

PRIME INDUSTRIAL INVESTMENT

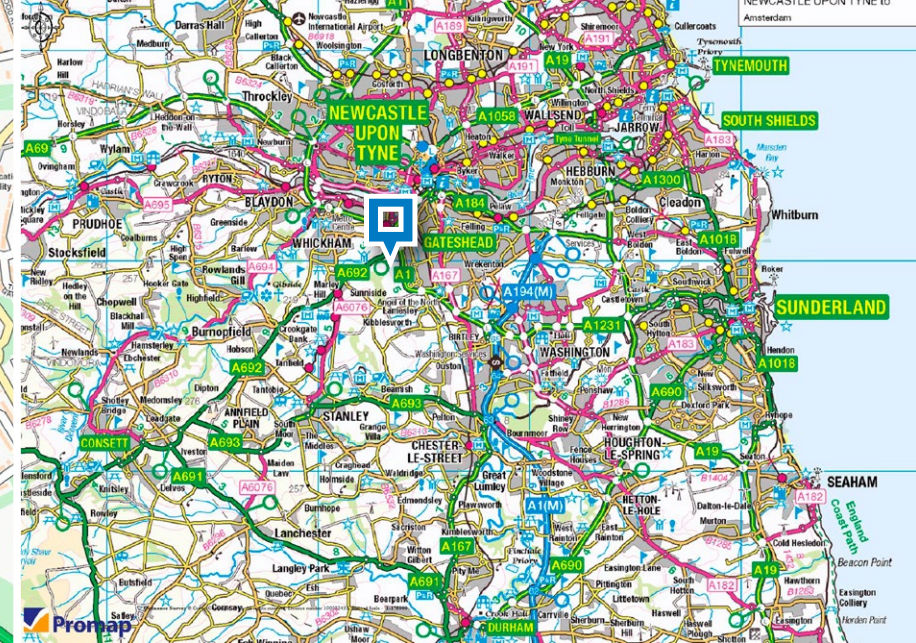
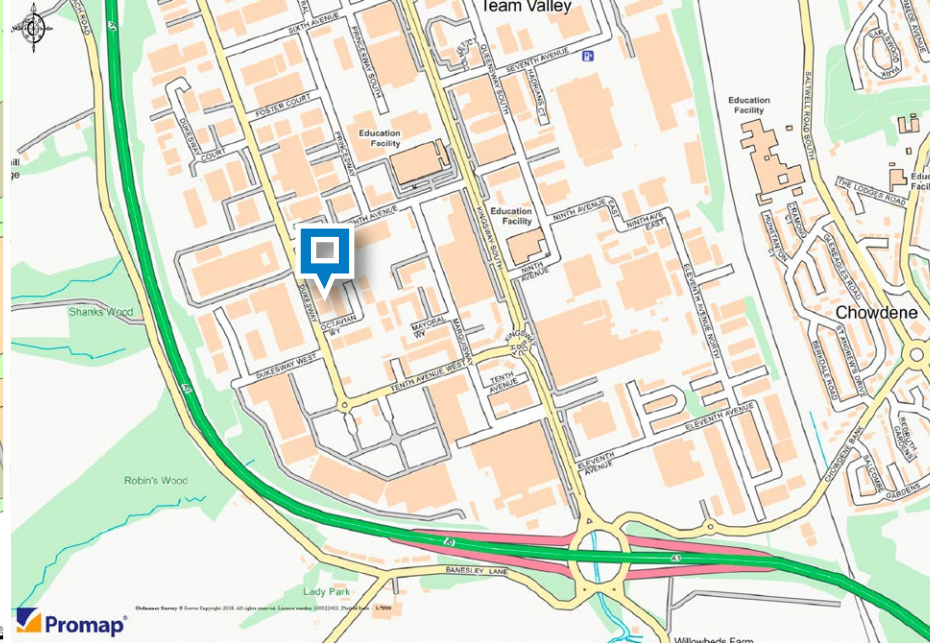




INVESTMENT SUMMARY

- Modern 100% prime industrial building extending to **917.6 sq m (9,877 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 **Clear Channel UK Limited** 10 years from 29th September 2013 giving **5.5 years term certain**
- Rent **£52,900** per annum reflecting just £5.35 per sq ft

Offers sought in excess of **£715,000 (Seven Hundred and Fifteen Thousand Pounds)** reflecting a net initial yield of **7.02%** assuming purchaser's costs of 5.33%.



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.



16 OCTAVIAN WAY

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 fronting onto Dukesway and adjacent to Team Valley Retail World. Notable occupiers in the vicinity include M&S, Boots, Next, Mamas & Papas and Crown Decorating Centres.





DESCRIPTION

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

Internally the unit provides workshop accommodation together with ancillary office accommodation over ground and first floors along the western elevation. The unit incorporates a single sectional up and over door for vehicular access with a separate glazed access to the entrance lobby and office accommodation.

Externally the unit provides a generous yard area and parking to the front elevation together with associated landscaping.

EPC – Commissioned and available on request.



TENURE

The property is held long leasehold for a term of 125 years from 30th September 1988 at a peppercorn rent.

TENANCY

The property is let in its entirety to Clear Channel UK Limited for a term of 10 years from 29th September 2013 giving 5.5 years unexpired. The lease incorporates a rent review to open market rent at the end of the fifth year of the term.

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 3 Dukesway Central	-	12,270	£7.50 (quoting)
Q1 2018	Unit 3-4 Derwent Court	Eon plc	6,077	£6.45
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
Q2 2016	15 Octavian Way	Pet Superstore	7,290	£6.25

The passing rent reflects just £57.58 per sq m (£5.35 per sq ft) offering **strong prospects for rental growth** at review in September this year.

ACCOMMODATION

The property provides the following gross internal floor area:

Accommodation	Sq m	Sq ft
Office and Warehouse	917.6	9,877
Total	917.6	9,877

The building sits on a site of 0.134 ha (0.33 acres).

COVENANT

Clear Channel UK Limited is one of the UK's leading Out of Home media owners with more than 40,000 sites nationwide covering every major urban area.

Their last three years accounts can be summarised as follows:

	31st Dec 2016	31st Dec 2015	31st Dec 2014
Turnover	£124,301,000	£144,091,000	£139,896,000
Pre-Tax Profit	(£71,485,000)	(£1,211,000)	£8,326,000
Shareholders Funds	£122,042,000	£191,578,000	£193,860,000

Last published accounts reflects a one off impairment of £78.32m.

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 **£715,000 (Seven Hundred and Fifteen Thousand Pounds)** reflecting a net initial yield of **7.02%** assuming purchaser's costs of 5.33%.

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. April 2018.



Designed by white button