

> **North Hylton Road**
Sunderland
Tyne and Wear
SR5 3JT

**AVISON
YOUNG**

0191 261 2361

avisonyoung.co.uk/14853



Industrial site with strong tenant profile located in an established industrial area

EXECUTIVE SUMMARY

- Industrial site located in Sunderland in close proximity to the new Wear Crossing and the newly developed Sainsbury's Sunderland North Superstore.
- Strong tenant line-up with 85% of the income secured by Mobile Mini UK Ltd, a grade A covenant.
- Established industrial location with no vacancies in the immediate area.
- Outline planning permission granted for development of 118 dwellings on a neighbouring site.
- Freehold.
- WAULT of 12.15 years to expiry (c. 5.3 years to break).
- Total passing rent of £100,000 per annum, reflecting an average rent of £24,102 per acre.
- Seeking offers in excess of **£1.18m** subject to contract and exclusive of VAT. A purchase at this level reflects a net initial yield of **8%** after purchasers' costs of **5.91%**.

LOCATION

Sunderland is the largest city in the North East and the 13th largest in England, with a population of approximately 275,506 (2011 Census). The city is located approximately 15 miles south east of Newcastle, 11 miles south of Gateshead and 38 miles north of Middlesbrough.

Sunderland benefits from excellent road communications with the A108 and the A1231 providing a direct link to the A19 dual carriageway, and the A1(M) motorway approximately 7 miles to the west. Regular bus and rail services connect the city to Newcastle, Middlesbrough, Durham and the wider region, whilst the Nexus Tyne and Wear Metro network connects 60 stations across Newcastle, Gateshead, Sunderland and Tyneside.

Newcastle International Airport and Durham Tees Valley Airport are approximately 23 miles north, and 38 miles south of Sunderland respectively. Both airports offer a range of direct flights to key national, European and international destinations.

SUNDERLAND ECONOMY

Sunderland is a major commercial centre in the North East whose main industries include manufacturing, call centre / service sector and the automotive industry with Nissan being one of the region's major employers, employing approximately 12,000 people. Other significant employers in the area include Johnson Controls, TFW Systems and Unipres Ltd. The city also has a thriving student population of 18,000.

Sunderland is currently experiencing huge regeneration works with new road alignments and public realm schemes underway designed to create a 'city gateway', enhance visibility and attract further investment to the region.





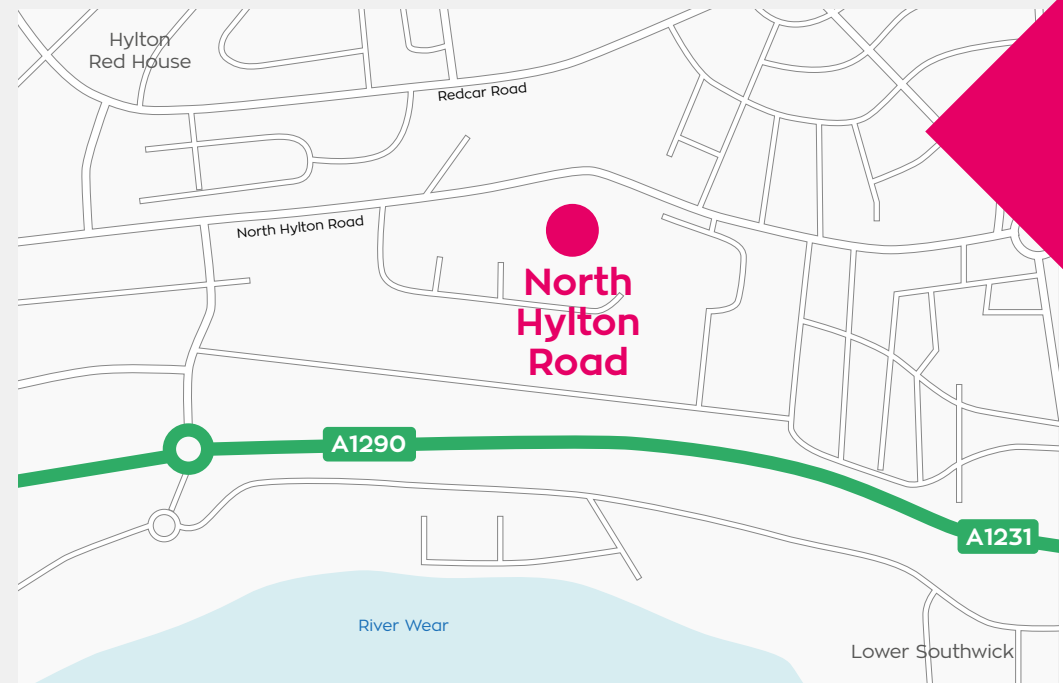
SITUATION

The property is located off North Hylton Road, north of the River Wear and benefits from excellent access to the regional road network being located within close proximity to the A1231 Wessington Way Road which connects to the A19 and the A1(M) leading north and south. The recently completed Northern Spire Bridge is located 0.5 miles south east of the subject property, linking the north and south banks of the river Wear.

The area surrounding the subject property accommodates a diverse mix of uses including a large residential conurbation to the north, with industrial, office and retail provisions to the east, south and west.

Hylton Riverside Retail Park runs parallel with Wessington Way Road, south west of the subject property and hosts retail occupiers including B&M Homestore, Matalan, Aldi, Costa Coffee, Pets at Home and Argos. A Premier Inn is also located nearby.

The subject site is well let with no vacant units in the immediate area at the time of inspection. Nearby occupiers include Travis Perkins, Screwfix, Speedy Services, PDSA, Evans Halshaw and Harkers Transport.



Ongoing and future developments in the immediate area include the planned development of 118 dwellings on the site approx. 300 yards east of the subject property. The developer, Stirling Investment Properties Ltd, received outline planning permission for the development and a reserved matters application was granted in October 2018.

Approximately 0.5 miles east of the property on North Hylton Road, Lidl have recently completed the development of a new 2,500 sq ft food store.

A short walk south east of the subject property leads to the newly developed Sainsbury's Sunderland North Superstore, one of the largest Sainsbury's in the North East.

Industrial Portfolio / Sunderland



- | | | |
|----------------------------|---|---|
| 1 Northern Spire Bridge | 8 North East Business & Innovation Centre | 15 New Lidl Store |
| 2 Hylton Business Park | 9 Fewsters | 16 Kingsway Claims Ltd |
| 3 North Hylton Retail Park | 10 Harkers Transport Ltd | 17 PDSA |
| 4 Sainsbury's Superstore | 11 Hepworth Road Enterprise Park | 18 Travis Perkins |
| 5 Royal Mail | 12 Land for residential development | 19 North Hylton Enterprise House |
| 6 HM Renue & Customs | 13 Speedy | 20 Sunderland City Council - site under offer to residential developer. |
| 7 Evans Halshaw | 14 Haskel Energy Systems | 21 Southwick Industrial Estate |

North Hylton Road, Sunderland, Tyne and Wear SR5 3JT

DESCRIPTION

The property comprises a large site extending to 1.679 ha (4.149 acres) of concrete covered hardstanding enclosed by secure palisade fencing.

Site 1 is accessed via Hepworth Road. The tenant has erected a number of portable storage containers and high bay warehouses on site as well as two steel portal frame buildings providing office accommodation.

Site 2 is accessed off North Hylton Road and provides storage for scaffolding enclosed by palisade fencing. The site received planning permission in May 2016 for trade counter use (Use Class B8) or bulky goods retail use (Use class A1).

ACCOMMODATION

UNIT	AREA (HECTARES)	AREA (ACRES)
Site 1	1.432	3.539
Site 2	0.247	0.610
TOTAL	1.679	4.149





Industrial Portfolio / Sunderland



TENURE

Freehold.

TENANCY

The property is let to in accordance with the following tenancy schedule:-

TENANT	AREA (ACRES)	LEASE START	LEASE EXPIRY	BREAK OPTION	RENT PA (PER ACRE)	RENT REVIEW	COMMENTS
Site 1 - Mobile Mini UK Limited	3.539	11/04/2018	10/04/2032	10/04/2025	£85,000 (£24,018)	11/04/2028 To the higher of open market rent or RPI-linked review. The review is capped at a 27.5% increase on the passing rent.	The lease is drawn of full repairing and insuring terms subject to a Schedule of Condition.
Site 2 - Pro Spec Scaffolding Ltd	0.610	11/06/2018	10/06/2023	11/06/2019 mutual annual break options thereafter	£15,000 (£24,590)	n/a	The lease is drawn of full repairing and insuring terms. Annual Landlord and Tenant break options on 3 months prior written notice. Contracted out of the Landlord and Tenant Act 1954
TOTAL	4.149				£100,000		

WAULT to expiry 12.15 years (c. 5.3 years to break option).

COVENANT



Mobile Mini UK Ltd is a leading provider of portable accommodation and storage solutions. In the year to 31.12.2017, the company reported a turnover of £65.43m, a pre-tax profit of £13.05m and shareholders' funds of £110.13m. The company has been awarded a Creditsafe rating of 95 (A) - Very Low Risk.



Pro Spec Scaffolding Ltd provides high quality scaffolding services in the North East. The company has no reported accounts and has been awarded a Creditsafe rating of 47 (C) - Moderate Risk.



Industrial Portfolio / Sunderland



North Hylton Road, Sunderland, Tyne and Wear SR5 3JT

VAT

We understand the subject estate is elected for VAT and it is envisaged the transaction will be treated as a ToGC.

PROPOSAL

We have been instructed to seek offers over **£1,180,000** (One Million One Hundred and Eighty Thousand Pounds) for my client's freehold interest, subject to contract and exclusive of VAT.

A purchase at this level reflects a net initial yield of **8%** after purchasers' costs of **5.91%**.

Contact & Further Information

Lynsey Underwood

Lynsey.Underwood@avisonyoung.com
0191 269 0093

James Sim

James.Sim@avisonyoung.com
0191 269 0062

Simon Beanland

Simon.Beanland@avisonyoung.com
0191 269 0512

Oliver Rowe

Oliver.Rowe@avisonyoung.com
0161 819 8212

Kipp Harden

Kipp.Harden@avisonyoung.com
0161 507 4714



GVA hereby gives notice that the information provided (either for itself, for any joint agents or for the vendors lessors of this property whose agent GVA is in this brochure is provided on the following conditions: (1) The particulars are set out as a general outline only, for the guidance of intending purchasers and/or lessees and do not constitute an offer or contract, or part of an offer or contract. (2) All descriptions, dimensions and references to this property's condition and any necessary permission for use and occupation, and any other relevant details, are given in good faith and are believed to be correct. However, any intending purchasers or tenants should not rely on them as statements or representations of fact but satisfy themselves of their correctness by inspection or otherwise. (3) No person in the employment of GVA, or any joint agents, has any authority to make or give any representation or warranty whatsoever in relation to the property or properties in this brochure. (4) All prices quoted are exclusive of VAT. (5) GVA shall have no liability whatsoever in relation to any documents contained within the brochure or any elements of the brochure which were prepared solely by third parties, and not by GVA. February 2019.