

DERWENT COURT

Earlsway, Team Valley
Gateshead NE11 0FT



METCALF
HARLAND
PROPERTY
INVESTMENT

Bradley Hall

PRIME MULTI-LET
INDUSTRIAL INVESTMENT

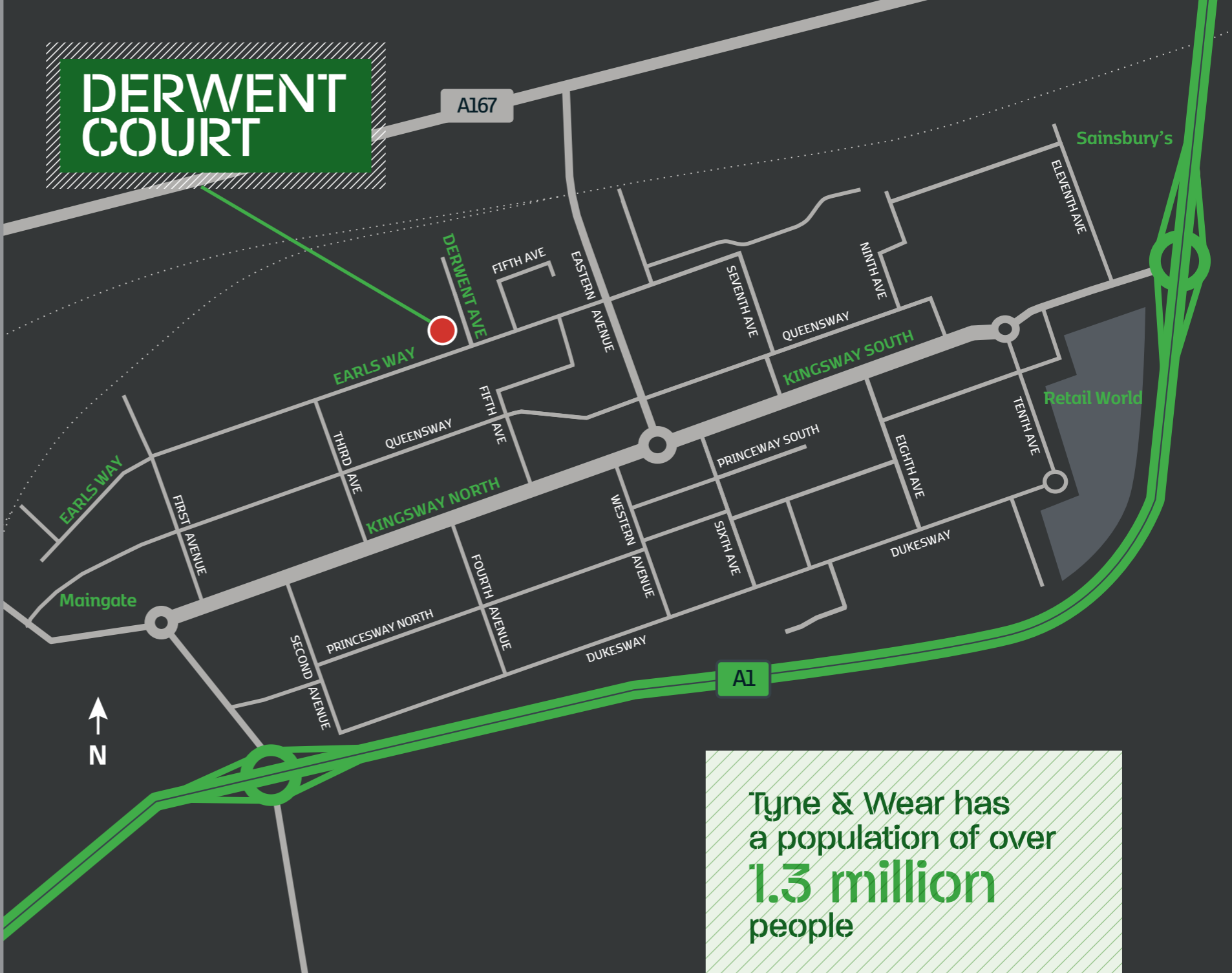


DERWENT COURT

Investment Highlights

- **100% prime multi-let 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
- 55,974 sq ft of **modern industrial accommodation**
- Lease events offering **asset management opportunities**
- Passing rent **£389,100** per annum offering **significant rental growth potential**

Offers sought in excess of **£5,300,000** (Five Million Three Hundred Thousand Pounds) reflecting a net initial yield of **6.89%** assuming purchaser's costs of 6.60% and a **reversionary yield** based on ERV of **7.92%**.



Tyne & Wear has a population of over **1.3 million** people

Tyne & Wear

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 202,000 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 £220m 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.

DERWENT COURT



Team Valley Retail Park

Sainsbury's

A1 SOUTH

5th Avenue Business Park

DERWENT AVE

astley.

NetworkRail

TSG

EXPRESS ENGINEERING

Mercedes-Benz

A1 NORTH

dpd

NetworkRail

KINGSWAY

CCF

Kingsway North Development
130,000 sq ft new industrial
across 3 units

24,000
people employed
in over 740 companies
on Team Valley

safestore

FARMHOUSE INNS
DINING & CARVERY

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.

The subject property occupies a prominent position on Earlsway to the northern end of Team Valley. Notable occupiers on the estate include Royal Mail, De La Rue, Express Engineering, Booker and DPD. The property is also a short distance from the Team Valley Retail World, McDonalds and Sainsbury's.

Description

The property comprises an industrial development of six units in two detached and two semi-detached blocks arranged around a central courtyard, built in 2001.

The units are of steel portal frame construction with external elevations clad in a mixture of facing brickwork and profiled steel cladding. The roof are similarly finished with profiled steel cladding incorporating 5% roof lighting.

Internally the units provide clear warehousing/production space with 7m eaves and maximum floor loadings of 30kn per sq m. Well finished offices are provided at first floor level having carpeted floors, painted and plastered walls, suspended ceiling incorporating modular light fittings, three compartment perimeter trunking and gas fired central heating.

Externally the site which has extensive perimeter landscaping has a large central yard area, finished in concrete and brick paving to delineate car and goods vehicle parking areas.



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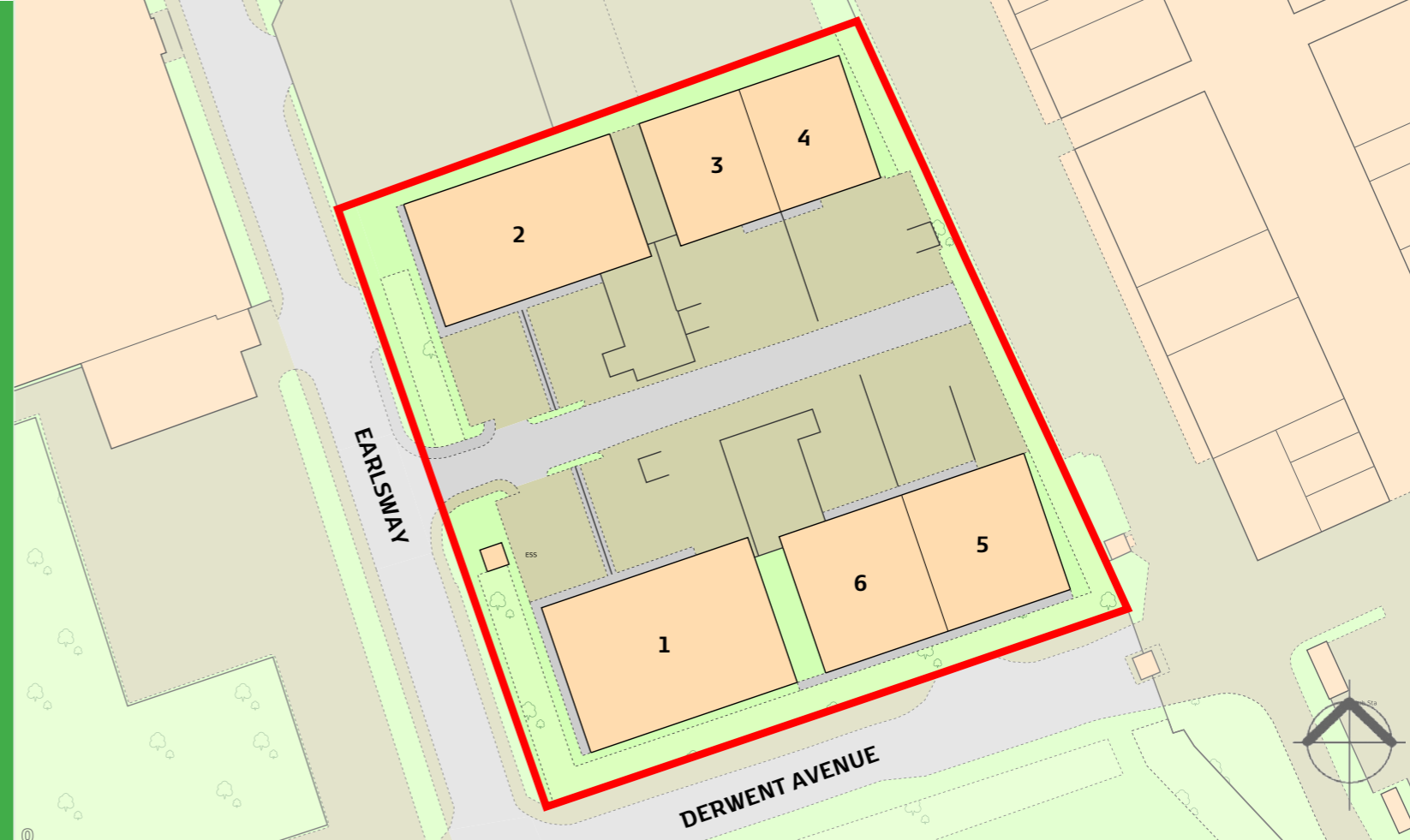


Tenure

The property is long leasehold for a term of 150 years from 19th December 2018 at a peppercorn rent giving over 142 years unexpired.

Tenancy

Site area 1.439 hectares (3.55 acres). WAULT to Expiry 4.29 years and to Break 3.46 years.



Unit	Tenant	Start Date	Next Review	Break	Expiry	Area	Passing Rent pa	Rent PSF	ERV	ERV PSF	EPC	Comment
1	Hammond Expanders UK LLC	23/09/2019	23/09/2029		22/09/2034	15,148	£115,000	£7.59	£115,000.00	£7.59	B (45)	New 5 year reversionary lease agreed from September 2029 taking the expiry to 2034. Tenant to receive 3 months rent free in 2029
2	Elring Parts Ltd	01/09/2006			31/08/2026	12,594	£82,000	£6.51	£100,752.00	£8.00	B (47)	Tenant vacating at expiry. On the market at a quoting rent of £101,000 £8.00psf. Landlord to provide a 12 month rental guarantee from expiry
3	Sally Salon Services Limited	23/05/2023	23/05/2028	25/05/2028	22/05/2033	6,077	£39,000	£6.42	£51,654.50	£8.50	B (38)	
4	RWE Technology UK Limited	26/01/2023			25/01/2028	5,975	£42,000	£7.03	£50,787.50	£8.50	C (51)	
5	Under Offer					8,095	£62,500	£7.72	£64,760.00	£8.00	B (45)	Under offer to Broughton Plant Hire & Sales Ltd. 5 year lease with a tenant break at year 3. £62,500pa 9 months rent free with a 3 month rent penalty if the break is exercised. Vendor will top up the incentive
6	AMD Specialist Coatings (Holdings) Ltd	24/06/2016			23/06/2026	8,085	£48,600	£6.01	£64,680.00	£8.00	B (50)	Lease renewal negotiations started. Tenant has been in occupation for over 25 years
						55,974	£389,100		£447,634			

Covenant

Hammond Expanders UK LLC (FC024906) is part of the Hammond Group based in the USA. They are a global leader in additives for lead acid batteries. The UK operation is headquartered in Derwent Court and specialises in manufacture and distribution of pre-blended battery additives.

Hammond Expanders UK LLC (FC024906) last three years accounts can be summarised as follows:

	31st December 2024	31st December 2023	31st December 2022
Turnover	£4,771,397	£4,354,932	£4,886,967
Pre-Tax Profit	£521,699	£362,449	£714,683
Shareholders Funds	£10,650,258	£10,276,765	£9,987,840



Sally Salon Services Limited (01060763) began in 1964 in New Orleans and now operates from 4,000 stores worldwide including 215 in the UK. Supplying the trade with hair, beauty, nail, barbering and furniture products.

Sally Salon Services Limited (01060763) last three years accounts can be summarised as follows:

	30th September 2024	30th September 2023	30th September 2022
Turnover	£158,104,000	£157,192,000	£155,916,000
Pre-Tax Profit	£3,013,000	£1,433,000	£11,785,000
Shareholders Funds	£43,225,000	£32,248,000	£60,307,000

RWE Technology UK Limited (07056922) are a leading provider of renewable energy with a diverse portfolio spanning wind, solar, hydro, biomass and gas. They employ 3,000 people in the UK and 20,000 worldwide.

RWE Technology UK Limited (07056922) last three years accounts can be summarised as follows:

	31st December 2024	31st December 2023	31st December 2022
Turnover	£15,698,000	£12,751,000	£6,547,000
Pre-Tax Profit	£9,565,000	£1,736,000	£686,000
Shareholders Funds	£11,751,000	£4,103,000	£3,214,000

AMD Specialist Coatings (Holdings) Limited (06481484) are a leading specialist coatings company supplying the architectural fabrication, oil & gas, defence, engineering and signage sectors. They specialise in shot blasting, powder coating, anti-slip and wet coat applications.

AMD are headquartered in Derwent Court and have been in occupation for over 20 years.



Market Commentary

UK industrial take-up is predicted to rise to 44 million sq ft in 2026, 10% up on the previous year. North East take up was 1.3m sq ft in 2025. Against this back drop the supply of smaller modern industrial units is extremely limited across the region.

As a result we have witnessed significant rental growth being achieved even on refurbished second-hand stock. Where vacant units have become available they are now often trading at significantly ahead of investment values demonstrating this dearth of supply. Team Valley has enjoyed strong rental growth, increased demand particularly for modern units and a compression of void periods. Well located modern units between 5,000 sq ft and 15,000 sq ft are now showing rental levels of between £8.00 per sq ft and £11.00 per sq ft.

Recent evidence includes:

Date	Address	Tenant	Area Sq ft	Rate psf
Under Offer	Earlsway, Team Valley	U/O	16,025 sq ft	£8.00 psf
Under Offer	Unit 3 Angel Park Drum Industrial Estate	U/O	10,809 sq ft	£8.00 psf
January 2026	16C Follingsby, Gateshead	Palm Recycling	9,279 sq ft	£10.75 psf
October 2025	19 Blue Sky Way, Monkton	LV Shipping	10,797 sq ft	£11.00 psf
August 2025	15B Follingsby, Gateshead	Culligan (Renewal)	10,092 sq ft	£10.75 psf
July 2025	6B Follingsby, Gateshead	DX Network Ltd (Rent Review)	16,511 sq ft	£10.50 psf
March 2025	Unit 8 Queens Court, Team Valley	Gastro North Ltd	3,336 sq ft	£11.39 psf
January 2025	Unit B Aquarius Park, Team Valley	UK Food Brokers	17,924 sq ft	£7.95 psf
January 2025	Unit 11 Kingsway Interchange, Team Valley	The Panel Company	9,728 sq ft	£8.22 psf
July 2024	Kingsway, Team Valley	Stark	9,805 sq ft	£8.25 psf
April 2024	2 Portobello Trade Park, Birtley	Future Heat & Power	6,879 sq ft	£10.17 psf



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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Contact

All viewings must be made by prior appointment and under no circumstances should any approach be made to any of the occupational tenant's staff.

For any enquiries regarding the property, please contact one of the appointed joint agents:



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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.

May 2026

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