



# SINGLE-LET INDUSTRIAL INVESTMENT



## INVESTMENT SUMMARY

- ❑ Manufacturing facility and offices extending to **7,149.87 sq m (76,960 sq ft)**
- ❑ Located on an **established industrial estate** with over 93k sq m (**1 million sq ft**) of **commercial space** in the immediate vicinity
- ❑ Less than a mile from the **A19 trunk road** and **Tyne Tunnel** river crossing offering **direct access** to the regional road network
- ❑ Let to **LV Valenbeck Ltd** until **30th November 2023** offering an **unexpired term of 5.5 years**
- ❑ Tenant in **occupation** for over **20 years**
- ❑ Passing rent **£134,176** representing **just £18.72 per sq m (£1.74 per sq ft)**

We are instructed to seek offers in excess of **£1,350,000** (One Million Three Hundred and Fifty Thousand Pounds), which reflects a **net initial yield** of **9.37%** after purchaser's costs at 6.02%. A capital value of just **£188.81 per sq m (£17.54 per sq ft)**.



## LOCATION

Bailey Industrial Estate is located south of the River Tyne immediately west of Jarrow town centre and approximately 8 miles (13 km) east of Newcastle city centre. It is a strategic location less than one mile from the A19 dual carriageway, which acts as the main north/south arterial route in the region and, in turn, links with the A1(M) to the north and south. This area has recently benefitted from the £260m new Tyne crossing project which involved the creation of a second Tyne Tunnel doubling the traffic capacity.

Bailey Industrial Estate together with the wider Viking Industrial Park is situated less than 5 minutes walk from Jarrow Station on the Tyne & Wear Metro Network. The Metro network provides regular services into Newcastle city centre, as well as Newcastle Airport, Sunderland and the coast.

By rail, the East Coast mainline links Newcastle directly with London and Edinburgh. The journey time to London Kings Cross is approximately 2 hours 40 minutes and to Edinburgh around 1 hour and 40 minutes. The rail network also provides a direct route to Manchester with a journey time of approximately 2 hours and 40 minutes.

The estate is located 14 miles (22 km) from Newcastle Airport, which provides regular domestic and international flights. In addition, deep-water port facilities are available at the Port of Tyne approximately 2.5 miles (4 km) to the east of the subject property, via the A185.







## DESCRIPTION

The property comprises a large industrial warehouse and manufacturing facility. Unit 3 provides a storage facility and Units 1&2 combine to provide a large manufacturing and warehousing facility together with ground and first floor office accommodation.

The building is of steel frame construction with part brick and blockwork and part cladding to the elevations under a pitched profile roof incorporating roof lights. Internally the warehouse provides lighting and 5no roller shutter doors. There are 5x 5 Ton and 1x 25 Ton cranes.

The offices run along the western elevation of Units 2 & 3 at ground and first floor level.

As part of the recent lease renewal the tenant has

committed to undertake a schedule of works to the office areas in the building in stages between now and the end of 2018. These include removal of asbestos and full refurbishment of the office areas including new suspended ceiling and lighting together with painting and carpeting. A full list of works is available.

The tenant has recently invested in a Biomass Boiler which is run on wood pellets, chips and logs generated in their production process. This powers the central heating and water for the unit. This was installed when the highest Government tariff was available and as such commands a significant monthly revenue for the tenant.

The tenant has been in occupation for over 20 years.

## SITUATION

Bailey Industrial Estate together with the wider Viking Industrial Park is situated with the River Tyne to the North and the Western Road (B1297) to the south. The Park has attracted a range of commercial occupiers in recent year with the Viking Park element being a former Enterprise Zone.

The property is located in a prominent corner position on the B1297 (Western Road). Surrounding occupiers include DST Output, South Tyneside Homes, Legal Aid Services, KAEFER Ltd the Tedco Business Centre and a range of local businesses.







## ACCOMMODATION

The property has the following Gross Internal Area:

Accommodation	Sq m	Sq ft
Warehouse/Production Area	6,620.95	71,267
First Floor Offices	528.92	5,693
<b>Total</b>	<b>7,149.87</b>	<b>76,960</b>

The property is situated within a landscaped site of 1.404 ha (3.47 acres).



[See drone footage of the building and site](#)

## TENANCY

The building is let in its entirety **LV Valenbeck Limited** on a full repairing and insuring lease. The existing lease expires 1st December 2017 and there is a reversionary lease in place from 1st December 2017 expiring 30th November 2023. The lease incorporates an open market review on 1st June 2020. The lease also contains a photographic schedule of condition.

The current passing rent is £122,500 per annum which will rise to **£134,176 (£1.74 per sq ft)** on 1st December 2017. It is the vendor's intention to top up the rent to this level upon completion.

## TENURE

Freehold.

## COVENANT

LV Valenbeck Limited are part of the LV Shipping group founded in 1921 who offer first class global logistics solutions through offices in

Africa & Middle East, Americas, Asia and Europe. LV Valenbeck Limited are a leading packaging and freight services business designing and manufacturing bespoke timber and corrugated packaging for a diverse customer base including Siemens, BAE Systems and MoD.

LV Valenbeck Limited have Shareholders Funds of £207,000. More information can be found at [www.valenbeck.co.uk](http://www.valenbeck.co.uk).

## VAT

We understand the property is elected for VAT purposes. It is anticipated that the sale will be treated as the Transfer of a Going Concern (TOGC).

## EPC

C-57.

## PROPOSAL

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## FURTHER INFORMATION

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

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