

INVESTMENT FOR SALE

Newcastle City Centre Student Investment Opportunity
Comprising 56 bedrooms including 8 studio apartments
Currently let to Newcastle University



ALBION HOUSE

ST JAMES STREET | NEWCASTLE UPON TYNE | NE1 4NF





EXECUTIVE SUMMARY

- City Centre Student Residential Investment entirely let to Newcastle University
- Comprising 56 bedrooms, including 8 studio apartments
- Located in the heart of Newcastle City Centre very close to both Newcastle and Northumbria Universities
- Newcastle has a student population in excess of 55,000
- Situated in a vibrant city centre location close to Eldon Square Shopping Centre, China Town and The Gate providing an excellent mix of bars and restaurants
- Rental income of £309,046.70 per annum with projected income of £349,350 for academic year 2019/2020
- Freehold
- Seeking offers in excess of **£4,000,000 (Four Million Pounds)** for our client's freehold interest, reflecting a net initial yield of 7.25% and a net reversionary yield (2019/2020) of 8.20% , assuming purchaser's costs of 6.54%





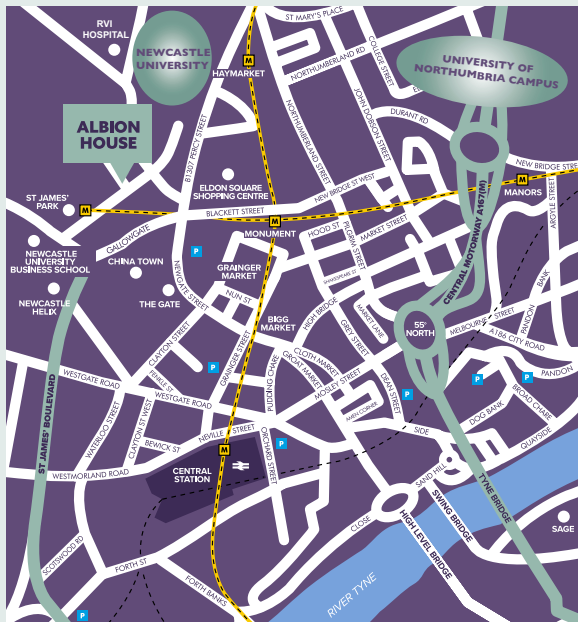
LOCATION

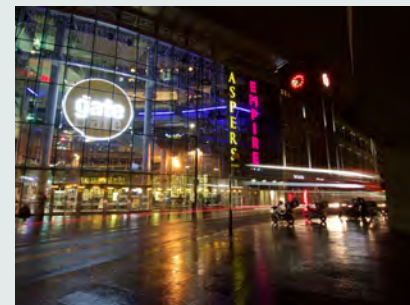
Newcastle upon Tyne is situated approximately 300 miles to the north of London, 100 miles to the south of Edinburgh and 100 miles to the north of Leeds. The city has good communication links, being situated on the main A1(M) connecting London and Edinburgh and also links with Carlisle and Cumbria to the west via the A69 trunk road. Newcastle Central Railway Station in the city centre forms part of the East Coast main line between Edinburgh and London. Newcastle International Airport is located approximately 7 miles to the north west of the city centre and provides daily flights to most major domestic and European destinations.

In addition to over ground rail connections, Newcastle is the only city in England outside of London to benefit from an underground rail network. The Metro has 60 stations across the North East connecting Newcastle City Centre to the wider conurbation including Sunderland, South Shields and Newcastle Airport.

Newcastle is one of the fastest growing cities in the UK, with 21,000 new homes and 14,000 new jobs expected over the next 12 years. The city's population is anticipated to reach over 310,000 by 2030, increasing by 6% from 2016, while the city region population is projected to be 2.75 million by 2030.

The combined urban cores of Gateshead and Newcastle are the key employment area in the North East, and the main driver of the city region growth. The region benefits from high levels of accessibility and connectivity with a national rail service in the city centre as well as the Metro 'underground' system with four stations in the city centre alone. In the future, Newcastle will benefit from the North of Tyne devolution deal. Implemented in 2018, the deal will bring Newcastle, North Tyneside and Northumberland together and is expected to bring an extra £600 million of investment to the region over the next 30 years.





SITUATION

Albion House is located in a prime central position a short walking distance from the Newcastle University Campus and perfectly located close to Northumbria University Campus. It is on the doorstep of Newcastle University's state of the art Business School on Barrack Road and the Science Central Development (the Helix) on St James Boulevard.

The property is also very close to the Royal Victoria Infirmary (RVI Hospital) on Queen Victoria Road as well as Eldon Square Shopping Centre, China Town and The Gate, providing an excellent mix of shops, bars and restaurants. Newcastle is seeing a new wave of mixed use city centre regeneration schemes, including the Helix, East Pilgrim Street and Stephenson Quarter, all of which is enabling the city to expand outward and in turn revitalising the urban core.



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UNIVERSITIES

Newcastle is home to two leading universities. Newcastle University situated in the heart of Newcastle city centre attracts approximately 24,000 students from over 100 countries. Northumbria University also has a city centre campus and attracts approximately 33,000 students from over 125 countries. Both universities have extended their city centre campuses in recent years. Newcastle and Northumbria Universities only provide accommodation for first year students, which comprise approximately 25% of the student population in Newcastle upon Tyne. With a student population of over 55,000 in the city, good accommodation in desirable areas is in high demand. Northumbria University is planning to invest £52m over the next few years to improve its city centre campus, which includes the recently completed extension to The Ellison Building.

Newcastle University is a member of the prestigious 'Russell Group' (an association of leading research universities). Thanks to its large student population and high percentage of international enrolments, Newcastle provides a multicultural student experience. Indeed the vast majority of the students currently occupying Albion House are PhD students from overseas. Newcastle is popular with students for a number of reasons; it is a cosmopolitan city with a busy atmosphere, a mix of attractive Georgian and Victorian architecture (particularly around St James Street), a fantastic nightlife with a wide range of bars and clubs, a rich art scene with a number of museums, galleries, theatre and live music – all within a compact city that is easy to navigate.





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DESCRIPTION

The building was refurbished throughout to a very high specification in 2014 to provide eight 6-bedroom apartments and eight studios all of which contain en-suites.

In March 2013 the property was granted C3 planning use.

EPC

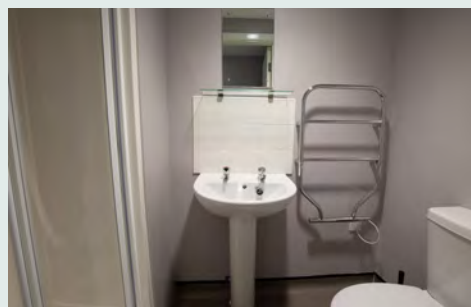
The property has been assessed with an Energy Performance Certificate rating of 62 (Band C).

RENT

The property is entirely let to University of Newcastle upon Tyne until 11th September 2019 at the passing rent of £309,046.70 per annum. Newcastle University have confirmed that the property has been 100% occupied for the last 5 years.

From 12 September 2019 the property will be taken back under direct management by the vendor, who is in the process of marketing the apartments for the academic year 2019/2020.

It is anticipated that the gross rent will calculate to a total in excess of £350,000 when fully let.

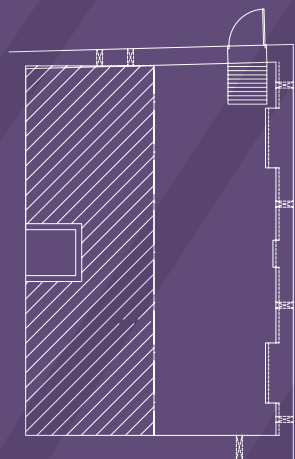


ALBION HOUSE

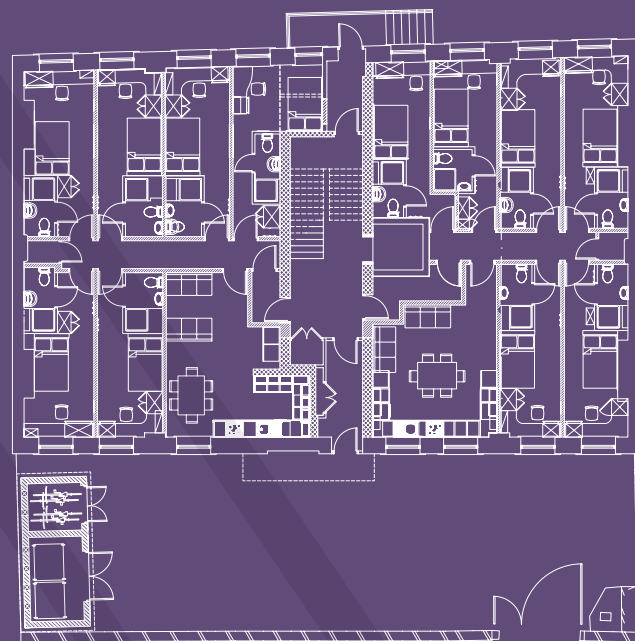
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FLOOR PLANS

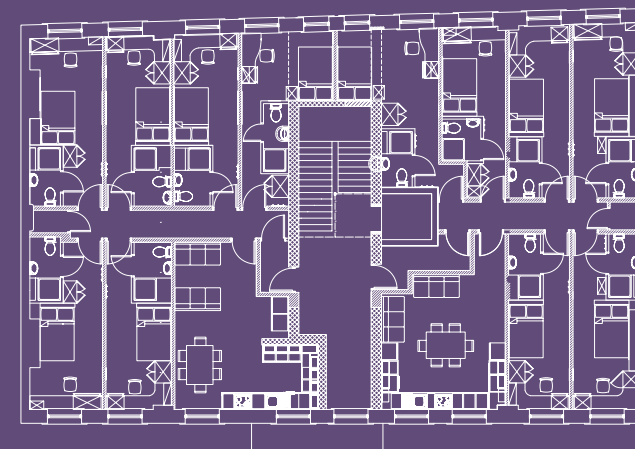
The gross internal floor area of the ground and upper floors is 1,446 sq m.
The basement is an additional 114 sq m.



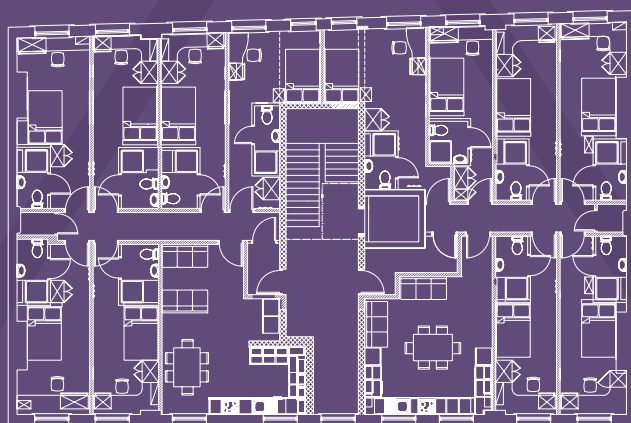
BASEMENT



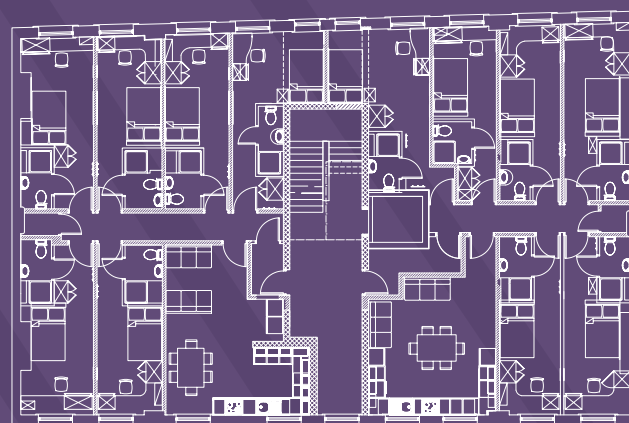
GROUND FLOOR



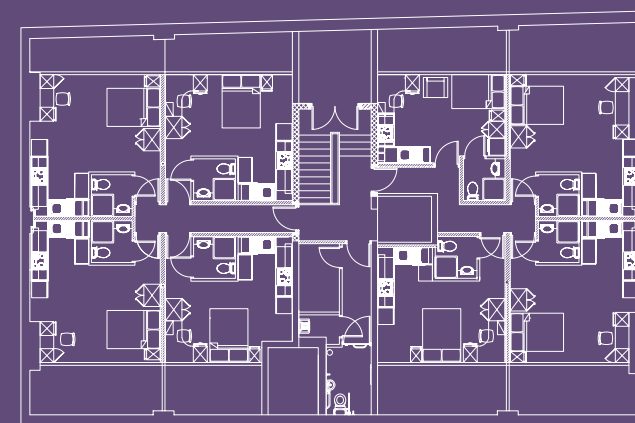
FIRST FLOOR



SECOND FLOOR



THIRD FLOOR



FOURTH FLOOR





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PROPOSAL

Seeking offers in excess of **£4,000,000 (Four Million Pounds)** for our client's freehold interest, reflecting a net initial yield of 7.25% and a net reversionary yield (2019/2020) of 8.20%, assuming purchaser's costs of 6.54%

ANTI-MONEY LAUNDERING REGULATIONS

In accordance with the Anti-Money Laundering Regulations; two forms of identification and proof of the source of income will be required from the successful purchaser.

VIEWING ARRANGEMENTS

Strictly by appointment with joint agents:

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