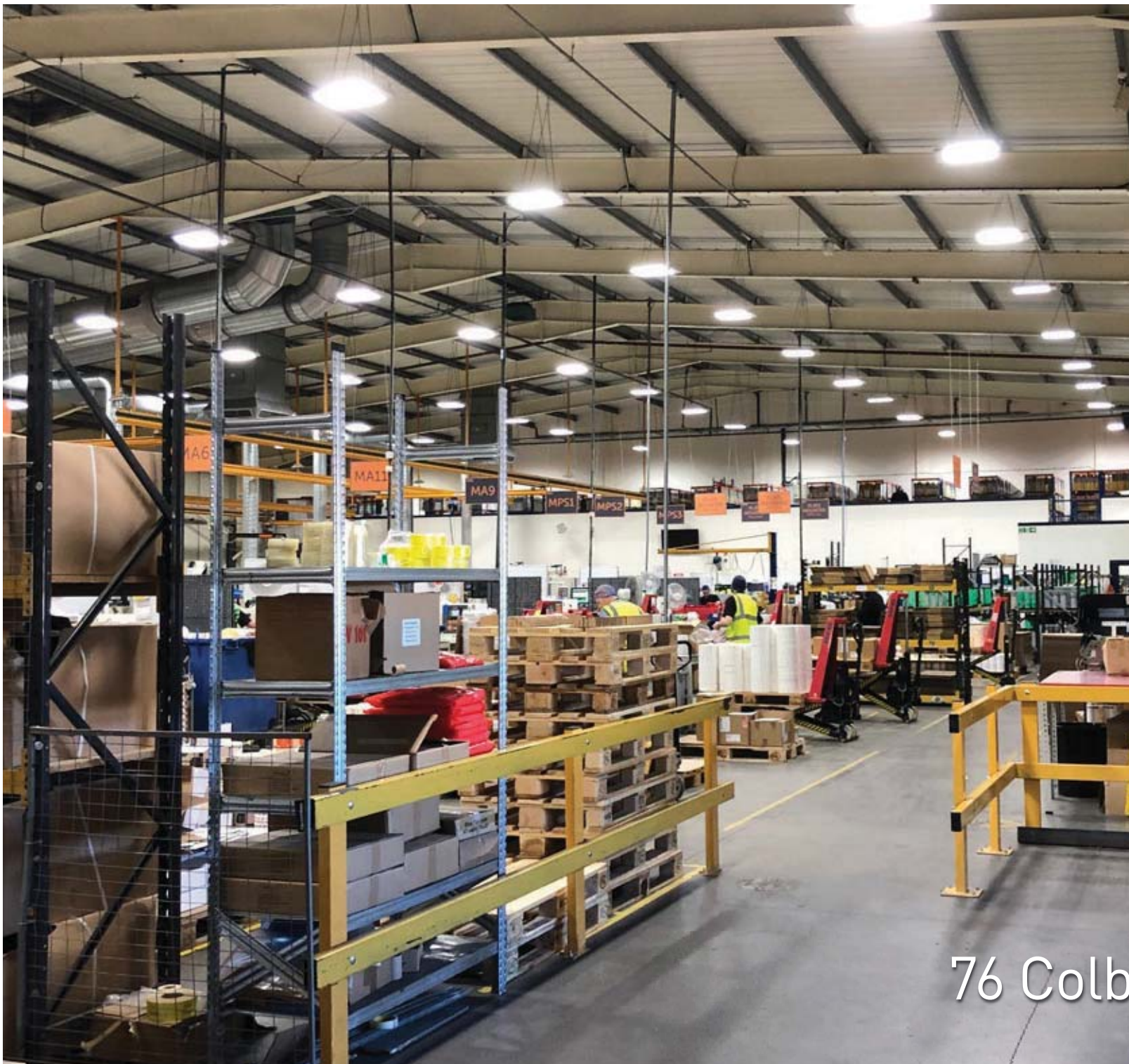


FOR SALE modern industrial warehouse investment opportunity



76 Colbourne Avenue

CRAMLINGTON, NE23 1WB



Investment Summary

- Modern industrial warehouse extending to **29,460 sq ft**
- Situated within the established industrial location of Nelson Park Industrial Estate in Cramlington, located within close proximity to Newcastle
- The site extends to approximately 1.86 acres (0.75 ha) providing a low site density of approximately 35%
- Let to Coveris Flexibles UK Limited (**Low risk Creditsafe rating**) following the recent completion of a new FRI lease for a term of 15 years with a tenant option to break at the 10th anniversary
- The passing rent is **£137,290 per annum** equating to a low rent per sq ft of **£4.66 psf**
- The lease is subject to **5 yearly uncapped RPI rent reviews**
- Long leasehold with approximately **108 years unexpired** at a peppercorn rent
- We are instructed to seek offers in excess of **£1,850,000 (One Million, Eight Hundred and Fifty Thousand Pounds)** subject to contract and exclusive of VAT. A purchase at this level reflects a **Net Initial Yield of 7.00%** and a capital value of **£63 per sq ft** assuming purchaser's costs of 6.22%

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Location

Cramlington is located approximately 8 miles north of Newcastle, connected via the A189 and the A19, which is the main arterial route through central Newcastle. Cramlington is also within a close proximity to the A1 to the west.

Newcastle Airport is situated 8 miles to the south west and the Port of Tyne International Passenger Port is situated some 11 miles to the south east. By rail, Cramlington provides direct services to Newcastle in 16 minutes, which in turn provides direct access to London in 2 hrs 55 minutes.

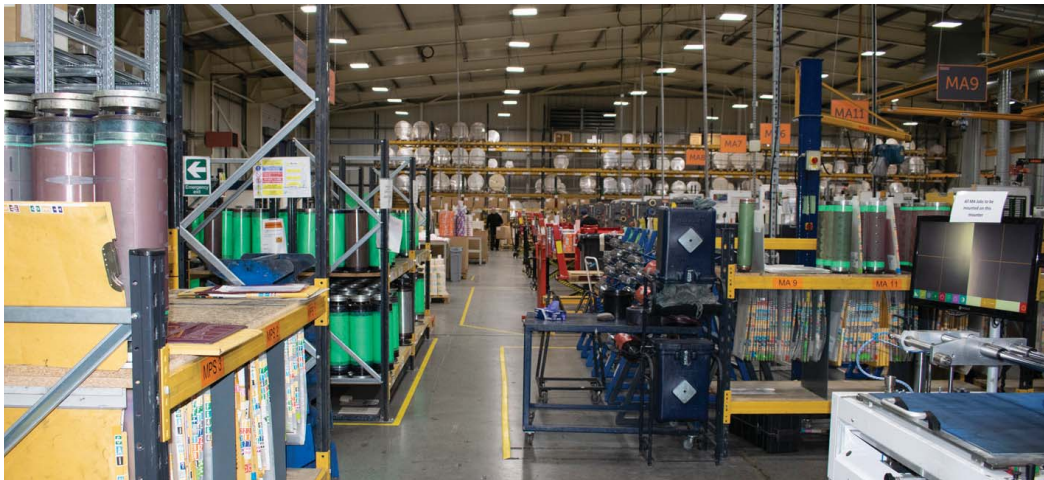
Situation

The property is situated on the established Nelson Park Industrial Estate on Colbourne Avenue to the north west of Cramlington. The estate comprises 75 units extending to a total of circa 345,000 sq ft and is accessed via the A192.

Nearby occupiers include Howdens, Thermo Fisher Scientific, City Electrical Factors, Jewson, AFM Europe, Graham Plumbers Merchant and TerraClean.

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Description

The subject property comprises a modern industrial unit of steel portal frame construction, constructed during the early 2000s. The property has a two storey office located to the front of the property, accessed via the main entrance on the western elevation. The offices have comfort cooling, carpeted floors, suspended ceilings and Category 2 lighting with male and female toilets on each floor.

The warehouse has an eaves height of 6.50m rising to 7.80m at the apex and benefits from a fitted mezzanine incorporating a number of individual workshops and storage areas at ground floor with an open plan storage area at first floor level. The property benefits from a secure yard and marked car parking spaces. Loading is provided via a large level access door to the rear of the property.

Accommodation

The property has the following approximate gross internal floor areas:

Area	Sq ft	Sq m
Warehouse	22,444	1,914
Ground Floor Office	2,351	389
First Floor Office	2,351	218
Mezzanine Platform*	1,716	159
Ext Plant Room	598	56
TOTAL	29,460	2,736

*Landlord's specification

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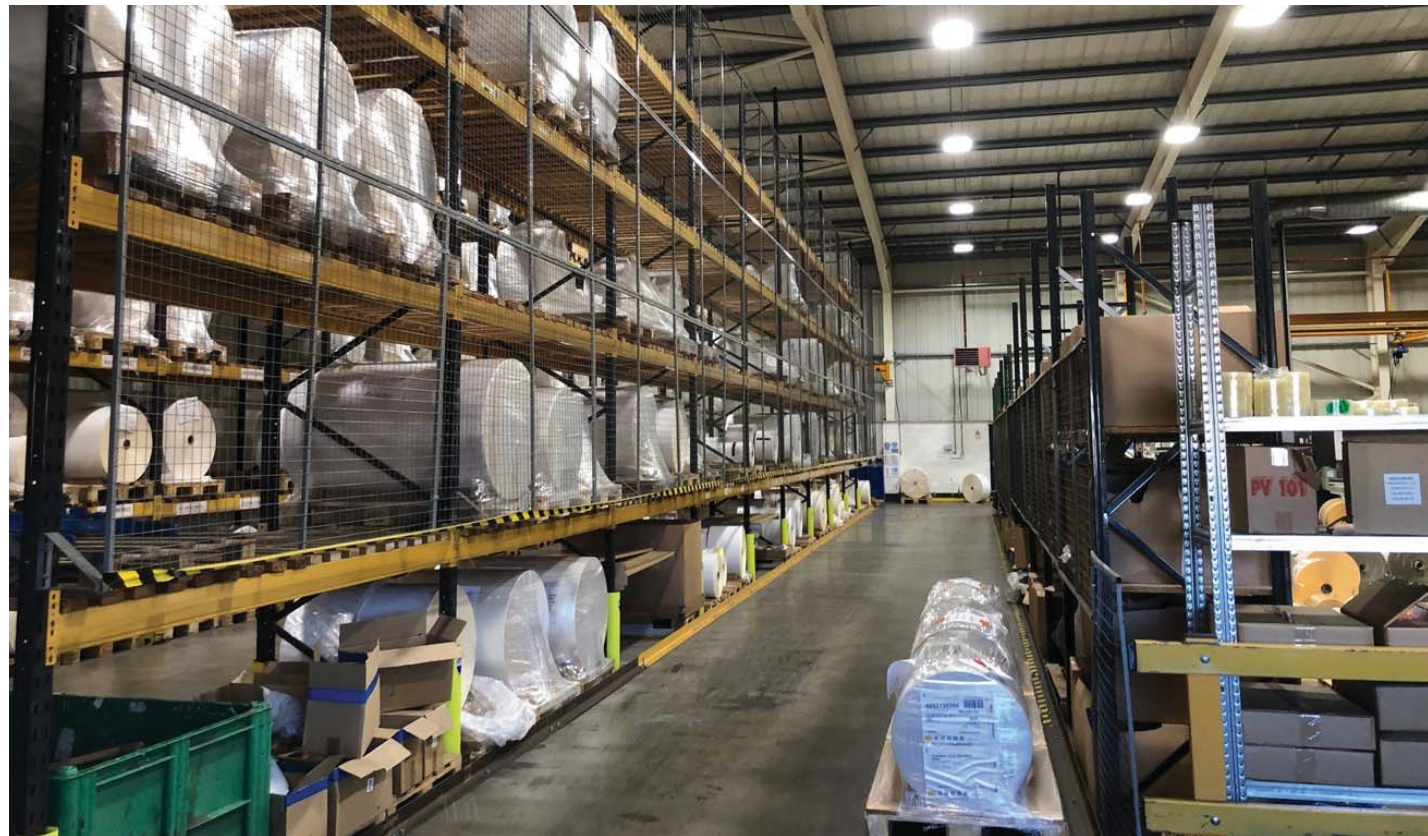
Tenure

The property is held long leasehold from One NorthEast for 125 years from 1st April 2002, with approximately 108 years unexpired. The annual rent is a peppercorn.

One NorthEast was the regional development agency for the north east of England. It was abolished in 2012 and superseded by The Homes and Communities Agency (HCA), an executive non-departmental public body. The HCA was subsequently replaced in January 2018 by Homes England and the Regulator of Social Housing

Tenancy

The property is let to Coveris Flexibles (UK) Limited on a new full repairing and insuring lease for 15 years from 26th June 2019, subject to a tenant only break option at the 10th anniversary. The passing rent is £137,290 per annum, equating to a low rent per sq ft of £4.66 psf. The lease is inside the Landlord and Tenant 1954 Act and is subject to five yearly upwards only uncapped RPI linked rent reviews. The tenant has been in occupation since 2002.



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Covenant

Coveris Flexibles specialises in the design and manufacture of food packaging products, including food labelling, film and cardboard packaging. The company has 25 offices and distribution hubs in Austria, Egypt, France, Germany and the UK, with the head office located in Spalding, Lincolnshire.

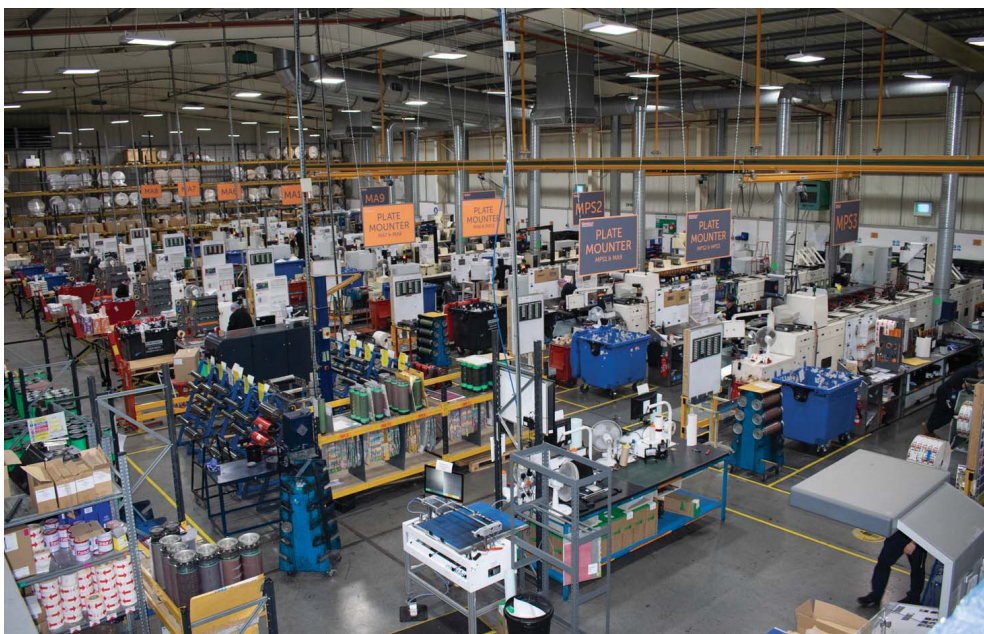
Coveris Flexibles (UK) Limited has a Creditsafe International score of 53 representing a 'low risk' of business failure.

The recent accounts are summarised below:

Coveris Flexibles (UK) Limited	Financial Year Ending		
	31/12/17	31/12/16	31/12/15
Turnover	£162,835,000	£170,924,000	£179,894,000
Profit After Tax	-£1,593,000	£9,591,000	£14,468,000
Net Worth	£43,986,000	£45,579,000	£35,988,000
Net Assets	£44,968,000	£46,561,000	£36,970,000

Investment Comparables

Date	Property	Tenant(s) (Area sq ft)	Term Certain	Rent psf	Price	Net Initial Yield
Jan-19	Heighington Lane, Newton Aycliffe	EOS Facades (58,747 sq ft) <small>*inc. unoccupied office</small>	8.00 yrs	£102,000	£1.37m	7.00%
Oct-18	Halebank Ind Estate, Widnes	Amazon (48,932 sq ft)	5.00 yrs	£216,432 (£4.42 psf)	£2.77m	7.30%
Sep-18	Unit 5, Newburn Riverside Park, Newcastle	NHS (58,663 sq ft)	10.00 yrs (5.00 yrs)	£315,000 (£5.37 psf)	£4.68m	6.32%
May-18	Northbank Ind Est, Irlam	MJ Birtwistles (33,734 sq ft)	9.70 yrs	£175,500 (£5.20 psf)	£2.50m	6.60%
Feb-17	Unit 31, New York Ind Est, Newcastle	Wolseley (UK) (17,703 sq ft)	4.30 yrs	£89,615 (£5.00 psf)	£1.19m	7.11%



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EPC

The property has an EPC rating of C (60). A copy can be provided on request.

VAT

The property is elected for VAT and it is therefore anticipated that the transaction will be treated as a Transfer Of A Going Concern (TOGC).

Proposal

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Further Information

For further information or to arrange an inspection, please contact:

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