

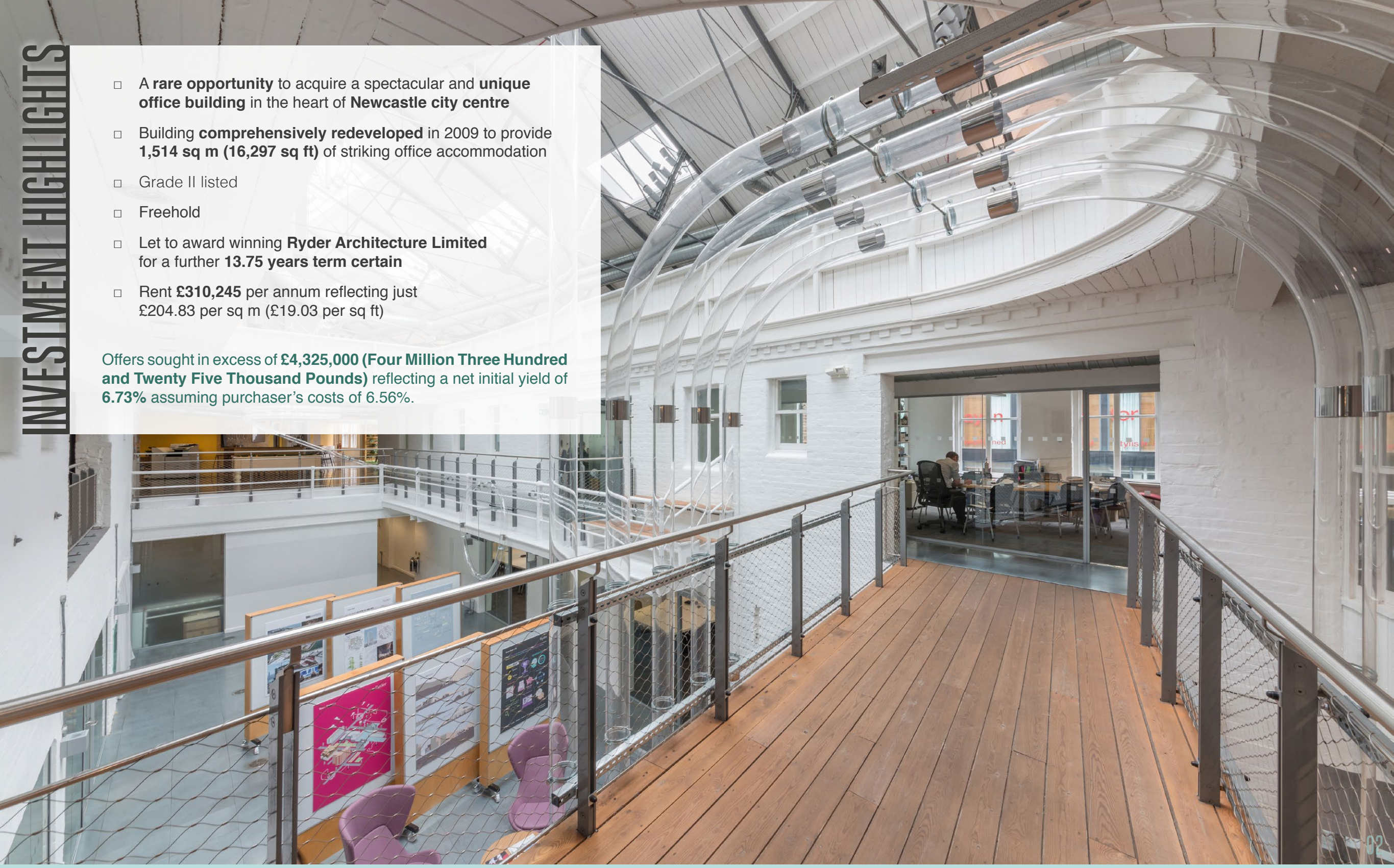
PRIME CITY CENTRE OFFICE INVESTMENT



COOPER'S STUDIOS 14-18 WESTGATE ROAD NEWCASTLE UPON TYNE NE1 3NN

- A rare opportunity to acquire a spectacular and unique office building in the heart of Newcastle city centre
- Building comprehensively redeveloped in 2009 to provide 1,514 sq m (16,297 sq ft) of striking office accommodation
- Grade II listed
- Freehold
- Let to award winning **Ryder Architecture Limited** for a further **13.75 years term certain**
- Rent **£310,245** per annum reflecting just £204.83 per sq m (£19.03 per sq ft)

Offers sought in excess of **£4,325,000 (Four Million Three Hundred and Twenty Five Thousand Pounds)** reflecting a net initial yield of **6.73%** assuming purchaser's costs of 6.56%.





NEWCASTLE
HELIX

ST. JAMES' PARK

NEWCASTLE
UNIVERSITY

INTU
ELDON
SQUARE

M
METRO

NORTHUMBRIA
UNIVERSITY

M
METRO

GREY
STREET

M
METRO

NORTHUMBERLAND
STREET

EAST PILGRIM STREET
DEVELOPMENT

CENTRAL
STATION

M
METRO

COOPER'S
STUDIOS

STEPHENSON
QUARTER

QUAYSIDE

NEWCASTLE

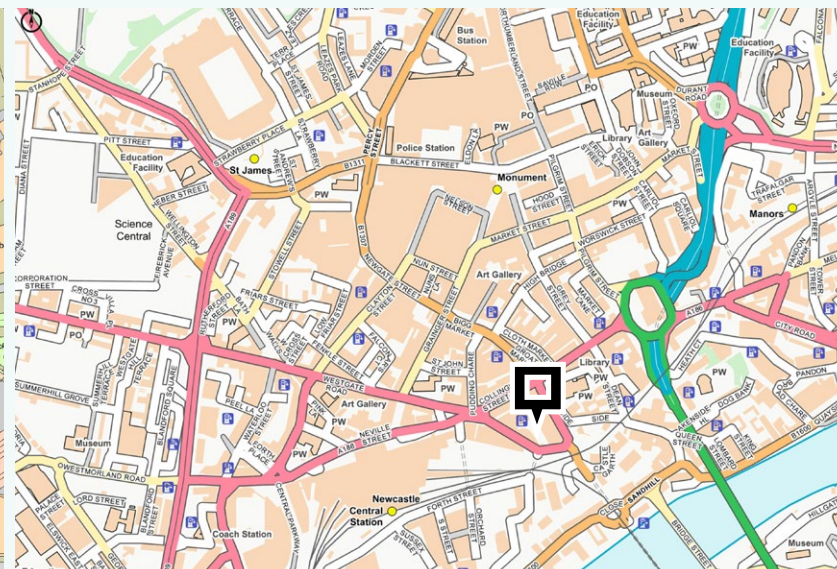
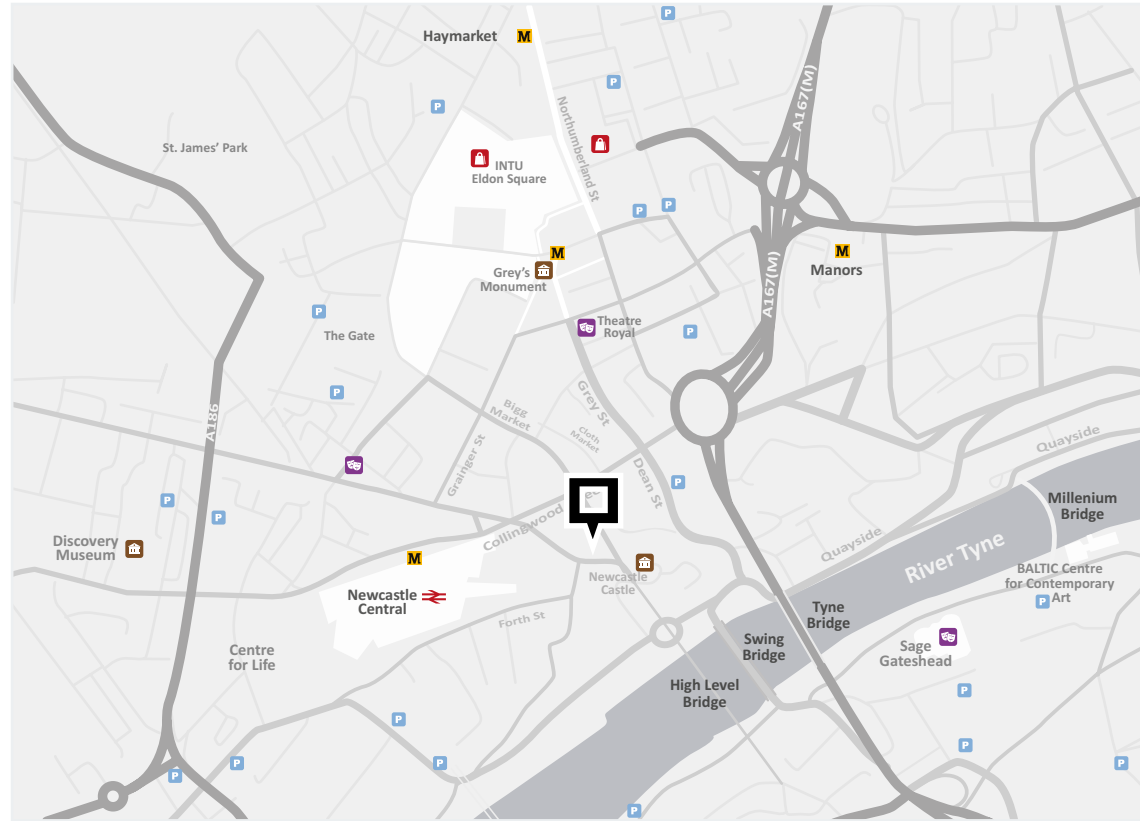
Newcastle upon Tyne is the regional capital and principal focus of economic activity within the North East of England. It is the largest retailing, leisure and office centre in the North East and has an international draw as a business, education and tourism centre. With a population of 304,600 people and a wider urban population of around a 1,000,000 the city is located 270 miles north of London and 105 miles south of Edinburgh.

Home to two leading universities, Newcastle and Northumbria, the city attracts over 55,000 students annually from the UK and 136 countries around the world. Newcastle University is a member of the prestigious Russell Group comprising the leading 24 universities in the country.

The city has an extensive primary catchment shopping population of 1.5 million people with approximately 2.6 million sq ft of retail floor space ranking it sixth out of the 100 PROMIS centres. The prime area is centred around Intu Eldon Square Shopping Centre and Northumberland Street and is home to a number of national retailers including John Lewis, Marks & Spencer, Fenwick, Hugo Boss, Reiss and White Company. The city also has a booming license and leisure market which has seen over 80 new bars and restaurants open in the last 4 years alone, attracting some 2 million leisure visitors to the city each year.

Newcastle has attracted many high profile global, national and regional occupiers, many of which have expanded or upgraded their existing space. Companies include Barclays Bank plc, PWC, Sage Group, Virgin Money Plc and Procter & Gamble. The city centre has continued to attract new private sector companies recently including BSkyB, DAC Beachcroft Solicitors, Convergys and Qubic Tax. Newcastle is also home to national and regional legal firms including Womble Bond Dickinson LLP, Watson Burton LLP, DWF LLP, Irwin Mitchell LLP and Eversheds LLP.





LOCATION

Cooper's Studios is located on Westgate Road in the heart of the city centre. This area continues to see significant investment and redevelopment. Having already benefitted from a comprehensive programme of streetscape improvements from the Central Station through Collingwood Street and Westgate Road it will see a further £5.2m of investment focusing on Central Station aimed at increasing passenger numbers from 8.7m to 12m by 2023. In addition there has been the development of the 98 bed Sleeperz Hotel, redevelopment of the railway archways to provide numerous boutique bar and leisure units and in coming years a further £200m development of the Stephenson Quarter that will provide homes, office and leisure space.

Cooper's Studios, in addition to the excellent road and rail connectivity, is located close to the main leisure and retail offering in the city.

Road

Newcastle city centre is easily accessible from the regional road network with arterial dual carriageways linking direct to the A1(M) and A19 which give access to the wider region.

Rail

Cooper's Studios is located just 300m from Newcastle Central Station. Central Station is a major transport hub and key stop on the LNER railway line. LNER trains provide direct services to London Kings Cross with a fastest journey time of 2 hours and 37 minutes and Edinburgh Waverley in 1 hour and 25 minutes. The TransPennine Express provides regular services to Leeds and Manchester. Regional railways connect Newcastle to Sunderland, Hartlepool and Middlesbrough to the south and east and Carlisle to the west.

Metro

In addition to the overground rail connections, Newcastle is the only city in England, outside of London to benefit from an underground rail network. The Metro is run by Nexus and totals 60 stations connecting the wider conurbation including Sunderland to the South East, Newcastle Airport to the North West and all major suburbs. The closest Metro station is Central Station just 300m from Cooper's Studios.

Newcastle International Airport

Newcastle International Airport is situated 7 miles (11 km) to the north west of the city centre and serves in excess of 5.4m passengers annually to 74 direct destinations globally via 13 scheduled airlines, including Air France, British Airways, Flybe, Easyjet and Emirates. Newcastle International Airport is one of the leading regional airports and benefits from regular flights to London with a flight time of less than one hour.

DESCRIPTION

Cooper's Studios was originally constructed in 1897 and is a rare surviving example of a purpose-built multi-storey horse and carriage repository. The grade II listed building was comprehensively restored in 2009 and converted to provide unique and striking commercial office accommodation.

The accommodation is now set over basement, ground, first and second floors with a lift serving all floors. Many of the original features of this spectacular building have been retained including large central full height atrium. The ground floor front elevation incorporates large full height glazing bringing light into the building and also offering street level views into this remarkable space.

The building also incorporates bike store, shower room, toilets on every floor, mix of hard and raised flooring together with air conditioning.

The building has won numerous awards including:

- Winner - Royal Institution of British Architects
- Winner - British Council for Offices
- Winner - Lord Mayor's Design



ACCOMMODATION

The property provides the following net internal floor area:

Accommodation	Sq m	Sq ft
Ground Floor	522	5,619
First Floor	461	4,962
Second Floor	531	5,715
Total	1,514	16,296

TENURE

Freehold.

TENANCY

The building is let in its entirety to **Ryder Architecture Limited** until 2nd March 2033 therefore providing **13.75 years term certain**. The current passing rent is **£310,245 per annum** which reflects just £204.83 per sq m (**£19.03 per sq ft**). The leases provide for 5 yearly OMV reviews with the next review in March 2024. The lease incorporates the ability to sublet part of the space.

COVENANT

Ryder Architecture Limited was established in 1953 in Newcastle with teams now in London, Glasgow, Liverpool, Hong Kong, Vancouver and Amsterdam. They deliver pioneering architectural services across a diverse portfolio of sectors, with recently completed projects including Tombola House in Sunderland and The Prince & Princess of Wales Hospice in Glasgow. The work of Ryder has been recognised with over 120 awards, as finalist or winner, from respected professional bodies such as RIBA, RICS and BCO.

Ryder Architecture Limited last three years accounts can be summarised as follows:

	30th April 2019* (Draft)	30th May 2018	30th May 2017
Turnover	£16,092,918	£14,484,918	£12,547,404
Pre-Tax Profit	£966,552	£560,411	£1,002,178
Shareholders Funds	£3,221,372	£2,370,749	£2,205,429

* Figures to 30th April 2019 subject to audit.

NEWCASTLE OFFICE MARKET

The city of Newcastle has a total office stock of around 9.9m sq ft with the traditional office core centring around the Grainger Town area within which sits Cooper's Studios.

Traditionally new development in Newcastle has primarily been on a pre-let basis and as such the availability of Grade A space during the downturn was one of the lowest of all UK regional cities. The lack of new build office space has pushed the focus on upgrading and improving some of the older yet still institutional buildings in the city. The most prominent examples being the refurbishment of Central Square South close to the subject property which has now set new rental levels for the city at £24.50psf. Of particular note to Cooper's Studios is the neighbouring St Nicholas Building which has undergone a significant upgrade by the previous owners resulting in rent levels rising from £17.50psf to £20.50psf for the latest lettings.

Growing tenant demand has now changed the development situation with the first phase of Newcastle Helix now on site with delivery of the 107,000 sq ft "The Lumen" due to complete at the end of 2019. The developers will be seeking £26.00psf.

There currently exists around 1.5m sq ft of Grade A stock in Newcastle with around 115,000 sq ft of available space. This against a backdrop of 239,693 sq ft of total city centre take up in 2018 of which 73,220 sq ft was Grade A.

This lack of available stock verses demand has meant we have continued to see a pattern of increasing rental levels being set within the city. Recent lettings include:

Building	Tenant	Size sq ft	£ sq ft
Central Square South	Sanderson Weatherall Q4 2018	4,294	£23.75
Central Square South	Towergate Q4 2018	2,897	£24.50
71 Grey Street	Savills Q4 2018	1,061	£22.50
Central Square South	DWF Q2 2018	7,300	£23.50
Time Central	Mott MacDonald Q1 2018	6,000	£23.00
St Nicholas Building	Frank Group Q4 2017	3,316	£20.50
St Nicholas Building	Frank Group Q3 2017	19,309	£20.50



OFFICE INVESTMENT MARKET

Recent office investment deals include the following:

Date	Address	Price	Yield	Cap Value psf	Comments
March 19	20 Collingwood Street, Newcastle	£2,420,000	6.02%	£143	WAULT to break of 16.21 years
June 2018	Gainsborough House, 34-40 Grey Street, Newcastle	£5,850,000	4.48%	£227	WAULT 6.16 years
April 18	42-50 Grey Street, Newcastle	£4,055,000	4.17%	£221	8 years on ground and basement leisure income upper floors vacant
March 18	St Nicholas Building, Newcastle	£19,300,000	6.00%	£300	WAULT to break of 3.42 years.
March 18	Rotterdam House, Quayside, Newcastle	£10,100,000	6.45%	£283	WAULT 5.92 years
July 17	Keel Row House, Quayside, Newcastle	£8,855,000	5.57%	£372	13 years unexpired term to a local firm

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.

EPC

C69.

PROPOSAL

Offers sought in excess of **£4,325,000 (Four Million Three Hundred and Twenty Five Thousand Pounds)** reflecting a net initial yield of **6.73%** assuming purchaser's costs of 6.56%.



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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. June 2019.

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