

For Sale



Single Let High Yielding Industrial Investment

Unit 4 Fisher Industrial Estate, Fisher Street, Walker, Newcastle upon Tyne, NE6 4LT

 **naylors**

For Sale

Investment Highlights

- Rarely available unit on Fisher Industrial Estate
- Let to Northern Stage (Theatrical Productions) Limited (Company No. 02187213)
- 4.58 years to expiry (2.58 yrs to break)
- Total GIA of 10,937 sq. ft (1,016 sq. m)
- Very low passing rent of £38,500 per annum (£3.52 psf)
- Reversionary rent of £71,000pa (£6.50 psf)
- Tenant in occupation since 2017
- Long leasehold expiring 28 February 2079 (53 years unexpired) with a current ground rent of £1,509 per annum
- Seeking offers in excess of £365,000 exc. VAT showing a net initial yield of approx. 9.75% off-the net rent after standard purchaser costs
- This shows a very low capital value of £33.37 psf
- Potential reversion to over 18% at rent review in April 2029

Location & Situation

The property forms part of Fisher Industrial Estate, Walker, an established industrial location within the wider East Newcastle area. The property benefits from convenient connections to the A1058 Coast Road, A19 and Tyne Tunnel to the east, Newcastle city centre and A1 to the west.

Nearby occupiers include those involved in the offshore sector including Cleveland Cable and SMD Tech Works, as well as local industrial and warehousing operators.

Description

The building is of steel portal frame construction with brick/blockwork elevations to approximately 2 metres, with metal profile cladding beneath a pitched single-skin metal clad roof. We understand that works of repair to the roof have been carried out in the last 24 months.

Internally, the warehouse benefits from gas-fired heating, while the office accommodation is fitted with air conditioning. There is lighting throughout which is a mix of fluorescent tube and box fittings. A mezzanine floor provides additional storage accommodation within the warehouse, and the property also benefits from approximately six demised car parking spaces externally.

The tenant currently uses the unit for storage and a workshop purposes.

Accommodation

Warehouse & Offices:	10,340 sq. ft	(960.64 sq. m)
Mezzanine:	597 sq. ft	(55.49 sq. m)
Total:	10,937 sq. ft	(1,016 sq. m)

Tenure

The property is held on a 99-year lease from 1st March 1980 at a passing ground rent of £1,590 pa subject to open market reviews every 10th anniversary. We understand that the ground rent is not recharged to the tenant.

The initial ground rent in 1980 was £1,325 per annum.

Tenancy

The property is let to Northern Stage (Theatrical Production) Limited. They recently renewed their lease in April 2026 for a further 5 years, expiring 31 March 2031. The current passing rent is £38,500 per annum, with a tenant break option and upwards only market rent review on the third anniversary. The lease is contracted within the LTA 1954 act on full repairing and insuring terms, subject to a schedule of condition from 2017.

We understand there is a service / estate charge of £3,554 per annum which is recharged to the tenant.

Tenant Covenant

Northern Stage has been operating for approximately 38 years and currently holds a Delphi credit score of 60 (below average risk).

The tenant advised that they receive funding from theatres and local colleges and are looking to expand the business into a teaching school in the future.

EPC

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Legal Costs

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

VAT

We understand the property is elected for VAT. We anticipate this transaction will be treated as a transfer of 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 £365,000 exc. VAT showing a net initial yield of approximately 9.75% off the net rent of £36,991 pa after standard purchaser costs.

This shows a potential reversion to over 18% at rent review in April 2029 and a very attractive capital value of £33.37 psf.





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