

FOR SALE

Secure, Freehold Industrial Sale & Leaseback Investment

120 Lobley Hill Road, Gateshead, Tyne & Wear **NE8 4YR**



Investment Summary

- + **A rare opportunity** to acquire a **secure, single let industrial / distribution investment**.
- + **Prominently situated** with **main road frontage** onto Lobley Hill Road, **within 0.5 miles of Team Valley, the region's premier industrial location** comprising over 700 acres and 7 million sq ft of business space.
- + **Strategically located** distribution investment with **excellent road communications** with the **A1 within 0.75 miles**.
- + **Building** extends to **22,555 sq ft** on a **large 1.92 acre site**.
- + **Freehold**.
- + **To be let** on a **15 year term** with no breaks at a **rent of £135,000 per annum**.
- + **Secure covenant** of **AAH Pharmaceuticals** with a Creditsafe rating of **97/100 ('very low risk')** with turnover for year end March 2023 of £3.3b.
- + **Low site cover** of **30%**.

Proposal

We are instructed to seek offers in excess of **£1,750,000 (One Million, Seven Hundred & Fifty Thousand Pounds)** subject to contract and exclusive of VAT.

A purchase at this level, assuming purchaser's costs of 6.20%, provides a **net initial yield** of **7.26%**.



Location

Gateshead is a large town in Tyne and Wear, on the southern bank of the River Tyne opposite Newcastle upon Tyne. Gateshead and Newcastle are joined by seven bridges across the Tyne, including the Gateshead Millennium Bridge.

Gateshead offers easy access to all local, national and international markets; providing links to air, road, rail and sea. Several major road links pass through Gateshead, including the A1 which links London to Edinburgh and the A184 which connects the town to Sunderland.

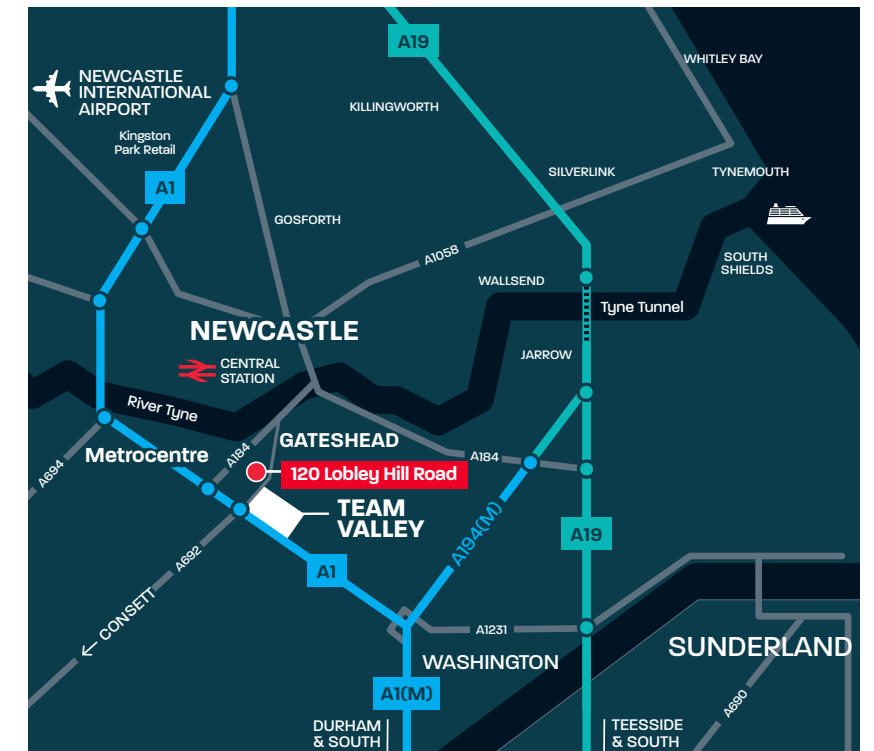
Tyne & Wear Metro stations at Gateshead Interchange and Gateshead Stadium provide direct rail access to Newcastle Central Station, Newcastle Airport, Sunderland, Tynemouth and South Shields.

Newcastle International Airport provides links to the rest of the UK, Europe and beyond with direct flights to and from over 80 destinations.

With an economy worth more than £4.18 billion and a working age population of 1.4 million within a 10 mile radius, Gateshead has been voted as one of the top locations within the UK from which to do business (*Source: invest Gateshead*).

The property, from a distribution perspective, is strategically located c. 0.75 miles from the A1. The A1 has recently undergone a £61m improvement project to widen the road adding a lane in both directions and creating better access to and from the Team Valley Industrial Estate.

Gateshead town centre is located less than 1 mile to the east and the Metrocentre is approximately 3 miles to the west, providing a range of amenities.



A1 North & South



Newcastle Central Station



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Situation

The property is situated, and benefits from, a prominent roadside position fronting the busy Lobley Hill Road, c. 0.5 miles from Team Valley.

Team Valley was originally designated in 1935 and now provides **one of the largest business complexes in Europe, covering approximately 285 hectares (705 acres)** and comprises in excess of **7M sq ft of commercial space**. The estate is home to over 740 local and multi-national companies and employs more than 24,000 people.



Description

The property comprises a warehouse / distribution building with two bays of steel trussed frame construction with full height brick elevations to an eaves height of 3.5m to the underside of the roof trusses. The roof is covered with coated steel sheet cladding with roof lights.



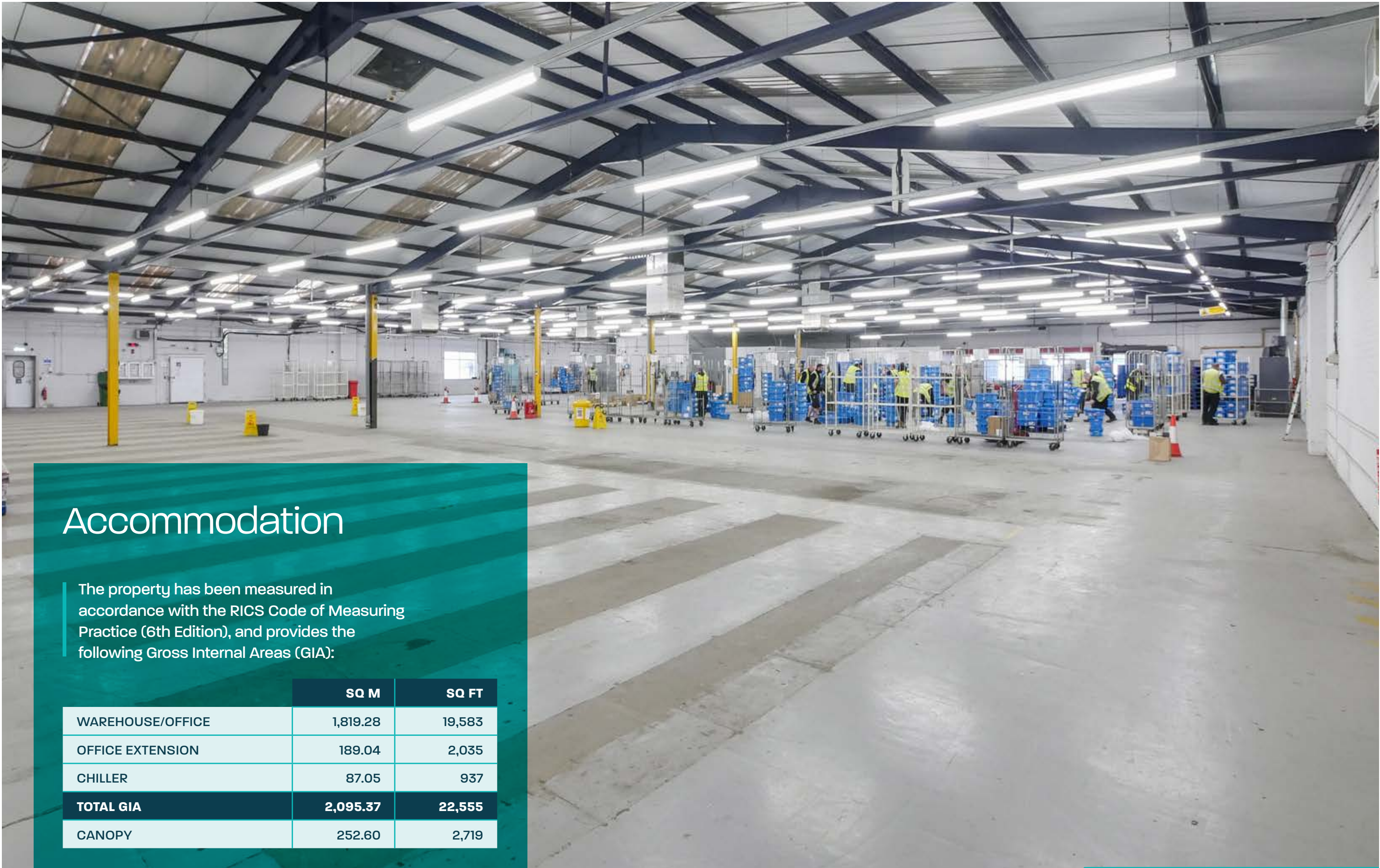
To the northeast elevation there is a brick faced single story office block. Additional modular offices and a secure room are provided to the front of the warehouse. An insulated composite panel chill store has been attached to the northeast corner with access from the warehouse.

LED lighting is provided throughout.



Access is via two roller shutter doors under a canopy to the front elevation. The canopy floor is a raised loading plinth designed for convenient van loading.

Externally there is a substantial surfaced yard and car park with additional car parking and undeveloped land.



Accommodation

The property has been measured in accordance with the RICS Code of Measuring Practice (6th Edition), and provides the following Gross Internal Areas (GIA):

	SQ M	SQ FT
WAREHOUSE/OFFICE	1,819.28	19,583
OFFICE EXTENSION	189.04	2,035
CHILLER	87.05	937
TOTAL GIA	2,095.37	22,555
CANOPY	252.60	2,719

Tenure

Freehold.

The Site

The site extends 1.92 acres and provides a very low site coverage of 30%.

For indicative purposes only



Tenancy

The property, on completion of the sale, will be let to AAH Pharmaceuticals Ltd on a 15 year lease at a rent of £135,000 per annum, with 5 yearly, upward only rent reviews.

The property will be let on full repairing and insuring terms subject to a schedule of condition.

Covenant

AAH Pharmaceuticals Limited

Company Number: 00123458
Website: www.aah.co.uk

AAH is a leading distributor of pharmaceutical and healthcare products serving pharmacies, hospitals and dispensing doctors nationwide.

Delivering over 10 million items per week to more than 14,000 pharmacies and other organisations, AAH operate from nationwide distribution centres. The subject property is a core distribution hub for the firms logistics network.

A summary of AAH Pharmaceitcals last three years accounts is set out below:

	Year End 31/03/2023	Year End 31/03/2022	Year End 31/03/2021
TURNOVER	£3,382,586,000	£3,554,206,000	£3,278,990,000
PRE TAX PROFIT	£34,493,000	£62,302,000	£77,204,000
NET WORTH	£514,811,000	£465,478,000	£414,935,000
NET ASSETS	£519,156,000	£469,823,000	£419,280,000

AAH Pharmaceuticals Limited have a Creditsafe Risk Score of 97/100 and are rated as ‘very low risk’. They have a Credit Limit of £95.15m and a Contract Limit of £500m.

EPC

Available upon request.

VAT

The property has been elected for VAT and it is envisaged that the transaction will be treated as a Transfer of a Going Concern (TOGC).

Anti-Money Laundering

Under both HMRC and RICS guidance, as property agents we are obliged to undertake AML diligence for both the purchasers and vendors (our client) involved in a transaction. As such, personal and or detailed financial and corporate information might be required before any terms are agreed or any transaction can conclude.



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Contact

For further information or to arrange an inspection please contact:



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Misrepresentation Act:

These particulars shall not form part of any offer or contract and no guarantee is given as to the condition of the property or the accuracy of its description. An intending purchaser or tenant is not to rely on any representation made in these particulars and must satisfy himself as to their accuracy by his own investigation before entering into any contract. June 2024.

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