music and dining scene. Outside of London, Liverpool is home to the largest collection of museums and galleries in the UK including the famous Tate Liverpool and the Walker Art Gallery. Liverpool boasts over 2,500 listed buildings with 27 classified as Grade 1 due to their outstanding historical significance.

In 2008, Liverpool's rich heritage in art and culture was affirmed when it was awarded the designation of 'European Capital of Culture'.

Liverpool is internationally recognised for music, it is the birthplace of the Beatles, regarded as one of the most influential bands of all time, home to the Royal Liverpool Philharmonic Orchestra, and in 2015 it was declared the 'City of Music'. In May 2023 the city hosted the Eurovision Song Contest.



LIVERPOOL IS HOME TO 4 UNIVERSITIES WITH A STUDENT POPULATION OF C.70,000 STUDENTS.

## EDUCATION

The University of Liverpool is an internationally renowned Russell Group University founded in 1881. It is home to over 22,000 students and is recognised as a world leading research powerhouse. Its alumni include 9 Nobel prize winners.

## SPORT

Liverpool has a proud sporting history, hosting 2 famous premier league football clubs; Liverpool FC and Everton FC.

The Grand National, one of England's most famous horseraces, takes place annually at Aintree Racecourse. The race is watched by an estimated 500million people in over 140 countries.

The city is home to 40 golf clubs including the Royal Liverpool and Royal Birkdale which have hosted numerous Open Championships and Ryder Cups.

Liverpool was voted as the No.1 sporting city in the UK in 2022.







The Three Graces

An aerial photograph of Liverpool, UK, showing the city's dense urban landscape. The River Mersey flows through the center, with several bridges crossing it. The city is characterized by a mix of historic red-brick buildings and modern architecture. Key landmarks are highlighted with green labels and callouts. The Three Graces, a group of three prominent 19th-century buildings, are in the top left. The Museum of Liverpool is a modern building on the waterfront. Liverpool ONE is a large shopping and business district in the center. Duke & Parr is a modern office building in the center-right. Ropewalks is a residential area in the center-right. Baltic Triangle is a creative and industrial area in the bottom center. Liverpool Lime Street is a major railway station in the top right. Liverpool Central is another major railway station in the center-right. The Royal Albert Dock is a historic dock area on the left. The city is surrounded by green spaces and parks, including the Wirral Peninsula to the west and the Mersey Valley to the east.

Museum of Liverpool

Liverpool ONE

Duke & Parr

 Liverpool Lime Street

 Liverpool Central

Royal Albert Dock

Ropewalks

Baltic Triangle



# Communications

## ROAD

Liverpool benefits from excellent road communications with three motorway networks providing access to the city. The M62 links Liverpool with Manchester (35 miles to the east), Leeds and Hull. The M53 provides direct access to Chester and North Wales and the M6 links the northwest region with Birmingham (approximately 75 miles south), and onto London via the M1.

## METRORAIL

The city benefits from the Merseyrail Loop system which provides an underground link between Liverpool Lime Street Station to Moorfields, Liverpool Central and James Street stations. This line also connects the city centre to the suburbs, via the Northern Line, and the Wirral.

## RAIL

Liverpool Lime Street Station provides a vast network of regular train services to all major destinations across England, Wales and Scotland. The station, built in 1836, serves nearly 20 million passengers a year and has expanded to provide an extensive railway network.

## RAIL TRAVEL TIMES

**London – 2 hrs 16 mins**

**Manchester – 34 mins**

**Birmingham – 1 hr 31 mins**

**Leeds – 1 hr 23 mins**

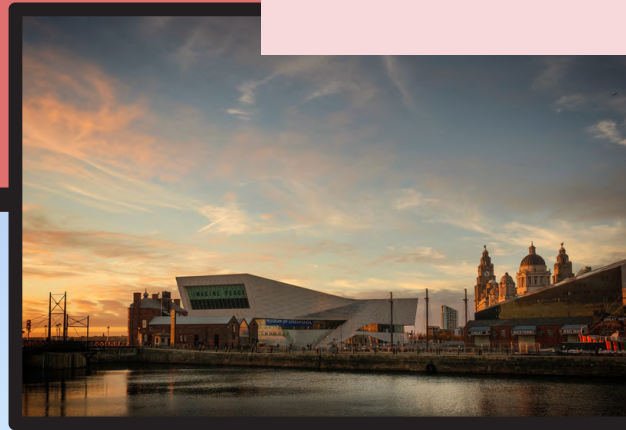
**Glasgow – 3 hrs 33 mins**

## SEA

Liverpool Ferry Port is one of the busiest in the UK, serving both passengers and commercial ships.

A new 25,900 sq. m cruise line terminal with capacity for vessels carrying 3,700 passengers is due to complete this year.

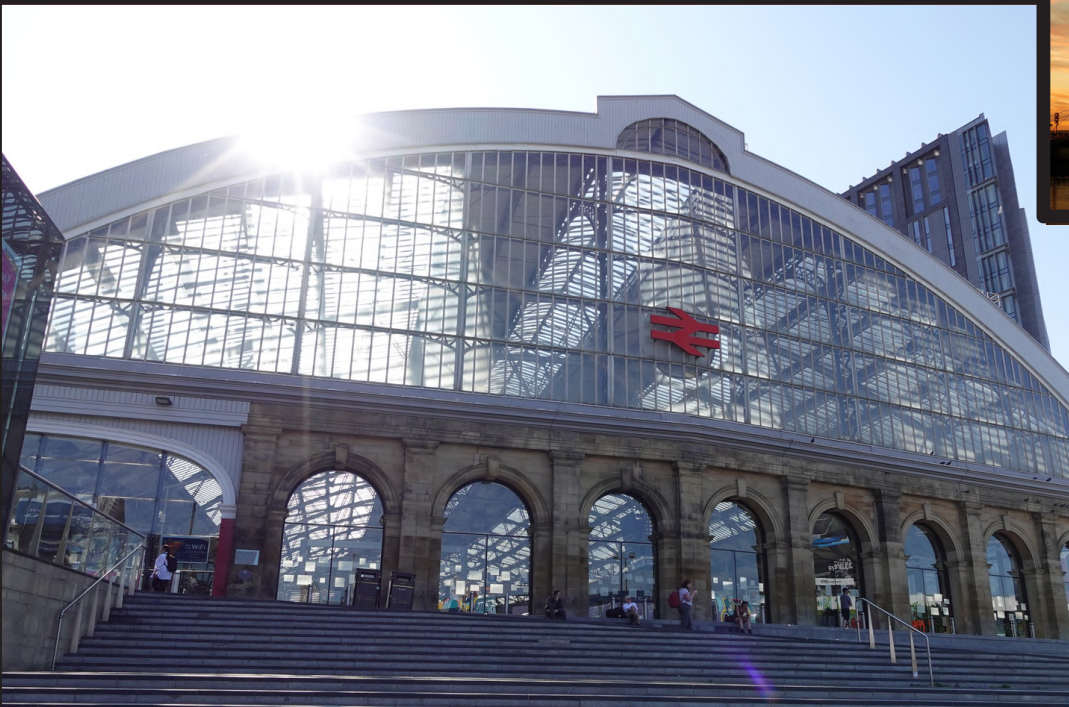
The Port of Liverpool is one of the world's leading ports, operating two container terminals – the Royal Seaforth Container Terminal (RSCT) and Liverpool2 handling over 700,000 containers per year. Liverpool2 has recently benefited from £400m investment to create an advanced (deep water) container terminal.



## AIR

Liverpool John Lennon Airport is located approximately 7.5 miles south east of the city centre and is one of Europe's fastest growing airports with direct flights to the majority of European cities.

The airport has capacity to serve 7 million passengers per year. Manchester Airport, the UK's third largest airport, is 57 km (36 miles) to the east of the city.





# Liverpool Development

## LIVERPOOL WATERS

LIVERPOOL WATERS IS A TRANSFORMATIONAL 60-HECTARE MIXED-USE PROJECT THAT WILL REGENERATE LIVERPOOL'S HISTORIC DOCKLANDS ACROSS FIVE NEW DYNAMIC NEIGHBOURHOODS.



The £5 billion scheme has outline planning permission for a new state-of-the-art sports stadium, over 315,000 sqm of high-quality office space, 53,000 sqm of hotel and conference facilities, a new cruise liner terminal plus many more retail and leisure facilities.



## EVERTON FOOTBALL CLUB

A New World Class Waterfront Stadium. The development of Everton Football Club's new 52,888 seat, state-of-the-art Bramley-Moore Dock Stadium will form part of the Liverpool Waters scheme.



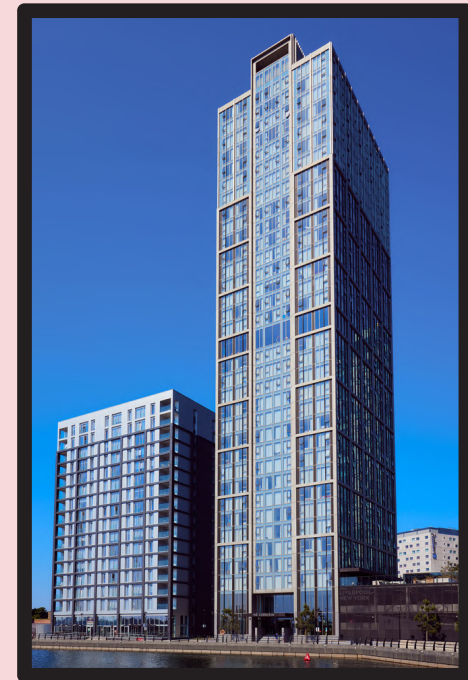
Planning permission was secured in February 2021 and is currently midway through construction. The £500m investment is due to complete in 2024.

## THE LEXINGTON

Opened in Q3 2021 and developed by Moda Living, The Lexington takes inspiration from Liverpool's rich maritime history and close links to New York City. The iconic 34-storey building provides 325 luxury Build to Rent apartments with high-quality living facilities and amenities for residents

## PLAZA 1821

Developed by Redwing, Plaza 1821 opened in Q3 2020 and comprises a stunning new 15-storey residential tower. The building provides 105 high specification Build to Rent apartments with spectacular views of the Liverpool waterfront.

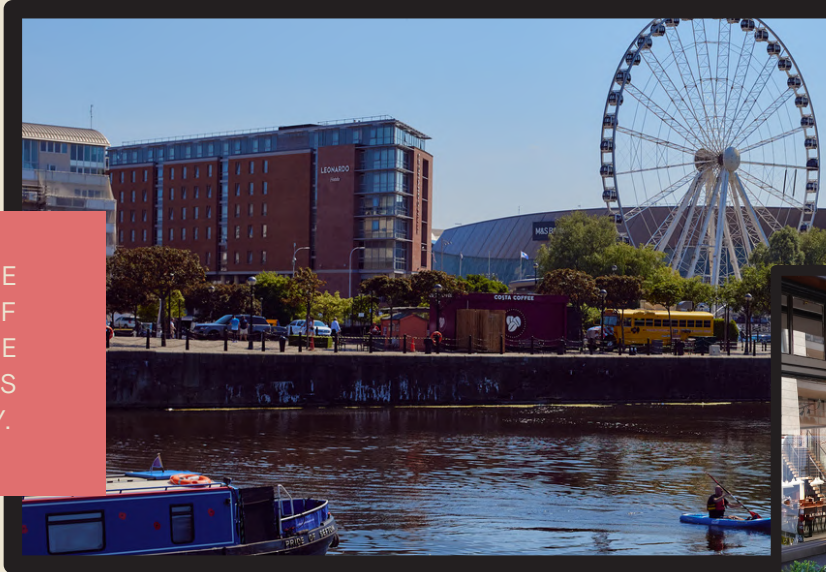




# Ropewalks

DUKE & PARR IS SITUATED ON DUKE STREET IN THE HISTORIC ROPEWALKS DISTRICT. PART OF LIVERPOOL'S WORLD HERITAGE SITE AND ON THE DOORSTEP OF EUROPE'S OLDEST CHINATOWN, IT IS ONE OF THE MOST DISTINCTIVE PARTS OF THE CITY.

Alongside its neighbour The Baltic Triangle, Ropewalks has evolved to become a dynamic part of the city centre and a hub for Liverpool's thriving creative industries. Its colourful mix of independent businesses, shops, galleries, cafés, bars and hotels provide the energy and make it attractive to locals and visitors alike.



Ropewalks is home to the Bluecoats Arts Centre and the Foundation for Art and Creative Technology (FACT Centre), as well as a vast array of bars and eateries including Oracle Bar, Wreckfish Bistro, and Ropewalks Bar and Kitchen.



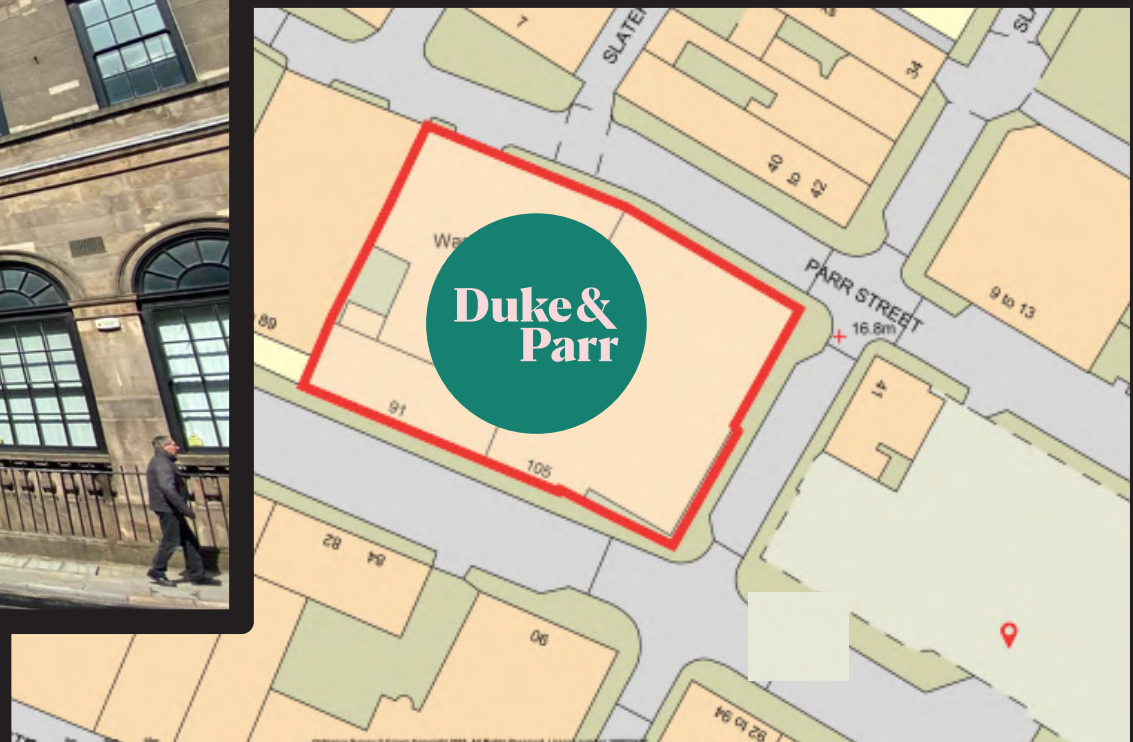
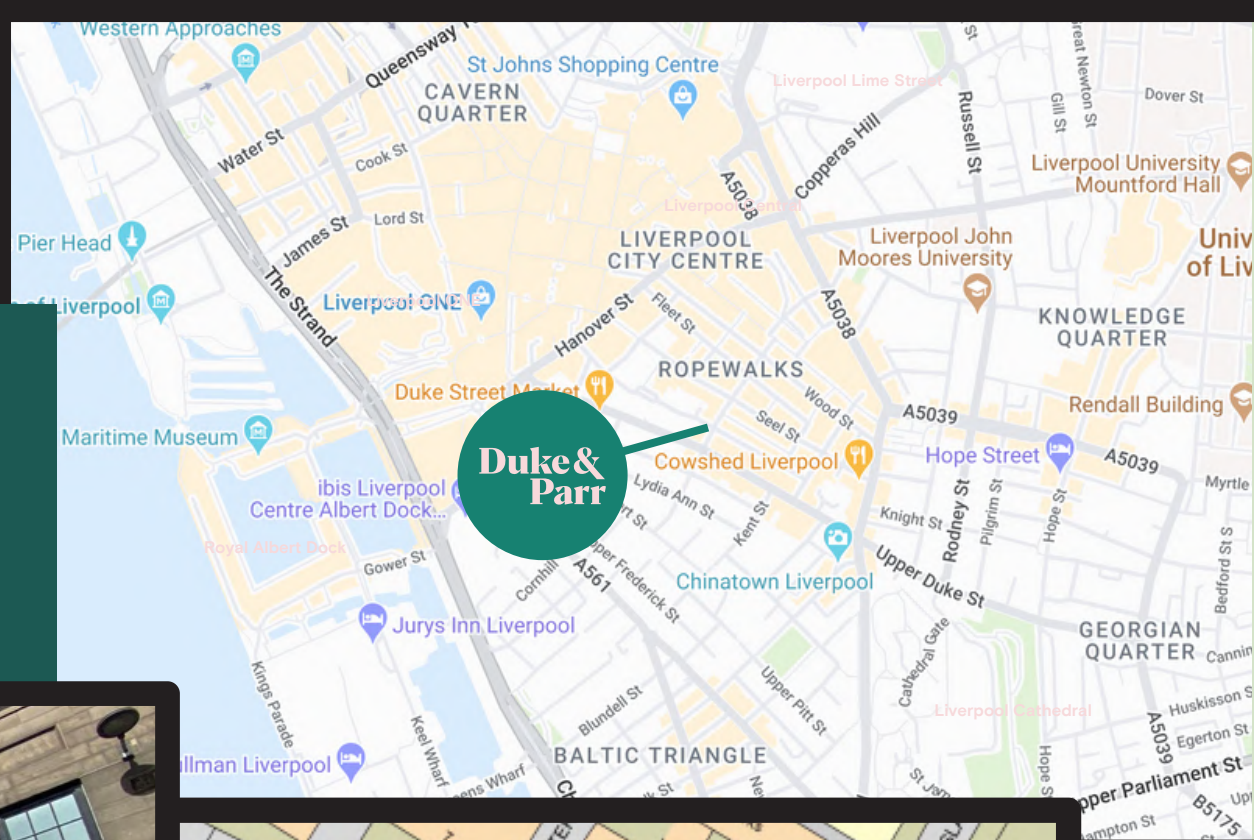
## NEARBY DEVELOPMENT ACTIVITY

- Parr Street Studios: Planning permission has been approved to demolish and redevelop the historic Parr Street Studios, the plans will see the site of the Grammy award winning studios become a mix of residential (70 apartments), commercial (12,000 sq. ft) and hotel space (8 aparthotel units).
- Hotel Indigo and Holiday Inn Express: Located opposite Duke and Parr at 107-125 Duke Street. A newly built hotel with 255 rooms with an ancillary bar and restaurant. Due to open in late 2023.
- Ropewalks Square: Liverpool City Council has undertaken a £5m programme of works to resurface four key streets in the Ropewalks. Part of those works included replacing all existing footways and carriageways on Ropewalks Square and installing new street furniture, bins, bollards and street lighting to make the area more welcoming.



# Duke & Parr Situation

DUKE AND PARR IS PROMINENTLY SITUATED ON THE CORNER OF DUKE STREET, SLATER STREET AND PARR STREET. THE PROPERTY LIES WITHIN THE DUKE STREET CONSERVATION AREA AND THE LIVERPOOL MERCANTILE CITY WORLD HERITAGE SITE BOUNDARY.





# Description & Specification

TOTALLING 50,893 SQ FT (NIA), DUKE AND PARR IS SPLIT VIA GROUND, 1ST, 2ND FLOORS AND TWO BASEMENT LEVELS. WHILST THE PROPERTY HAS BEEN EXTENDED AT VARIOUS POINTS THROUGHOUT ITS HISTORY, THE BUILDING IS BROADLY SPLIT INTO TWO, INTERCONNECTING BUILDINGS – 105 (GRADE II LISTED) AND 91 DUKE STREET (SITUATED TO THE WEST AND NOT LISTED).

The property is constructed from sandstone under a part slate pitched, part flat roof covered with slate. The windows are predominantly timber framed sash windows. In 2021 the current landlord completed a full renovation and CAT A fit out of the building. Subsequently Sony have recently finalised their extensive CAT B fit out which is estimated to have cost c. £4m, helping to make Duke & Parr one of the most inspiring and technologically immersive workspaces.

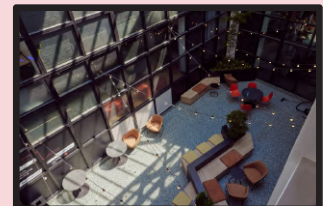


The main building entrance and reception is accessed via Duke Street with a separately created staff/visitor entrance off Parr Street. Internally the property is arranged around a central glass atrium which on the ground, 1st and 2nd floors benefit from high ceilings and lead to large open plan work/studio space, meetings rooms, breakout space and WC's.

The property benefits from newly installed VRV throughout the workspace accommodation. Power is via part raised floor and perimter trunking.

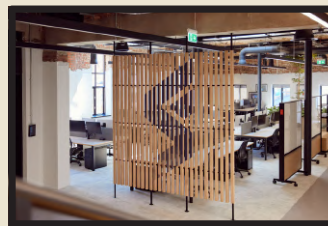
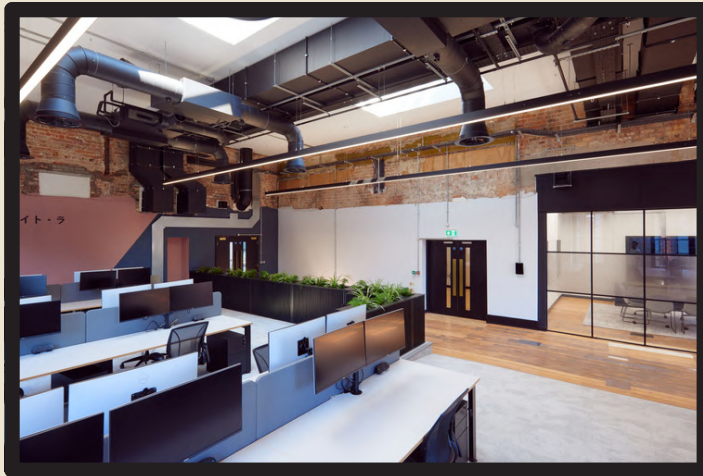
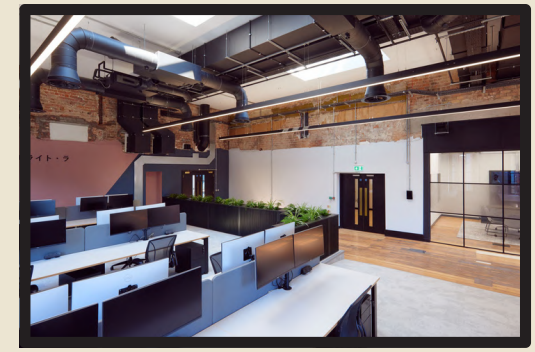
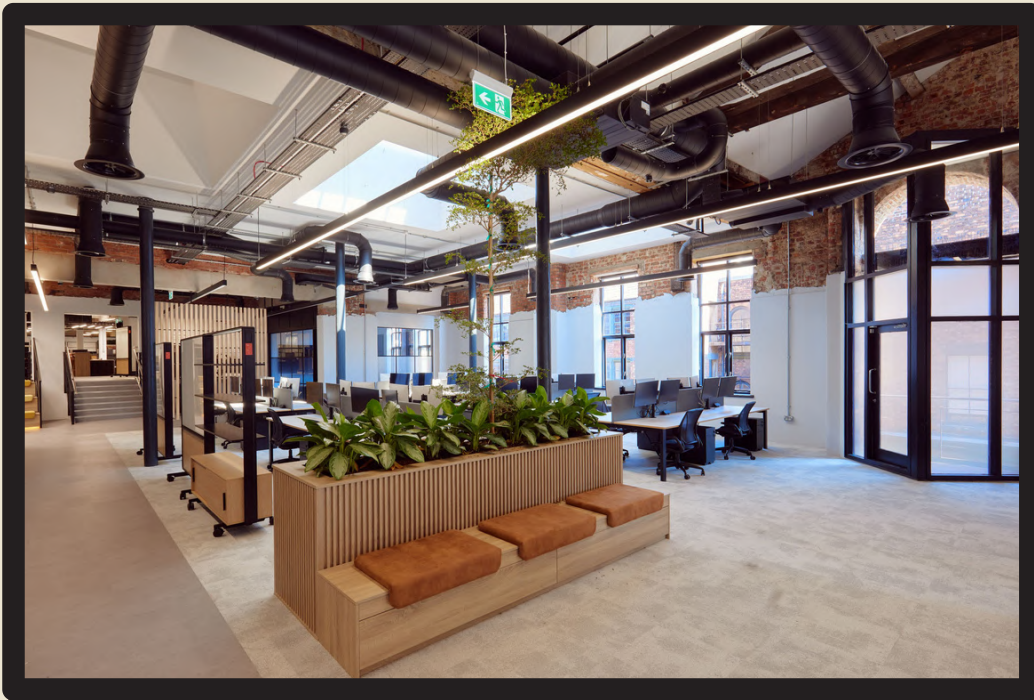
A separate passenger and goods lift is situated by the newly created entrance off Parr Street. Windows are part single (with secondary glazing) and double glazing.

At the basement and sub-basement level, the space is currently used mainly for storage and staff changing facilities.



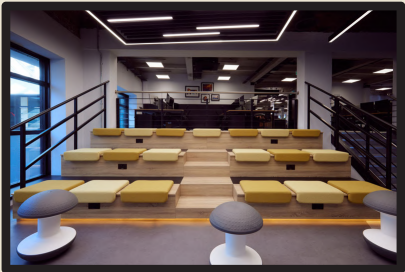
SONY





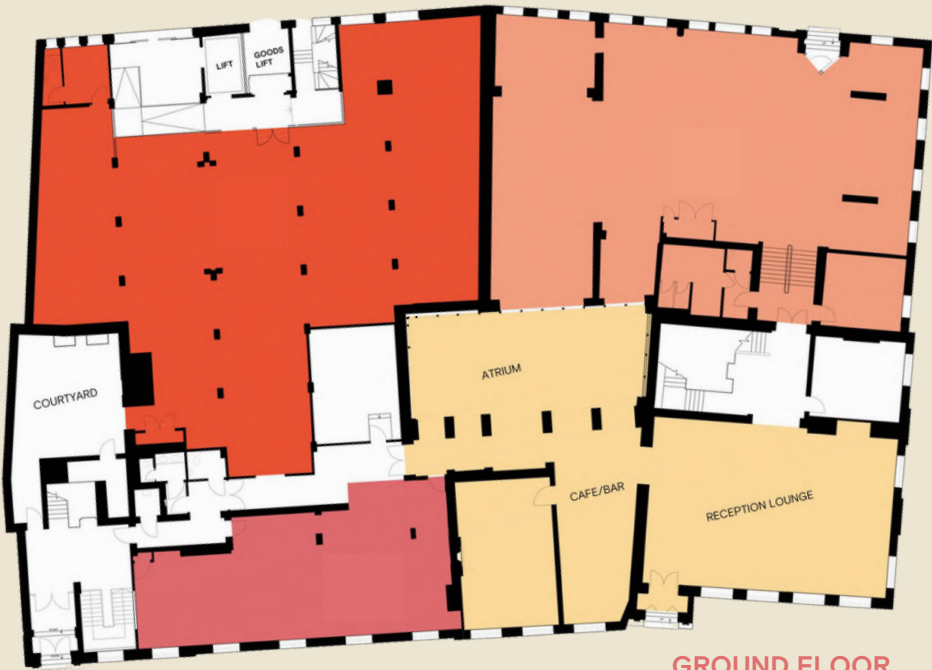


# Accommodation

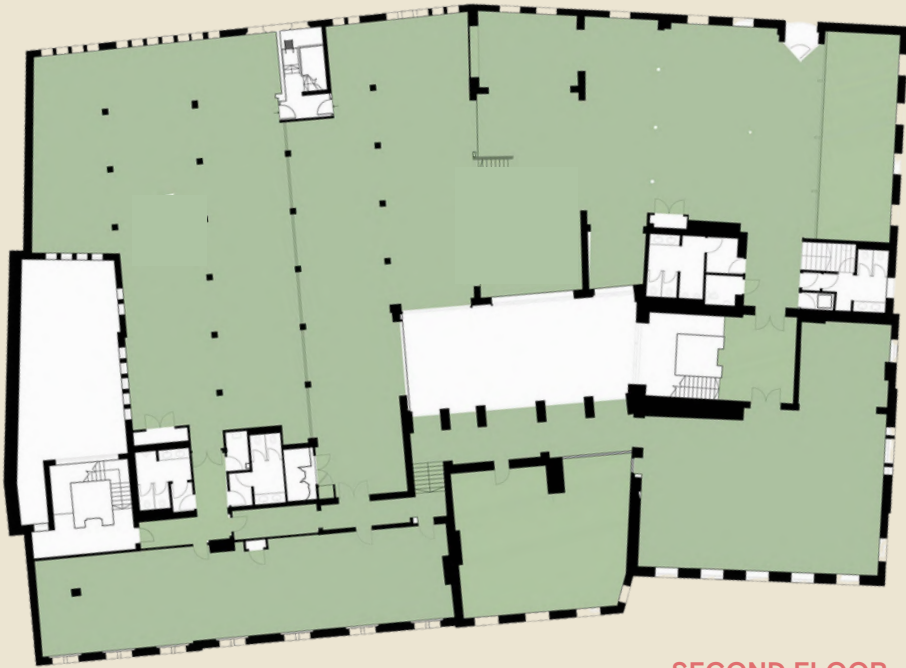


Floor	Area (Sq ft)	Area (Sq m)
GROUND	13,580	1,261.6
FIRST	7,054	655.4
SECOND	13,661	1,269.1
BASEMENT 1*	9,943	923.9
BASEMENT 2	6,655	618.3
TOTAL (NIA)	50,893	4728.3

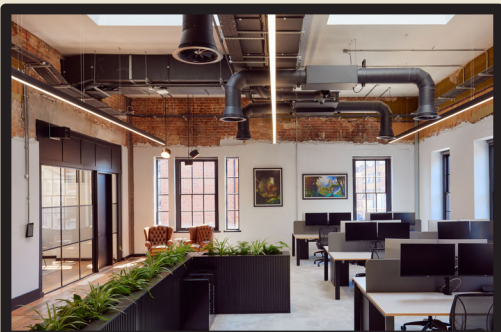
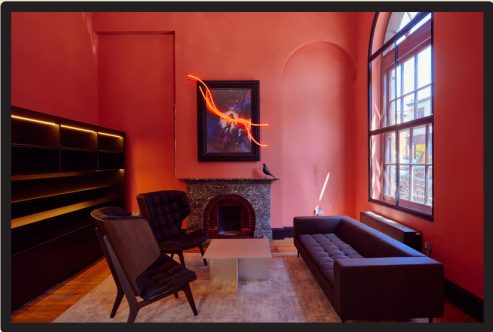
\*An additional area of unfitted storage space at Basement 1 has not been measured.



GROUND FLOOR



SECOND FLOOR





# Tenancy

THE PROPERTY IS LET IN ITS ENTIRETY TO SONY INTERACTIVE ENTERTAINMENT EUROPE LIMITED (03277793) ON THE FOLLOWING TERMS:

11.5 YEARS FROM 28TH OCTOBER 2022 (NO BREAKS) AT A RENT OF £713,474 PER ANNUM.

THIS REPRESENTS A VERY LOW PASSING RENT OF £18.38 PSF (ASSUMING £5 PSF FOR BASEMENT) OR £14.02 PSF OVERALL.

## RENT REVIEW

For the purposes of rent review the areas are split as follows:

Area A: £453,875 per annum  
Area B-C: £259,599 per annum

## REVIEW DATE

28 October 2027

## RENT REVIEW BASIS

Area A: OMV subject to a minimum uplift to £476,875.75 pa (c. 5%) and a cap of £521,956.25 pa (15%)

Area B-C: No review

## RENT FREE

Period to be topped up by the vendor

## REPAIR

FRI by reference to a schedule of conditions. The SoC is post the vendors CAT A refurbishment works which totalled c. £3.5m in 2021.

## UNDERLEASE

SONY HAS SUBLET THE WHOLE OF THE PROPERTY TO FIRESprite LIMITED (08240765). THE TERMS OF THE UNDERLEASE FOLLOW THE TERMS OF THE SONY HEADLEASE.



SONY



# Covenant



SONY INTERACTIVE  
ENTERTAINMENT EUROPE  
LIMITED (03277793).

SONY EUROPE IS A GLOBALLY  
RECOGNISED COMPANY IN  
INTERACTIVE AND DIGITAL  
ENTERTAINMENT.

Sony Europe was founded in 1995 and is responsible for the development, sales, marketing and distribution of PlayStation video game hardware and software throughout Europe, Australia, New Zealand and the Middle East.



SONY INTERACTIVE ENTERTAINMENT  
ACQUIRED VISIONARY LIVERPOOL-  
BASED FIRESPRITE GAMES IN 2021.

Firesprite will play a critical role in strengthening SIE's exclusive games catalog in genres outside of PlayStation Studios' core offerings occupying the entirety of Duke & Parr.



## ACCOUNTS SUMMARY

A summary of the latest accounts is provided below:

	31 March 2022 Euro	31 March 2021 Euro	31 March 2020 Euro
TURNOVER	7,836,812,000	7,281,660,000	5,675,389,000
PROFIT BEFORE TAX	980,207,000	732,817,000	468,152,000
NET ASSETS	656,380,000	655,793,000	756,583,000

The company has a D&B rating of 5A1. This is the strongest rating a company can achieve and indicates 'Minimal Risk.'

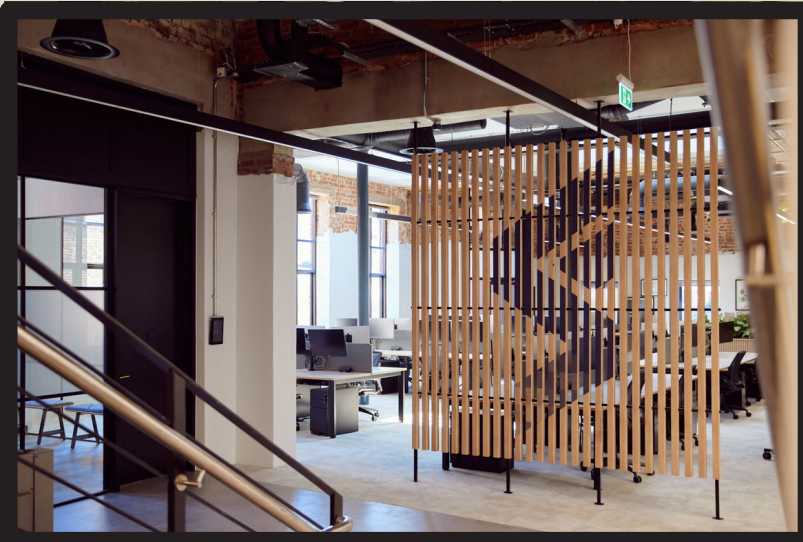
PlayStation has delivered innovation to the games market since the launch of the original PlayStation in 1994.

## PLAYSTATION FACTS

- PlayStation Network currently has 108 million monthly active users as of March 31, 2023
- PlayStation Plus currently has 47.4 million subscribers globally as of March 31, 2023
- PlayStation 5 has sold-in more than 38.4 million units worldwide as of March 31, 2023

For further information, please visit:

<https://sonyinteractive.com/en/>





# Liverpool Market: Supply & Demand

## OCCUPATIONAL MARKET

### SUPPLY

LIVERPOOL HAS A SHORTAGE OF QUALITY OFFICE SPACE WHERE AVAILABILITY IS AT A HISTORICALLY LOW LEVEL. IT FELL IN Q4 2022 TO JUST 5.4% OF WHICH 9% OF TOTAL AVAILABILITY WAS GRADE A SPACE. ONLY TWO BUILDINGS OFFERED SPACES OF 15,000 SQ FT OR LARGER.

In terms of developments, 140,000 sq ft of refurbished space is under construction and due to complete this year at Martins Bank Building, and a further 109,000 sq ft is due to start later in the year at Exchange Station, No1 St Paul's Square and Princes Dock.

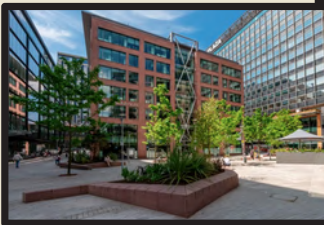
There are no office developments currently planned in the city centre for 2024, however, 331,043 sq ft of much needed new space is proposed for delivery in 2025 across No 5 Princes Dock, Hemisphere and No 1 Pall Mall.

### RECENT LETTINGS

PROPERTY	DATE	SIZE (SQ. FT)	OCCUPIER	RENT (PSF)
ROYAL LIVER BUILDING	Under Offer	8,604	P&C	£29.00
EXCHANGE STATION	Q4, 2022	2,637	Aecom	£29.00
EXCHANGE STATION	Q4, 2022	10,874	Green Switch Capital	£21.00
5 ST PAUL'S SQUARE	Q4, 2022	20,423	Wealth at Work	£23.50
1 ST PAUL'S SQUARE	Q4, 2022	16,964	Direct Line	£21.50
ROYAL LIVER BUILDING	Q3, 2022	5,488	Mott MacDonald	£25.00
ROYAL LIVER BUILDING	Q2, 2022	2,594	ISM Sports	£25.25
4 ST PAUL'S SQUARE	Q2, 2022	3,605	Astute Private Wealth	£21.00

### DEMAND

IN 2022, LIVERPOOL'S OFFICE TAKE-UP WAS 510,552 SQ FT MAKING IT THE MOST ACTIVE YEAR SINCE 2019. IN Q4 2022, LIVERPOOL HAD THE HIGHEST OFFICE TAKE UP (TOTALLING, 189,601 SQ FT) OF ANY QUARTER SINCE 2019 AND 45% ABOVE THE 10 YEAR AVERAGE. THE LETTING TO SONY WAS 55% ABOVE 10-YEAR AVERAGE DEALS.



### INVESTMENT MARKET

Below is a schedule of office investment transactions in Liverpool.

PROPERTY	DATE	SIZE (SQ. FT)	PURCHASE PRICE	NIY	PURCHASER
THE CAPITAL	June 2023	424,636	£90,000,000	7%	Currently on market
5 ST PAULS	June 2022	136,000	£30,750,000 (£225.42 psf)	7.33%	Forma Real Estate
101 OLD HALL STREET	Dec 2021	39,000	£39,000,000 (£286 psf)	6.58%	Priory RE
20 CHAPEL STREET	Apr 2020	155,000	£37,250,000 (£242 psf)	6.75%	Square Ape

### RENTS

The Liverpool office market continues to be characterised by a major supply/demand imbalance of high-quality space, resulting in sustained prime rental growth.

Prime headline rents in Liverpool City Centre are now evidenced at £29.00 per sq ft with quoting rents for high-quality refurbished schemes in excess of £30.00 per sq ft.



# Proposal

Offers are sought in excess of **£9,900,000**  
**(Nine Million, Nine Hundred Thousand Pounds)**  
ex VAT and Subject to Contract.

A purchase at this level would reflect a  
**Net Initial Yield of 6.75%**,  
assuming purchaser costs of 6.69%.

Low capital value of **£195 psf.**

## FURTHER INFORMATION

### VAT

The property is elected for VAT. We envisage that the sale will be treated as a Transfer of a Going Concern (TOGC).

### EPC:

B

### Tenure:

Held Freehold.

### Dataroom:

A full data room has been set up with relevant information.  
Access is available upon request.

### Capital Allowances:

Further information is available upon request.

## CONTACT

For further information, or to arrange an inspection, please contact the team below:

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+44 (0) 7788 999 911

### Ted Murray MRICS

[ted@kingstreet-re.com](mailto:ted@kingstreet-re.com)  
+44 (0) 7766 003 322



# Duke & Parr

A development by



### IMPORTANT NOTICE

MISREPRESENTATION ACT 1967

KING STREET REAL ESTATE, FOR ITSELF AND FOR THE VENDORS OF THIS PROPERTY, HEREBY GIVE NOTICE THAT:

These particulars do not constitute, nor constitute any part of, an offer or contract. King Street Real Estate Ltd and its members accept no legal responsibility for any statement or representation whether written, oral or implied or whether contained in any advertisement particulars or other matters issued or any correspondence entered into by them and whether made in any antecedent present or subsequent enquiries or negotiations.

Neither King Street Real Estate Limited nor their principals, members, agents, servants or representatives have any authority whatsoever to make or give any representation or warranty whatsoever whether written or implied in relation to this property. Any intending purchaser must satisfy himself by inspection or otherwise as to the correctness of any antecedent present or subsequent statements or representations, and should not rely upon the same unless he has satisfied himself accordingly. Unless otherwise stated all prices and rents are quoted exclusive of Value Added Tax (VAT), any intending purchasers or lessees must satisfy themselves independently as to the incidence of VAT in respect of any transaction.