

Investment/ Development Opportunity

CENTRE NORTH EAST, ALBERT ROAD,
MIDDLESBROUGH TS1 2RU

An exceptional opportunity to acquire an
income producing development opportunity



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KEY HIGHLIGHTS

- An opportunity to acquire a landmark income producing development opportunity at the heart of Middlesbrough Town Centre, well located on Albert Road. This prime location offers unparalleled convenience and access to a wide range of amenities.
- Comprising a mixed use building arranged over basement, ground and 17 upper floors, Centre North East offers a total of 12,074 sq m (129,973 sq ft), of which 8,946 sq m (96,297 sq ft) has outline planning consent for residential conversion.
- The basement and ground floors are multi let to three established leisure occupiers, together with specialist retail on the mezzanine floor. There is an opportunity to generate further income from the first floor podium office suite of 1,323.86 sq m (14,250 sq ft).
- The building produces a current gross income of £180,570 per annum from four occupying tenants, offering a WAULT of 7.63 years to earliest determination and 8.39 years to lease expiry.
- Outline consent has been granted for conversion of the 3rd to 17th floors for residential use, with capacity for up to 238 residential units, creating an opportunity to add significant value either through market sale or private rented accommodation.
- We are instructed to seek offers for the freehold interest in the building of **£4,800,000 representing a low capital value of £397.55 per sq m (£36.95 per sq ft).**





LOCATION

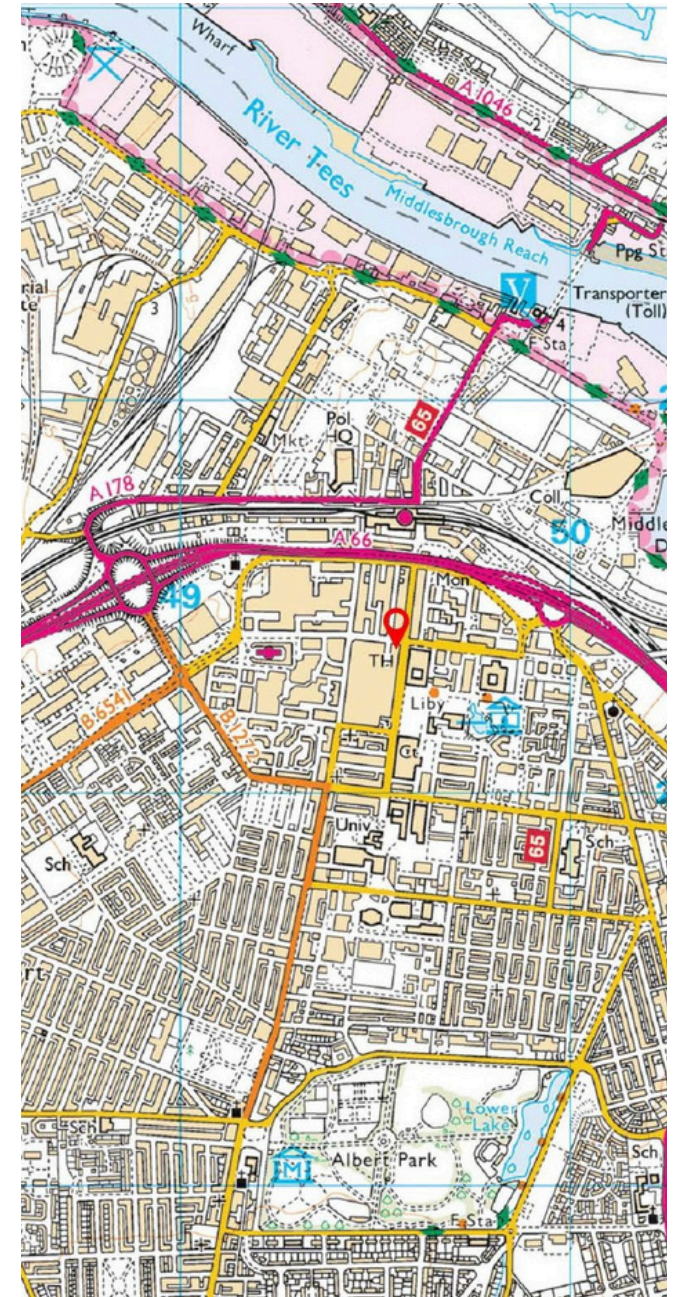
Middlesbrough is the principal town within the Teesside conurbation, situated to the south of the River Tees at the heart of the Tees Valley and to the south of the North East Region. Middlesbrough is well located being approximately 64km (40 miles) south of Newcastle upon Tyne, 80km (50 miles) north of York and 112km (70 miles) north east of Leeds.

Middlesbrough is located centrally within the Tees Valley, connected to the sub region by the A66 and A19 corridors, creating an ease of access within the Mayoral Authority. Darlington is located 26km (16 miles) to the west, providing access to the East Coast Mainline and the A1(M), whilst neighbouring Stockton-on-Tees sits 10km (6 miles) to the west.

SITUATION

The building is situated at the corner of Albert Road and Corporation Road adjacent to the Cleveland Centre shopping centre and multi storey car park. The building is well positioned on the edge of the pedestrianised town centre providing a strong opportunity to benefit from all town centre amenities.

Albert Road is one of the main thoroughfares through Middlesbrough town centre and is home to a wide range of leisure and retail operators as well as Middlesbrough Town Hall and the new commercial development around Centre Square. Teesside University campus is located less than half a mile to the south of the subject building, and within a 5 min walk.





TRAVEL & TRANSPORT

Road

Middlesbrough is well connected by road, being served by the A19 and A66 trunk road providing direct access to the A1(M) and wider national motorway network.

Bus

Middlesbrough's Bus Station is centrally located and serves as the main interchange for the bus network across the Tees Valley and the wider North East. In January 2024, the Tees Valley Combined Authority announced a significant £15m investment programme to fully refurbish Middlesbrough Bus Station.

Rail

Middlesbrough Station is situated in the centre of the town and caters for over 1.3m passengers per year. The station is benefitting from a significant £50m investment programme to extend and upgrade platforms and has introduced a new daily weekday LNER service between Middlesbrough and London.

The station is well-served by TransPennine Express, Northern, and LNER, providing services to Newcastle, York, Leeds, Manchester and London.

JOURNEY TIMES

Newcastle: 1hr 10mins
Leeds: 1hr 20mins
Edinburgh 2hr 45mins
London: 3hr 15mins

Air

Teesside International Airport is located approximately 10 miles (16 minutes drive time) to the South West and provides flights across the UK and Europe with over 230,000 passengers each year.

DESCRIPTION

Centre North East comprises a purpose built seventeen storey former office building with basement, ground and mezzanine floor accommodation offered over to leisure and retail use.

The building is of steel frame construction with concrete floors and composite panel and glazed cladding.

There is car park deck at second floor level, providing space for 43 cars, which separates the basement to first floors from the third to 17th floors and is accessed via the multi storey car park servicing the adjacent shopping centre. The upper section of the building can therefore be self-contained with an opportunity to dedicate the main lift core to these floors in isolation of the basement, ground and first floors.

The first floor comprises a large podium floor of 1,323.86 sq m (14,250 sq ft) which is capable of subdivision to create smaller suites as required, and following reinstatement of landlords CAT A fit out.

The third to 17th floors have been decommissioned and are un-refurbished, creating an opportunity to commence conversion works in line with the outline planning consent straight away.

Income

The building benefits from the following tenancies:

Unit	Tenant	Use	Area NIA (sq ft)	Term	Start Date	Expiry Date	Break Date	Rent Review	Rent pa (£/sq ft)	ERV (£/sq ft)	Comments
2	Mr A.Hampton & Mr M.Armstrong	Leisure	4,800	5 yrs	08/08/2025	07/08/20230	n/a	08/08/2028 (3 yearly)	£25,000 (£5.20)	£25,000 (£5.20)	Basement nightclub premises. Lease Guarantee from Mr A.Hampton
3	Turtle Bay Restaurants Ltd	Leisure	4,176	20 yrs	06/02/2017	05/02/2037	n/a	06/02/2027 (5 yearly)	£86,071 (£20.61)	£83,520 (£20.00)	Ground Floor leisure unit fronting Corporation Road. Rent review is 5 yearly to RPI with a collar and cap of 1% and 3%.
5	Web2Be	Retail	4,600	10 yrs 3 months	20/02/2023	10/04/2033		20/02/2028	£34,500 (£7.50)	£39,100 (£8.50)	Part Ground, part mezzanine unit. Rent review upwards only to OMRV. Service Charge cap at £4,000 pa +RPI 5 yearly. Tennant in occupation since 2018.
7	OLV Properties	Leisure	5,850	7 yrs	01/12/2023	01/11/2029	02/12/2025	02/12/2026	£35,000 (£5.98)	36,563 (£6.25)	
1st	Vacant	Offices	14,250	-	-	-	-	-	-	£178,125 (£12.50)	Vacant office suite capable of sub division and self contained entrance. Currently partly stripped out and requiring reinstatement for occupation. M&E was installed in 2011 and is unused.
2nd	-	Parking	43 spaces	-	-	-	-	-	-	-	Car park at second floor level accessed via adjacent shopping centre MSCP. Not currently rentalised, but potentially available for the upper floors.
3rd-17th	Vacant	Office/retail	96,297	-	-	-	-	-	-	-	Vacant and stripped out floors ready for conversion to Residential in line with outline consent previously in place.
Totals			129,973						£180,571	£362,308	

PLANNING

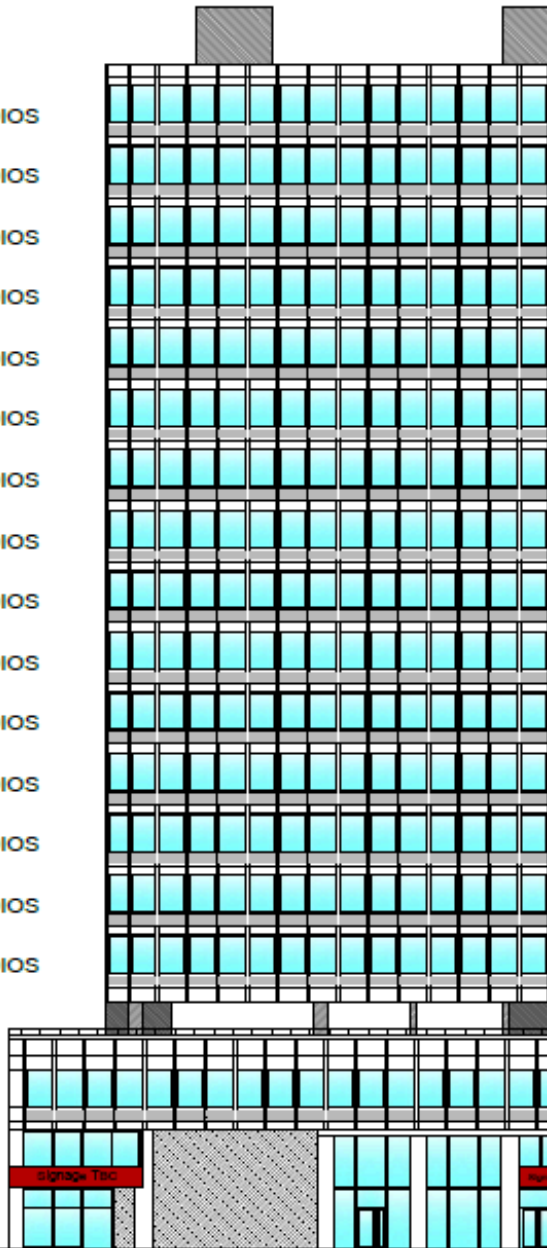
A planning application for Prior Approval (M/PDA/0327/16/P) was lodged in March 2016 for conversion of the upper floor Use Class B1 (Now Class E) to Use Class C3 and providing for conversion to residential apartments. In April 2016, the application was determined and it was confirmed that Prior Approval for the proposed change of use was not required.

There have been several indicative schemes that have been prepared for the upper floors, ranging from 195 apartments, to a studio apartment scheme providing 540 units. Further details are available on request.

In 2017, a further application (17/001/COU) for change of use of the 17th floor from Use Class C3 to Use Class A4/A3 was made with approval, subject to conditions, granted in November 2017.

Interested parties are encouraged to make their own enquiries with the local planning authority.

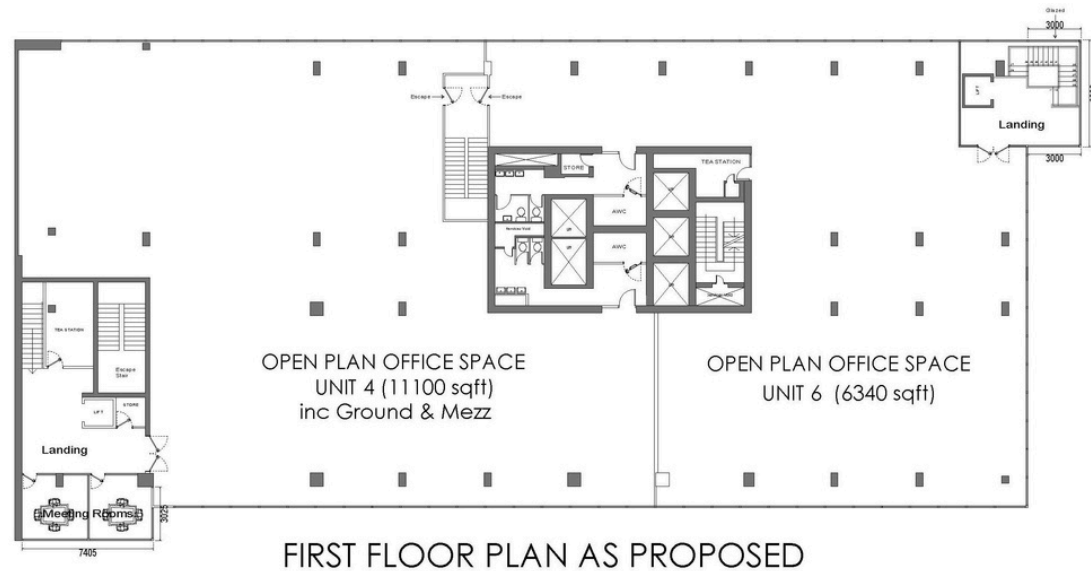
Level 17	Residential	36 STUDIOS
Level 16	Residential	36 STUDIOS
Level 15	Residential	36 STUDIOS
Level 14	Residential	36 STUDIOS
Level 13	Residential	36 STUDIOS
Level 12	Residential	36 STUDIOS
Level 11	Residential	36 STUDIOS
Level 10	Residential	36 STUDIOS
Level 9	Residential	36 STUDIOS
Level 8	Residential	36 STUDIOS
Level 7	Residential	36 STUDIOS
Level 6	Residential	36 STUDIOS
Level 5	Residential	36 STUDIOS
Level 4	Residential	36 STUDIOS
Level 3	Residential	36 STUDIOS
Level 2	Parking	43 SPACES
Level 1	Commercial	
Mezz	Commercial	
Ground	Commercial	



Building stack based on indicative 540 studio apartment scheme



Indicative upper floor layout - based on 540 self contained studios



FIRST FLOOR PLAN AS PROPOSED

MIDDLESBROUGH

Middlesbrough is undergoing significant change following the establishment of Middlesbrough Development Corporation (MDC) in June 2023 and is now the local planning authority for a defined area of the Town Centre in which Centre North East sits, with the stated aim of further improving economic development and regeneration of Middlesbrough, enhancing its contribution as a significant contributor to the Tees Valley economy.

Recent development at Centre Square has already brought significant new office occupiers to the town centre, which will be further enhanced on completion of the £50m investment in Middlesbrough Station and forms the foundations for MDC's future proposals.

MDC's ambition is to deliver a masterplan focused around the following main objectives:

- To deliver 1,500 new homes through creating new town centre neighbourhoods
- Delivering 4,000 new and high quality jobs
- Providing access to world class education opportunities
- Delivering new and open space in the town centre
- Becoming a vibrant and exciting place for arts and culture
- Enabling contemporary and diverse retail and leisure experience

MDC is committed to delivering its transformational masterplan and is already working with private sector developers to deliver a significant regeneration project at Gresham, a short distance from Center North East. The scheme proposes a mix of student residential, build to rent and hotel development which will sit next to the residential scheme currently being delivered by Thirteen Housing.

The growth of the digital sector in Middlesbrough, combined with development taking place in advance manufacturing and renewable energy at Teesworks is driving a higher number of well paid skilled jobs within the town. In line with MDC's masterplan Centre North East presents an opportunity for meeting increasing demand for high quality town centre living through refurbishment of the upper floors for private rented sector residential use.

Teesside University has recently invested heavily in its town centre campus and has a growing reputation in the digital media, animation and computer gaming field, as well as a strong reputation in health science particularly around the area of forensic science, sports science and biomedical science.

The university currently supports 25,053 students studying in the UK and an additional 1,192 studying outside the UK.

The proximity of the University to Centre North East creates an additional opportunity to focus a refurbishment of the upper floors towards the student residential market with a purpose built student scheme.



Centre North East

Albert Road, Middlesbrough TS1 2RU



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TENURE

The building is offered on a freehold basis with the benefit of all existing leases and vacant possession over unoccupied parts of the building.

PRICING

We are instructed to seek offers in **excess of £4,800,000** for the freehold interest.

VAT

All figures quoted within these terms are exclusive of VAT where chargeable.

LEGAL COSTS

Each party to be responsible for their own legal costs incurred in this transaction.

RATING

Details on request.

CONTACT

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