

121-123

Queen Street

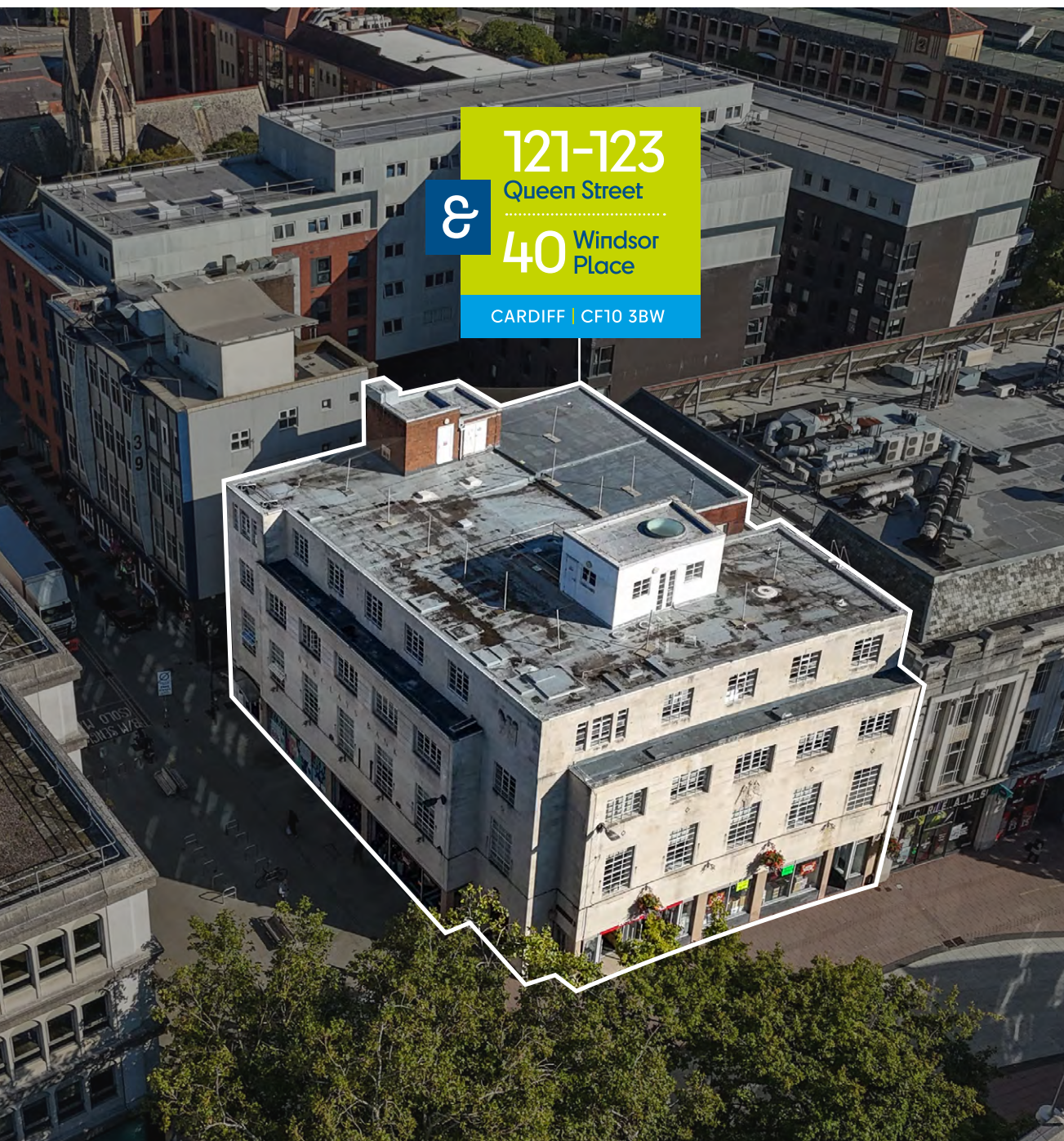
&

40 Windsor  
Place

CARDIFF | CF10 3BW



Highly visible, prime corner block located in the heart of Cardiff city centre with significant redevelopment potential



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# Investment Summary

- Former banking hall located in the heart of Cardiff city centre
- Highly prominent corner site at the junction of Windsor Place and the pedestrianised Queen Street
- Current total annual passing rent of £272,480 per annum and a flexible letting on the retail
- Planning permission granted for the conversion and extension of the building to provide 33 residential apartments
- Totalling 21,575 sq ft NIA over basement, ground and three upper floors
- Within 5 minutes' walk from the entrance to Cathays, which is Cardiff's foremost student district and is home to nearly 50,000 students
- Cardiff is the capital city of Wales with a population of over 350,000 people and over 1.2m people in the wider catchment area
- 80,000 students across four growing institutions of higher education
- ERV of circa £300,000 per annum
- 28% of the income secured against the strong covenant of Serco
- Various asset management opportunities through lease re-gears, potential uplift in both office & retail rental values and repositioning
- Potentially suitable for a range of alternative uses including residential, student accommodation or hotel subject to necessary consents

The building is offered at **£2,950,000 (Two Million Nine Hundred and Fifty Thousand Pounds)**, subject to contract and exclusive of VAT. Pricing at this level reflects the following profile:

|                       |       |
|-----------------------|-------|
| Net initial yield of  | 8.64% |
| Reversionary yield of | 9.50% |
| <b>£137 per sq ft</b> |       |

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40 Windsor Place

## Location & Situation

The property occupies a highly prominent position fronting Queen Street, Cardiff's prime pedestrianised retail destination, as well as presence on Windsor Place, one of the city's most established professional office locations. Queen Street benefits from exceptionally high footfall, drawing from both local residents and visitors as well as Cardiff's significant student population and is home to leading national retailers including M&S, Matalan, Boots, Next and JD Sports, with the St David's Shopping Centre (anchored by John Lewis) situated nearby.

The dual frontage of the properties onto Queen Street and Windsor Place provides a unique blend of exposure to Cardiff's busiest retail pitch while also benefiting from proximity to a core office and professional services hub, home to numerous law firms, consultancies and financial occupiers.

The surrounding area has benefitted from major investment and regeneration, including the Central Square development (delivering over 1.5 million sq ft of new office, residential and leisure space adjacent to Cardiff Central Station) and the new Cardiff Bus Interchange, which together will further enhance connectivity and reinforce Cardiff city centre as the commercial and cultural capital of Wales.



BBC

HM Revenue & Customs

British Gas  
Looking after your world

Legal & General

ZURICH

ESTD 1882  
BRAINS

>80,000  
Average Daily  
Footfall

20 million  
Annual Visitors

260,000  
Working  
Population

80,000+  
Students

Highly visible, corner block located in the heart of Cardiff city centre with redevelopment potential



 Cardiff Central

Howells Building

Central Square Development

St Davids Hall

St Davids Shopping Centre

Principality Stadium

Cardiff Castle

Cardiff Arms Park

Queen Street

Capitol Centre

 Queen Street



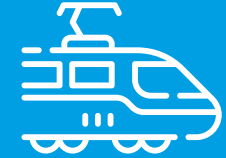
The Property



**60 mins**  
Bristol

**140 mins**  
Birmingham

**180 mins**  
London



**50 mins**  
Bristol

**110 mins**  
London Paddington

**120 mins**  
Birmingham

## Communications

The property benefits from excellent transport links, lying within a 5-minute walk of Queen Street Station, which provides regular rail services across South Wales, including Newport and the South Wales Valleys. Cardiff Central Station, the city's principal rail hub with direct connections to London Paddington, Bristol and Birmingham, is also within easy reach.

The properties enjoy strong road communications, with the A4232 and M4 motorway accessible in under 15 minutes, offering strategic links to Newport, Bristol and the wider South West. Numerous local bus routes serve the surrounding area, while cycle routes and pedestrian links provide further connectivity across the city. Cardiff Airport is located approximately 12 miles south-west, accessible both by road and direct rail link from Cardiff Central, offering a range of domestic and international flights.

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**40** Windsor Place

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## Queen Street – retail over the years

As the retail core of the Welsh capital, Queen Street draws from a wide regional catchment, complemented by international tourism linked to Cardiff's status as a cultural and sporting destination. The street connects Queen Street railway station with Cardiff city centre's historic and recreational venues such as the Cardiff Castle, Bute Park, the Principality Stadium and Sophia Garden Cricket Ground as well as leading towards the riverside.

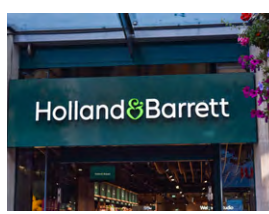
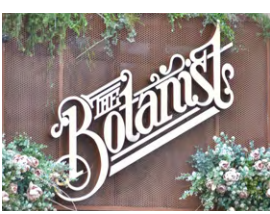
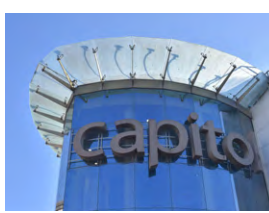
Historically, Queen Street was synonymous with David Morgan's, Cardiff's largest independent department store, which traded from 1879 until its closure in 2005. The building, with its striking Edwardian façade, has since been sensitively converted into apartments and commercial space, but remains an architectural landmark that reflects Queen Street's retail heritage. Other long-standing names have also occupied large frontages over the decades, cementing the street as the traditional centre of Cardiff's shopping district.

The architectural character of Queen Street reflects Cardiff's growth during the late Victorian and Edwardian periods, with large retail frontages and imposing façades designed to accommodate the era's major multiples. While the tenant mix has evolved, the street's historic fabric remains evident, anchoring Queen Street's long-standing role at the heart of Cardiff's retail offer.

Pedestrianisation in the 1970s transformed Queen Street into one of the UK's busiest shopping streets, improving accessibility and reinforcing its function as Cardiff's primary retail pitch. Today, Queen Street sits at the heart of Cardiff's retail ecosystem, complemented by nearby destinations such as St David's Shopping Centre and The Hayes. Ongoing city centre regeneration, including Central Square and Central Quay, continues to strengthen Cardiff's commercial core, with Queen Street remaining its principal high street retail pitch.



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# The Building

121-123 Queen Street & 40 Windsor Place comprises a highly attractive four storey art deco mixed-use corner building with Portland stone facades. The property has been configured to provide prominent ground and lower ground floor retail accommodation with return frontage and self-contained office upper parts. The office accommodation benefits from excellent natural light thanks to the building's corner position and triple aspect views. The office element is fitted out to a modern specification including the following:

COMFORT COOLING AND HEATING

FULL RAISED ACCESS FLOORS

SUSPENDED CEILINGS

MIXTURE OF RECESSED LED AND LG3 LIGHTING

LIFT ACCESS

MALE, FEMALE AND DISABLED WCS



The property provides the following areas:

| Floor        | Use    | GIA (Sq Ft) | NIA (Sq Ft) |
|--------------|--------|-------------|-------------|
| 3rd          | Office | 5,159       | 4,250       |
| 2nd          | Office | 5,689       | 4,781       |
| 1st          | Office | 5,726       | 4,143       |
| Ground       | Retail | 5,962       | 5,131       |
| Lower Ground | Retail | 5,011       | 3,270       |
| TOTAL        |        | 27,547      | 21,575      |

All areas are provided on both a net internal and gross internal basis.

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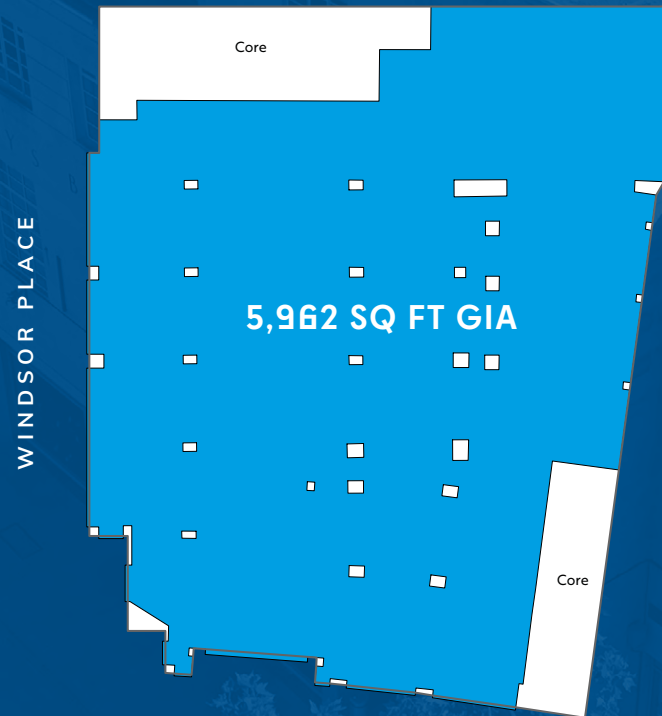
40 Windsor Place

## Floorplans



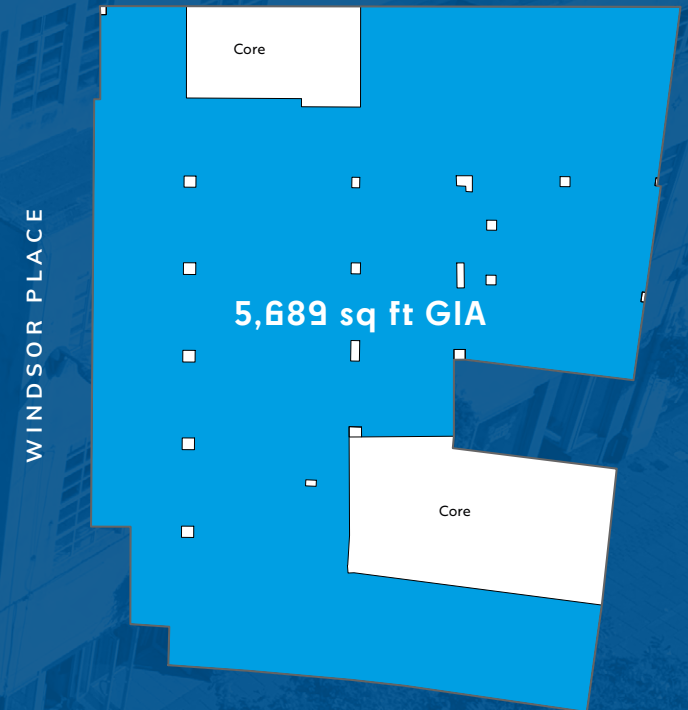
QUEEN STREET

LOWER GROUND FLOOR



QUEEN STREET

GROUND FLOOR



QUEEN STREET

TYPICAL UPPER FLOOR



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# Asset Management

There are a number of asset management initiatives which can be explored to improve the value of the building. We have highlighted some of the opportunities below:



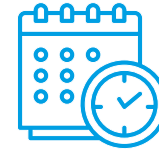
Granted consent in place for the residential conversion of upper floors and two floor extension to provide 33 residential apartments (class C3) – planning reference number 21/01572/ MJR. Further details on application available within the data room.



Opportunity to target the rapidly expanding creative sector with buildings nearby achieving rents of £25-£30 psf on smaller, flexible type leases.



Potential in the future to convert the upper floors to residential subject to all the necessary consents. With multiple cores and access points, the building lends itself to creating a self-contained first floor.



Improve the passing rent via forthcoming lease events. We are of the opinion that the passing rents are low and further reversion could be extracted at Lease events in the short and medium term.



The property offers break-up potential to sell individual units at a premium to the quoting price.

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# Tenancy Schedule

| Address / Unit       | Floor                 | Use    | Tenant                      | Area (Sq Ft) | Lease Start | Lease Expiry | Lease Break | Rent Review | Rent pa  | Rent psf | ERV pa   | Rent psf | Expiry (years) | Comments                                                                                                                                                                                                     |
|----------------------|-----------------------|--------|-----------------------------|--------------|-------------|--------------|-------------|-------------|----------|----------|----------|----------|----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 40 Windsor Place     | 3rd                   | Office | EIP Europe LLP              | 4,250        | 29/04/2024  | 28/04/2029   | N/A         | N/A         | £65,000  | £15.29   | £65,000  | £15.29   | 3.61           | i Mutual rolling breaks giving 6 months' notice on or after 29 April 2025. 3 months rent free in year 1, and 2 months every year from years 2-5.                                                             |
| 40 Windsor Place     | 2nd                   | Office | Instant Managed Offices Ltd | 4,781        | 07/09/2022  | 06/09/2027   | Rolling     | N/A         | £71,355  | £14.92   | £71,355  | £14.92   | 1.96           | i Sub Let to Capita Health & Wellbeing - D1 use.<br>ii Mutual Rolling Option to Determine, subject to the Landlord providing not less than 7 months prior written notice, and the Tenant providing 6 months. |
| 40 Windsor Place     | 1st Rear              | Office | Serco Ltd                   | 1,604        | 23/07/2025  | 31/07/2029   | 01/11/2026  | N/A         | £15,000  | £9.35    | £16,040  | £10.00   | 3.87           | i Mutual break exercisable on 6 months written notice<br>ii Service charge capped at £10psf with index linked reviews annually in November                                                                   |
| 40 Windsor Place     | 1st Front             | Office | Maximus UK Services Ltd     | 2,539        | 25/01/2024  | 30/11/2027   | 30/11/2025  | N/A         | £37,125  | £14.62   | £35,000  | £13.78   | 2.20           | i Lease being assigned to Serco Ltd.<br>ii Reversionary lease signed from 25 Jan 2024 to 30 Nov 2027.<br>iii Mutual breaks on 30th June 2025, 30th November 2025 and 30th November 2026.                     |
| 121-123 Queen Street | Ground & Lower Ground | Retail | RMA Home Ware Ltd           | 8,401        | 05/08/2025  | 04/08/2028   | 04/02/2027  | N/A         | £84,000  | £10.00   | £110,000 | £13.09   | 0.13           | i Mutual break option after 18 months on 6 months notice.<br>ii Rent is inclusive of service charge & insurance.                                                                                             |
|                      |                       |        |                             | 21,575       |             |              |             |             | £272,480 |          |          |          |                | £297,395                                                                                                                                                                                                     |



capita

serco

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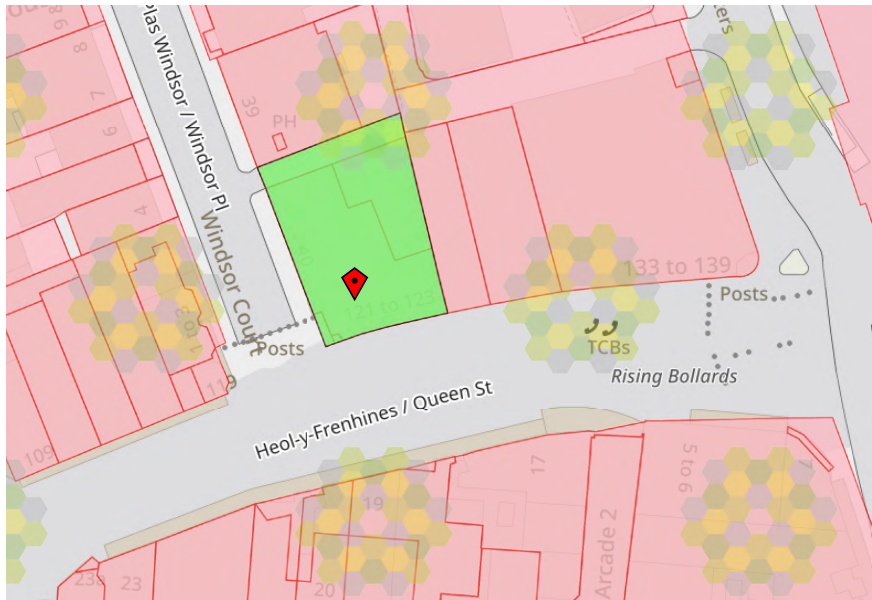
40 Windsor Place

# Planning

The property is situated within the City of Cardiff Council local authority area and sits within the St Mary Street Conservation Area, but it is not listed. It is worth noting that there is an existing consent in place for the change of use of the upper floors to residential (21/01572/MJR) which expires on 12th September 2027.

# Tenure

The building is held freehold under title numbers CYM322133.



CGI of consented development scheme.



# The Market

The Cardiff property investment market has demonstrated resilience over the past three years, underpinned by the city's status as the Welsh capital and its role as the principal retail, commercial and cultural centre for South Wales. Despite broader economic uncertainty, Cardiff has remained attractive to both domestic and international investors, with competitive yields and a strong occupational base across office, retail, leisure and residential sectors.

In the past 12 months, activity has been driven by a combination of institutional funds, overseas capital (French SCPIs) and private investors seeking opportunities at the sub-£20m level. Private buyers, in particular, have been active in Cardiff's city centre, where lot sizes are accessible compared to London but still benefit from the security of strong covenants and long income profiles.

Demand has been most pronounced for well-let, high-quality assets in core locations such as St Mary Street, Queen Street, Central Square and Cardiff Bay. Properties benefitting from recent refurbishment or repositioning have been especially sought after, as investors look for minimal near-term capital expenditure alongside secure income streams.

As we move through 2025 and into 2026, the outlook for Cardiff remains positive. The city continues to benefit from major regeneration schemes including Central Square, the new Cardiff Bus Interchange and the Civic Centre redevelopment, which are reinforcing Cardiff's appeal to occupiers and strengthening long-term investment fundamentals.

Investor confidence remains robust, evidenced by the depth of demand for prime city centre stock and the continued inflow of capital seeking exposure to Cardiff's growth story.

From an occupational standpoint, there are positive indications and strong drivers which support analysts forecast for strong office rental growth which presents a more readily achievable uplift in passing rents at least in the short term given the current build cost environment and existing tenure of the property which would make a change of use relatively unfeasible at present.



The number of lettings has remained historically robust, averaging 92 deals per year over the past ten years. This trend has continued post-pandemic, with an average of 90 deals annually over the past five years.



There are over 300,000 sq ft of requirements that will materialise over the next three-years.



Prime headline rent increased during Q2 2025, and has now reached £30 per sq ft, achieved at One Central Square and Hodge House, representing an increase of 20% on historic rental levels.



Cardiff is forecast to see a minimum of 23% of headline rental growth over the next five-years on existing or refurbished stock.

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## PBSA – Outlook for 2025 and beyond...

The purpose built student accommodation (PBSA) market is intrinsically linked to Cardiff's large and growing student population, which is anchored by institutions such as Cardiff University, Cardiff Metropolitan University and the University of South Wales. With more than 80,000 students across the city, demand for high quality, well-located accommodation has consistently outstripped traditional housing supply, underpinning the strong performance of the PBSA sector.

Cardiff has seen sustained development activity in the PBSA market over the past decade, with new schemes clustering around the city centre and transport hubs. The focus has shifted towards amenity-rich, modern buildings that cater to both domestic and international students, with features such as gyms, study pods and concierge services. Despite this growth, demand remains resilient, supported by Cardiff's reputation as a leading university city and the continued expansion of its higher education base.

2024 witnessed a significant level of investment activity in the PBSA sector across the UK, with Cardiff benefitting significantly from this momentum. Several new schemes are either under construction or in planning, with notable developments around Central Quay and the city centre fringes. Transaction volumes remain strong, with pricing reflecting the long-term income security provided by Cardiff's deep and stable student market.

Investment appetite has been particularly driven by private equity and overseas capital, which continue to see PBSA as a defensive asset class in uncertain markets. Cardiff, as one of the UK's top 10 university cities by student population, is well positioned to attract this capital. Forecasts for 2025/26 suggest continued rental growth, particularly for schemes offering high quality amenities and proximity to campus, reinforcing Cardiff's status as a key PBSA market.



Full-time students – 45,000+



Over 10,000 international students who have a strong preference for PBSA residence



Only 16,000 PBSA beds



Cardiff is the most affordable PBSA market in the UK



University halls provide roughly 25% of all student housing – which provides opportunity for private sector to gain from demand



Development pipeline – c. 1,200 beds

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## Further Information

### VAT

The property is elected for VAT and will therefore be treated as Transfer of Going Concern.

### EPC

Available in the data room.

### UK SPV

The freehold interest is held in a clean UK SPV which can be acquired by a purchaser. Further information can be provided on request.

### Data Room

Please contact Tydus Real Estate for access to the data room.

### Anti-Money Laundering Regulations

In accordance with Anti-Money Laundering Regulations, two forms of identification and confirmation of the source of funding will be required from the successful purchaser.

### Proposal

The building is offered at **£2,950,000 (Two Million Nine Hundred and Fifty Thousand Pounds)**, subject to contract and exclusive of VAT. Pricing at this level reflects the following profile:

Net initial yield of **8.64%**

Reversionary yield of **9.50%**

**£137 per sq ft**



## Contact

For further information or to arrange an inspection, please contact the joint agents:



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