



PRIME INDUSTRIAL INVESTMENT

INVESTMENT SUMMARY

- Modern industrial building extending to **4,324.64 sq m (46,550 sq ft)**
- Located on **Team Valley**, the **premier industrial location in the North East** comprising over 700 acres and 7 million sq ft of business space
- **Excellent road communications** being situated directly on the **A1 Western Bypass** accessed by **two** separate junctions
- **Just 3 miles** south of **Newcastle city centre** and 1 mile south of Gateshead town centre
- Let to **Worthington Armstrong (UK) Limited** unbroken 10 years from 26th August 2016 giving **9 years term certain**
- Tenant in **occupation for over 20 years**
- Rent **£279,400** per annum reflecting **£6.00** per sq ft

Offers sought in excess of **£4,000,000 (Four Million Pounds)** reflecting a net initial yield of **6.56%** assuming purchaser's costs of 6.54%.



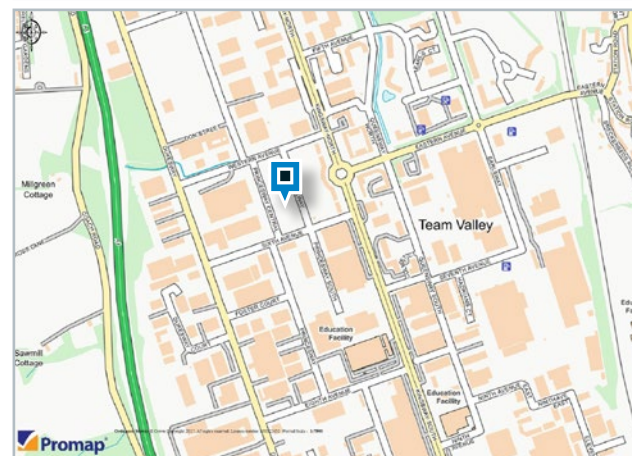
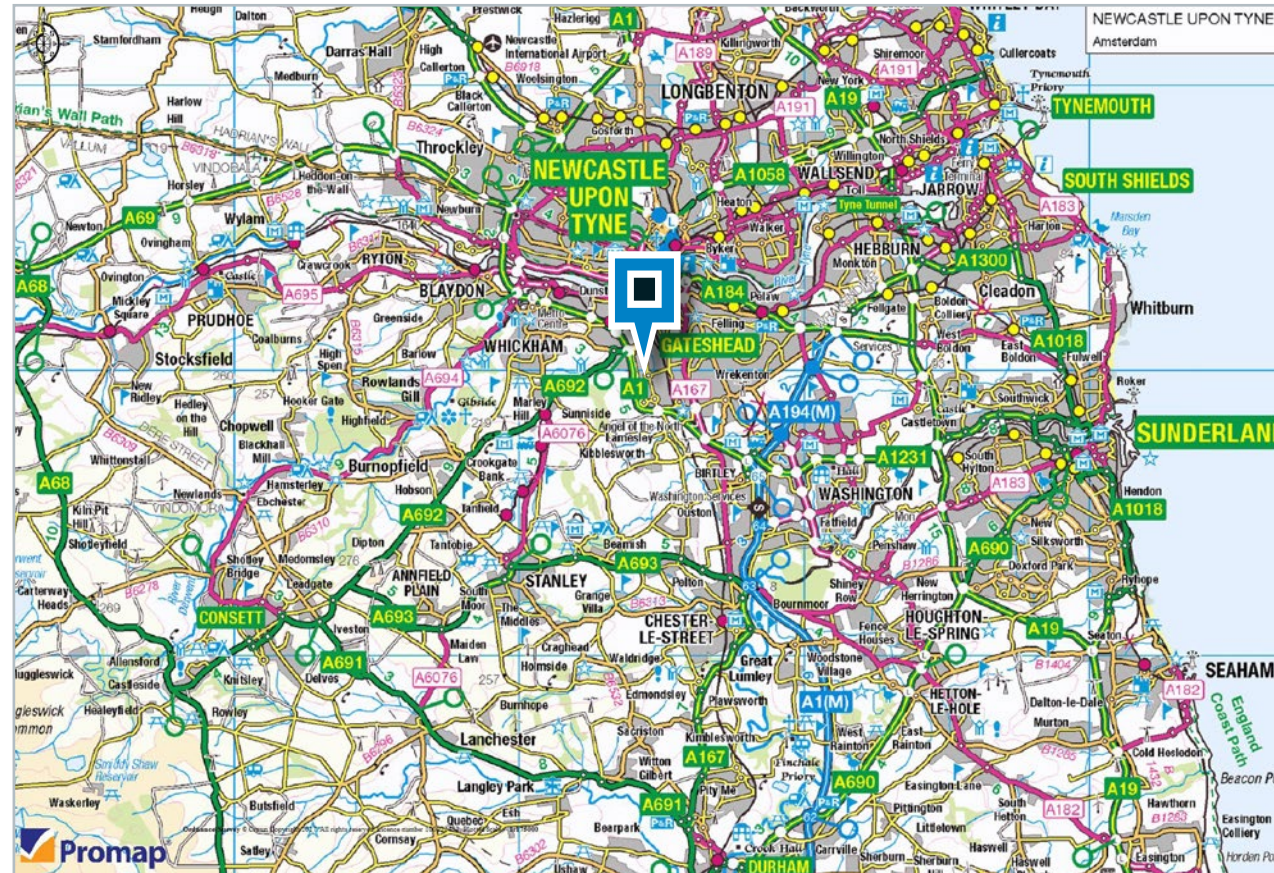
LOCATION

The boroughs of Gateshead, Newcastle, Sunderland, North Tyneside and South Tyneside form the conurbation of Tyne & Wear which has a population of over 1.3 million people, making it the seventh largest in the country. Gateshead has a metropolitan borough population of 201,800 people.

Team Valley is bordered to the west and south by the A1 dual carriageway with two junctions providing direct access to the national road network. The A1 has recently undergone a £61m improvement project to widen the road adding a lane in both directions and creating better access to and from the Team Valley Industrial Estate.

Tyneside is well served with communications to the rest of the country, being situated at the hub of the regional rail network with excellent access to the East Coast main line.

Newcastle International Airport is located approximately 10 miles to the north-west, providing daily flights to the principal domestic destinations and major European cities.



TEAM VALLEY

Team Valley is the premier industrial location in the north east. It was originally designated in 1935 and now provides one of the largest industrial complexes in Europe covering approximately 285 hectares (705 acres) and provides 5.6m sq ft of industrial space and in excess of 7m sq ft of commercial space in total.

The estate is home to over 740 multi-national and regional companies and employs more than 24,000 people. Fitting its status as the region's dominant business location, Team Valley is also home to the region's most successful retail park, Team Valley Retail World and a separate Sainsbury's supermarket, both of which are situated close to the premises.

The subject property occupies a prominent corner position at the intersection of Sixth Avenue and Princesway Central. Notable occupiers in the vicinity include Bestway Wholesale, Royal Mail, Del la Rue and Express Engineering.



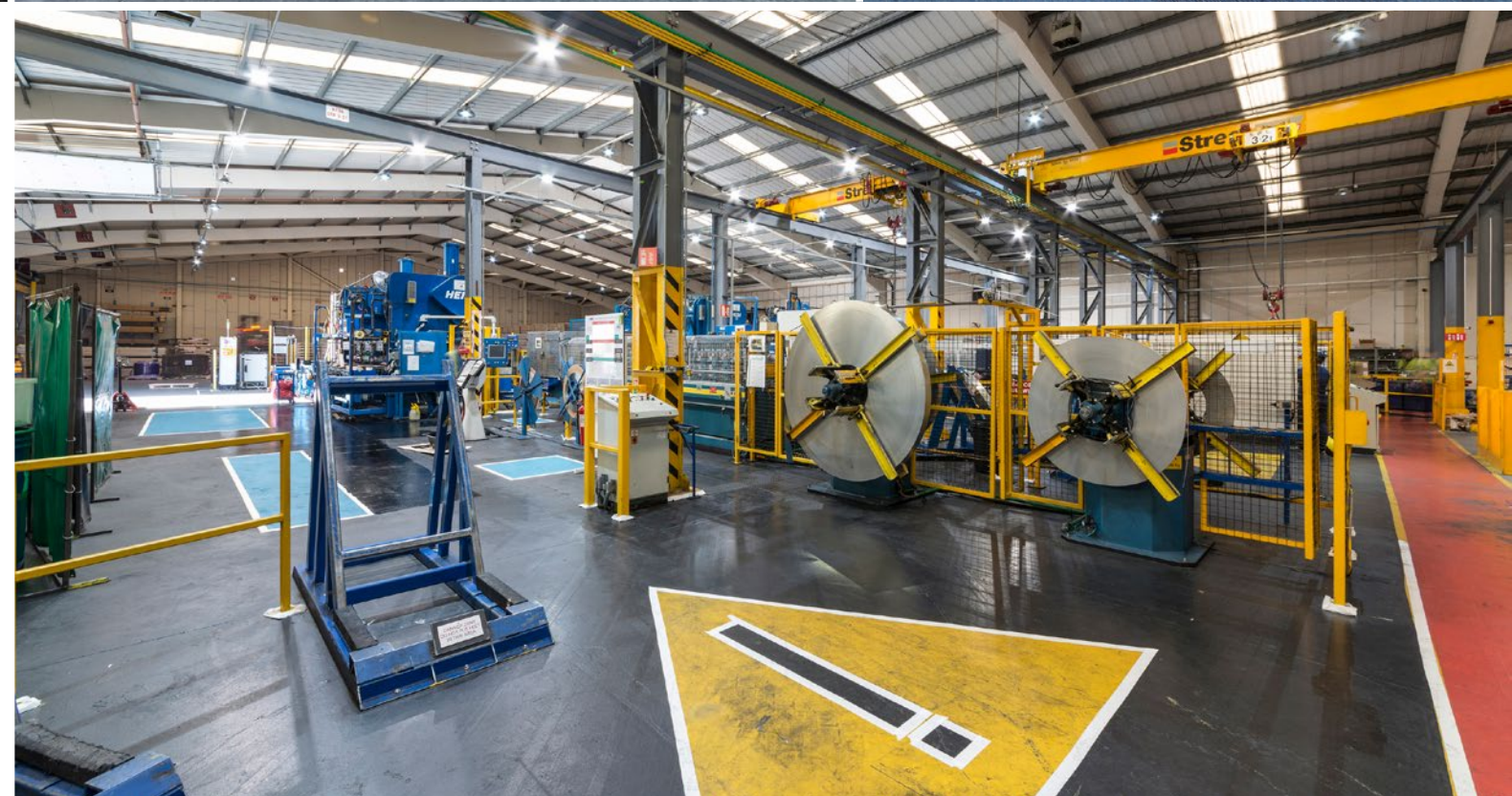


DESCRIPTION

The property comprises a modern detached steel portal frame warehouse and production facility together with integral two storey office accommodation. The front elevation is a mix of brick and curtain glazing with the warehouse comprising brick and profile metal cladding. The roof is pitched and incorporates roof lights.

The property was extended in 2017 providing further warehouse accommodation. The main warehouse/production space includes modern lighting and gas fired heating system together with three loading doors. The unit has an eaves height of 5.4m.

Externally the unit provides a generous yard area and separately accessed block paved parking to the front elevation. The site is secured by a steel palisade fence.



ACCOMMODATION

The property provides the following gross internal floor area:

Accommodation	Sq m	Sq ft
Office and Warehouse	3,651.09	39,300
Warehouse Extension	673.55	7,250
Total	4,324.64	46,550

The building sits on a site of 0.83 ha (2.051 acres).

TENURE

The property is held long leasehold for a term of 125 years from 9th August 1991 at a peppercorn rent.

TENANCY

The property is let in its entirety to **Worthington Armstrong (UK) Limited** for a term of 10 years from 26th August 2016. The lease incorporates a rent review to open market rent at the end of the fifth year of the term.

The lease contains a schedule of condition dated 7th May 1997.

RENTAL COMMENTARY

The industrial market in the north east is enjoying positive rental growth. The economic climate meant that there was little speculative development post 2008 which as the market improved has put upward pressure on rental levels. Nowhere is this more apparent than on Team Valley which is the premier industrial estate in the north east. Recent rental evidence on Team Valley includes:

Date	Address	Tenant	Area Sq ft	Rate psf
Available	Unit 2 Dukesway Central	-	28,946	£7.50 (quoting)
Available	Unit 5 Queensway	-	20,139	£6.25 (quoting)
Q2 2017	Unit 1 Dukesway Central	It's All Good Limited	26,834	£7.45
Q4 2016	Unit 12 Queens Court	Adept Fastenings	11,620	£8.10
Q3 2016	Kingsway Interchange		5,018	£6.50
Q1 2016	Kingsway	Travis Perkins	34,285	£6.00

COVENANT

Worthington Armstrong (UK) Limited is part of the Worthington Armstrong venture between Worthington and Armstrong World Industries. Worthington Armstrong has established itself as a world leader in the production of suspended ceiling systems with manufacturing plants in USA, China, UK, France and India. The tenant has recently confirmed its commitment to the Team Valley plant with the extension of their unit and re-gearing of the occupational lease.

Worthington Armstrong (UK) Limited last three years accounts can be summarised as follows:

	31st Dec 2016	31st Dec 2015	31st Dec 2014
Turnover	£11,386,476	£11,516,894	£12,561,515
Pre-Tax Profit	£1,803,410	£1,884,887	£1,634,007
Shareholders Funds	£17,860,520	£16,421,713	£14,892,097

VAT

We understand that the property is elected for VAT and it is envisaged that the sale will be dealt with under the TOGC regulations.

PROPOSAL

Offers sought in excess of **£4,000,000 (Four Million Pounds)** reflecting a net initial yield of **6.56%** assuming purchaser's costs of 6.54%.



DRONE FOOTAGE OF THE BUILDING AND SITE





FURTHER INFORMATION

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

Simon Harland e: simon@mhpi.co.uk

James Metcalf e: james@mhpi.co.uk

t: 0191 255 7770

MHPI Limited | 1st Floor West Wing | City Quadrant |
Waterloo Square | Newcastle upon Tyne | NE1 4DP

Misrepresentation Act: These particulars shall not form part of any offer or contract and no guarantee is given as to the condition of the property or the accuracy of its description. An intending purchaser or tenant is not to rely on any representation made in these particulars and must satisfy himself as to their accuracy by his own investigation before entering into any contract. October 2017.



Designed & produced by [white button](#)