

For Sale

Prime, Reversionary Industrial Investment

Smiths News

Unit 1 Kingsway Court

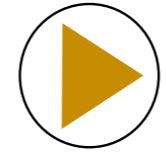
Kingsway South, Team Valley Trading Estate, Gateshead NE11 0SH



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Property
Video

Investment Summary

- + The asset is **located** on the **North East's premier industrial location**
- + **Excellent road connectivity** with **immediate access** to the **A1(M)**
- + Property extends to **17,777 ft²**
- + Let to **Smiths News Trading Limited** on a **10 year lease** with **4.05 years unexpired** on the lease
- + Passing **rent** of **£131,550 per annum**
- + Tenant **Creditsafe** rating of **100 / A** offering **excellent security to an investor**
- + **Mission critical** location for the tenant with the unit servicing the entire North East, across to Carlisle and north to the Borders
- + **Rare 'cross docked' unit** suitable for fast moving goods transit / distribution operators
- + **Rental growth** on Team Valley is amongst the most significant in the North East, particularly for units under 20,000 ft²
- + **Excellent future re-letting prospects** given the **size, location** and **prominence** onto Kingsway South



Proposal

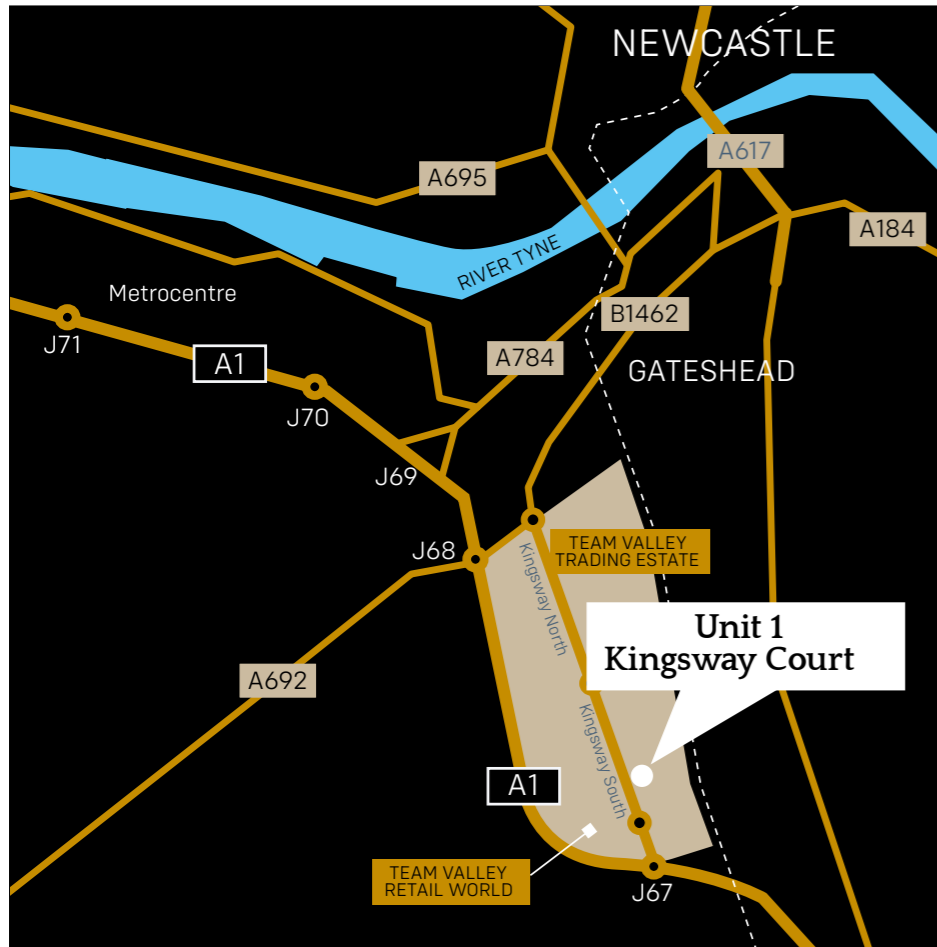
Offers are sought in excess of **£1,650,000 (One Million, Six Hundred & Fifty Thousand Pounds)** exclusive of VAT, reflecting a **Net Initial Yield** of **7.51%** after allowing for purchaser's costs of 6.16%.

£1,650,000 reflects a **reversionary yield** of **8.62%** and a **low overall capital value** of **£92.82 /ft²**.

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Team Valley Trading Estate

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 ft² of industrial space and in excess of 7m ft² 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.

Situation

The subject property occupies a prominent position fronting Kingsway South 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.

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.



Site Area

1.08 acres
Low site cover
of 34%

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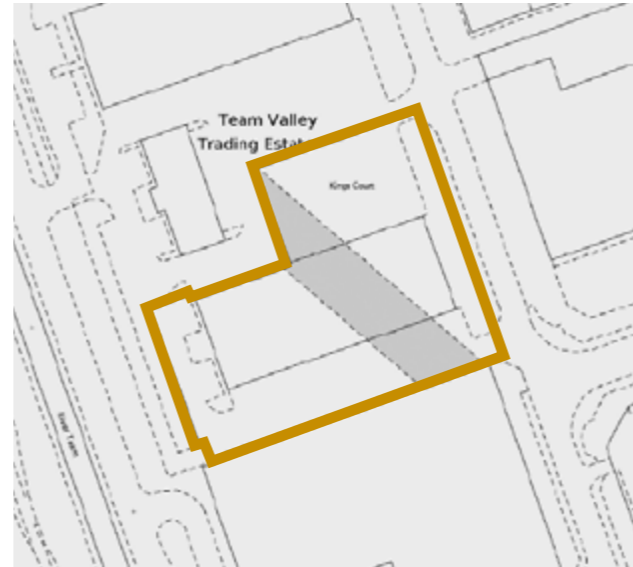
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Description

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 5.75m to underside of haunch and 8.9m to the apex. 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.



For indicative purposes only



Accommodation

The property provides the following Gross Internal Area (GIA):

| BUILDING | m ² | ft ² |
|-----------------------------|----------------|-----------------|
| Production / Warehouse Area | 1,357.9 | 14,613 |
| Ground Floor Offices | 146.97 | 1,582 |
| First Floor Offices | 146.97 | 1,582 |
| Total GIA | 1,651.3 | 17,777 |

Tenancy

The property is let in its entirety to Smiths News Trading Limited (00237811) for a term of 10 years with effect from 1st April 2020 at a rent of £131,550 per annum (£7.40/ft².)

There was a tenant only break option at the end of the 5th year of the term which they didn't serve, showing their ongoing commitment to the location and building.

The lease is drawn on Full Repairing and Insuring (FRI) terms and there is c.4.05 years unexpired on the lease.

Site

The building sits on a site of 1.08 acres which shows a low site coverage of 34%.

Tenure

The property is held long leasehold for a term of 125 years less 5 days from 12th April 1996 at a peppercorn rent.



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Covenant

Smiths News Trading Limited (Co No. 00237811)

Smiths News is the UK's largest newspaper and magazine wholesaler, serving over 22,400 retail outlets in England and Wales. Smiths News holds 55% of the market share. 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.

<https://smithsnews.co.uk/>

Recent financial highlights are outlined below:

| | 2024 | 2023 | 2022 |
|----------------------------|----------------|----------------|----------------|
| Turnover | £1,098,200,000 | £1,086,400,000 | £1,084,100,000 |
| Pre Tax Profit | £40,300,000 | £36,400,000 | £30,000,000 |
| Shareholder's Funds | £359,700,000 | £330,300,000 | £295,900,000 |

Smiths News Trading Limited are rated as 99 / 100 'A' by Creditsafe indicating 'very low risk'.



EPC

B (44).

DATA ROOM

Access can be provided to seriously interested parties on request.

VAT

We understand the property is elected for VAT and it is envisaged that the transaction will be treated as a TOGC.

Anti-Money Laundering Regulations

Under both HMRC and RICS guidance, as property agents we are obliged to undertake AML due diligence for both the purchase and vendors (our client) involved in a transaction. As such, personal and / or detailed financial and corporate information might be required before any terms are agreed or any transaction can conclude.

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Viewing & Further Information

For further information, or to arrange inspections or access the data room, please contact sole agents:



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