

**ATTRACTIVE  
OFFICE  
INVESTMENT  
FOR SALE**

# Endurance House

SEVENTH AVENUE, TEAM VALLEY, GATESHEAD NE11 0EF





## DESCRIPTION

The property comprises a two-storey office building. Access is via a shared/common ground floor entrance lobby. The building is split into three office suites. There is a disabled WC within the ground floor common area and separate ladies and gents WC facilities and kitchen in the ground floor office. On the first floor there are communal ladies and gents toilet facilities. One of the office tenants has also installed a basic kitchen/tea point. The ground floor office also benefits from air conditioning.

The suites are predominantly open plan with some individual offices. The property has the benefit of designated car parking for tenants and visitors located to the front and the side of the building. There are 24 car parking spaces in total allocated in the car park.



## LOCATION

Gateshead is located in the north east of England. The town is located to the south of the River Tyne and forms part of the Newcastle upon Tyne conurbation. It is approximately 95 miles north of Leeds, 110 miles south east of Edinburgh and 280 miles north of London.

Gateshead has a residential population of approximately 78,000 with a further 1,033,000 people within a 12 mile radius. The area is therefore densely populated. By road, Gateshead benefits from excellent access to the A1, facilitating links with Leeds to the south and Edinburgh to the north. By rail, journey times to London Kings Cross from Newcastle are within 3 hours and Edinburgh can be reached within 1 hour 40 minutes.

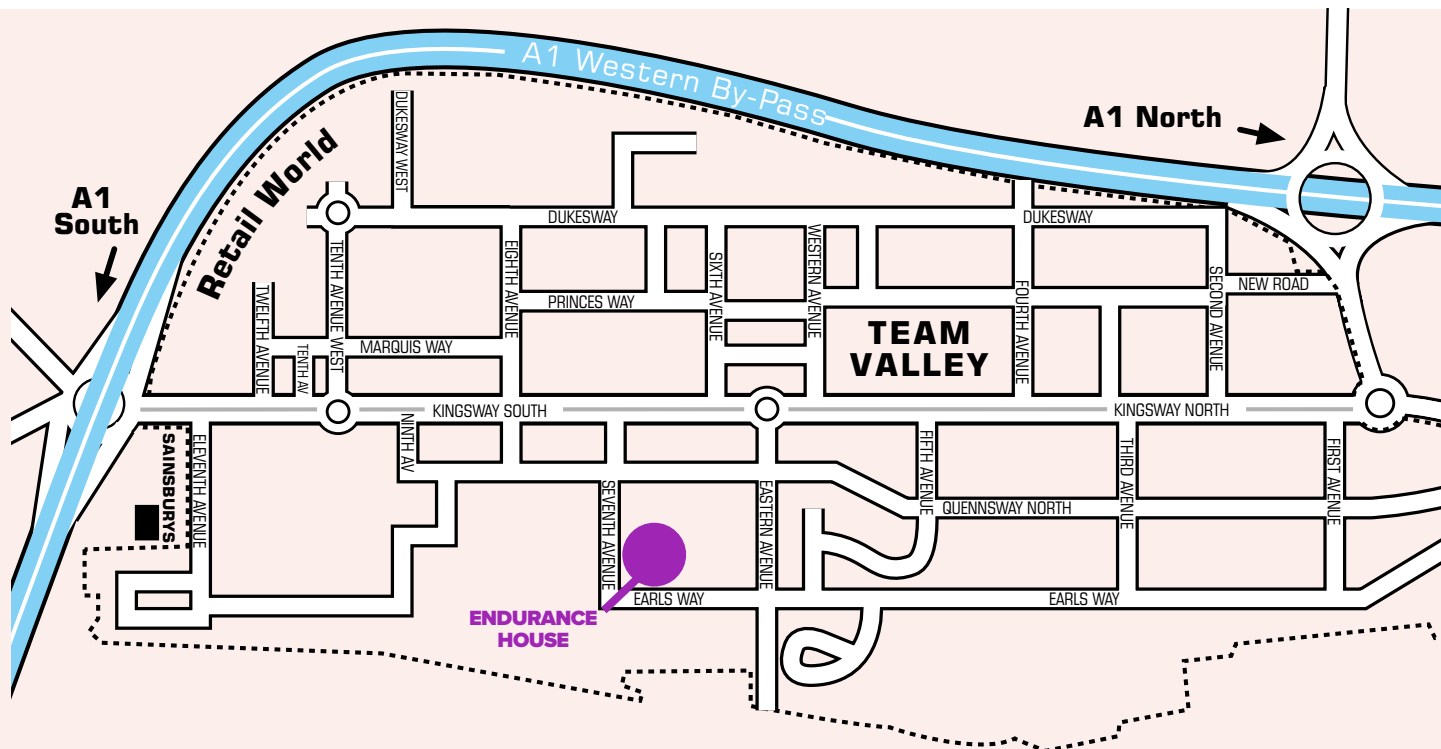
Newcastle International Airport is located 8 miles to the north of the site and has daily flights to Stansted, Heathrow and Gatwick with journey times of less than an hour.

## SITUATION

Team Valley Trading Estate is situated approximately 3 miles south west of Newcastle city centre. Notable office occupiers within Team Valley include Princes Trust, H M Homes & Communities Agency, British Telecom (BT), Barclays, Westray Recruitment, Gateshead College, Ingeus, Royal Mail and a Regus office campus among others. Team Valley provides one of the biggest mixed use trading estates in Europe covering approximately 705 acres and comprising in excess of 7,000,000 sq ft of business space.

Team Valley is recognised as one of Tyneside's most strategic office locations on one of the country's largest business parks and is home to over 700 businesses employing over 20,000 people.

Team Valley is the region's dominant business location and has an extensive range of amenities including Tyneside's most successful retail park, Team Valley Retail World. The Estate also includes a Sainsbury's supermarket, a Premier Inn hotel, a gym and various other retail amenities. Team Valley is also expanding and the first speculative development for a significant number of years is nearing completion.





### TEAM VALLEY MAJOR OCCUPIERS

1. Retail World
2. Regus
3. Premier Inn
4. HM Homes & Communities Agency
5. BT
6. Royal Mail
7. Sainsbury's
8. Prince's Trust
9. Barclays
10. Westray Recruitment
11. New Development

ENDURANCE  
HOUSE



A1 NORTH →



## ACCOMMODATION

TENANT	SQ FT	SQ M
QP Jewellers Ltd	3,421	318
AMT Business (Gateshead) Ltd	1,692	157
Integrated Design Techniques Ltd	1,529	142
<b>TOTAL</b>	<b>6,642</b>	<b>617</b>

## COVENANT INFORMATION

QP Jewellers Ltd has an Experian Risk Score of “low risk”.

AMT Business Gateshead Ltd has an Experian Risk Score of “below average risk”.

Integrated Design Techniques Ltd has an Experian Risk Score of “very low risk”.



## TENANCY

TENANT	START DATE	BREAK	EXPIRY	RENT	SERVICE CHARGE	PARKING	COMMENTS
QP Jewellers Ltd	19.02.16	-	18.02.19	£17,000 per annum (£4.97 psf)	£10,630 per annum increasing by 2% each year	11 spaces	-
AMT Business (Gateshead) Ltd (t/a Team Accountancy Solutions)	13.09.13	13.09.16 (missed)	12.09.19	£10,000 per annum (£5.91 psf)	None	7 spaces	Excluded from the 54 Act
Integrated Design Techniques (IDT) Ltd	25.12.15	-	24.12.18	£10,150 per annum (£6.00 psf)	Effective FRI Full recovery	6 spaces	
<b>TOTAL</b>				<b>£37,150 per annum (£5.61 psf)</b>			

<sup>^</sup>IDT are a longstanding tenant and have been in occupation since 2007

## SERVICE CHARGE

More information available on request.

## ADD VALUE OPPORTUNITIES

There may be add-value opportunities at lease renewal as well as an opportunity to create further office accommodation on the first floor, subject to planning. Scale drawn plans and 3D imagery of a proposed extension are available on request.

With an average rent of only £5.61 psf we consider the property highly reversionary. Rental levels at nearby offices are closer to £7.00 psf, which would calculate to an ERV of £46,494 per annum.

## TENURE

We understand that the property is held on a long leasehold interest of 102 years from 1 March 2004 therefore providing approximately 89 years unexpired at a peppercorn rent.

## VAT

We understand the property is elected to tax and therefore VAT is payable on the purchase price. We therefore expect the sale to be treated as a Transfer of a Going Concern (TOGC) sale.



## RECENT OFFICE DEALS ON TEAM VALLEY

ADDRESS	FLOOR AREA	DATE	RENT
33 Kingsway House	1,252 sq ft	March 2015	£8.74 psf
23 Kingsway House	663 sq ft	June 2015	£8.30 psf
Unit K38	1,920 sq ft	August 2015	£7.00 psf
16 Kingsway House	776 sq ft	September 2015	£8.70 psf
Moongate House, Fifth Avenue	5,188 sq ft	December 2015	£6.20 psf
C2 Kingfisher House	4,004 sq ft	July 2016	£6.24 psf
Unit 17 Kingsway House	725 sq ft	January 2017	£6.90 psf



## PROPOSAL

We are instructed to seek offers in excess of £500,000 for our client's long-leasehold interest, subject to contract and exclusive of VAT.

A sale at this level reflects a net initial yield of 7.1% and reversionary yield of 8.88% assuming an ERV of £46,494 and purchaser's costs of 4.7%. This reflects a capital value of approximately £75.28 psf.



## VIEWING

Viewings are strictly by appointment with Sole Selling Agents Johnson Tucker LLP.

Please contact Daniel for more information:

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