

# McKenzie House

30-36 Newport Road, Cardiff, CF24 0DE

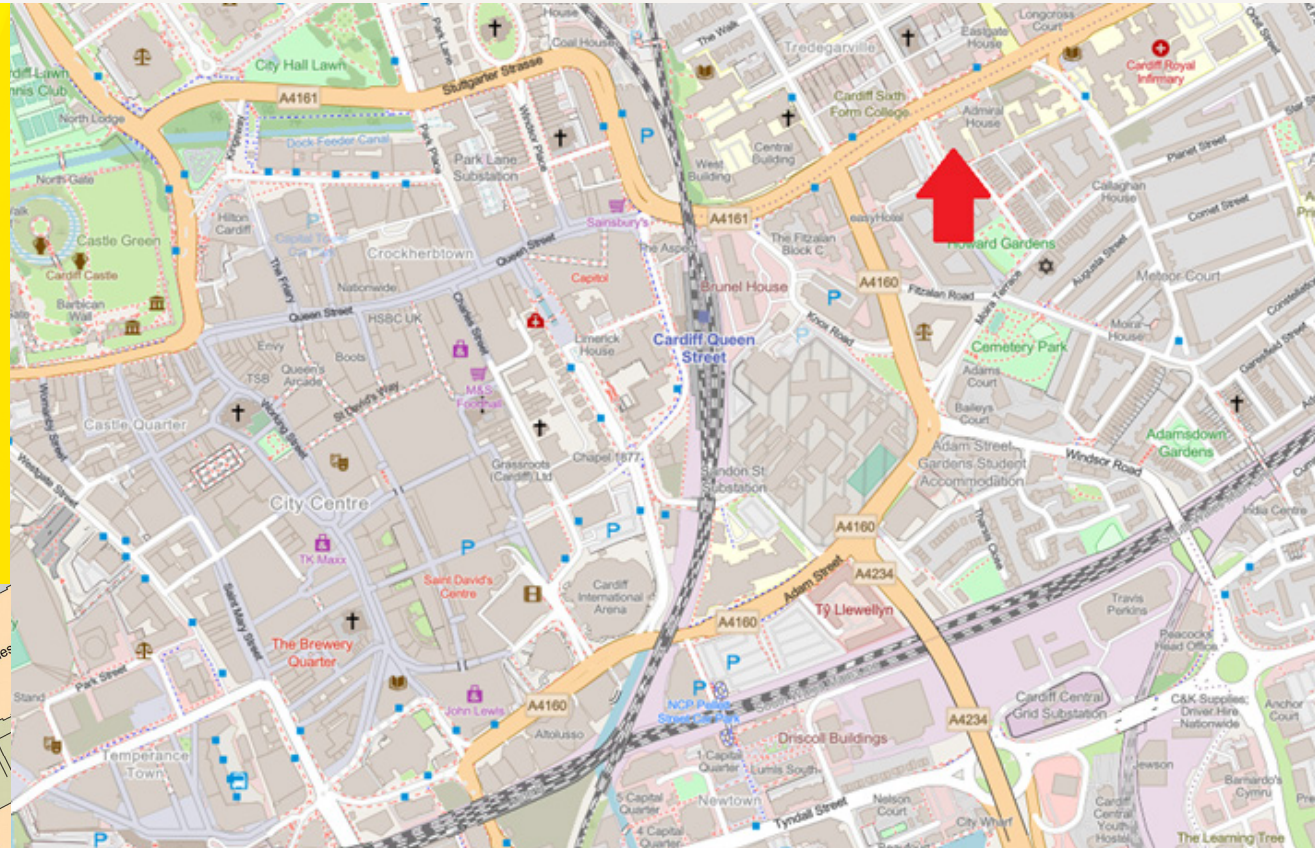
FOR SALE - PROMINENT OFFICE BUILDING AND ADJACENT CAR PARK



savills

## KEY HIGHLIGHTS

- Prominent roadside location fronting Newport Road.
- Substantial office building extending to 83,553 sq ft on a site of 0.58 acres
- Adjacent car park site of 0.31 acres
- A short walk to Cardiff Queen Street station and city centre retail and leisure areas
- May be suitable for alternative uses (subject to planning)
- Consideration may be given to selling the property and car park separately



## LOCATION

The property is in a prominent location fronting Newport Road (A4161), the main arterial route into Cardiff from the East. Newport Road links onto to the A4232 and A48, which leads directly to junctions 29 and 30 of the M4 Motorway, approximately 5.5 miles and 7.6 miles from the property respectively.

The immediate surrounding area comprises a mix of uses including offices together with residential dwellings, hotel, private flats and student accommodation as well as educational uses. Occupiers in the area include Starling Bank, GMB Union, Cardiff 6th Form College, The Home Office (UK Visas and Immigration) and Dominos. Adjacent to the surface car park is the 4 star Mercure Cardiff Holland House Hotel and Spa providing 172 rooms.

Cardiff Queen Street railway station is located 0.3 miles from the property and Cardiff Central Station approximately 1.1 miles away. The city centres main retail and leisure areas are all within an easy walk, approximately 0.5 miles (15 min walk).



PRINCIPALITY STADIUM

CARDIFF UNIVERSITY

VITA STUDENT LIVING

CARDIFF QUEEN STREET RAIL STATION

HOLLAND HOUSE HOTEL

PRESTIGE STUDENT DEVELOPMENT

CARDIFF UNIVERSITY

KNOX COURT CO LIVING SCHEME

MCKENZIE HOUSE

ECLIPSE CARDIFF

HOWARD GARDENS STUDENT ACCOMODATION

WEST WING HERE STUDENTS

## DESCRIPTION

The property comprises a substantial, detached 12 storey office building which was constructed around 1989/90 with adjacent surface car park.

Each floor provides mainly open plan accommodation with a central core accommodating 3 lifts, 2 staircases and male and female WC's. The ground floor is more cellular in its layout and also accommodates plant and switch rooms.

Externally, car parking is provided in an adjacent surface car park, which accommodates approximately 47 spaces, and secure parking to the rear/side of the property for approximately 10 vehicles, although the majority of this area currently accommodates cycle racks.

There is a diesel generated stand by generator on site as well as an electrical sub-station.

## LEASE

The property benefits from a lease of a digital advertising display located to the front of the property. The lease is for a term of 10 years from 2 December 2022, with mutual break on 2 December 2029 at an annual rent of £12,499.92 pa.

A copy of the lease is available on request.

## RATEABLE VALUE

Rateable Value: **£780,000**

Rates Payable (25/26): **£443,040**

## EPC

The property has an EPC rating of E.



## ACCOMODATION

The property has the following net internal floor area:

	SQ M	SQ FT
<b>Ground</b>	1,008	10,850
<b>First</b>	1,091	11,740
<b>2nd</b>	1,100	11,838
<b>3rd</b>	873	9,396
<b>4th</b>	452	4,862
<b>5th</b>	463	4,981
<b>6th</b>	463	4,981
<b>7th</b>	463	4,981
<b>8th</b>	463	4,981
<b>9th</b>	463	4,981
<b>10th</b>	463	4,981
<b>11th</b>	463	4,981
<b>Total</b>	7,762	83,553

The property sits on a site of approximately 0.58 acres.

The adjacent car park site extends to approximately 0.31 acres.

## INFORMATION PACK

The following information is available:

- Title Plans & Register
- Energy Performance Certificate
- Asbestos Report
- Lease
- Floor plans
- Photos



Typical Floor



Ground Floor Entrance Lobby

## FUTURE ALTERNATIVE USE POTENTIAL

The area of Cardiff around Newport Road is currently in transition, driven by two primary factors. Firstly, changes in the way of working and the development of Grade A office space around Cardiff Central Square has changed the city's commercial centre of gravity. Secondly, lack of supply in all parts of Cardiff's Living market, including rental, student accommodation and hotel rooms, is driving extensive city centre residential development.

This change of use has been established by numerous developments in close vicinity.

**1. Windsor House (Student)** - 2016 conversion of a 6 storey office to 314 student beds.

**2. The Fitzalan (Student)**  
Converted office to 224 student rooms, with additional floors developed, completed in 2017.

**3. Shand House (Student)**  
Converted office to student block, comprising 190 beds across 89 units.

**4. Trafalgar House (future PBSA)**  
Extension and repurposing an existing office building into a 310 student bed scheme, currently pre-planning.

**5. Eclipse PBSA**  
Existing, new build student accommodation, completed in 2016, and comprising 686 beds.

**6. Howard Gardens PBSA**  
Existing, new build student accommodation, completed in 2020, and comprising 391 beds.

**7. Knox Court (Co-Living)**  
Conversion and extension of existing office building into 203 co-living units with ground floor mixed use. Planning was granted in April 2024, the first co-living scheme in Cardiff to gain permission.

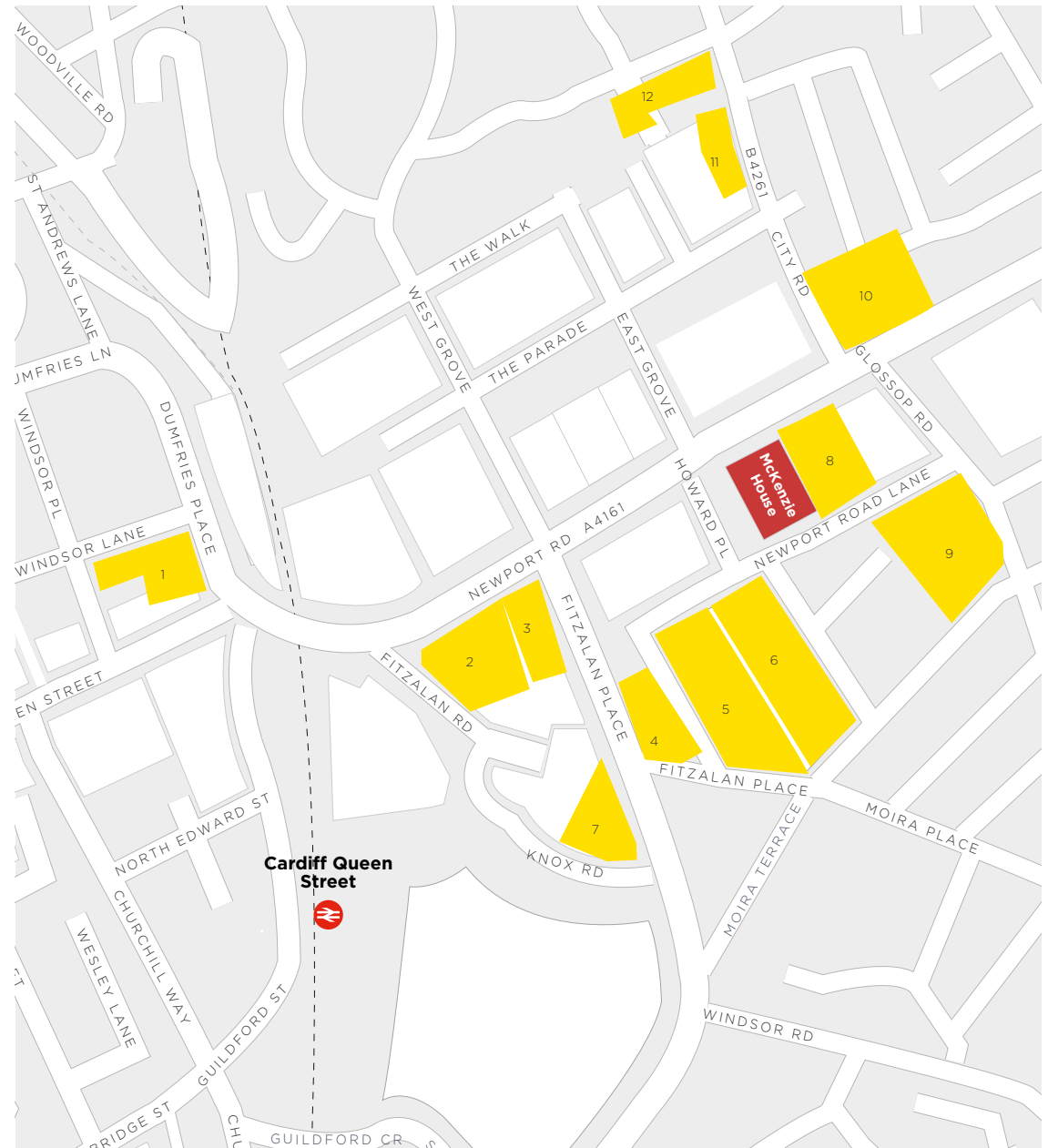
**8. Admiral House - Private Apartments**  
15 storey apartment block, completed in 2000.

**9. The West Wing PBSA**  
Existing, new build student accommodation, completed in 2019, and comprising 644 beds.

**10. Longcross Court (future PBSA)**  
Proposed demolition of the existing building and redevelopment of a 706 bed, 488 unit PBSA scheme across 18 storeys. Planning was granted in 2024, with the scheme being developed by Fusion Group and funded by Picton Property Income REIT, with completion slated for the 2028-29 academic year.

**11. The Parade (PBSA)**  
New build PBSA, consisting of 178 studios and 62 en-suite bedrooms, purchased by Greystar in Jan 2025.

**12. Livin PBSA**  
Purpose built, 6 floor student block, comprising 138 beds



## CARDIFF STUDENT MARKET

Cardiff is home to two Higher Education Institutions (HEI's), including Cardiff Metropolitan University and Cardiff University, which is part of the prestigious Russell Group. The University of South Wales also has a satellite Cardiff campus.

### Cardiff University

Cardiff University is ranked **32nd** in the Times Good University Guide 2025 and is a member of the prestigious Russell Group. It has over 27,255 full time students, of which approximately 21% are international students.

### Demand

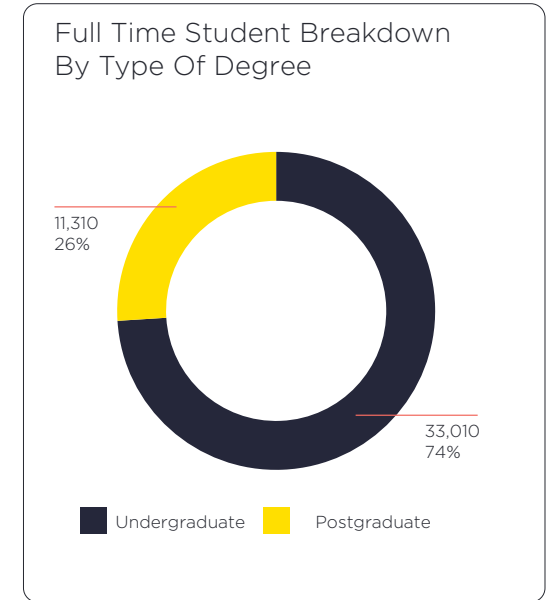
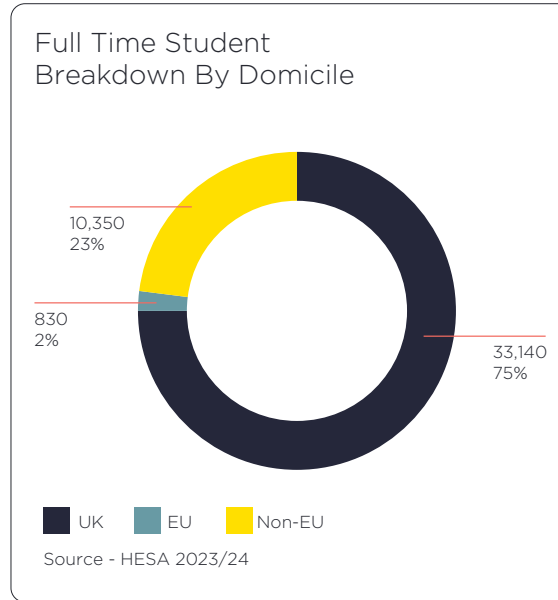
The city has a total student population of **51,840 of which 44,320 are full-time students**. The University of South Wales has campuses in Cardiff, Newport and Pontypridd totalling a further 17,720 full-time students, 4,795 of which are based in Cardiff. There are currently 16,424 PBSA beds in Cardiff, a 2.82x student to bed ratio, resulting in only **37% of the total full-time student population** being able to access PBSA, equivalent to a 27,896 bed shortfall.

There has been significant growth in the student population which has been driven by the increase in non-EU international students. Non-EU student growth has experienced a compounded annual growth of 4.98%, with international students making up 25% of the overall full time student population.

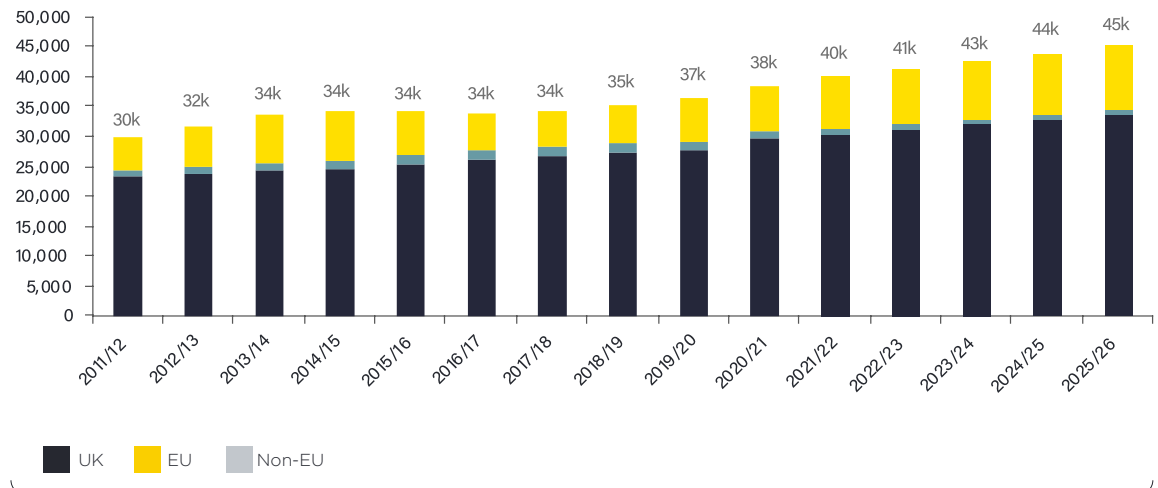
Applications to study in Cardiff reached record numbers in 2023 when more than 46,000 students chose Cardiff.

### Supply

PBSA provision across Cardiff is weighted towards private provision with a total of 9,949 private bed spaces and 6,475 university bed spaces. Analysis reveals that the top five private operators collectively control 79% of all private bed spaces.



## Full Time Student Growth - Historic & Forecast



## CARDIFF STUDENT MARKET

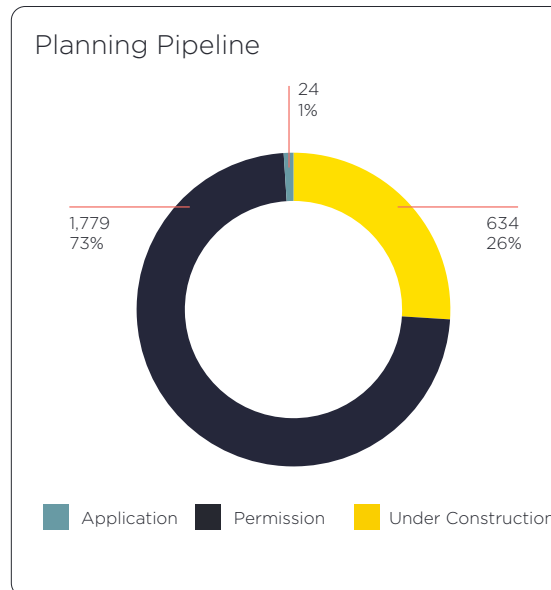
Rank	Institution	Total FT Students		Breakdown by Domicile			Times Good University Ranking (2026)	QS World Ranking	Applicants p/ place	Total Students	UK	EU	Non-EU
		#	%	UK	EU	Non-EU							
1	Cardiff University	27,255	61%	79%	2%	19%	32	186	6.6	32,720	21,455	565	5,235
2	Cardiff Metropolitan University	12,270	28%	72%	1%	27%	66	n/a	3.9	13,540	8,895	115	3,260
3	University of South Wales - Cardiff Campus	4,795	11%	58%	3%	39%				5,580	2,790	150	1,855
<b>Total</b>		<b>44,320</b>	<b>100%</b>	<b>75%</b>	<b>2%</b>	<b>23%</b>				<b>51,840</b>	<b>33,140</b>	<b>830</b>	<b>10,350</b>

### Pipeline

There are currently just 2,437 beds in the planning pipeline which represents a 15% increase across existing stock. If all these beds were completed, 57% of current full-time students would still be unable to access PBSA in Cardiff.

The PBSA development pipeline is divided into various stages. 26% are at the application stage, 73% have obtained planning permission with the remaining 1% under construction.

Given the limited pipeline and decline in the number of new PBSA planning applications, McKenzie House has the potential to fill this gap in the market.



**44,320**  
Full Time Students

**11,180**  
Full Time International Students

**2.82**  
Student To Bed Ratio

**9.82%**  
5yr Full Time Non-Eu Student Cagr

**27,896**  
Full Time Students Unable To Access Pbsa

**1** Russell Group

## BUILD TO RENT AND CO-LIVING

### Cardiff Rental Market

Rents have grown strongly since the Covid-19 pandemic. Many UK cities are experiencing pressure from the continued withdrawal of Buy-to-Let landlords and a lack of available stock. Rents in Cardiff have grown strongly, rising 4.8% in the 12 months to March 2025 according to the Zoopla rental index, the fourth fastest of all UK cities.

Rental growth in Cardiff, alongside rising energy bills and general inflation, is beginning to stretch affordability levels, and Cardiff is now considered to be the 2nd least affordable UK city in which to rent. According to the Zoopla rental index, affordability (measured as rent as a proportion of average earnings) in Cardiff for a single earner stands at 37.7%, up from 32.1% pre-pandemic (Q3 2019) with only London and Bristol being considered less affordable than Cardiff for renters.

The city's demographic makeup skews younger than the national average, making it an excellent target for Build to Rent. This is, in part, driven by its large student population of 44,320. The population distribution of the city, and its high proportion of 18-34-year-olds compared to the wider UK, can be seen opposite.

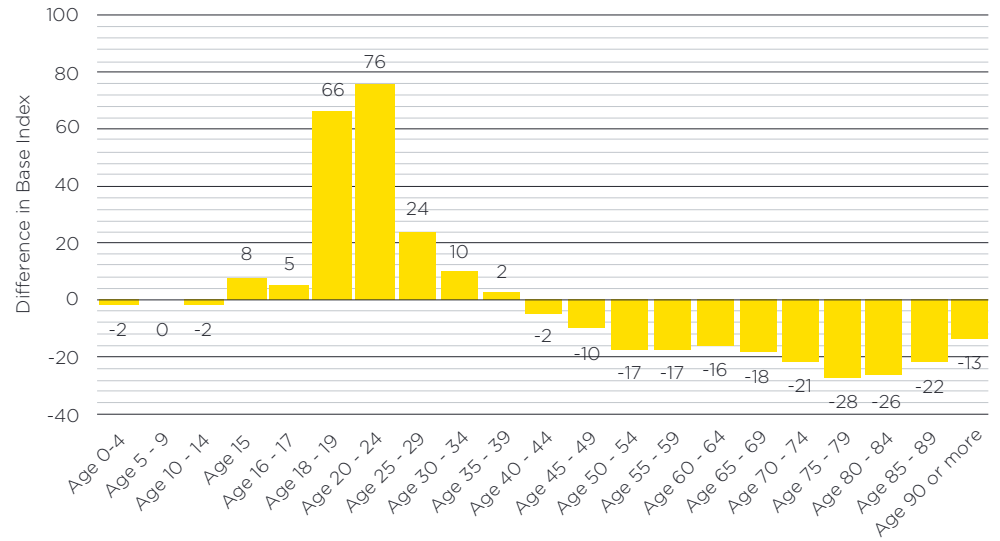
Of this population, an estimated 29,000 households live in the Private Rented Sector, representing 19.4% of total households, 7% higher than the national average.

These demographics make Cardiff one of the UK's most attractive core cities for both Build to Rent and Co-Living development. McKenzie House's central location makes it ideally located to take advantage of these trends.

### Cardiff Living Market

Operational (BTR)	1,171
Under Construction	1,422
Planning Granted (BTR)	238
Planning Granted (Co-living)	203
<b>Total</b>	<b>3,034</b>

The Cardiff Population skews significantly younger than the UK Average



## BUILD TO RENT AND CO-LIVING

### Build to Rent

Cardiff's Build to Rent sector is maturing, with five schemes now operating and a further four under construction. Data from these developments has been encouraging, reaching full occupancy quickly and achieving stronger than expected rents.

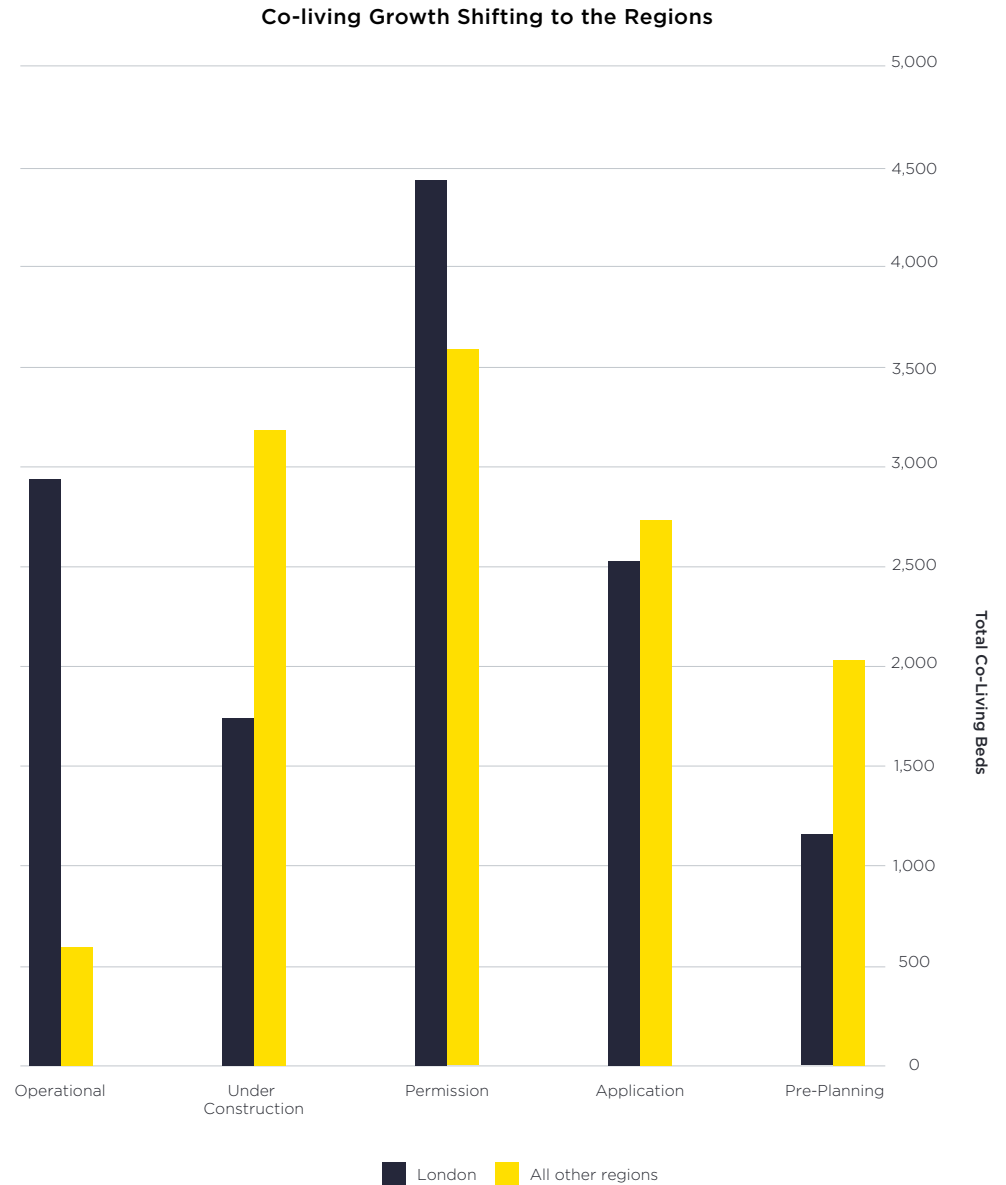
### Co-Living

Co-living is an emerging sector, exemplified by there being 3,422 operational units across the UK, but nearly 22,000 in the development pipeline. The total size of the sector, combining both operational beds and pipeline, has nearly trebled since 2019. 82% of the operational market is in London but, mirroring the growth of the more established Build to Rent sector, the regions are predicted to be the main driver of future growth, with the majority of the units in the development pipeline being located in the regions. This growth is being driven by investors, developers and operators all looking to diversify away from more 'traditional' real estate asset classes.

A number of factors underpin the investment case for co-living, including the chronic housing shortage, increasing population, urbanisation, decreasing household size and shifting consumer attitudes. For many tenants, having high quality amenities within their building and everything included in one simple monthly rental payment, more than compensates for the smaller bedroom space and makes co-living a compelling offer.

### The 'core' market for co-living is thought to be people who are:

1. Currently live in the private rented sector
2. Between 18 and 35 years of age
3. Live in households without children
4. Classified within an affluent demographic, with a high propensity to live in shared accommodation
5. Have personal incomes that allow them to afford the median 1 bed property in their local authority, if spending a maximum of 35% of their gross income on rent.



Source: Savills Research



**16,000**

Savills Research estimates there are approximately 16,000 people in Cardiff who fall into this core market.



#### IMPORTANT NOTICE

Savills, their clients and any joint agents give notice that:

1. They are not authorised to make or give any representations or warranties in relation to the property either here or elsewhere, either on their own behalf or on behalf of their client or otherwise. They assume no responsibility for any statement that may be made in these particulars. These particulars do not form part of any offer or contract and must not be relied upon as statements or representations of fact.
2. Any areas, measurements or distances are approximate. The text, images and plans are for guidance only and are not necessarily comprehensive. It should not be assumed that the property has all necessary planning, building regulation or other consents and Savills have not tested any services, equipment or facilities. Purchasers must satisfy themselves by inspection or otherwise.

Maps are reproduced from the Ordnance Survey Map with the permission of the Controller of H.M. Stationery Office. © Crown copyright licence number 100022432 Savills (UK) Ltd, and published for the purposes of identification only and although believed to be correct accuracy is not guaranteed.

Designed and produced by Savills Marketing: 020 7499 8644 | 27.05.2025

## VAT

VAT is not applicable.

## LEGAL COSTS

Each party to bear their own legal costs.

## VIEWINGS

Strictly via Savills

## METHOD OF SALE

Offers are invited for a freehold sale with vacant possession. Consideration may be given to selling the car park site and building separately.

## AML

A successful bidder will be required to provide the usual information to satisfy the AML requirements when heads of terms are agreed.

## CONTACT

For further information please contact:



### Gary Carver

gcarver@savills.com  
07972 000171

### Will Evans

will.evans@savills.com  
07870 999243

### Ted Harding-Brown

ted.hardingbrown@savills.com  
07779 912501