

PRIME INDUSTRIAL INVESTMENT





INVESTMENT SUMMARY

- ❑ **100% prime industrial** 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
- ❑ 18,021 sq ft **modern detached** unit
- ❑ Let to the **substantial** covenant of **Smiths News Trading Limited**
- ❑ Rent **£99,150** per annum

Offers sought in excess of **£1,435,000 (One Million Four Hundred and Thirty Five Thousand Pounds)** reflecting a net initial yield of **6.51%** assuming purchaser's costs of 6.07%.

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 Kingsway to the southern end of Team Valley. Notable occupiers in the vicinity include Bestway Wholesale, Royal Mail, Del la Rue and Express Engineering. The property is also a short distance from the Team Valley Retail World, McDonalds and Sainsbury's.





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 glazing with the warehouse comprising brick and profile metal cladding. The roof is pitched and incorporates roof lights.

The property benefits from 10 electrically operated access doors providing cross loading as well as two yard areas on both the northern and southern elevations. The unit has an eaves height of 5.7m to underside of haunch.

Externally the unit provides generous yard areas to both the northern and southern elevations and separately block paved parking. The southern yard area is secured by a steel palisade fence.



ACCOMMODATION

The property has the following Gross Internal Areas:

	Sq ft	Sq m
Production/Warehouse Area	14,613	1,357.5
Ground Floor Offices	1,582	147
First Floor Offices	1,582	147
Total GIA	17,777	1,651.5

TENURE

The property is long leasehold for a term of 125 years less 5 days from 1st June 2001 at a peppercorn rent.

TENANCY

The property is let in its entirety to Smiths News Trading Limited (00237811) for 10 years from 1st April 2020. There is a tenant only break at the end of the 5th year of the term. The rent is £99,150pa reflecting just £5.57 per sq ft (£60.03 per sq m).

The building sits on a site of 0.468 ha (1.15 acres).

COVENANT

Smiths News Trading Limited (00237811) are a leading newspaper and magazine wholesaler working on behalf of national and regional publishers. Dating back to 1792 the company went onto become WHSmith and was subsequently demerged and became Smiths News plc in 2006. Today the company distributes a diverse range of print media to 24,000 customers 364 days a year.

Smiths News Trading Limited (00237811) last three years accounts can be summarised as follows:

	31st August 2019	31st August 2018	31st August 2017
Turnover	£1,277,700,000	£1,331,400,000	£1,380,200,000
Pre-Tax Profit	£30,700,000	£24,100,000	£68,200,000
Shareholders Funds	£213,700,000	£687,300,000	£666,900,000

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
Q2 2020	K474 Queensway	Network Rail	21,500	£6.00
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 Ltd	26,834	£7.45

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 **£1,435,000 (One Million Four Hundred and Thirty Five Thousand Pounds)** reflecting a net initial yield of **6.51%** assuming purchaser's costs of 6.07%.

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**

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. July 2020.

Designed by [white button](#)