Industrial Investment on Prime Estate

12 Octavian Way, Team Valley, Gateshead, NE11 0HZ

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For Sale

Investment Highlights

- Rare opportunity to purchase a modern unit on Team Valley Trading Estate
- Let to Eurocell Building Plastics Limited (Co. No. 03071407) - £212m turnover / £22m shareholder funds. (2024 accounts)
- 3.5 years to expiry (1.5 years to break)
- Reversionary passing rent of £35,370 per annum (£7.58 psf). ERV £9.00 psf
- Tenant in occupation for over 15 years
- Long leasehold expiring 2115 (89 unexpired) at peppercorn rent
- Seeking offers in excess of £380,000 exclusive of VAT
- An offer at this level shows a net initial yield of 8.95% after standard purchaser costs with reversion to 10.62%

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Location

The property is located within Team Valley Trading Estate, one of the North East's busiest and most important commercial estates. Team Valley covers a total area of approximately 238 hectares and provides in excess of 650,000 sq. m of commercial accommodation.

Octavian Way is located in the south west quadrant of Team Valley Trading Estate close to Retail World and approximately 4.5 miles south of the Newcastle/Gateshead conurbation and has direct access onto the A1 trunk road linking the north and Scotland with the Midlands and south.

Situation

The property is situated on Octavian Way off Dukesway. The neighbouring occupiers are predominantly trade counter and warehouse users including Crown Decorating and NEPS Logistics. Retail World is a one-minute drive time and home to many national retailers including M&S, Currys, Halfords, B&M and Sports Direct.

Description

The property consists of a mid-terraced warehouse unit of steel portal frame construction with block work walls and profile insulated cladding from 2m high and to the roof, which incorporates translucent panels. There is a single up/over loading door to the front of the unit.

Internally, the property is utilised for storage, with a small trade counter and office located to the front of the unit. The property also benefits from a small mezzanine floor, which is used for additional storage. The unit specification includes fluorescent tube lighting and gas heating, with an eaves height to the apex of 7m.

Externally, the property benefits from seven designated parking spaces together with a loading area.

Accommodation

The property has the following gross internal areas (GIA):

Warehouse	3,985 sq. ft	(370.2 sq. m)
Office	678 sq. ft	(63 sq. m)
TOTAL	**4,663 sq. ft**	**(433.2 sq. m)**

** In addition, there is a mezzanine which is 610 sq. ft*

Tenure

The property is held on a 125-year ground lease from 22 January 1990 at a peppercorn rent.

Tenancy

The unit is let to Eurocell Building Plastics Limited on a 5-year term expiring 15th December 2029 with a break option on the third anniversary. The passing rent is £35,370 per annum (£7.58 psf). The property is held by way of full repairing and insuring lease with a schedule of condition.

Eurocell Building Plastics Limited

Eurocell Building Plastics is a leading UK manufacturer, distributor and recycler of PVC-U profiles, including windows, doors, roofline products and garden buildings. The company operates from over 190 branches nationwide and holds supply agreements with several national housebuilders, as well as commercial supply chain contracts with Biffa.

Eurocell Covenant

Account to Year Ending	Dec 2024	Dec 2023	Dec 2022
Turnover	£212,287,000	£210,016,000	£219,752,000
Profit Before Tax	£3,160,000	£6,332,000	£1,711,000
Shareholder Funds	£21,856,000	£19,323,000	£14,784,000

EPC

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Legal Costs

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

VAT

The property is elected for VAT. We anticipate the sale to be treated as a transfer of a going concern (TOGC).

Anti-Money Laundering

In accordance with Anti-Money Laundering Regulations, two forms of identification and confirmation of the source of funding will be required from the successful purchaser.

Proposal

We are instructed to seek offers in excess of £380,000. This shows a net initial yield of 8.95% after standard purchaser costs with reversion to 10.62%.

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