Sanderson Weatherall

Prime Office Investment/ Development Opportunity

£1.753m pa income | 10.99% NIY | £195 per sq ft



George Stephenson House

TOFT GREEN, YORK, YO1 6JT

Investment Summary

Secure income per annum

- Landmark headquarters office extending to **76,730 sq ft**.
- Let in its entirety to the Investment grade covenant of **Network Rail Infrastructure Limited** until **4 June 2030**.
- Approximately **3.6 years of secure income** remaining.
- Passing rent of **£1,753,391.61 per annum**, equating to **£23.00 per sq ft**, including car parking.
- Freehold.

Low entry price

- Offers sought in excess of **£14,950,000**, subject to contract and exclusive of VAT.
- A purchase at this level reflects:
  - **10.99% net initial yield**
  - **£195 per sq ft capital value**
- Figures assume purchaser's costs of 6.73%.

Repositioning opportunity

- Prominent **1.19 acre city-centre site** immediately opposite York railway station and within the historic city walls.
- Adjoins the award-winning Hudson Quarter mixed-use development.
- Potential to refurbish and relet the existing offices or pursue redevelopment for office or alternative uses at lease expiry, subject to the necessary consents.
- A rare opportunity to acquire a substantial income-producing site in a highly constrained city-centre location.

A high yielding city-centre investment offering Investment grade, secure short-term income, a low entry price of £195 per sq ft and significant medium-term repositioning potential immediately opposite York railway station.

About York

York is a historic cathedral city with a **population of 202,821** (2021 Census). Its highly skilled workforce is a significant economic asset, with **59.3% of working-age residents qualified to Level 4 or above** - equivalent to a degree level or higher (2021 Census).

The city also benefits from **high employment** and a **diverse economy**. York generated approximately **£8.5 billion in Gross Value Added in 2023/24**, with particular strengths in rail and transport technology, biotechnology, creative and digital industries, financial and professional services, the public sector, and tourism and hospitality.

York is **home to two universities** - the University of York and York St John University. It was **designated a UNESCO City of Media Arts in 2014** and has been widely recognised as **the UK's first gigabit city**.



Major Occupiers

Major occupiers in York include:

HISCOX · Nestlé · NetworkRail · TSYS · AVIVA · LNER London North Eastern Railway · NFU Mutual Insurance | Pensions | Investments · SYSTRA

York

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Connections

York's central position in Britain coupled with its mainline rail and road links offer excellent transport connectivity.



Rail

George Stephenson House occupies an excellent position within the historic city walls within one minute's walk from York railway station which is a major hub on the East Coast Main Line, linking to London King's Cross in under 2 hours.

London:	1 hr 52 mins
Edinburgh:	2 hr 35 mins
Leeds:	23 mins
Manchester:	1 hr 20 mins
Newcastle:	57 mins

Road

The A64 is located approximately 3 miles south of York offering easy access to the A1(M), M1 and M62 motorways.

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Key:

1. George Stephenson House
2. Hudson Quarter
3. City of York Council
4. Hiscox
5. Aviva
6. The Grand Hotel
7. Milner Hotel
8. Malmaison
9. Hampton by Hilton
10. Betty's Tea Room
11. Prime Retail
12. Micklegate Cafés, Bars and Restaurants
13. Sainsbury's
14. M&S and Market
15. Micklegate Post Office
16. All High Street Banks
17. York Central

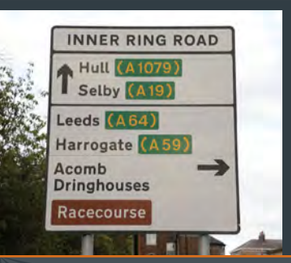
Situation

George Stephenson House occupies a prominent position within York city centre, immediately opposite York railway station and just inside the historic city walls.

The property is accessed from Queen Street and Toft Green, where major public-realm and highway improvements have enhanced pedestrian connections with the station and surrounding city centre.

It adjoins Hudson Quarter, York's award-winning mixed-use development, and lies within the York City Centre Conservation Area. The city's principal retail, commercial, leisure and visitor destinations are all within convenient walking distance.

Immediately west of the station is York Central, one of the UK's largest city-centre regeneration projects. The emerging district is planned to provide approximately 2,500 new homes, more than one million sq ft of commercial, retail and leisure space, together with extensive new public realm and parkland.





















Description

George Stephenson House is a landmark office building occupying a prominent position just inside York's medieval city walls.

The five-storey building's principal reception faces York railway station and is accessed from Queen Street. A secondary entrance at first-floor level provides access from Toft Green, where the property's car park is located.

The building is let in its entirety to Network Rail. The accommodation comprises a double-height reception, restaurant and end-of-journey facilities at ground-floor level, with office accommodation arranged across the four upper floors.















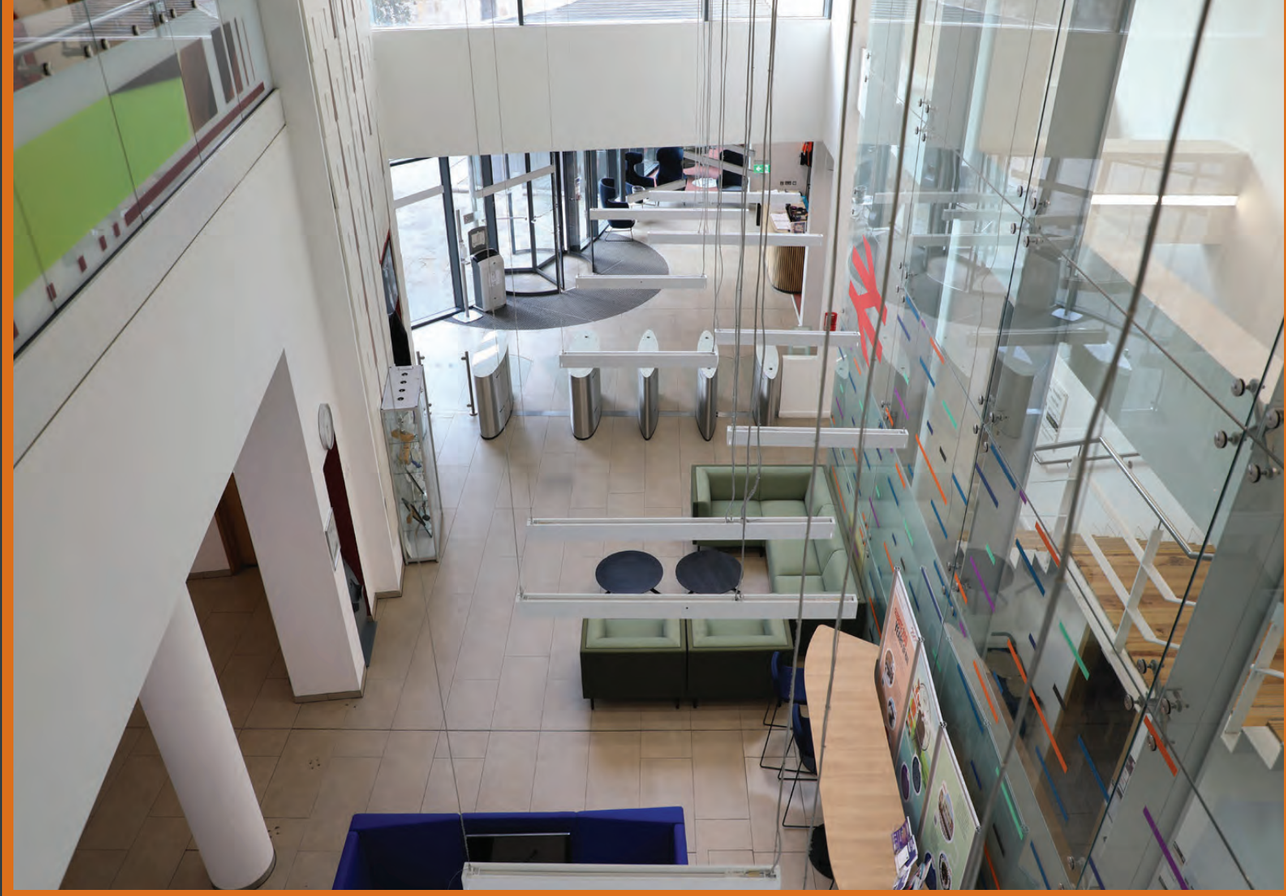
George Stephenson House

TOFT GREEN, YORK, YO1 6JT

Specification

The property which is of steel frame construction with brick façades and brise-soleil was constructed in approximately 1998 and substantially refurbished in 2011 and benefits from the following specification.

- Four-pipe fan-coil air conditioning
- Three passenger lifts, one also serving as a goods lift
- Suspended ceilings with LED lighting
- 2.6m typical finished floor to ceiling height
- Raised access floors
- Roof terraces facing the city walls plus balcony areas
- Surface car-parking spaces, including two accessible spaces
- Cycle parking
- EPC C rating















George Stephenson House

TOFT GREEN, YORK, YO1 6JT

Accommodation

Floor	Use	Net Internal Area	
		Sq M	Sq Ft
Fourth	Office	1,126.1	12,121
Third	Office	1,572.1	16,922
Second	Office	1,708.7	18,392
First	Office 1	627.0	6,749
	Office 2	891.3	9,594
	Lobby	105.9	1,140
	Total	**1,624.2**	**17,483**
Ground	Office 1	364.5	3,923
	Office 2	249.4	2,685
	Lobby	157.5	1,695
	Staff Area	326.0	3,509
	Total	**1,097.4**	**11,812**
	TOTAL	**7,128.5**	**76,730**

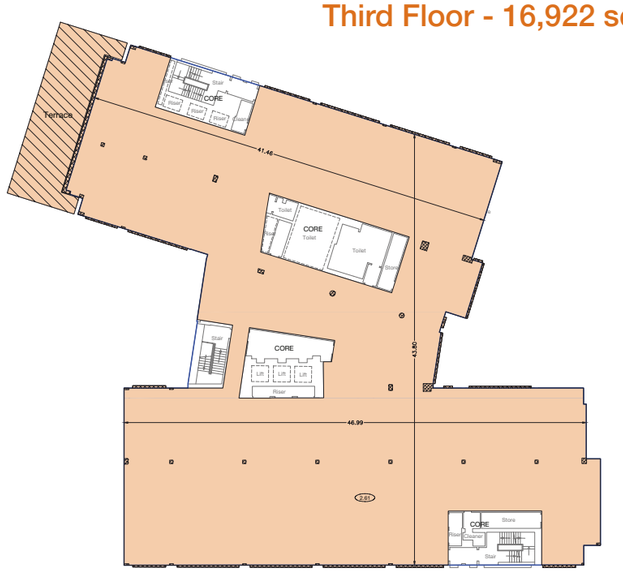
Site Area

The site extends to approximately 1.19 acres (0.48 hectares).

Floorplans

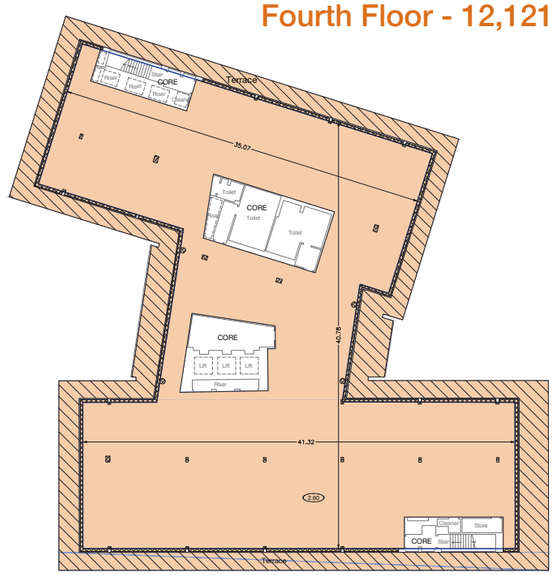
The upper floors are arranged in two wings connected by a central core.

Third Floor - 16,922 sq ft



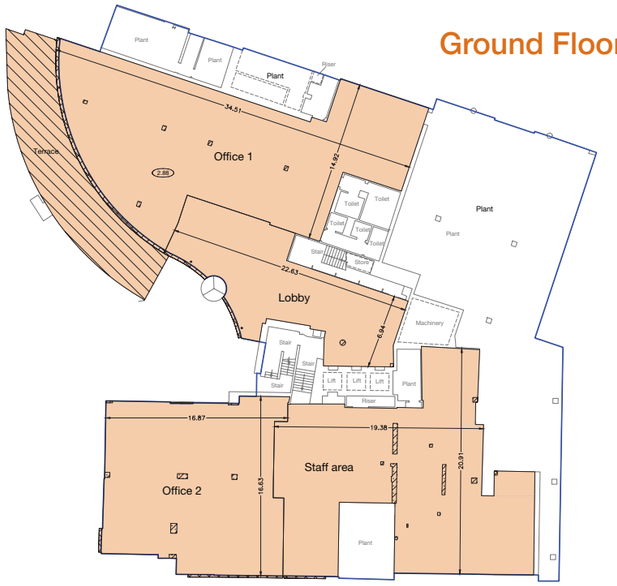
QUEEN STREET

Fourth Floor - 12,121 sq ft



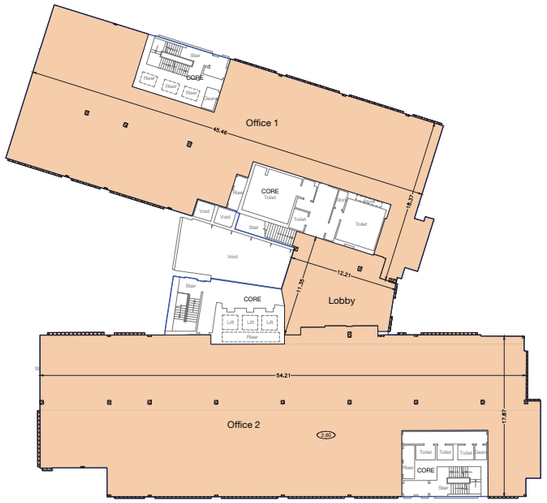
QUEEN STREET

Ground Floor - 11,812 sq ft



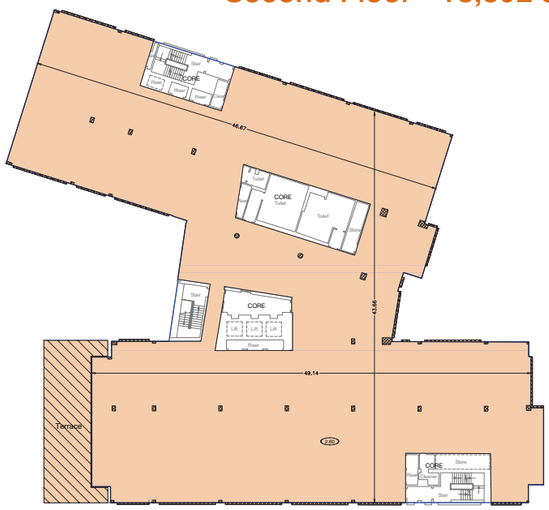
QUEEN STREET

First Floor - 17,483 sq ft



QUEEN STREET

Second Floor - 18,392 sq ft



QUEEN STREET

George Stephenson House

TOFT GREEN, YORK, YO1 6JT

Title

The property is held Freehold under the title numbers NYK211111 and NYK507515 and is shown edged red on the plan opposite.

The site extends to approximately 1.19 acres (0.48 hectares).



Ownership Structure

The property is the sole real-estate asset held within a Jersey Property Unit Trust (JPUT). The vendor may consider a Transfer of the beneficial units in the Trust as an alternative to selling the freehold interest in the asset. Further information is available in the data room..

Tenancy

The property is let in its entirety on a Full Repairing and Insuring lease to Network Rail Infrastructure Limited commencing on 5th June 2025 and expiring on 4th June 2030. The current passing rent is £1,753,391.61 per annum exclusive.

The rent reflects approximately £23.00 psf inclusive of car parking.

Covenant - Investment Grade Income

Network Rail is the government-owned company that owns, maintains, and develops most of the railway tracks, bridges, tunnels, and major stations in Great Britain.

Network Rail Infrastructure Ltd has a Credit Safe Rating of 88A, representing a very low risk of business failure.

Risk Score	International Score	Credit Limit	Contract Limit
88	A	£100m	£500m

For the financial year ending 31st March 2026, Network Rail Infrastructure Limited reported:

Turnover of **£11.862bn**

Pre-Tax profit of **£608m**

Shareholder's Funds of **£22.857bn**





York Office Market

York has an established office market supported by occupiers from the financial and professional services, rail and transport, technology, media and telecommunications, and public sectors.

Office supply has contracted as limited new development and the conversion of existing buildings to residential and alternative uses have reduced the availability of good-quality accommodation. The city's high residential values, strong visitor economy and planning constraints have further restricted the delivery of new office space, particularly within the city walls.

George Stephenson House occupies a prominent position within the city walls, immediately opposite York railway station and adjoining Hudson Quarter. Completed in 2021, Hudson Quarter represents the most significant recent delivery of new Grade A office accommodation within York's historic core and has established a prime city-centre rent of £27.50 per sq ft.

The passing rent at George Stephenson House is below £23.00 per sq ft, representing a discount to York's nearby prime benchmark. Prime rents in other major regional office markets range from £32.00 per sq ft in Newcastle to £52.00 per sq ft in Bristol, further illustrating York's relative rental affordability and the potential scope for longer-term growth.

Bristol	Edinburgh	Glasgow	Leeds	Manchester	Newcastle
£52 psf	£46 psf	£41.50 psf	£52.50 psf	£48 psf	£32 psf





Investment Market

York is attractively priced with strong market fundamentals of affordable rents, on-going occupier demand, very low supply and a limited development pipeline.

Property	Area Sq Ft	Date	Price	NIY	Price £ psf
12 King Street, Leeds	52,237	Available October 26	Quoting £26.25m	Quoting 7.00%	Quoting £502.51
The Spark, Newcastle Upon Tyne	105,906	Under Offer October 26	Quoting £33.95m	Quoting 8.00%	Quoting £321
55 Douglas Street, Glasgow	85,000	August 26	£13.25m	-	£156 psf
1 Lincoln, Manchester	101,396	June 26	£55m	6.80%	£542 psf
2 College Square, Bristol	52,507	March 26	£14.85m	10%	£283 psf
Central Square South, Newcastle Upon Tyne	85,054	February 26	£12.13m	13.53%	£143 psf
Hudson Quarter Offices, York	34,517	April 26	£10m	9%	£289 psf

Planning and Development Potential

George Stephenson House occupies a highly accessible city centre location immediately adjacent to York Railway Station, benefiting from significant investment in transport infrastructure and public realm improvements around the station, together with the wider regeneration being delivered as part of York Central.

The property offers potential for continued office use and through refurbishment re-position the asset as prime office space. There is also the opportunity for conversion to alternative uses, including residential, student accommodation and hotel uses, or more comprehensive redevelopment, subject to the necessary consents.

The Site is not specifically allocated for any particular use within the adopted Local Plan, which supports a range of appropriate city centre uses. However, proposals involving the loss of existing office accommodation would need to address Policy EC2, which seeks to protect employment premises unless their loss can be appropriately justified.

There may also be opportunities for residential conversion under Class MA permitted development rights, subject to confirmation of eligibility. Where available, these rights could provide an alternative route to residential use without the need to justify the loss of office accommodation under Policy EC2.

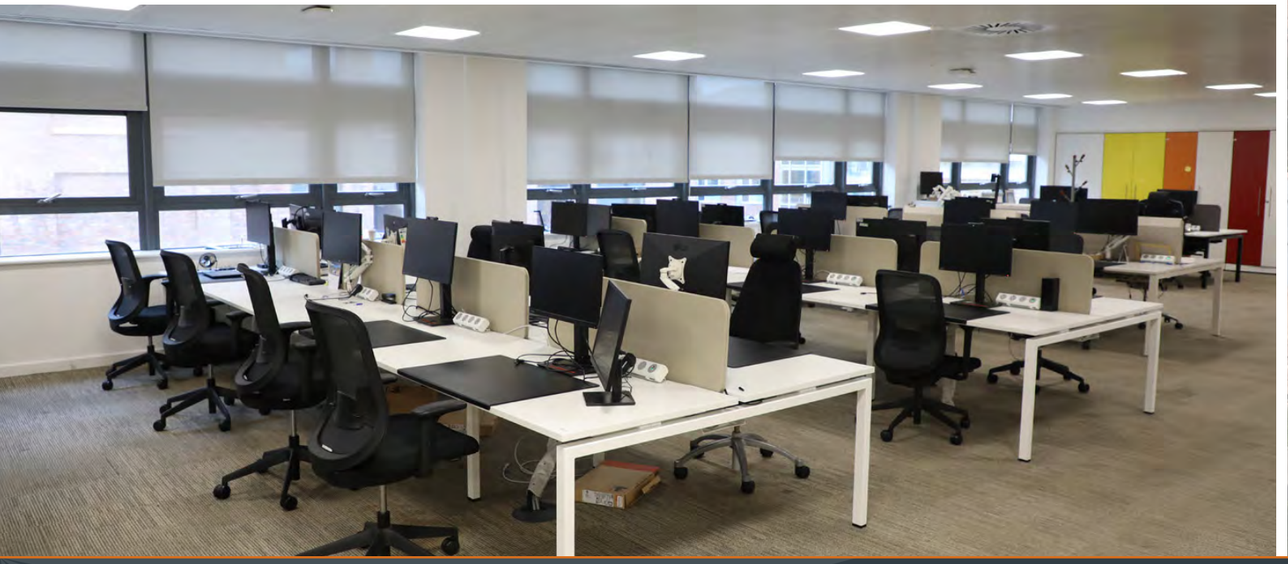
The adjoining Hudson Quarter site provides a relevant example of residential-led mixed-use redevelopment in this location. Any future proposals would also need to have regard to the Site's sensitive heritage setting and other relevant planning policies.











EPC

The property has a current EPC rating of C57.

VAT

The property has been elected for VAT and therefore VAT is payable on the purchase price. It is anticipated that the sale will be treated as a Transfer of Going Concern (TOGC).

AML

A successful bidder will be required to provide relevant information to satisfy the AML requirements when Heads of Terms are agreed.

Data Room

Data room access can be provided upon request, and which contains the following information.

- Title
- Trust details
- Tenancy
- Measured Survey
- Floorplans
- EPC Certificate and Recommendation Report
- Building Surveys and Reports
- Planning Appraisal Note



Proposal

We are instructed to seek offers in excess of **£14,950,000**, subject to contract and exclusive of VAT.

A purchase at this level would equate to a **net initial yield of 10.99%** assuming purchasers' costs at 6.73% and a **low capital value of £195 psf**.

Contact

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Sanderson Weatherall

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