



MULTI-LET INDUSTRIAL & OFFICE INVESTMENT

| EARLS HOUSE & EARLS PARK NORTH | EARLSWAY | TEAM VALLEY TRADING ESTATE | GATESHEAD | NE11 0RQ |



INVESTMENT SUMMARY

- ❑ **Multi-let industrial & office investment**
- ❑ 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 **11 tenants** across 4 industrial units and a multi-let office building
- ❑ Rent **£207,339.22** per annum rising to **£265,369.22** per annum

Offers sought in excess of **£2,500,000 (Two Million Five Hundred Thousand Pounds)** reflecting a net initial yield of **7.80%** assuming purchaser's costs of 6.38%. This will **increase to 9.20%** in February 2021 and **9.98%** in January 2022.

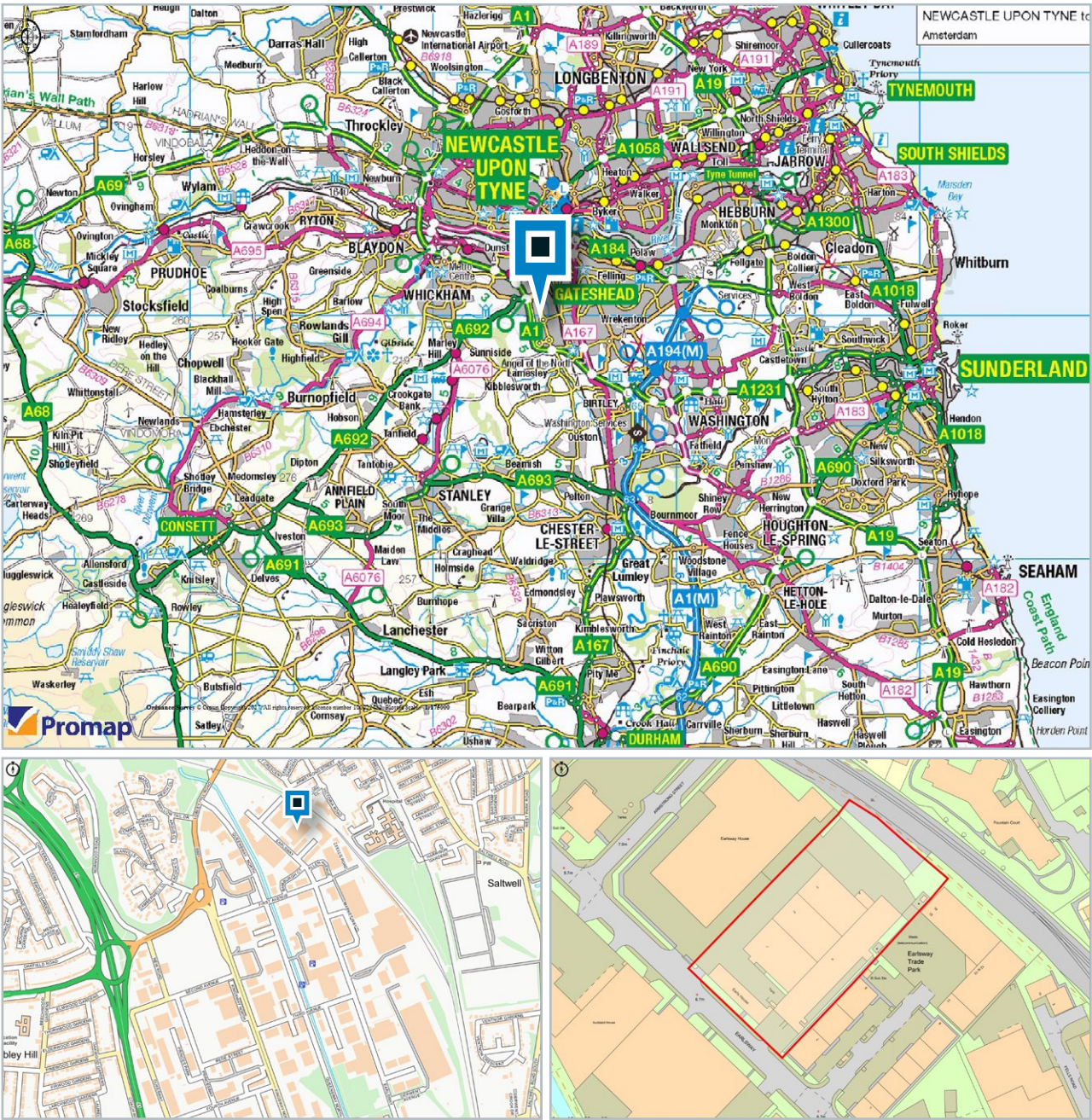
LOCATION

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 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.

The subject property occupies a prominent position on Earlsway to the northern end of Team Valley. Notable occupiers in the vicinity include Royal Mail, Euro Car Parts and ATS Euromaster. The property is also a short distance from the Maingate development which includes amenities including Gymetc, Premier Inn and O'Briens.





DESCRIPTION

The property comprises a mix of warehouse and production facilities together with separate two storey office accommodation fronting onto Earlsway. Earls House comprises a two storey brick built office incorporating double glazed windows to the front and rear elevations. The building is accessed by double doors under an attractive glass canopy. Internally the building provides 11 individual suites. The building benefits from gas central heating, wc's on each floor and 13 dedicated car parking spaces to the rear.

Earls Park North comprises a terrace of four multi-let industrial units. All units are accessed via a shared yard while Unit 4/5 has a separate main entrance off Earlsway. Unit 1, 2 & 3 are of steel portal frame construction with part brickwork and part blockwork elevations with corrugated steel panels to the upper sections. Each unit incorporates a full height electric roller shutter door together with separate pedestrian access. Unit 4/5 has a dedicated car park off Earlsway with a single storey office and reception area. The unit is steel portal framed with part brickwork and part blockwork elevations with corrugated steel panels to the upper sections. There are two roller shutter doors one at each end of the unit opening onto the shared yard area. The unit also benefits from a 2.5 tonne crane. All units have pitched profile clad roofs incorporating translucent panels.

To the north east of the site there are two telecoms masts.



TENURE

The property is held part freehold and part long leasehold for a term of 150 years from 19th December 2018 at a peppercorn rent.

TENANCY

The building sits on a site of 1.071 ha (2.65 acres).

Unit	Tenant	Sq ft	Sq m	Lease Start	Lease Exp	Rent	Rent psf	Comments
Earls Park North								
Unit 1	Facelift (GB) Ltd	9,770		20th September 2019	24th December 2021	£46,000	£4.70	Passing rent £44,000 stepped uplift to £46,000 25th Dec 20. Vendor to top up to fixed uplift level
Unit 2	Newcastle Steel Company Ltd	8,288		16th March 2019	31st December 2023	£20,750	£2.50	Stepped rent to £41,500 1st Jan 22
Unit 3	Di Marco Online Ltd	8,368		24th July 2013	23rd July 2023	£30,000	£3.58	
Unit 4/5	Newcastle Steel Company Ltd	17,081		16th March 2019	31st December 2023	£37,280	£2.18	Stepped rent to £74,560 1st Feb 21
Mast	Arqiva Ltd			28th April 2016	27th April 2026	£7,409	-	Rent reviewed on 28th April 21 & 28th April 24
Mast	Vodafone Ltd			18th December 2003	17th December 2023	£8,560.22	-	Uncapped RPI rent review every 3rd anniversary. Mutual rolling break with 12 months notice.
Total		43,507				£149,999.22		
Earls House								
Suite 1	Blue Box Management Consultants Ltd	1,500		1st June 2018	31st May 2023	£13,000	£8.67	Half rent until 30th Nov 2019 vendor to cover any shortfall.
Suite 2 & 3	Vacant	549						
Suite 4	RW & Co Ltd	588		1st April 2019	31st March 2021	£5,880	£10.00	Break any time with 3 months notice.
Suite 5	Eco Logic Partners Ltd	320		3rd April 2017	2nd April 2020	£3,200	£10.00	
Suite 6 & 7	Eco Logic Partners Ltd	710		1st January 2018	2nd April 2020	£7,100	£10.00	
Suite 8	Pro Maven Group Ltd	443		3rd April 2017	2nd April 2020	£4,430	£10.00	
Suite 9	WL FF Ltd	1,182		2nd April 2019	1st April 2022	£10,700	£9.05	Rent free until 1st Apr 2020 vendor to cover any shortfall.
Suite 10	Wellacy Ltd	1,303		1st September 2019	31st August 2025	£13,030	£10.00	
Total		6,595				£57,340		
Grand Total		50,102				£207,339.22		
						£244,619.22	1st Feburay 2021 Newcastle Steel Company fixed uplift	
						£265,369.22	1st January 2022 Newcastle Steel Company fixed uplift	

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
Q4 2019	Unit 1 Derwent Court	Hammond Expanders	15,148	£6.25
Q3 2019	Unit 4 Craster Court	Euro Car Parts	5,210	£6.00
Q2 2019	Millennium Court, Dukesway	Cromwell Tools	11,221	£6.37
Q1 2018	Unit 4 Derwent Court	EON	5,975	£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

EPC

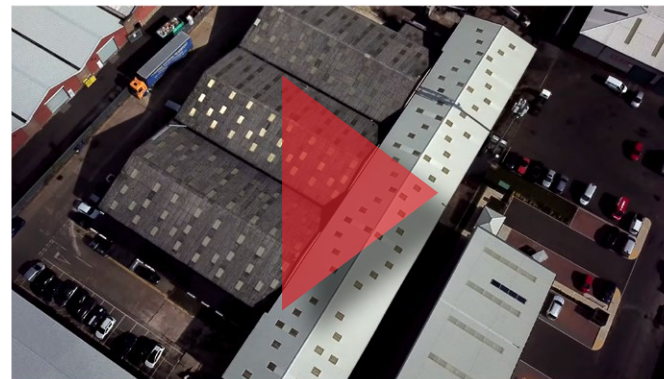
EPC available on request.

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

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DRONE FOOTAGE OF THE BUILDING AND SITE

FURTHER INFORMATION

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

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