HOWLINGS HODGSON
PROPERTY INVESTMENT MANAGEMENT

CASE STUDY

Iconic Grade 1* listed building with performance potential

Property: Grade I* Listed multi-let office building in Liverpool
Client: Institutional Fund Manager
Project: Letting voids and re-gearing leases to add capital value

Problem

- Following the sale of the Royal Liver business, the building no longer formed the HQ. The management of the building was transferred to London.
- The landlord was concerned that the management changes would be perceived negatively by the occupiers.
- The building totalled 330,000 sq.ft.over 11 floors.
- The client's interest was, at the time of instruction, subject to an average unexpired lease term of **5.55 years,** with some tenants occupying under very short leases.

Solution

- Intensive 'hands on' Asset Management approach which commenced with a full occupier audit and review of the services and facilities provided by the Landlord.
- Re-tendering of the on site catering and appointment of a new operator to upgrade the facility and introduce an on site ATM to form part of the 'sales pitch' for the building.
- Launch of a bespoke website and Occupier Loyalty Scheme (the first in Liverpool) to raise the profile of the building as a modern office in the City.
- Integration of the localised property management and asset management functions to deliver a joined up service to both the client and occupiers. Regular meetings with the letting agents, property managers, building surveyors and M&E consultants, to retain the necessary focus for the building.

Results

- In the first 2 years, the net rent roll increased by more than 10% following the completion of 9 transactions. The average unexpired term remained at over **5 years** during the period**.**
- A further 9 transactions over the next 12 months further increased the income level AND increased the average unexpired term materially from 5.30 years to 7.91 years (50%).
- Overall, lease re-gears were completed on 45% of the income, PLUS, in addition, occupiers expanded and/or relocated on a further 30% of income PLUS 7 new occupiers were attracted into the building on a further 10% of space.

Transactions
18 deals in 4 years

Rental income increase
10%

Unexpired lease term increase
44%