



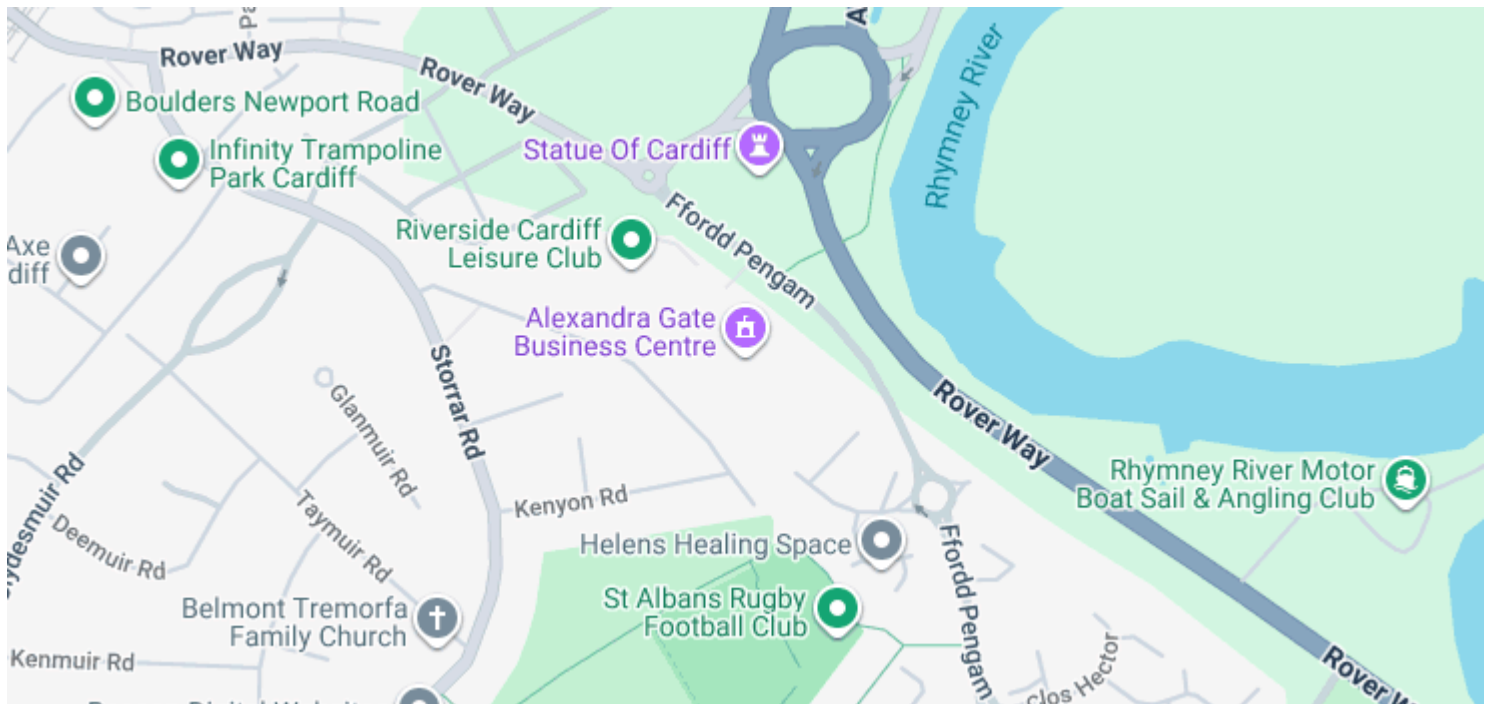
Freehold High Yielding Serviced Office Investment

 2 Alexandra Gate | Ffordd Pengam, Cardiff, CF24 2SA

FOR SALE  PRIVATE TREATY

£ 1,710,000 Subject to contract

Location



The capital city of Wales, Cardiff is located 69 km (43 miles) west of Bristol, 171 km (106 miles) south west of Birmingham and 240 km (150 miles) west of London.

Cardiff benefits from excellent road communications with access from Junction 29, 30, 31, 32 and 33 of the M4 Motorway. Cardiff Central railway station provides regular daily services to all parts of the United Kingdom including London Paddington with a fastest journey time of 2 hours and 12 minutes.

Cardiff International Airport is located 19 km (12 miles) south west of the city centre and provides scheduled daily flights to a number of UK and mainland European destinations.

Not only is Cardiff the administrative centre for the Welsh Government, it is also the principal finance and business centre for Wales and one of the United Kingdom's principal business locations. The City boasts many national and global companies, employing over 200,000 people and over 630,000 in the wide Capital Region.

Summary

- Long established business centre
- Established commercial location with numerous surrounding amenities
- Strong letting history with a current occupancy rate of 80%
- Asset management opportunities
- Freehold
- EPC Rating of B
- £1,710,000, subject to contract
- Anticipated net yield of 12.0%
- Estimated reversionary yield of 21% following re-letting of vacant suites
- Low capital value of £80 per sq ft

Situation

The property fronts Ffordd Pengam, approximately 3.2 km (2 miles) north-east of the city centre. Ffordd Pengam links directly with the A4232 which provides access to Junction 29 of the M4 motorway via the A48(M) to the north east and also the A4161 Newport Road, one of the main arterial routes serving the city centre, to the west.

Nearby occupiers include Riverside Cardiff Leisure Club, Tesco Extra and CMB Engineering.

The Newport Road Retail Park is within walking distance, being less than a mile to the north-east. The scheme extends to approximately 55,315 sq ft with tenants including Currys, Halfords, Dreams and Topps Tiles. It is situated within the prime cluster of retail warehousing in the city, with other nearby occupiers including Sainsbury's, Lidl, McDonald's, The Range, Go Outdoors and The Gym Group

Other nearby amenities include a Tesco Extra, fuel stations, and commercial banks, all of which enhance the accessibility and convenience for occupiers and visitors to the subject property.

Description

The property comprises a detached, purpose-built part 2 / part 3 storey office building constructed in the 1990's and refurbished in 2014.

The property is of steel frame construction with brick and glazed elevations under a pitched tiled roof.

The property provides serviced office accommodation with suites ranging in size. Internally, the accommodation benefits from carpet tiled floors, painted plaster walls, suspended ceilings with recessed LED lighting, air conditioning, WC's and kitchen areas to both floors together with an 8-person passenger lift, onsite cafeteria and meeting rooms. There is a reception atrium to the front which provides access to an internal courtyard with paved slab and various seating areas.

The property benefits from 81 car parking spaces to the front, side and rear of the building.

For further information visit www.alexandragate.co.uk.

Accommodation

The property provides the following Net Internal Areas:

Ground Floor	Serviced Offices	868.97 sq m	9,353 sq ft
First Floor	Serviced Offices	1075.81 sq m	11,580 sq ft
Second Floor	Conference Room/Offices	51.08 sq m	550 sq ft
Total		1,995.86 sq m	21,483 sq ft

A set of floor plans is available to download.

EPC

The property has an EPC rating of B (43) which is valid until 31st July 2029.

Site

The site area is approximately 0.57 hectares (1.4 acres).

Tenure

Freehold.

Tenancy

The property is multi-let in accordance with the attached tenancy schedule, with a total of 52 licence agreements currently. The suites are let on an all-inclusive basis. There are 17 suites currently vacant, reflecting an occupancy rate of 80%. The property provides a diverse spread of income.

The total income is **£485,400 per annum**.

In addition, there are 46 virtual office customers who are on rolling agreements, currently producing a total income of £1,310 per month (**£15,960 per annum**).

Therefore, the total current **gross** income receivable is **£501,360 per annum**.

Management

The property is currently owned by a charity. In line with established best practice, the operation of the business centre is managed by a separate trading subsidiary, Alexandra Gate Business Centre Limited. As a result, there is a lease in place between the charity and its trading subsidiary, with an intra-group rent charge of £200,000. On completion of the sale, this lease will be extinguished.

Once a purchaser holds and operates the business centre, and the rent charge is extinguished, there will be the following cost savings:

1. No rent charge of £200,000 from the charity to the trading subsidiary.
2. Accounting & consulting fees are anticipated to fall from £12,850 per annum to £1,000 per annum with removal of the complexities of the group structure incorporating a charity and a trading entity.
3. If a purchaser manages the business centre in-house, this will eliminate, or reduce, the Alexandra Gate payroll cost (a 50% staff cost reduction has been assumed).

Expenditure

For the year ending June 2025, the total expenditure for the building was £549,539.69. Once the intra-group lease has been extinguished and the above cost-savings have been implemented, it is anticipated that the expenditure will reduce to **£283,380 per annum**. Please refer to the management accounts which are available to download.

Therefore, it is anticipated that an investor will benefit from a net income of **£217,980 per annum**.

There are three on-site admin (1 full time, 2 part-time) employees and two cleaners (part-time) and TUPE regulations may apply. There is an opportunity to TUPE members of existing staff that operate the front desk and act as on-site hosts for the business centre and liaison between landlord and tenants.

Business Rates

According to the Valuation Office website the various suites are individually assessed for their own rateable value which is set out under the Tenancy Schedule.

The Uniform Business Rate is 49.9 pence per pound for 2025.

Cardiff Office Market

A recent Savills report ([*Spotlight: Cardiff Offices – Autumn 2025*](#), published 10th September 2025) highlights that the outlook for Cardiff's office market remains highly encouraging.

Cardiff continues to strengthen its position as one of the UK's fastest-growing cities and is increasingly recognised as a key area for future growth. Government initiatives aimed at stimulating local economies, driving job creation, and attracting new investment have further boosted the city's momentum.

Office demand was particularly strong in 2024, with annual take-up reaching 581,643 sq ft – the highest level since 2017 and 23% above the ten-year average.

Prime rents also saw upward movement in Q2 2025, rising to £30 per sq ft. This represents a 20% increase compared to historic rental benchmarks, reflecting growing confidence in the market.

Limited supply is expected to place further upward pressure on rents. There has also been a notable narrowing of the gap between refurbishments and new development rental premiums, with the former now commanding the highest rents.

Looking ahead, the report anticipates rental growth of at least 23% by 2029, with prime rents expected to reach £32.50 per sq ft before year-end. This trend is likely to encourage landlords to invest in upgrading existing stock while creating strong prospects for new development opportunities.

Estimated Rental Value

We are of the opinion that the property offers a gross estimated rental value of approximately **£670,000 per annum** once the vacant office suites have been re-let.

VAT

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

Proposal

We are instructed to seek a figure of **£1,710,000** (One Million, Seven Hundred and Ten Thousand Pounds), subject to contract. This reflects:

- Anticipated net initial yield of **12%**
- Anticipated net reversionary yield of **21%** (following re-letting of vacant suites)
- Low capital value of **£80 per sq ft**

Please note that a purchaser will be re-charged the cost of the searches (£1,595.65) which are provided in the data room.

Please note that a purchaser will be charged a Transaction Fee of £10,000 + VAT.

Investment Considerations

1. An opportunity to acquire a popular serviced office centre in an established employment area;
2. The investment provides an investor with a spread of income;
3. The property has been refurbished over the years and is maintained to a high standard;
4. The property is extremely well run by the current management company with an excellent letting history;
5. Potential to enhance value and income through asset management strategies;
6. Freehold;
7. A purchase at the asking price reflects an attractive net initial yield and capital value for an investor;

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Contacts

Singer Vielle



Singer Vielle

[+44 \(0\) 207 935 7200](tel:+44(0)2079357200)

Singer
Vielle



Dale Henry

[+44 \(0\) 203 701 1356](tel:+44(0)2037011356)

dale@singervielle.co.uk



Neil Singer

[+44 \(0\) 207 935 7200](tel:+44(0)2079357200)

neil@singervielle.co.uk



Sam Kayne-Levenson

[+44 \(0\) 203 478 9121](tel:+44(0)2034789121)

sam@singervielle.co.uk

Vendor's Solicitor Firm



Kuits

[+44 \(0\) 161 832 3434](tel:+44(0)1618323434)



David Moroney

davidmoroney@kuits.com



Motti Black

Motti.Black@kuits.com

kuits | solicitors

See website for full details : <https://singervielle.com>

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