

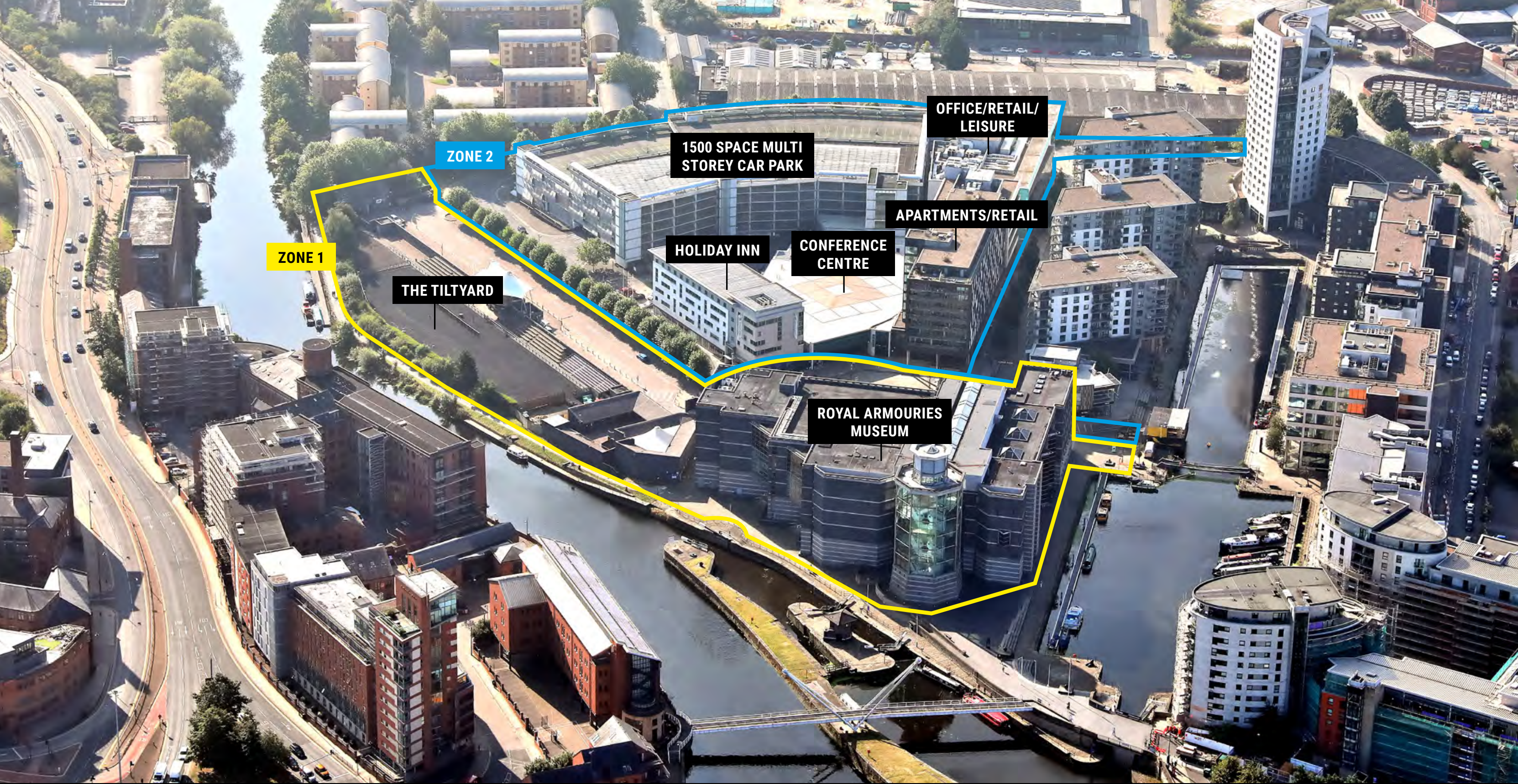
# ROYAL ARMOURIES MUSEUM AND ADJOINING MIXED USE INVESTMENT

Ground Lease Investment LET to the Royal Armouries for a further 971 years on a 12.36 Acre Site in the Heart of Leeds City Centre



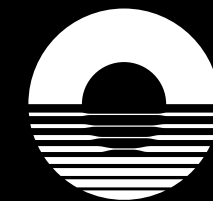
ARMOURIES DRIVE, LEEDS, LS10 1LT

AVISON  
YOUNG



**A rare opportunity to purchase a 12.36 acre site in Leeds City Centre, let by way of two 999 year ground leases to The Board of Trustees of the Armouries, who are a Non Departmental Public Body whose parent body is the Department for Culture, Media and Sports.**

On the instructions of



**Canal &  
River Trust**

# REA EXECUTIVE SUMMARY

- **12.36 acre** site situated in the heart of **Leeds City Centre** within the 'South Bank' area which has seen major redevelopment for a variety of uses over the last 30 years, creating a vibrant commercial and residential district.
- The development is the home of the '**Royal Armouries Museum**' a building of national importance and which attracts over 300,000 visitors a year.
- Long term income with **971 years** of the term unexpired to **The Board of Trustees of the Armouries**.
- Tenant is a Non - Departmental Public Body sponsored by the Department for Culture, Media and Sport.
- **Freehold**.
- Let on 2 ground leases for 999 years over Zone 1 and 2 with a combined income of **£592,500 per annum (subject to landlords rental top up)**.
- **Zone 1** incorporates the Royal Armouries Museum on a site of 5.03 acres producing an income of **£591,500** per annum.
- **Zone 2** covers a site of 7.33 acres and includes a 1500 space multi storey car park , 130 bed hotel , conference centre , residential block together with 94,000 sq ft of offices, retail and leisure uses . The lease is subject to fixed rent of £1,000 per annum.
- Investment value under pinned by long term income, vacant possession value and sub income from underleases on Zone 2.
- Royal Armouries have redevelopment plans over part of Zone 1 , which we believe if implemented potentially could result in an additional premium payment to the landlord.

## PROPOSAL

We are instructed to seek offers in excess of **£11,690,000 (Eleven Million, six hundred and ninety thousand pounds)** plus VAT, which based upon a 'topped up' income of £592,500 pa, reflects a net initial yield of **4.75%** rising to **5.55%** in 2036 based on a fixed rental uplift.

The lease for Zone 1, incorporates a number of additional rent review clauses which we believe can substantially improve the landlord's income or generate premium payments if the development is for 'non museum' purposes over the term of the lease.

If Royal Armouries look to implement their development plans for the area known as the Tiltyard, we believe this will trigger additional value to the landlord in terms of a significant premium payment.

Further information on the proposed development is highlighted later in the brochure.



# REA LOCATION

**LEEDS IS THE MAIN CENTRE FOR THE COUNTY OF YORKSHIRE AND RECOGNISED AS ONE OF THE UK'S FASTEST GROWING CITIES. THE CITY HAS AN IMMEDIATE POPULATION OF 812,000 AND A WORKFORCE OF OVER 500,000 WHICH GROWS TO 7 MILLION WITHIN AN HOUR'S DRIVE.**

The city is located 40 miles east of Manchester, 196 miles north of London and 115 miles northeast of Birmingham.

The city is home to 8 universities and 14 higher education colleges, the highest concentration anywhere in the UK which produces over 39,000 graduates per year.



**812,000**  
Immediate population



**8**  
Universities & 14 higher education colleges

## A CITY WITH UNRIVALLED CONNECTIVITY



### RAIL

Leeds National Railway Station is one of the busiest in the country outside of Central London with over 38 million passengers passing through every year. It is served by the East Coast Main Line which provides access to London Kings Cross, together with direct services to both key regional cities and commuter towns.

In January 2022, a £161m upgrade was completed at Leeds Station, following the £20m investment in the southern entrance in 2017. A further £39.5m will see Leeds Station's main entrance and surrounding area improved, in addition to the programme to pedestrianise City Square, making it clean, pleasant, cycle-friendly and prioritising public transport.

<b>Manchester</b>	<b>52 mins</b>
<b>Sheffield</b>	<b>46 mins</b>
<b>Birmingham New Street</b>	<b>1 hr 53 mins</b>
<b>London Kings Cross</b>	<b>2 hr 15 mins</b>



### ROAD

Leeds has excellent road connectivity, with the M621 providing immediate access to the wider national motorway network. Direct links to Manchester, Liverpool and Hull are provided by the M62 which runs east to west just south of Leeds, while the M1 connects the city to London and the Midlands.

<b>Sheffield</b>	<b>45 mins</b>
<b>Manchester</b>	<b>55 mins</b>
<b>Birmingham</b>	<b>2 hrs</b>
<b>Central London</b>	<b>3 hrs 20 mins</b>



### AIR

Leeds Bradford International Airport is situated 8 miles north west of the City Centre. It offers scheduled flights to 70 destinations throughout the UK and key European and international locations. Its current 3.7m annual passengers are predicted to increase to 8m by 2026.

<b>Leeds Bradford Airport</b>	<b>22 mins</b>
<b>Manchester Airport</b>	<b>1 hr</b>
<b>East Midlands Airport</b>	<b>1 hr 25 mins</b>
<b>Birmingham Airport</b>	<b>2 hrs</b>

# REA THE SITE



WHITEHALL OFFICE DISTRICT

LEEDS CITY TRAIN STATION

TRINITY HOSPITAL

UNIVERSITY DISTRICT

BRIDGEWATER PLACE

TRINITY LEEDS

ASDA SUPERSTORE HQ

MAIN CBD

CORN EXCHANGE

VICTORIA QUARTER

VICTORIA GATE

CROWN POINT SHOPPING PARK

AIRE PARK 'NEW MIXED USE DISTRICT'

LEEDS BUS INTERCHANGE

A133

ROYAL ARMOURIES

CROWN POINT BRIDGE

IBIS HOTEL

MERCHANTS QUAY

LEEDS DOCK

WATER TAXI

CITY APARTMENTS

A61

STUDENT RESIDENTIAL

## LEEDS FORMS A CRITICAL PART TO THE NORTHERN POWERHOUSE.

- Number 1 legal and financial centre outside of London employing over 46,000 people
- 7 Million people live within a 60-minute drive of Leeds City Centre
- £70BN GVA - Leeds City is the largest economic Contributor in the Northern Powerhouse
- New City Gateway - the Central Station area has had a massive green revamp with over £200 million invested
- 2 new rail stations under construction at White Rose and Thorpe Park
- £1.5 billion set to be added to the Leeds economy by 2026 via continued economic growth
- More under 20's than any other area of the North live in the city, creating a pool of talent
- £500 million - record breaking sums are being invested into Leeds South Bank creating new residential, commercial and residential uses
- 5th largest shopping centre in the UK
- Over 30 million day visitors to the city each year

**No.1**

legal and financial centre outside of London

**7m**

people live within a 60-minute drive of Leeds City Centre

**£70bn GVA**

Leeds City is the largest economic Contributor in the Northern Powerhouse

**30M**

day visitors to the city each year

**£1.5bn**

set to be added to the Leeds economy by 2026 via continued economic growth

**£500m**

record breaking sums are being invested into Leeds South Bank

**5th**

largest shopping centre in the UK



# REA SITUATION LS10 1LT

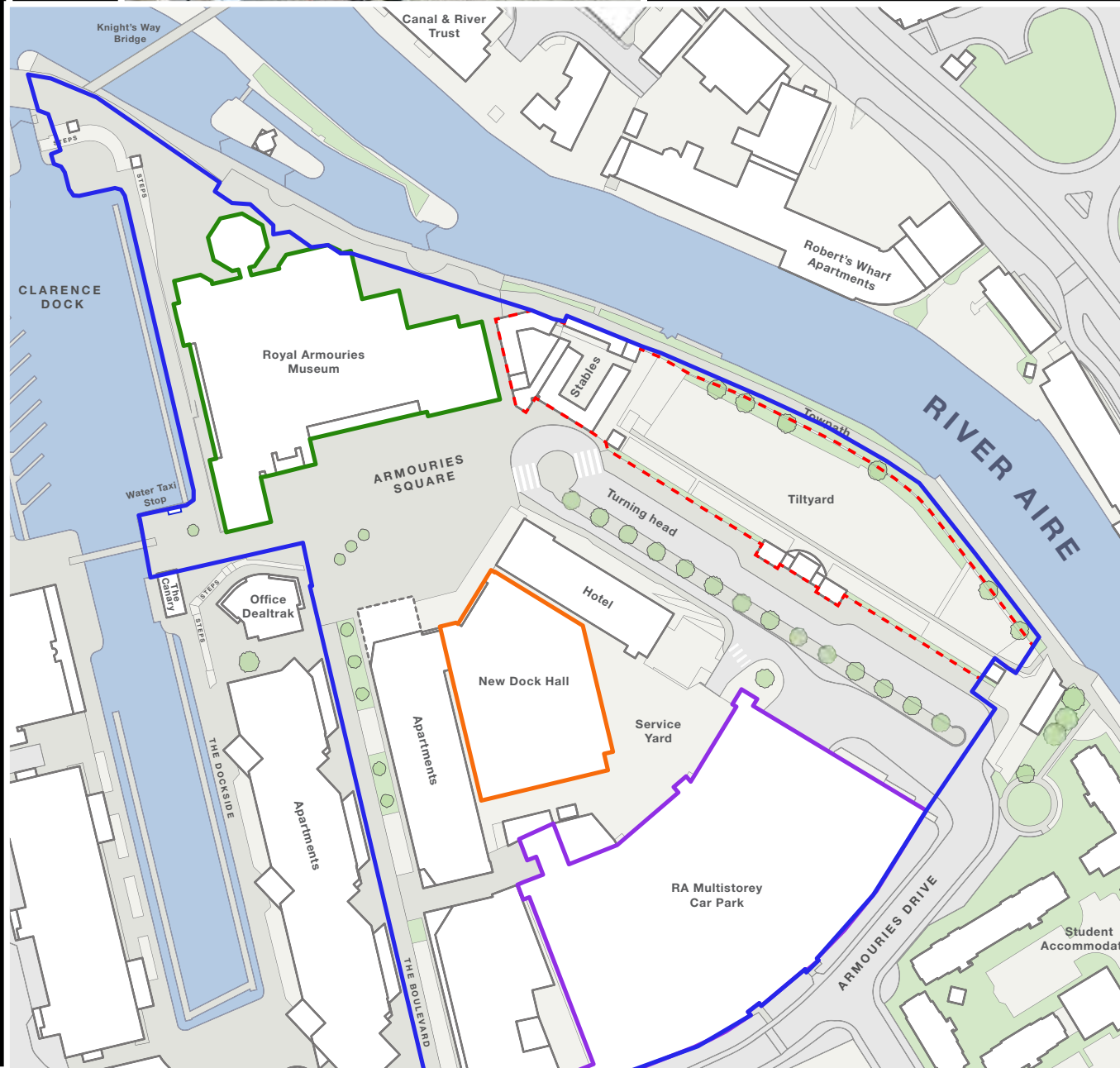
THE PROPERTY FORMS PART OF THE 'SOUTH BANK EAST' AREA OF THE CITY, A FORMER DOCK AREA WHICH HAS SEEN MAJOR REDEVELOPMENT/ REGENERATION OVER THE LAST 3 DECADES CREATING A VIBRANT COMMERCIAL AND RESIDENTIAL AREA WITHIN A 10 MINUTE WALK OF THE CITY CENTRE.

The property is accessed off Armouries Drive which connects with the A61 inner ring road within 200m and then links with Junction 3 of the M621 within 1 mile.

There is a water taxi service connecting the docks with the city centre which run every 20 minutes together with dedicated cycle and walkways.

Historically a dockyard for supplying materials to the city's heavy industries, the area has been completely transformed into a highly successful area being not just home to the Royal Armouries Museum but also seeing a diverse range of office, residential, restaurants, conference/ event space, bars, shops, hotels and gyms.

The area has become the chosen 'venue' for the highly successful UKREiif conference each year which will return again in 2025.



# REA WE ARE MANY THINGS. WE ARE LEEDS

THE UNOFFICIAL CAPITAL OF YORKSHIRE. A CITY AT THE HEART OF THE ACTION, BURSTING WITH LIFE AND CULTURAL ENERGY. A VIBRANT CREATIVE COMMUNITY, WITH AWARD-WINNING NATIONAL THEATRE AND DANCE COMPANIES, A WORLD-CLASS ARENA, AND A THRIVING INDEPENDENT FOOD SCENE YOU WON'T FIND ANYWHERE ELSE. A RENOWNED RETAIL DESTINATION, WHERE BIG BRANDS MEET VICTORIAN ARCADES, AND A WELCOMING HOST FOR INTERNATIONAL SPORTING EVENTS, COLOURFUL CARNIVALS, AND A PACKED CALENDAR OF FESTIVALS AND EVENTS. A SKYLINE FILLED WITH BREATHTAKING ARCHITECTURE, AND A DESTINATION EASILY REACHED BY ROAD, RAIL AND AIR.

The city boasts over 30-million-day visitors generating over £1.89 billion to the local economy. In addition to the 300,000 people who visit Royal Armouries the city offers many other attractions.

## SPORTING ARENA

The City hosts a variety of domestic and international sporting events. Elland Road is the home to Leeds United whilst Headingley Stadium houses Yorkshire County Cricket, Leeds Rhino, Yorkshire Carnegie together with Test Match cricket and rugby internationals.

## YORKSHIRE DALES NATIONAL PARK

8 million visitors in 2023 generating an estimated £427m to local economy.

## MUSIC VENUES/FESTIVALS

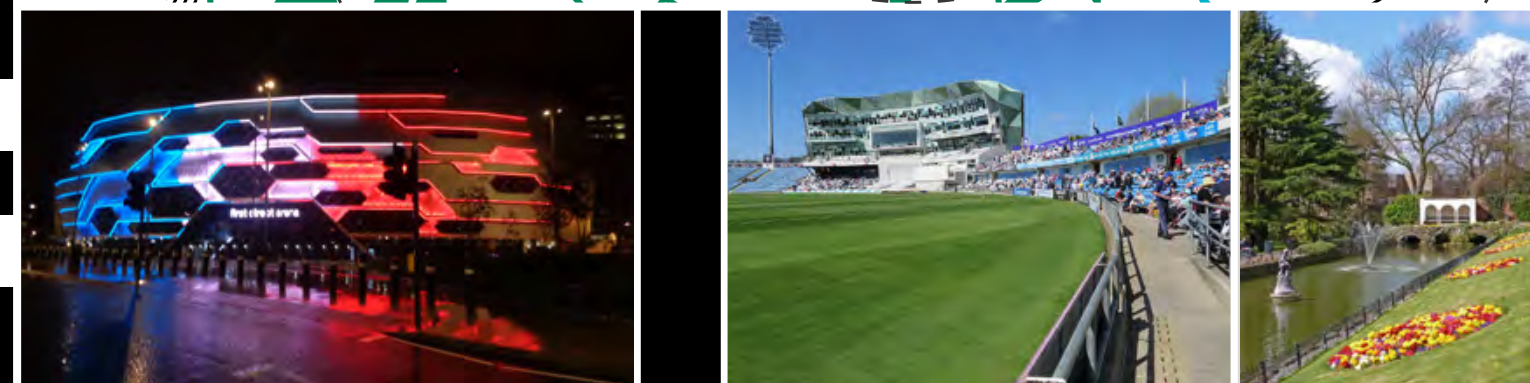
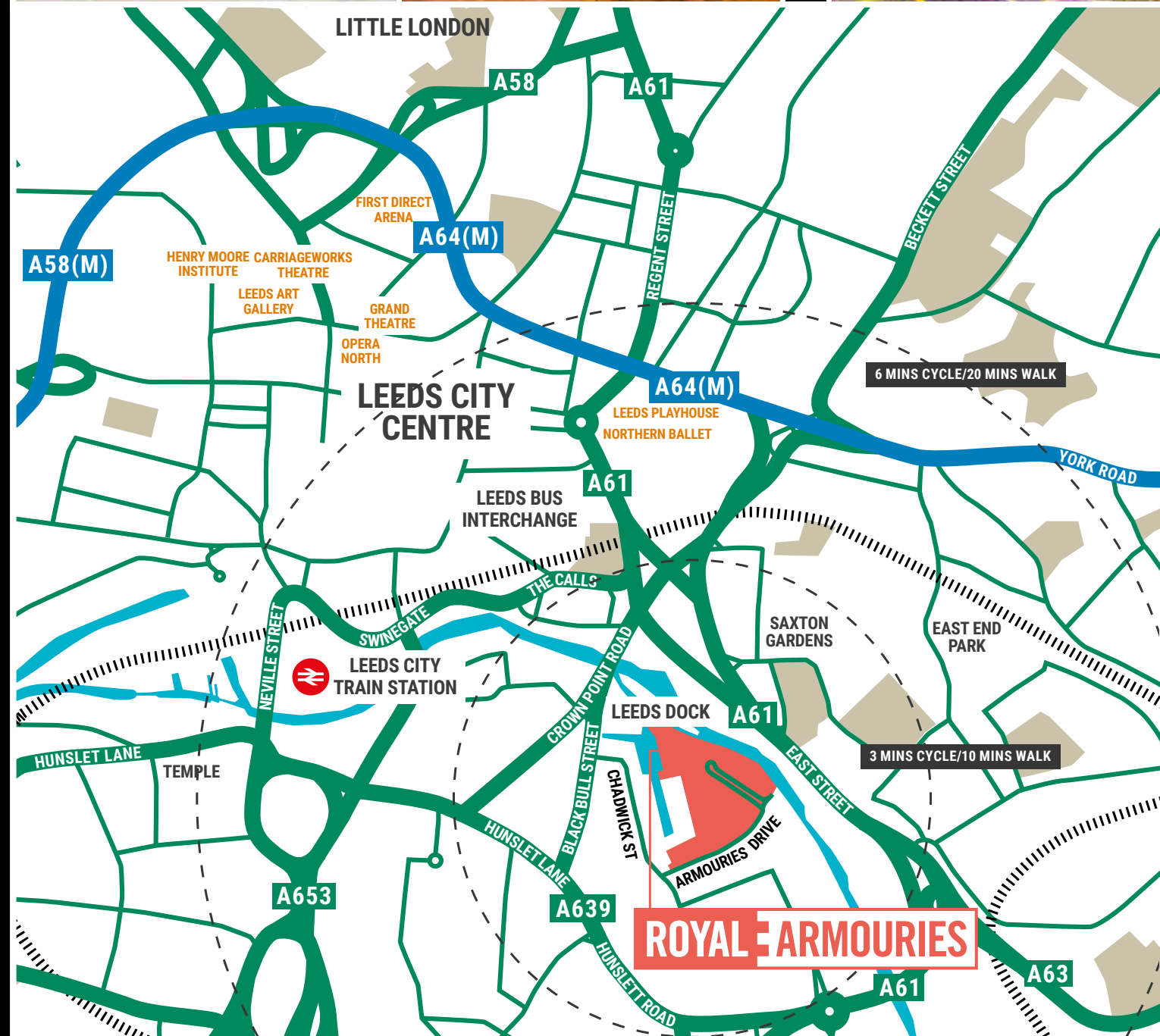
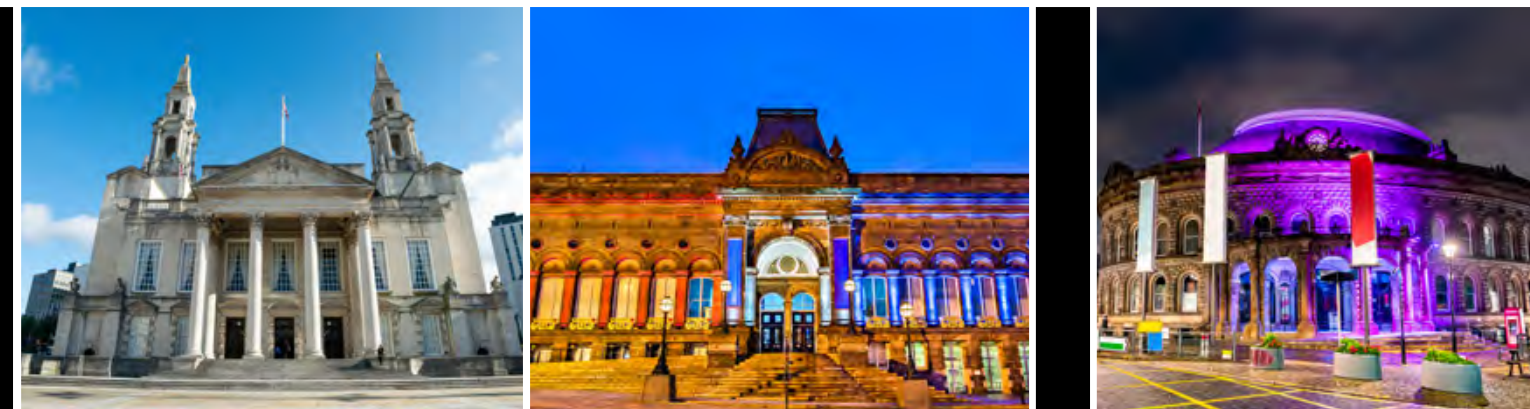
First Direct Arena, Roundhey Park and the Leeds Fest at Bramhall host a wide variety of music and other performances across the city welcoming over 500,000 people each year.

## ART GALLERIES

Over 2 million people visit Leeds Art Gallery, Hepworth Gallery, Henry Moore Institute, Harewood House, Sunny Bank Mills, Yorkshire Sculpture Park and the Leeds Arts University each year.

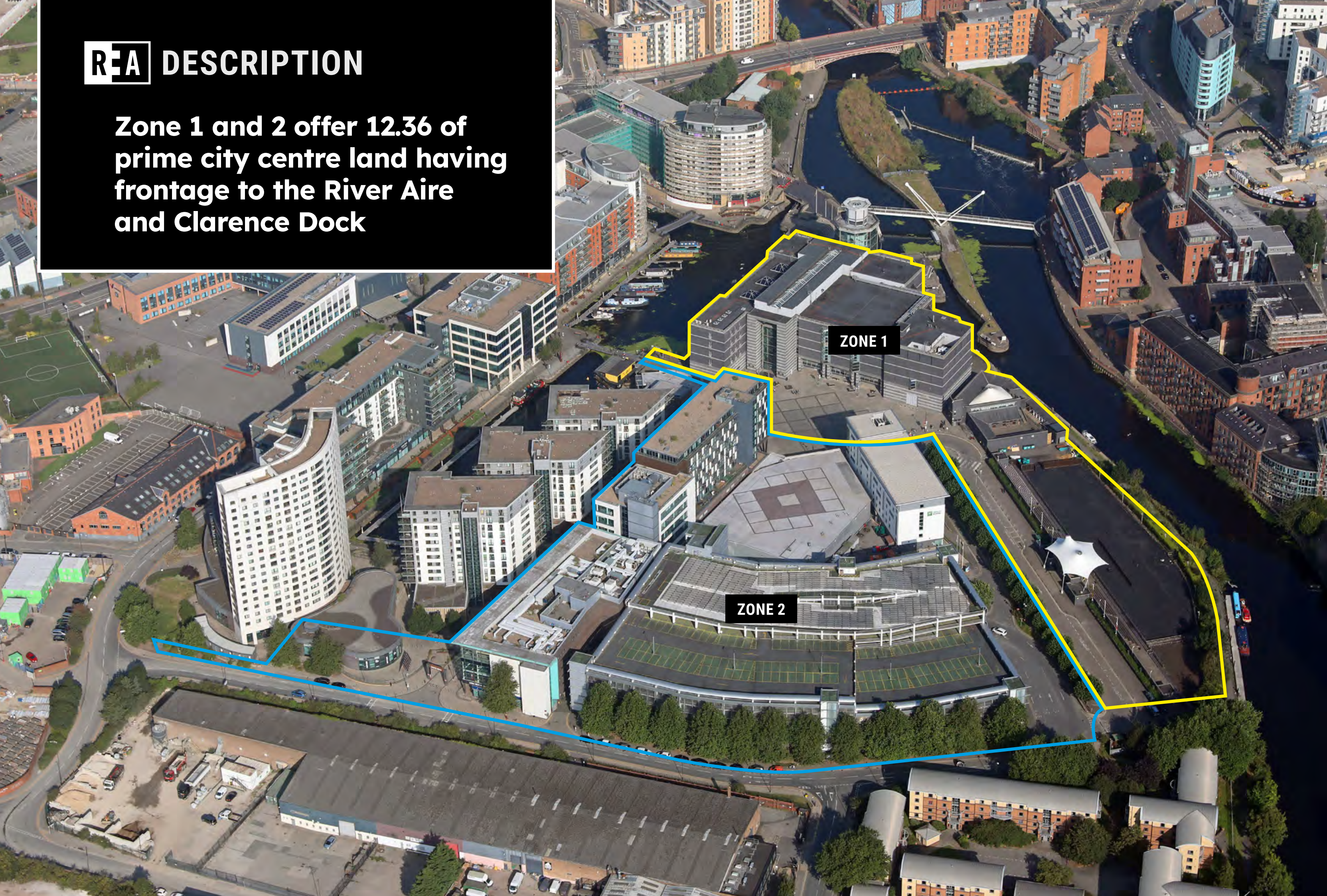
## THEATRE AND PERFORMING ARTS

The City promotes a diverse range of events hosted at the Grand Theatre, Leeds Playhouse, Northern Ballet, Opera North and Carriageworks.



# REA DESCRIPTION

**Zone 1 and 2 offer 12.36 of prime city centre land having frontage to the River Aire and Clarence Dock**





## REA DESCRIPTION

THE PROPERTY COMPRISES TWO DISTINCT ELEMENTS

# ZONE 1 ROYAL ARMOURIES MUSEUM

THE PROPERTY WAS ORIGINALLY BUILT IN 1995 AT A COST OF £42,500,000, CREATING A PURPOSE-BUILT STATE OF THE ART MUSEUM WHICH HOLDS THE NATIONAL COLLECTION OF 'ARMS AND ARMOURY' WHICH WAS OPENED BY QUEEN ELIZABETH II. THE ROYAL ARMOURIES HAVE REDEVELOPMENT PLANS FOR THE 'TILTYARD/STABLES AND CRAFT COURT.

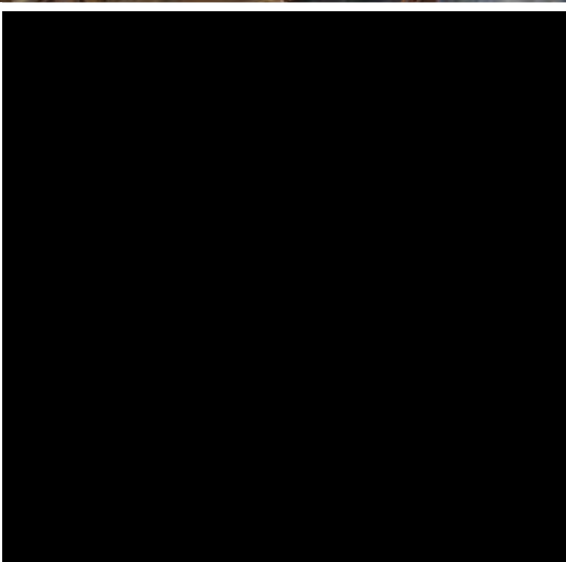
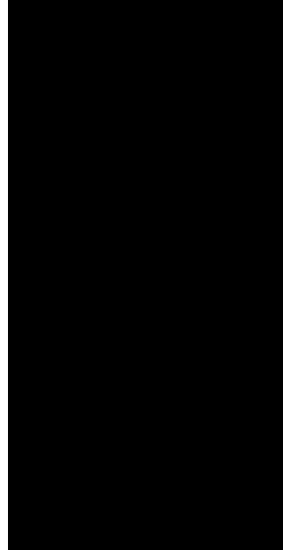
The building provides circa 155,000 sq ft with accommodation over ground and 5 upper floors on a site of 5.03 acres. The building was the main focal point for the regeneration of the Leeds Waterfront.

The museum was effectively designed from inside out with the ceiling heights designed to accommodate the longest weapons in the collection, being 6.5m off the ground at their highest point. The majority of the space is open to the public providing galleries, cinemas, conference, visitor learning areas, retail and café facilities. In addition, there are storage areas and offices used by the tenant.

Main public access is off Armouries Square, a traffic free pedestrianised area.

Adjacent to the main building is an area known as The 'Tiltyard' which is an outdoor area where the Royal Armouries host live displays of military and sporting skill-at-arms, jousting and other equestrian shows. The space provides fixed uncovered seating and 80m long performance area. This space is sometimes used for hosting larger conferences such as UKREiIF.

The Craft Court is a collection of single storey buildings around a small, covered courtyard next to the Tiltyard. The Stables is a purpose-built facility used for temporary stabling during events.



**'THE HALL OF STEEL'  
- A SOARING STAIRCASE WHOSE  
WALLS DISPLAY HISTORICAL  
ITEMS REMINISCENT TO THOSE  
ERECTED IN THE TOWER OF  
LONDON IN 1660.**





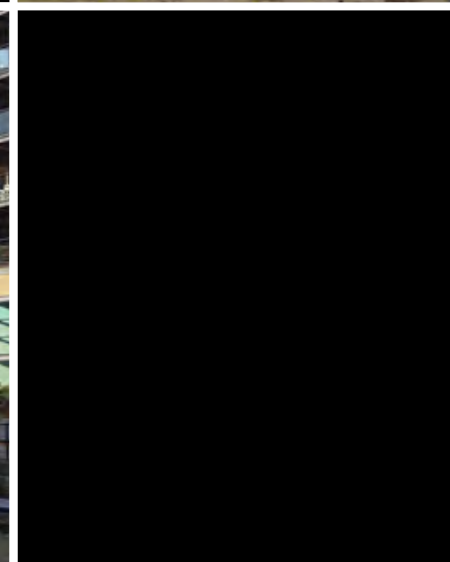
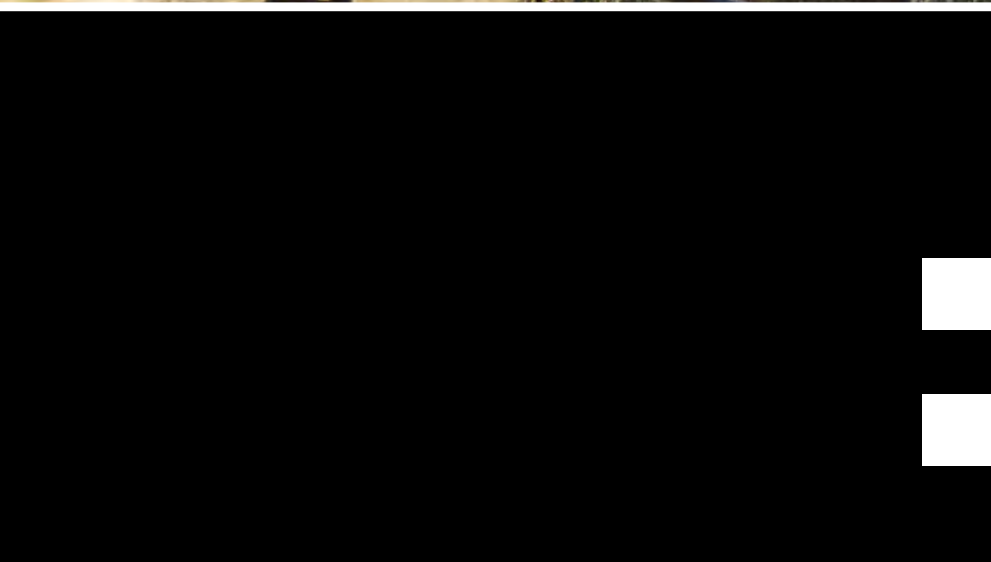
## **REA** DESCRIPTION

# ZONE 2 NEW EXTERNAL ZONE

DEVELOPED AT A LATER STAGE TO THE MUSEUM THE MIXED USE SITE TOTALS 7.33 ACRES (2.97 HECTARES) AND INCLUDES.

- Multi storey car parking providing 1500 spaces, the largest car park in the city.
- 130-bedroom Holiday Inn.
- New Dock Hall – 29,000 sq ft conference centre.
- Clarence and Cartier House providing 350 high-end apartments.
- 94,000 sq ft office space within Department and Stanley House.
- Various ground floor retail and restaurants.

Initially this area was used by the Royal Armouries under a development agreement whilst building the Museum for their construction team and then as a temporary car park until the multi storey car park was developed on the sites.



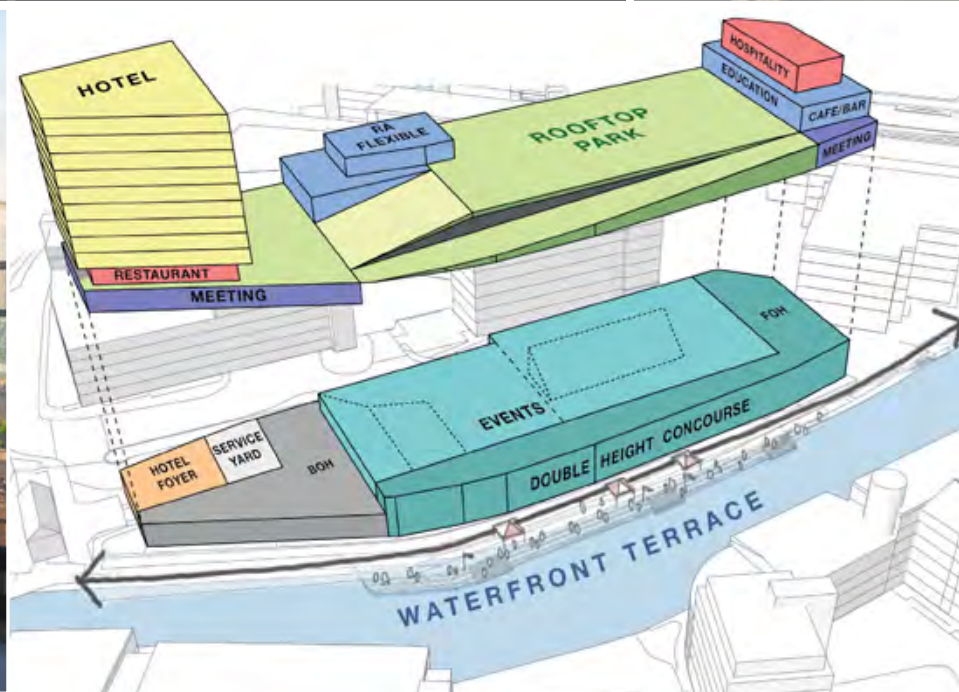


# REA REDEVELOPMENT PLANS

2023 marked the 700th anniversary of the appointment of Keeper of the Privy Wardrobe at the Tower of London – representing the first documented official administration of the monarch’s arms and armour.

Planning for the next 700 years the ‘Armouries 700 masterplan’ has been produced setting out their vision for the future. This includes a major capital project at Leeds for a potential £150m development on part of the museum site.

**THE TRUSTEES OF THE ROYAL ARMOURIES HAVE COMMISSIONED A PROFESSIONAL TEAM INCLUDING BDP AND IPW, LOOKING AT EXCITING PLANS TO REDEVELOP THE AREA KNOWN AS ‘THE TILTYARD’. THIS IS AN AREA CIRCA 1.41 ACRES ADJACENT TO THE MAIN MUSEUM BUILDING WHICH HAS EXTENSIVE RIVERSIDE FRONTAGE. THE ROYAL ARMOURIES AS PART OF THEIR VISION FOR THE FUTURE ARE LOOKING TO EXPAND THEIR EVENTS BUSINESS ALONGSIDE ITS CULTURAL OFFER WITH PLANS TO CREATE:**



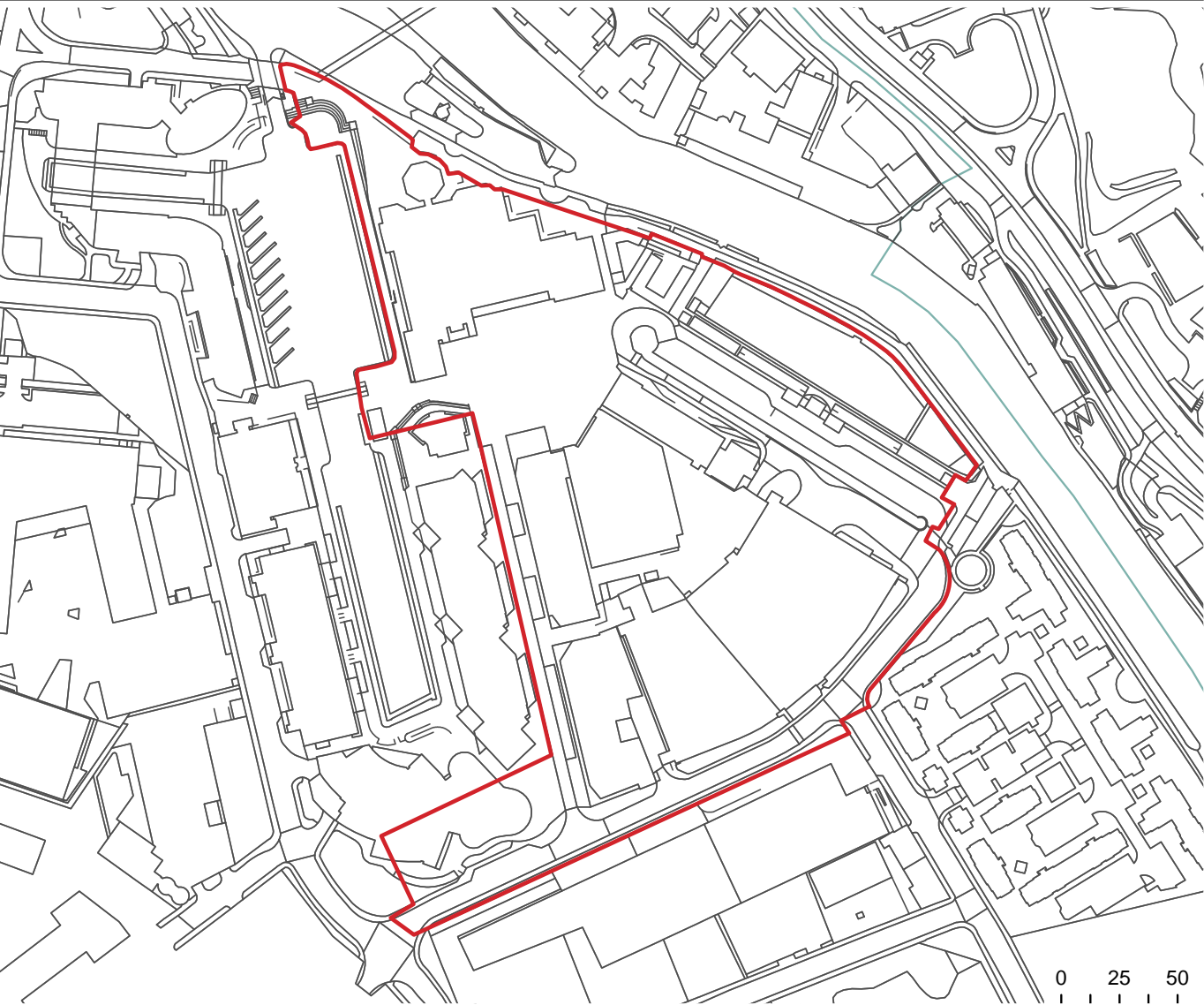
- A new conference/exhibition centre of up to 60,000 sq ft.
- New 175-bedroom hotel .
- Better outdoor facilities for the museum to hold larger events.
- Upper level meeting rooms and hospitality space.
- New public realm with roof top amenities.
- Additional bars/restaurants and administrative space.

The proposals are at an early, pre-planning stage and still require Funding. However, the Royal Armouries are working with the Local Authority, West Yorkshire Combined Authority and Government Stakeholders to prepare a funding strategy.

# REA TENURE

**THE PROPERTY WILL BE SOLD FREEHOLD AS SHOWN EDGED RED ON THE PLAN BELOW.**

Our client will be excluding from the sale, the dock walls and towpath which run along a number of the boundaries. In addition, they will retain responsibility for maintaining these looking to recover a percentage of the costs they incur each year from the freeholder. The freeholder has the ability to recover the charges they pay direct from the long leaseholder.



# REA TENANCY INFORMATION

The property will be sold with the benefit of the 2 ground leases.

## ZONE 1- EDGED YELLOW MUSEUM OVERRIDING LEASE

The property is let to the Board of Trustees of the Armouries for a term of 999 years (plus 3 days) from 29 January 1997, on full repairing and insuring terms, at a current rent of £491,500 per annum which increases to:

£591,500 per annum from 30th March 2026

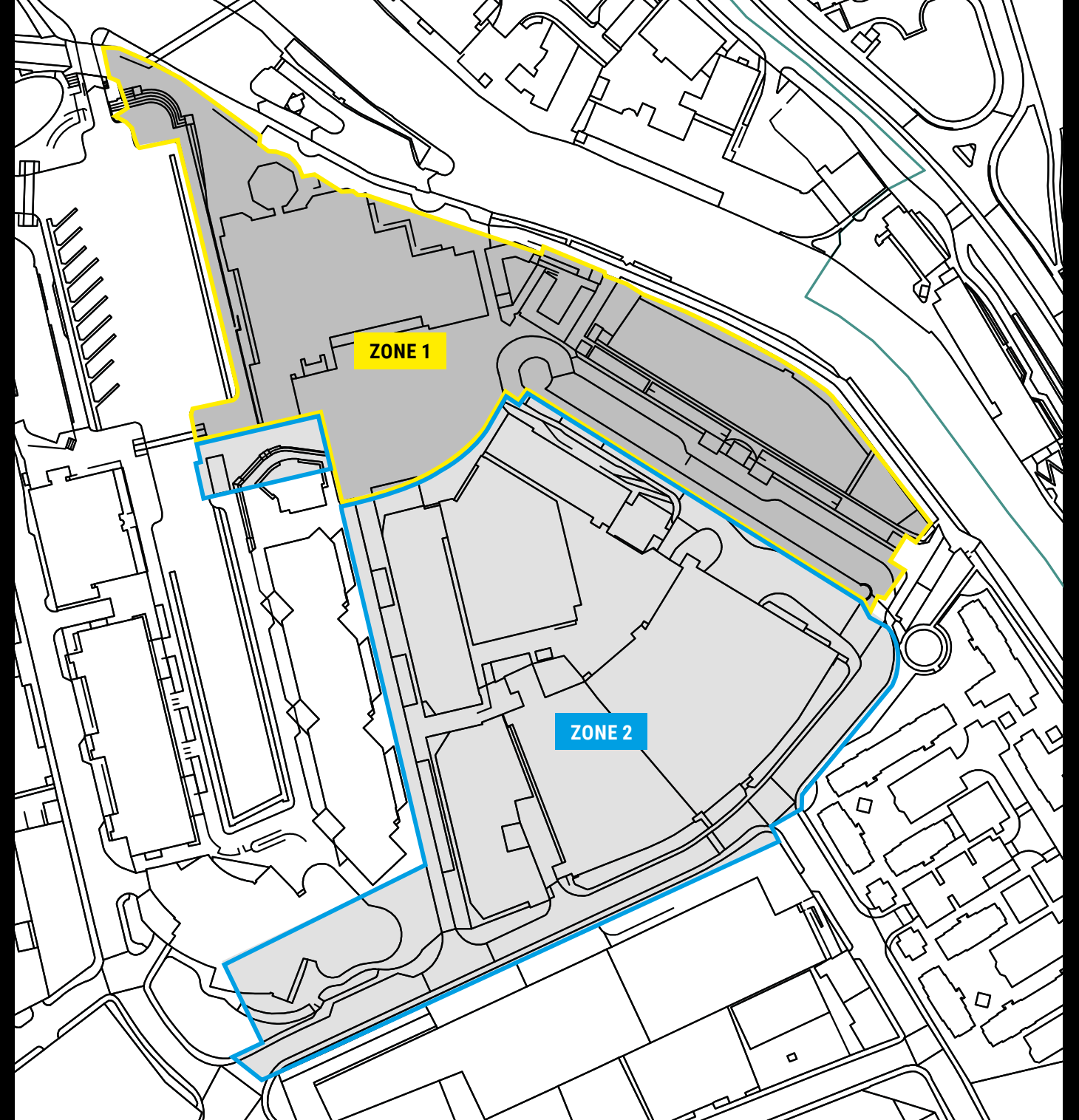
£691,500 per annum from 30th March 2036

The lease contains several additional rent review clauses where the landlord may be able to obtain additional rent/premium payments. We are of the opinion the proposed re-development plans for the Tiltyard will trigger additional payments, although this can not be quantified until there is an agreed scheme.

The lease is subject to a schedule condition relating to the dock walls only.

Following documenting the schedule of condition the landlord comprehensively repaired/refurbished all the dock walls. The lease contains provisions where the tenant contributes towards the future costs of repairing the dock walls, with the balance paid by the landlord.

Our client intends to retain the dock walls and towpath from the sale and will keep the repairing obligations. The Trust will recover the costs of these works from the new buyer who then will be able to recover them from the tenant under the covenants in the ground lease.



## ZONE 2 - EDGED BLUE NEW EXTERNAL ZONE OVERRIDING LEASE

The property is let to the Board of Trustees of the Armouries for a term of 999 years (plus 3 days) from 29 January 1997, on full repairing and insuring terms, at a current rent of £1,000 per annum.

The lease is subject to a schedule of condition relating to the dock walls only.

The tenant has underlet the whole area to Canal and River Trust by way of 2 underleases obtaining a fixed rent of £100 per annum plus 84.44% of the income received by the Trust from the multi storey car park. The tenant currently benefits from a combined rent in excess of £500,000 per annum.



# REA TENANT INFORMATION-BACKGROUND



**THE ROYAL ARMOURIES BEGAN LIFE AS THE MAIN ROYAL AND NATIONAL ARSENAL HOUSED IN THE TOWER OF LONDON WITH HISTORY DATING BACK TO THE 11TH CENTURY. THEY ARE NOW THE GUARDIANS OF THE UK'S NATIONAL COLLECTION OF ARMS AND ARMOUR, INCLUDING THE NATIONAL ARTILLERY AND FIREARMS COLLECTIONS.**

Since the 11th Century they occupied buildings within the Tower of London before moving the majority of their collection to the purpose-built museum in Leeds in the mid 1990's. They are the UK's national museum of arms and armour being recognised as one of the most important museums in the world.

Leeds is now the principal museum for the organisation displaying the majority of their 75,000 objects, although they do still have a presence at The Tower of London together with a new development, Fort Nelson, Portsmouth.

**ROYAL ARMOURIES**

# REA TENANT INFORMATION

The Royal Armouries was established in its present form by the National Heritage Act (1993) and is a Non-Departmental Public Body (NDPB) sponsored by the Department for Culture, Media and Sport (parent body) but operating at 'arm's length' from it. There is a Management Agreement in place with DCMS and receipt of Grant-in-Aid is dependent upon the Royal Armouries' compliance with the agreement.

They receive Grant-in-Aid funding from government each year together with raising additional funds through commercial activity and from donations and sponsorship. The Royal Armouries is an exempt charity under the Charities Act 1993.

The Board of Trustees were established in 1984 and are the governing body for the Royal Armouries. The Trustees are appointed by the Secretary of State for Culture, Media and Sport (DCMS), apart from one appointed by HM The King and another, the Constable of the Tower of London, who is a member ex-officio.

## ROYAL ARMOURIES

The board hold the collections in Trust on behalf of the nation.

- Care for, preserve and add to the objectives of their collections
- Secure that the objects are exhibited to the public
- Secure that the objects are available for study and research
- Maintain a record relating to their collections, to arms and armour in general and by the Tower.
- To promote the public's enjoyment and understanding of arms and armour

The primary activity undertaken in relation to these objectives is the operation of the Royal Armouries Museum across the three sites in Leeds, Portsmouth and the Tower of London.

Further information on the tenant can be found at [www.gov.uk/official-documents](http://www.gov.uk/official-documents) and [www.royalarmouries.org](http://www.royalarmouries.org).



# **REA** FURTHER INFORMATION

## **DATA ROOM**

Further information is available within a dedicated data room. Please contact the agent for access.

## **VAT**

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

## **EPC**

Copy of the EPC certificates can be provided to interested parties within the data room.

## **AML**

The purchaser will be required to provide all necessary information to comply with anti-money laundering legislation.



## PROPOSAL

We are instructed to seek offers in excess of **£11,690,000 (Eleven Million, six hundred and ninety thousand pounds)** plus VAT, which based upon a 'topped up' income of £592,500 pa, reflects a net initial yield of **4.75%** rising to **5.55%** in 2036 based on a fixed rental uplift.

The lease for Zone A, incorporates a number of additional rent review clauses which we believe can substantially improve the landlord's income or generate premium payments if the development is for 'non museum' purposes over the term of the lease.

If Royal Armouries look to implement their development plans for the area known as the Tiltyard, we believe this will trigger additional value to the landlord in terms of a significant premium payment.

## ALL ENQUIRIES

For viewings and further information, contact the sole agents:

**David Winterbottom**  
07836 225 552  
david.winterbottom@avisonyoung.com

**Jill Goodman**  
07802 985 417  
jill.goodman@avisonyoung.com

**Daniel Shepherd**  
07748 118 999  
daniel.shepherd@avisonyoung.com

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