



MIDDLESBROUGH, TEESIDE TS2 1ED

Prime Multi-Let Industrial Investment





Investment Summary

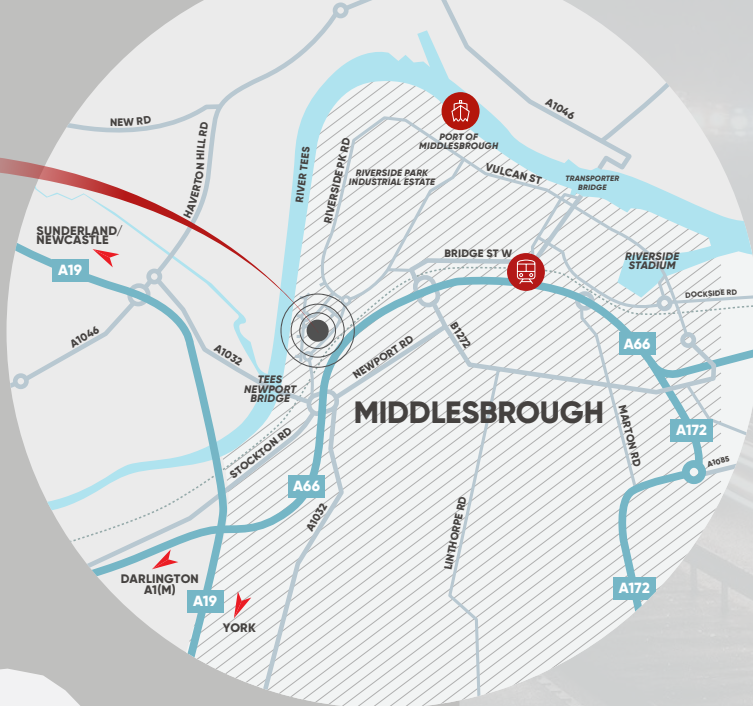


- Grade A specification estate built in the last 5 years.
- Located 0.5 miles from Middlesbrough Town Centre, 1 mile from the A66 and 1 mile from the Port of Middlesbrough.
- Strong road, rail, sea and air connections.
- 181,764 sq ft across 14 units ranging from c.3,000 sq ft to 30,000 sq ft.
- High-specification units providing amongst the best accommodation in the whole of the Tees Valley.
- Strong ESG credentials with all units rated EPC A and BREEAM 'very good'.
- 100% let to 10 tenants with a WAULT of 7.1 years to expiry and 4.9 years to breaks.
- Passing rent of £1,156,296 per annum equating to just £6.36 per sq ft, compared to a current prime headline rent in the region of £8.50 per sq ft.
- 45% of the income is subject to rent reviews within the next 18 months.

Offers are invited in excess of £14,450,000, equating to a Net Initial Yield of 7.50% and a Low Capital Value of £80 per sq ft, subject to contract and exclusive of VAT.



TEESAMP



Location

The Teesside Advanced Manufacturing Park (TeesAMP) is **strategically located** approximately 0.5 miles from **Middlesbrough Town Centre** adjacent to the A66 dual carriageway which provides **easy access to the wider Teesside area**, and the A1(M) via the A66 approximately 12 miles to the west. The A19 lies approximately 0.5 miles to the west and provides access to Yorkshire to the south and the Tyne & Wear conurbation to the north.



Less than 1 mile from A66, which connects to the A1(M), approximately **12 miles** to the west.



Less than 1 mile from Port of Middlesbrough, an integral part of Teesport, the 10th biggest port in Western Europe.



1 mile from Middlesbrough Railway Station and Middlesbrough Town Centre.



16 miles from Teesside International Airport and **45 miles from Newcastle International Airport**.





Teesport

TeesAMP is located next to Teesport, the UK's 5th largest port and the 10th largest in Western Europe. The throughput is c.28 million tonnes of cargo annually and is the only major port in the UK to handle more exports than imports, contributing over £1.40bn to the UK economy per year.

Businesses located in and around Teesport are drawn from a diverse range of sectors including distribution, shipping, energy, manufacturing, engineering and advancing technologies such as hydrogen and offshore wind farming.



PRESS ON
VINYL PRODUCTION

PHASE II
DEVELOPMENT
LAND

CUPRAL
GROUP

SULZER

PARALLOY & FVC

MULTI TENANTED









Sovereign
Supply Chain Services Ltd

PARALLOY & FVC



Description

TeesAMP comprises 181,000 sq ft (17,029 sq m) of accommodation across 14 units built between 2019-2020. The units vary in size from c.3,000 sq ft (295 sq m) (provided in a terrace of 6) to solus units of 30,000 sq ft (2,802 sq m). All units are of steel portal frame construction with profiled steel elevations and roofs which have been completed to a very high standard. The units benefit from the following specification:

-  Substantial provision of power to site
-  Eaves height between 7 – 9m on the larger units and 5m on small units
-  Level access doors
-  Extensive yard areas with HGV turning circles to the majority of units
-  c.5% single-storey office content, designed to accommodate expansion either at ground floor or first floor level
-  BREEAM 'Very Good' and all units with EPC rating A
-  Substantial allocated car parking provision
-  Fully landscaped communal areas

Externally, there is additional communal/visitor car parking provision (in addition to the demised car parking spaces shown above) within a well-landscaped environment monitored by CCTV.



Site Plan



The total site area is 10.42 ha (25.75 acres), including the phase II development land.



Accommodation



BUILDING	TOTAL GROUND FLOOR AREA (SQ FT)*	OFFICE CONTENT	CLEAR HEIGHT	FLOOR CAPACITY	LEVEL ACCESS DOORS	DEMISED PARKING (SPACES)
2	25,834	4.8%	9m	50KN/m2	2	22
3	25,758	4.8%	9m	50KN/m2	2	26
4	14,887	8.3%	7m	50KN/m2	2	22
5	15,113	8.2%	9m	50KN/m2	2	21
6	15,113	8.2%	9m	50KN/m2	2	8
7	13,057	9.5%	9m	50KN/m2	1	8
8	13,057	9.5%	9m	50KN/m2	1	14
9	29,407	4.2%	9m	50KN/m2	2	27
10	6,297	4.4%	5m	25KN/m2	1	15
11	3,046	9.2%	5m	25KN/m2	1	15
12	6,211	4.5%	5m	25KN/m2	1	15
13	3,046	9.2%	5m	25KN/m2	1	15
14	6,211	4.5%	5m	25KN/m2	1	15
15	3,143	8.9%	5m	25KN/m2	1	15

* The measurements are all GIA and agreed as at Practical Completion.

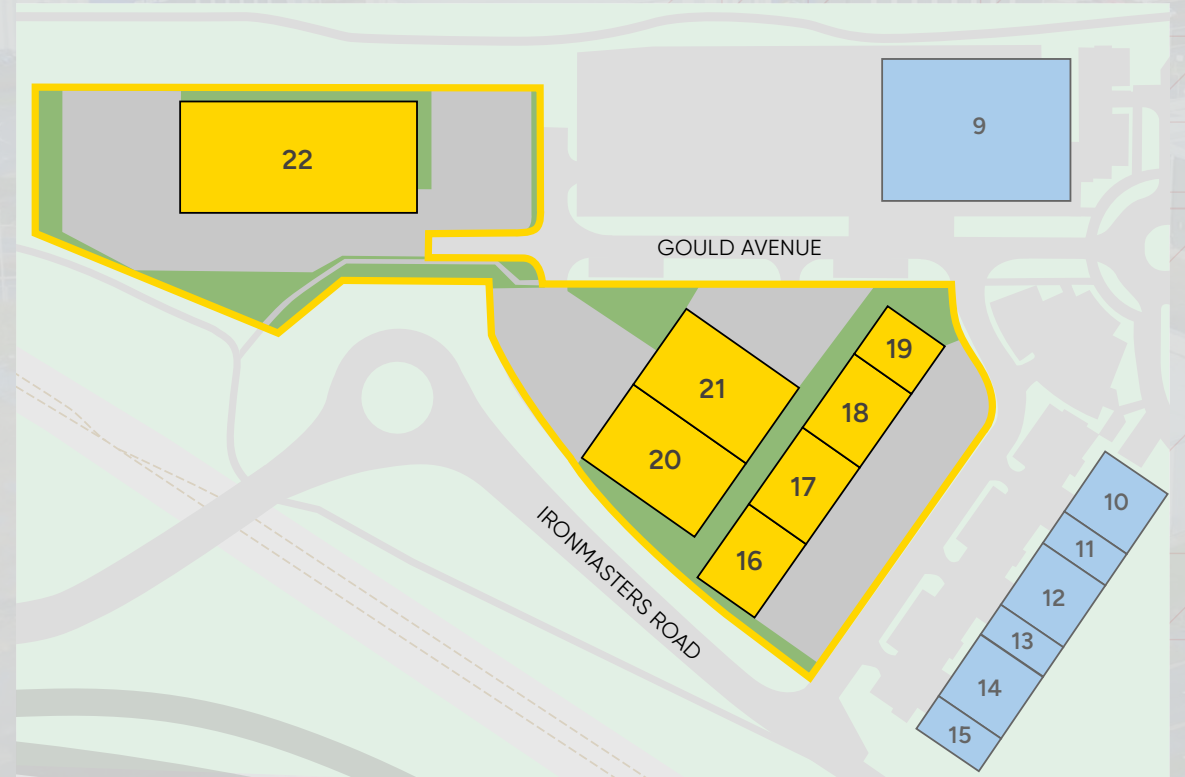




Phase II Development Land

In addition to the built estate, the proposed sale *will include* development land of approximately 5 acres, capable of providing a further 87,500 sq ft of accommodation. The most recent masterplan (which has planning permission – Middlesbrough to confirm), *provides* this accommodation across 7 additional units as shown on the plan.

Alternatively, this land could also be suitable for open storage purposes.





Tenure

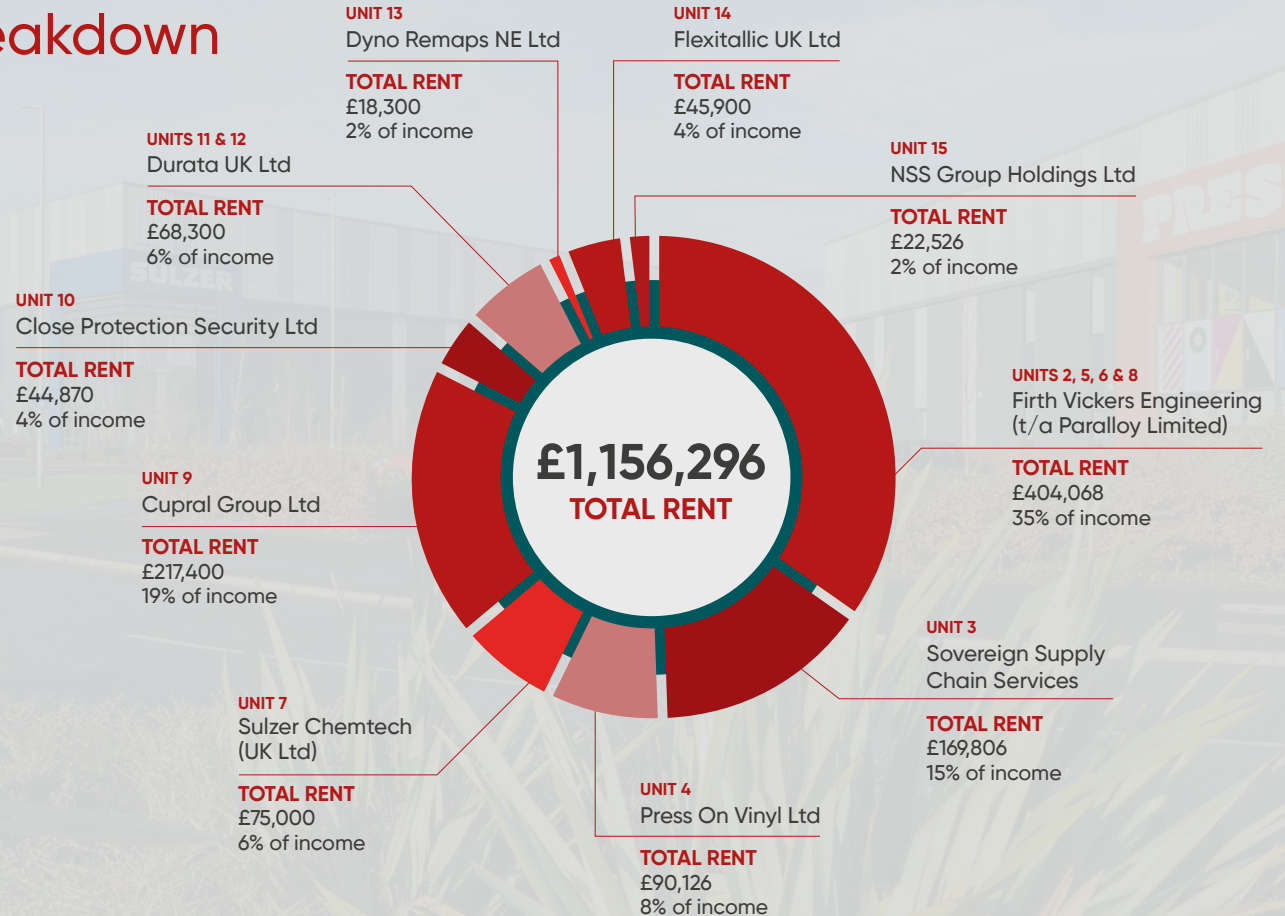
The property is held freehold under title number CE221141.

Tenancy

The estate is multi-let to 10 tenants as shown in the following table. The WAULT is 7.1 years to expiry and 4.9 years to breaks.

For 2023/2024 the estimated service charge equates to £0.25 per sq ft.

Income Breakdown





Tenancy Schedule

Plot / Unit	Address	Tenant	Sq ft	Sq m	Lease Commencement	Lease Expiry	Break date	Passing rent PA	Rent psf	RR date	Comments
2	2 Ferrous Road TS2 1DJ	Paralloy Limited	26,313	2,465	27/11/2020	26/11/2030	9/7/2026	£151,300	£5.75	27/11/2025	RR to greater of OMR or uncapped RPI. Break requires 6 months notice and is subject to a penalty of £151,300 plus VAT. Lease is guaranteed by Nimbus Investments CXXXVI Limited.
3	4 Ferrous Road TS2 1DJ	Sovereign Supply Chain Services Ltd	26,124	2,448	31/3/2022	30/3/2032		£169,800	£6.50	31/3/2025	RR to OMR.
4	6 Ferrous Road TS2 1DJ	Press On Vinyl Limited	15,021	1,407	26/3/2021	25/3/2031		£90,126	£6.00	26/3/2026	RR to greater of OMR or uncapped RPI. Lease is guaranteed by a Company Director.
5	4 Berners Lee Way TS2 1ED	Paralloy Limited	14,834	1,390	10/7/2020	9/7/2030	9/7/2026	£81,587	£5.50	10/7/2025	RR to greater of OMR or uncapped RPI. Break requires 6 months notice and is subject to a penalty of £84,470 plus VAT.
6	3 Berners Lee Way TS2 1ED	Paralloy Limited	14,875	1,394	10/7/2020	9/7/2030	9/7/2026	£81,813	£5.50	10/7/2025	RR to greater of OMR or uncapped RPI. Break requires 6 months notice and is subject to a penalty of £84,700 plus VAT.
7	1 Berners Lee Way TS2 1ED	Sulzer Chemtech (UK) Limited	13,043	1,222	18/9/2020	17/9/2030	17/9/2025	£75,000	£5.75	18/9/2025	Break requires 9 months notice RR to greater of OMR or uncapped RPI.
8	2 Berners Lee Way TS2 1ED	Paralloy Limited On assignment from Cupral Group Limited)	13,058	1,223	26/8/2021	25/8/2031	25/8/2026	£89,368	£6.84	26/8/2026	RR to greater of OMR or uncapped RPI. Break requires 6 months notice and subject to a penalty equivalent to 6 months rent.
9	1 Gould Avenue TS2 1EQ	Cupral Group Ltd	29,907	2,802	4/5/2021	3/5/2031		£217,400	£7.27	4/5/2026	RR to greater of OMR or uncapped RPI. Unit includes an additional yard of approximately 1.40 acres above a standard yard provision based on 40% site coverage.
10	1 Wilfred Whitfield Way TS2 1EN	Close Protection Security Limited	6,410	601	29/6/2020	28/6/2030		£44,870	£7.00	29/6/2025	RR to greater of OMR or uncapped RPI.
11	2 Wilfred Whitfield Way TS2 1EN	Durata UK Ltd	3,153	295	11/8/2020	10/8/2030	10/8/2025	£22,500	£7.14	11/8/2025	RR to greater of OMR or uncapped RPI.
12	3 Wilfred Whitfield Way TS2 1EN	Vacant - U/o to Durata UK Ltd to commence from February 2024	6,331	593	31/02/2024	30/02/2034		£45,800	£7.23	31/02/2029	10-year term starts in February 2024.
13	4 Wilfred Whitfield Way TS2 1EN	Dyno Remaps NE Limited	3,146	295	15/6/2020	14/6/2025		£18,300	£5.82		Rent reduced in lieu of nil RF.
14	5 Wilfred Whitfield Way TS2 1EN	Flexitallic UK Ltd	6,331	593	3/11/2021	2/11/2031	2/11/2026	£45,900	£7.25	3/11/2026	RR to greater of OMR or RPI, subject to a minimum of £50,490 and a maximum of £59,370.
15	6 Wilfred Whitfield Way TS2 1EN	NSS Group Holdings Limited	3,218	301	16/7/2020	15/7/2030		£22,526	£7.00	16/7/2025	RR to greater of OMR or uncapped RPI.
Total			181,764	17,029				£1,156,290			



Tenant Covenants



COMPANY NO.: 00260752
CONTRACTED RENT: £404,068 pa

Paralloy and FVC are industrial scale engineers, using in-house design and manufacture of centrifugally cast products. They serve industries such as petrochemical, aerospace, industrial gas turbines providing bespoke solutions for customers across the world.

paralloy.com



COMPANY NO.: 11220506
CONTRACTED RENT: £169,806 pa

Cupral Group is a metal recycling and trading business, established to upgrade non-ferrous metals (copper and aluminium) to a high purity, low carbon and furnace ready resource. They are based at TeesAMP.

cupralgroup.com



COMPANY NO.: 12748145
CONTRACTED RENT: £169,806 pa

Sovereign Supply Chain Limited provide warehousing and distribution solutions for commercial and private customers from their base at TeesAMP.

sovereignsupplychain.co.uk



COMPANY NO.: 12881956
CONTRACTED RENT: £90,126 pa

Press On Vinyl is a State-of-the art vinyl record manufacturing facility, based at TeesAMP. The business offers services from the mastering and recording of audio, through to the pressing of vinyl for customers from labels to artists.

pressonvinyl.com



COMPANY NO.: 02999903
CONTRACTED RENT: £75,000 pa

Sulzer is headquartered in Winterthur, Switzerland and is a global market leader in fluid engineering and chemical processing applications with a network of 180 manufacturing facilities across the globe. Sulzer's Chemtech division specialises in the mass transfer, static mixing and polymer solutions for chemicals, petrochemicals, refining and LNG.

sulzer.com



Investment Rationale

- ◆ Grade A specification offering amongst the best space in the North / East Region.
- ◆ Includes a 5 acre development site suitable for B1 / B2 / B8 and / or IOS.
- ◆ Majority of the tenants have significant investment in their fit out and are therefore unlikely to exercise their upcoming break options.
- ◆ Parallo, Cupral and Durata may require additional space in the short / medium term.
- ◆ Low passing rents with strong rental growth prospects, demonstrated by growth in the rental tone since Practical Completion.
- ◆ Ability to capture this growth at the upcoming open market rent reviews.
- ◆ 45% of the income is subject to rent reviews within the next 18 months.
- ◆ Attractive income return and running yield profile.
- ◆ Buying at sub-replacement cost.



Proposal

Offers are invited in excess of £14,450,000 (Fourteen Million, Four Hundred and Fifty Thousand Pounds), subject to contract and exclusive of VAT. A purchase at this level would reflect a **Net Initial Yield of 7.50%** on the passing income and a **Low Capital Value of £80 psf**, assuming **Purchaser's Costs of 6.73%**.

VAT

The property is elected for VAT, and it is envisaged that the transaction will be treated as a Transfer of a Going Concern.

Anti Money Laundering

To discharge its legal obligations, including under applicable anti-money laundering regulations, C&W will require certain information of the successful bidder. In submitting an offer, you agree to provide such information following agreement to the Heads of Terms.

Data Room

Data room access can be provided upon request which will include title / lease documentation; building / construction information; EPCs; planning and ground conditions report.

Contacts

For further information, or to arrange an inspection, please contact:



James Yates

07983 586 654

James.yates@cushwake.com

Ed Cornwell

07801 259 470

Edward.cornwell@cushwake.com

Alice Gilman

07721 816 459

Alice.gilman@cushwake.com

Max Lederweg

07887 651 347

Max.lederweg@cushwake.com

Sophia Cooper

07745 458 558

sophia.cooper@cushwake.com