

EARLS HOUSE & EARLS PARK NORTH

Earlsway, Team Valley Trading Estate, Gateshead NE11 0RQ



**MULTI-LET INDUSTRIAL
& OFFICE INVESTMENT**





Offers sought in excess of

£2,260,000

(Two Million Two Hundred and Sixty Thousand Pounds)

reflecting a net initial yield based on the net income of **9.03%** assuming purchaser's costs of **6.34%**. This will increase to **13.46%** when fully let at ERV.

Investment Highlights

- **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
- Estate comprises **4 industrial units** and a multi-let **office building**
- **Significant asset management opportunities** to increase net rent and running yield
- Gross Rent **£263,765** per annum (net rent after shortfalls £216,946)
- **Capital value** reflects **just £45.10 per sq ft overall**



Location

The boroughs of **Gateshead, Newcastle, Sunderland, North Tyneside** and **South Tyneside** form the conurbation of **Tyne & Wear**.

With a population of over 1.3 million people, Tyne & Wear has the seventh largest in the country. Gateshead has a metropolitan borough population of 202,000 people.

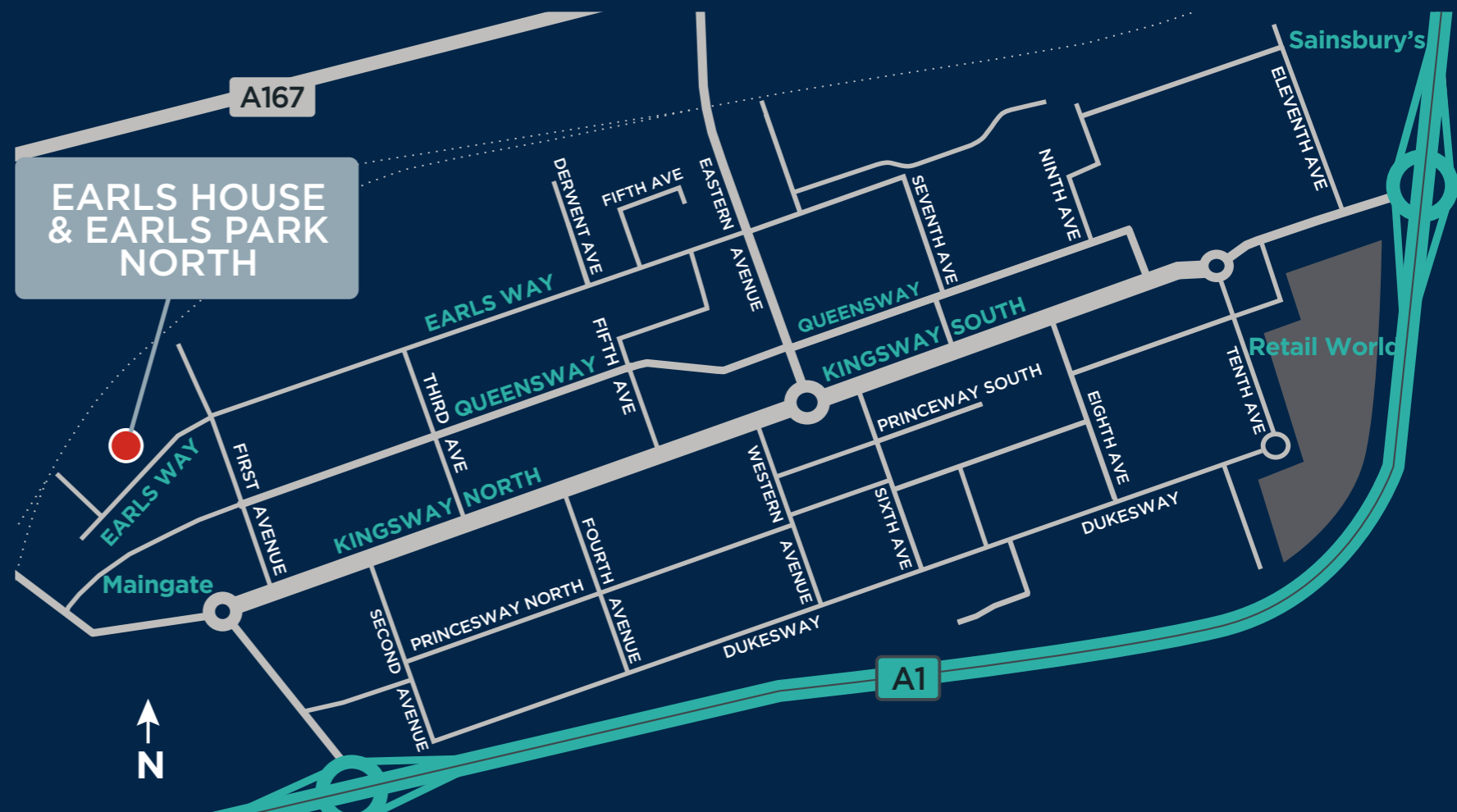
Team Valley is bordered to the west and south by the A1 dual carriageway with two junctions providing direct access to the national road network. The A1 has recently undergone a £220m improvement project to widen the road adding a lane in both directions and creating better access to and from the Team 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.

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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 a mix of **warehouse and production facilities** together with separate **two storey office accommodation** fronting onto Earlsway.

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 story

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. Unit 4/5 had a completely new roof installed in 2023.

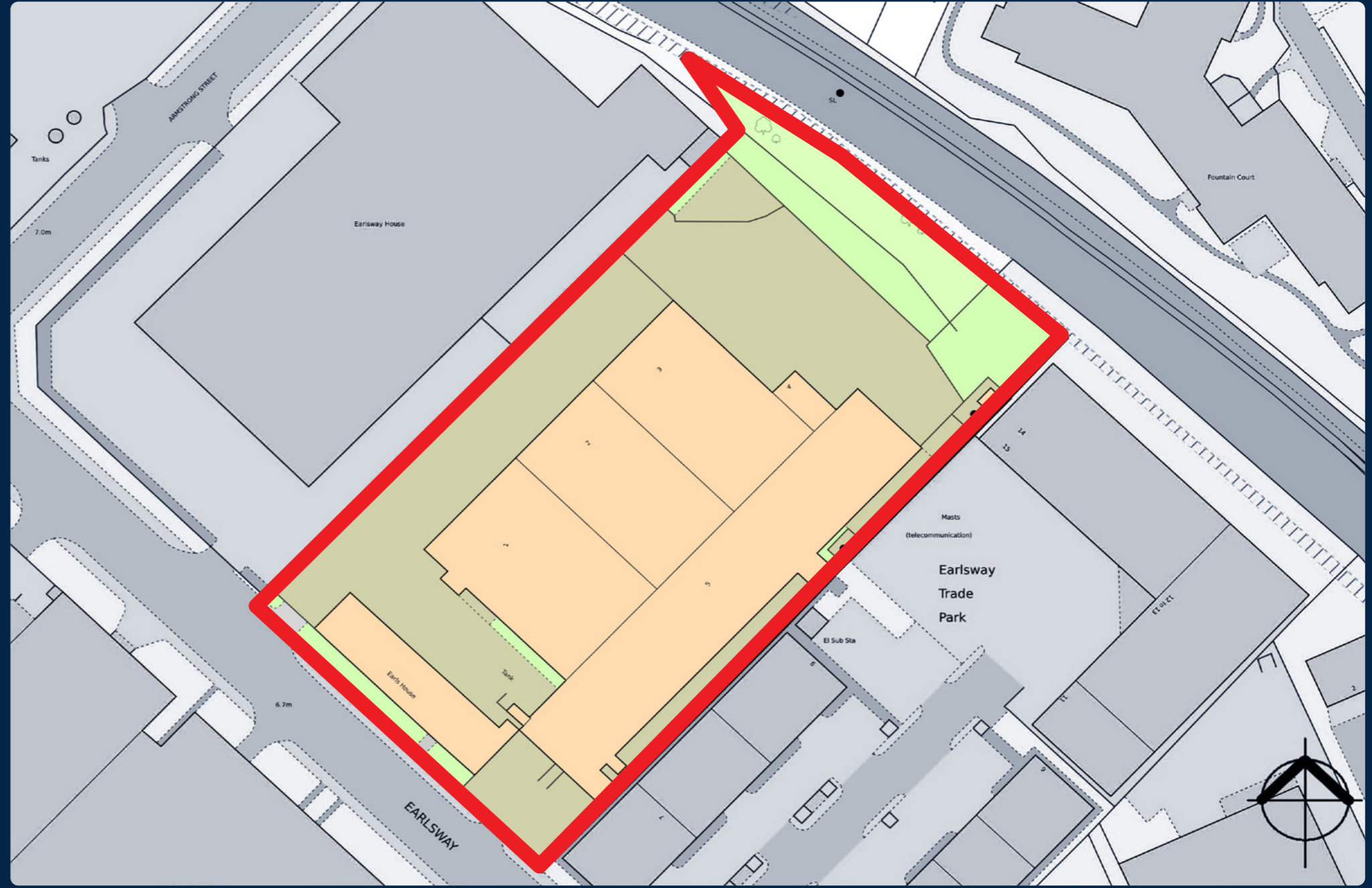


Earls House comprises a two story brick built office incorporating double glazed windows to the front and rear elevations. The building is accessed by double doors under an attractive glass canopy. Internally the building provides 11 individual suites. The building benefits from gas central heating, wc's on each floor and 13 dedicated car parking spaces to the rear.

The telephone mast is located to the north east of the site.



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



Tenure

The property is held part freehold and part long leasehold. An element to the rear of the development is held freehold with the front element being long leasehold for a term of 150 years from 1st December 2018 at a peppercorn rent giving over **142 years unexpired**.

Tenancy

| Unit | Tenant | Sq ft | Sq m | Lease Start | Lease Exp | Rent | Rent psf | ERV | ERV psf | Comments | EPC |
|--------------------------------------|---|---------------|------|--------------------|--------------------|-----------------|----------|-----------------|---------|--|------|
| Earls Park North - Industrial | | | | | | | | | | | |
| Unit 1 | AFI-Uplift Ltd | 9,770 | | 25th December 2021 | 24th December 2026 | £60,575 | £6.20 | £60,575 | £6.20 | SoC. Advanced lease renewal discussions for a new 10 year lease with a break a the 5th at £60,575pa. | C-74 |
| Unit 2 | Vacant | 8,288 | | | | £51,400 | £6.20 | £51,400 | £6.20 | 12 month rent, rates and service charge guarantee. | C-66 |
| Unit 3 | Di Marco Online Ltd | 8,368 | | 18th February 2025 | 17th February 2030 | £40,000 | £4.30 | £51,800 | £6.20 | Stepped rent £36,000 to Feb 28 then £40,000. Vendor to top up. Tenant break 17th Feb 2029. SoC. | C-67 |
| Unit 4/5 | Komoo Limited | 17,081 | | 16th January 2024 | 15th January 2034 | £91,200 | £5.34 | £91,200 | £5.34 | Tenant break 16th Jan 2029. OMV rent review capped at a maximum of 10% uplift. SoC. | B-47 |
| Mast | Cornerstone Telecommunications Infrastructure Limited | | | 31st October 2025 | 30th October 2035 | £2,500 | - | £2,500 | - | | N/A |
| Total | | 43,507 | | | | £245,675 | | £257,475 | | | |
| Earls House - Office | | | | | | | | | | | |
| Suite 1 | Vacant | 1,500 | | | | | | £15,000 | £10.00 | | C-69 |
| Suite 2&3 | Lamesley Childcare | 549 | | 17th December 2019 | 16th December 2024 | £5,490 | £10.00 | £5,490 | £10.00 | SoC | - |
| Suite 4 | Vacant | 588 | | | | | | £5,880 | £10.00 | | - |
| Suite 5 | Vacant | 320 | | | | | | £3,200 | £10.00 | | - |
| Suite 6&7 | Vacant | 710 | | | | | | £7,100 | £10.00 | | - |
| Suite 8 | Vacant | 443 | | | | | | £4,430 | £10.00 | | - |
| Suite 9 | Vacant | 1,182 | | | | | | £11,820 | £10.00 | | - |
| Suite 10 | IW Flooring Solutions (NE) Ltd | 1,303 | | 1st June 2025 | 31st May 2027 | £12,600 | £9.67 | £13,030 | £10.00 | | - |
| Total | | 6,595 | | | | £18,090 | | £65,950 | | | |
| Grand Total | | 50,102 | | | | £263,765 | | £323,425 | | | |

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

There is a separate service charge running for both the industrial and office accommodation. Full details available on request.

Asset Management Opportunities

- The current vacant office accommodation generates a significant service charge and rates shortfall which has been reflected in the net income figure and quoting yield. Letting this accommodation would have a dramatic effect on net income and running yield.
- Alternatively the office building could be refurbished/ redeveloped to provide alternative use (subject to planning and Freeholder consent).
- Demolish the office to create additional yard area for the existing industrial units. Due to the current non recoverable expenditure associated with the office element demolishing the building would increase the running yield to north of 10%.
- Rental levels on this estate are now significantly behind other comparable size units on Team Valley. Recent evidence shows £8.00 per sq ft and above is readily achievable for similar sized units offering scope for significant rental growth.



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

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 the appointed agents:



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