# PRIME, MULTI-LET, 'LAST MILE' TRADE INVESTMENT

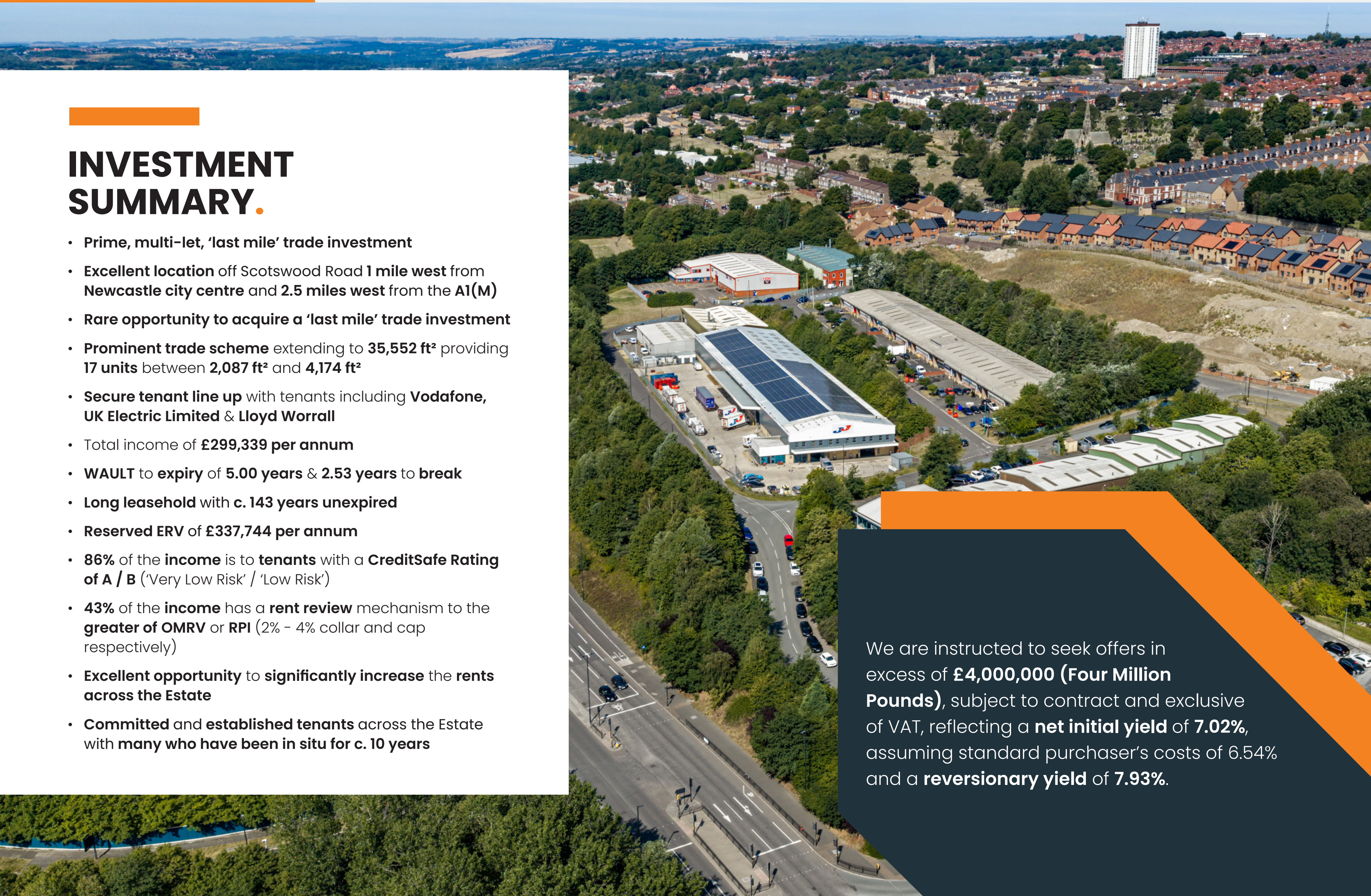
# FOR SALE

**Units 1 – 17 Noble Street,** Scotswood Road, Newcastle upon Tyne, NE4 7PD

VIDEO LINK HERE

# UNITS 1-17 NOBLE STREET

For illustrative purposes.



# INVESTMENT SUMMARY.

- **Prime, multi-let, 'last mile' trade investment**
- **Excellent location** off Scotswood Road **1 mile west** from **Newcastle city centre** and **2.5 miles west** from the **A1(M)**
- **Rare opportunity to acquire a 'last mile' trade investment**
- **Prominent trade scheme** extending to **35,552 ft²** providing **17 units** between **2,087 ft²** and **4,174 ft²**
- **Secure tenant line up** with tenants including **Vodafone, UK Electric Limited** & **Lloyd Worrall**
- Total income of **£299,339 per annum**
- **WAULT** to **expiry** of **5.00 years** & **2.53 years** to **break**
- **Long leasehold** with **c. 143 years unexpired**
- **Reserved ERV** of **£337,744 per annum**
- **86%** of the **income** is to **tenants** with a **CreditSafe Rating of A / B** ('Very Low Risk' / 'Low Risk')
- **43%** of the **income** has a **rent review** mechanism to the **greater of OMRV** or **RPI** (2% - 4% collar and cap respectively)
- **Excellent opportunity** to **significantly increase** the **rents across the Estate**
- **Committed** and **established tenants** across the Estate with **many who have been in situ for c. 10 years**

We are instructed to seek offers in excess of **£4,000,000 (Four Million Pounds)**, subject to contract and exclusive of VAT, reflecting a **net initial yield** of **7.02%**, assuming standard purchaser's costs of 6.54% and a **reversionary yield** of **7.93%**.

# LOCATION.

**Newcastle upon Tyne is the commercial and administrative capital of the North East of England and one of the UK's top seven regional cities.**

**Newcastle is situated 98 miles north of Leeds, 104 miles south of Edinburgh, and 277 miles north of London. The city boasts a population of 300,000 extending to 1.7 million within a 30 minute drivetime and an urban economy worth £9.9bn.**

Newcastle upon Tyne benefits from excellent connectivity and transport links, with the A1(M) located just west of the city providing vehicular access north to Edinburgh and south to Leeds.

Newcastle Central Station sits on the East Coast Main Line, providing access to London within 2 hours and 50 minutes.

For commuters, the Tyne & Wear Metro provides inter-city transport from Newcastle to Sunderland and is the third most used light rail network in the UK behind London and Manchester.

Newcastle International Airport is located to the northwest of the city and provides daily flights to over 70 international locations. The city also has access to a European Cruise Terminal a short distance to the east, providing logistical and tourism links to mainland Europe.

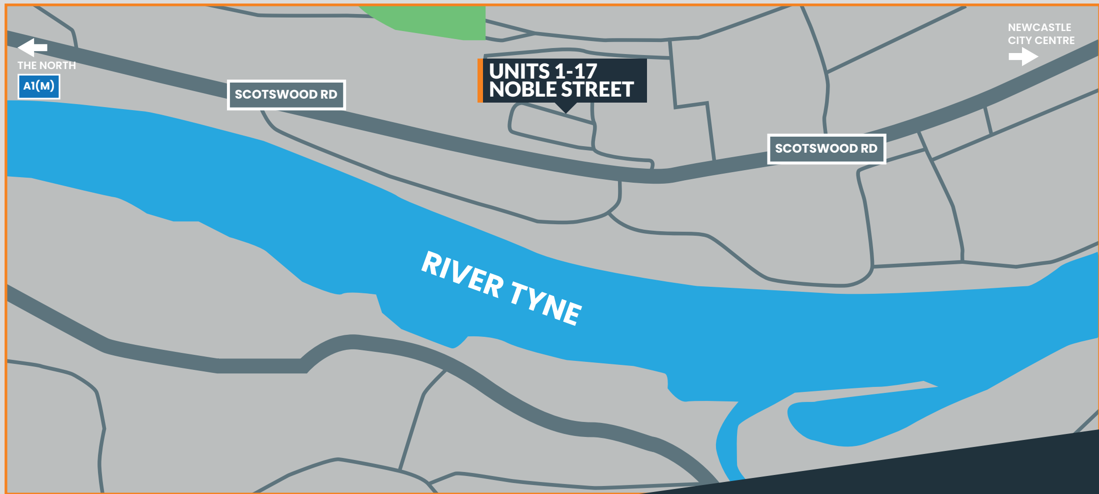
# SITUATION.

**The property is situated fronting Noble Street, accessed from Sanderson Street which connects directly to the south with Scotswood Road (A695). Scotswood Road is the main arterial route connecting Newcastle city centre with the A1(M). The trade scheme is strategically located being 1 mile west of Newcastle City Centre and 2.5 miles east from the A1(M).**

Scotswood Road has become synonymous with both trade and automotive occupiers all benefitting from the significant traffic flow and prominence. The site, being only 0.9 miles from Newcastle city core, means it is an ideal 'last mile' location which has resulted in the significant tenant retention and ease of reletting units.

Surrounding occupiers fronting Scotswood Road include Vertu Motor Arena, Arnold Clark, Newcastle Audi, Mercedes Benz, Vertu Ford, Vertu Honda.

Surrounding trade occupiers include the likes of Speedy Hire, Toolstation, Howdens, Plumbase, BSS & Wolseley.


NEWCASTLE AIRPORT 6.2 MILES
A1
A1
METRO CENTRE
COSTCO WHOLESALE
VOLVO
Ford
UNITS 1-17 NOBLE STREET
BSS
SCOTSWOOD ROAD A695
JJ Foodservice
NEWCASTLE BUSINESS PARK
Audi
NEWCASTLE BUSINESS PARK
NEWCASTLE CITY CENTRE 1 MILE
Arnold Clark
OMODA


NEWCASTLE
CITY CENTRE
The Glasshouse
International Centre for Music
utilita arena
NEWCASTLE
Speedy Hire
DOVE
TOOLSTATION
NEWCASTLE EAGLES
BASKETBALL
PLUMBASE
Arnold Clark
WOLSELEY
OMODA
Audi
UNITS 1-17
NOBLE STREET
JJ Foodservice
SCOTSWOOD
ROAD A695
BSS
NEWCASTLE
BUSINESS PARK
NEWCASTLE
BUSINESS PARK
A1(M) AND
THE NORTH

# DESCRIPTION.

The property comprises a detached industrial / trade terrace with 17 units. Each unit has an individual roller shutter and trade entrance, alongside external yard and parking provisions.

The property is constructed of a steel portal frame with brick and profile clad elevations and roof.

The total terrace extends to 35,552 ft² with units ranging from 2,083 ft² - 4,174 ft². There is the ability to combine units to create larger options for tenants but typically units are 2,100 ft².

The property has an eves height of 3.7m and a height of 5.4m to the apex.

# SITE AREA.

The site extends to 2.20 acres (0.89 hectares) and has a site coverage of 40%.



# TENURE.

The property is held on a long leasehold basis (with Newcastle City Council) on a 150 year lease from 11 January 2019 expiring 10 January 2169, therefore circa 143 years unexpired.

# ACCOMMODATION &TENANCY SCHEDULE.

The property is let on the basis of the below tenancy schedule:

| UNIT | TENANT | LEASE START | LEASE END | NEXT REVIEW DATE | NEXT BREAK DATE | RENT (£ PER ANNUM) | RENT (£ /FT²) | ERV | AREA | COMMENT |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | UK Electric Limited | 05/05/2022 | 04/05/2028 | 05/05/2027 | | £15,728 | £7.45 | £20,045 | 2,110 | Rent reviewed on an OMRV basis. Newbury Investments (UK) Limited as Guarantor. |
| 2 | Driveline Holdings | 07/12/2025 | 06/12/2030 | 07/12/2028 | 07/12/2028 | £18,750 | £8.92 | £19,979 | 2,103 | Rent reviewed to the higher of OMRV or RPI (collar and cap 2% & 4% respectively). Contracted Out of the 1954 Act. In occupation since 2020. |
| 3 | Rental Guarantee | | | | | £19,903 | £9.50 | £19,903 | 2,095 | 12 month rental guarantee. |
| 4 | North Shore Coffee Roasters | 05/11/2024 | 04/11/2034 | 05/11/2029 | 05/11/2029 | £18,200 | £8.74 | £19,789 | 2,083 | Rent reviewed to the higher of OMRV or RPI (collar and cap 2% & 4% respectively).North Shore Coffee Ltd as Guarantor. |
| 5 | New Bridgegate Tyres Limited | 14/02/2025 | 13/02/2035 | 14/02/2030 | 13/02/2030 | £18,200 | £8.70 | £19,884 | 2,093 | Rent reviewed to the higher of OMRV or RPI (collar and cap 2% & 4% respectively). New Bridgegate Tyres Ltd as Guarantor. |
| 6 | Vaulkhard Leisure Limited | 22/03/2024 | 21/03/2034 | 22/03/2029 | 22/03/2029 | £18,200 | £8.73 | £19,798 | 2,084 | Rent reviewed to the higher of OMRV or RPI (collar and cap 2% & 4% respectively). |
| 7 | Vaulkhard Leisure Limited | 18/08/2022 | 17/08/2032 | 18/08/2027 | 18/08/2027 | £15,728 | £7.54 | £19,817 | 2,086 | Rent reviewed on an OMRV basis, further 8 months half rent if TOB not optioned. |
| 8 | Vodafone Limited | 31/07/2015 | 30/07/2035 | 31/07/2030 | 31/07/2030 | £18,200 | £8.71 | £19,846 | 2,089 | In occupation since 2015. |
| 9 | Vodafone Limited | 31/07/2015 | 30/07/2035 | 31/07/2030 | 31/07/2030 | £18,200 | £8.74 | £19,789 | 2,083 | In occupation since 2015. |
| 10 | Vodafone Limited | 31/07/2015 | 30/07/2035 | 31/07/2030 | 31/07/2030 | £18,200 | £8.71 | £19,846 | 2,089 | In occupation since 2015. |
| 11 | Orand Limited | 08/10/2026 | 07/11/2031 | 08/10/2029 | 08/10/2029 | £19,750 | £9.48 | £19,789 | 2,083 | NSD (UK) Ltd as Guarantor. 4 months half rent. Rent reviewed to the higher of OMRV or RPI (collar and cap 2% & 4% respectively). Rental deposit £. |
| 12 | Enhance NE Limited | 29/03/2026 | 28/03/2031 | 29/03/2029 | 29/03/2029 | £18,750 | £8.92 | £19,960 | 2,101 | 6 months half rent (exp Sept 26), further 6 months if Break not optioned. Rent reviewed to the higher of OMRV or RPI (collar and cap 2% & 4% respectively). |
| 13-14 | Building Supplies Distribution | 20/07/2017 | 19/07/2027 | | | £30,000 | £7.19 | £39,653 | 4,174 | In occupation since 2006. Grafton Merchanting GB Ltd as Guarantor. |
| 15 | Building Supplies Distribution | 20/07/2017 | 19/07/2027 | | | £15,652 | £7.50 | £19,827 | 2,087 | In occupation since 2006. Grafton Merchanting GB Ltd as Guarantor. |
| 16 | One Utility Bill Limited | 11/04/2023 | 10/04/2028 | | | £17,128 | £8.21 | £19,827 | 2,087 | |
| 17 | Creative Security Dynamics Limited | 28/03/2026 | 27/03/2031 | 27/03/2029 | 27/03/2029 | £18,750 | £8.91 | £19,998 | 2,105 | Rent reviewed to the higher of OMRV or RPI (collar and cap 2% & 4% respectively). 10 months half rent, further 6 months half rent if Break not optioned. |
| | | | | | | **£299,339** | | **£337,744** | **35,552** | |

The Weighted Average Unexpired Lease Term (WAULT) to expiry is c. 5.00 years and to break options is c. 2.53 years. All leases are held on effectively Full Repairing and Insuring Terms (eFRI) with a fully recoverable service charge.

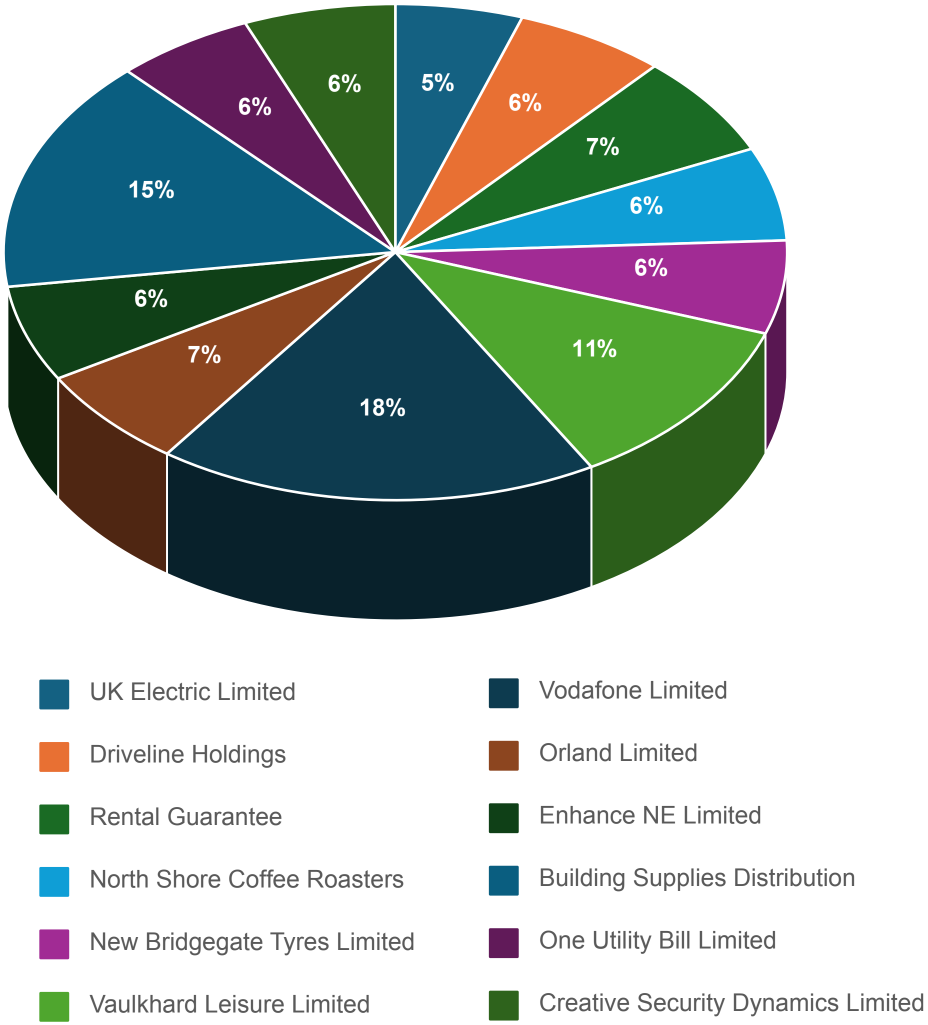
A full service charge history and budget can be provided on request. The service charge currently runs at £0.30/ft².

# INCOME.

Of the 11 tenants in occupation:

- 86% of the income is to tenants with a CreditSafe Rating of A / B ('Very Low Risk' / 'Low Risk')
- 74% of the income is to tenants with a Credit Score of 75 / 100 and above
- 26% of the income is to tenant with a Creditsafe Rating of 100 / 100
- 55% of the income is to tenants with a Creditsafe Score of 90 / 100 and above
- 43% of the income has rent review mechanisms with the greater of OMRV or RPI (2% and 4% collar and cap respectively)
- 35% of the income with the secure tenants of Vodafone and Building Supplies Distribution t/a Lloyd Worrall

# % INCOME BY TENANT.



# COVENANT INFORMATION.

## UNIT 1

**UK Electric Ltd** (Co No: 02742081) **– Tenant**

UK Electric is a privately-owned company, established in 1993, which has developed through acquisition and organic growth into the market-leading company it is today. Being the 'Home of Specialist Distribution' they supply products ranging from energy-saving lighting to industrial controls and from domestic boiler spares to commercial building controls.

Financial highlights are outlined below:

| | 2024 | 2023 | 2022 |
|---|---|---|---|
| Turnover | £120,094,000 | £101,989,000 | £94,231,000 |
| Pre Tax Profit | £14,585,000 | £11,732,000 | £9,794,000 |
| Shareholder's Funds | £52,343,000 | £49,003,000 | £55,045,000 |

Creditsafe Risk Score: 99 / 100 - 'Very Low Risk'. International Rating: 'A'

**Newbury Investments (UK) Ltd** (Co No: 02533036) **– Guarantor**

Newbury Investments is a private investment holding company incorporated in 1990.Newbury manage a portfolio of trading subsidiaries focused on the wholesale and distribution of electrical, plumbing, heating, lighting, DIY, and security products.

Financial highlights are outlined below:

| | 2024 | 2023 | 2022 |
|---|---|---|---|
| Turnover | £1,065,010,000 | £1,034,178,000 | £1,000,897,000 |
| Pre Tax Profit | £57,115,000 | £63,587,000 | £60,463,000 |
| Shareholder's Funds | £426,505,000 | £384,254,000 | £335,578,000 |

Creditsafe Risk Score: 100 / 100 - 'Very Low Risk'. International Rating: 'A'

## UNIT 2

**Driveline Holdings Ltd** (Co No: SC428000)

Driveline Holdings is a private limited company incorporated in July 2012, headquartered in Scotland. It operates as a parent entity for specialised automotive and commercial vehicle operations, notably manufacturing propshafts, driveline components, and providing diesel particulate filter (DPF) cleaning and emissions technologies.

Creditsafe Risk Score: 72 / 100 - 'Very Low Risk'. International Rating: 'A'

## UNIT 4

**North Shore Coffee Ltd**

North Shore Coffee is one of the North East's premier independent coffee multiples

**North Shore Coffee Roasters Ltd** (Co No: 15996821) **– Tenant**

North Shore Coffee is one of the North East's premier independent coffee multiples

**North Shore Coffee Ltd** (Co No: 10504673) **– Guarantor**

Creditsafe Risk Score: 46 / 100 - 'Moderate Risk'
International Rating: 'C'

## UNIT 5

**New Bridgegate Tyres Newcastle Ltd** (Co No: 25920548) **– Tenant *(trading as HiQ)***

New Bridgegate Tyres is a Tyre & Auto Centre with centres across the North East. New Bridgegate Tyres operates a fleet of 24/7 response vehicles, specialising in the fitting and maintenance of tyres for trucks, buses, agricultural machinery, and aviation equipment.

Creditsafe Risk Score: 75 / 100 - 'Very Low Risk'. International Rating: 'A'

**New Bridgegate Tyres Ltd** (Co No: 16116481) **– Guarantor**

Creditsafe Risk Score: 75 / 100 - 'Very Low Risk'. International Rating: 'A'

# COVENANT INFORMATION.

## UNIT 6 & 7

**Vaulkhard Leisure Ltd** (Co No:05298491)

Vaulkhard Group is one of the best known and established regional leisure operators in the North East of England.

Financial highlights are outlined below:

| | 2024 | 2023 | 2022 |
|---|---|---|---|
| Turnover | £14,263,601 | £15,257,885 | £17,544,1070 |
| Pre Tax Profit | £23,906 | -£1,255,846 | -£490,802 |
| Shareholder’s Funds | £4,181,554 | £4,166,931 | £3,963,314 |

Creditsafe Risk Score: 82 / 100 - ‘Very Low Risk’.
International Rating: ‘A’

## UNIT 8-10

**Vodafone** (Co No: 01471587)

Vodafone is one of the largest telcos in Europe and Africa.

Financial highlights are outlined below:

| | 2024 | 2023 | 2022 |
|---|---|---|---|
| Turnover | £5,851,800,000 | £5,816,000,000 | £5,810,600,000 |
| Pre Tax Profit | £111,600,000 | £43,500,000 | -£800,000 |
| Shareholder’s Funds | £6,339,100,000 | £6,238,200,000 | £6,286,200,000 |

Creditsafe Risk Score: 100 / 100 - ‘Very Low Risk’
International Rating: ‘A’

## UNIT 11

**Orand Ltd** (Co No: 16183072) – **Tenant**

Orand Ltd is a food packaging wholesaler based in the North East of England.

Creditsafe Risk Score: 47 / 100 - ‘Moderate Risk’
International Rating: ‘C’

**NSD (UK) Ltd** (Co No: 07283684) **– Guarantor**

NSD UK Ltd is a food packaging company based in the North East of England.

Creditsafe Risk Score: 50 / 100 - ‘Moderate Risk’
International Rating: ‘C’

## UNIT 12

**Enhance NE Ltd** (Co No: 11199559)

Enhance NE Ltd is a leading company in fleet branding, vehicle detailing, and car wrapping in the North East, with over 20 years of expertise.

Creditsafe Risk Score: 65 / 100 - ‘Low Risk’
International Rating: ‘B’

# COVENANT INFORMATION.

## UNIT 13-15

**Macnaughton Blair Ltd** (Co No: NI023032) **– Tenant**

**Macnaughton Blair** was established in January 1973 through the merger of two prominent Northern Irish companies. In August 1989, Macnaughton Blair was acquired by **Grafton Group plc**, marking one of Grafton's initial acquisitions in the UK.

In 2008 the **Lloyd Worrall** business was acquired by Macnaughton Blair Ltd. The subject property trades as Lloyd Worrall. Lloyd Worrall has been supplying the building industry with its architectural hardware requirements since 1946. Lloyd Worrall has grown to be one of the largest architectural ironmongers in the UK and a premier architectural solutions provider to the health, education, commercial, retail and leisure sectors in the construction industry. Lloyd Worrall is now part of Huws Gray Group and comprises 3 regional trading branches located in Milton Keynes, Newcastle upon Tyne, and Sheffield, together with a solutions office in Wolverhampton.

Financial highlights are outlined below:

| | 2024 | 2023 | 2022 |
|---|---|---|---|
| **Turnover** | £111,870,100 | £108,149,700 | £112,756,500 |
| **Pre Tax Profit** | £3,798,029 | £6,173,396 | £4,557,432 |
| **Shareholder's Funds** | £28,339,510 | £25,813,570 | £31,721,216 |

Creditsafe Risk Score: 90 / 100 - 'Very Low Risk'
International Rating: 'A'

**Grafton Merchanting GB Ltd** (Co No: 04725313) **– Guarantor**

**Grafton Merchanting GB (previously traded as Buildbase)**

Grafton Group is a European multinational distributor of construction related products and solutions comprising four geographic segments serving the Island of Ireland, Great Britain, Northern Europe and Iberia. In our home Irish market, we also operate the leading home improvement retailer.

Grafton Group sold the merchanting division of the business to Huws Gray Group in early 2022.

Creditsafe Risk Score: 100 / 100 - 'Very Low Risk'
International Rating: 'A'

## UNIT 16

**One Utility Bill Ltd** (Co No: 09534085)

One Utility Bill simplifies household bills, bundling utilities, broadband and media into one simple monthly payment.

Creditsafe Risk Score: 60 / 100 - 'Very Low Risk'
International Rating: 'B'

## UNIT 17

**Creative Security Dynamics Ltd** (Co No: 07709392)

Creative Security Dynamics provide customised security solutions to help protect your people and property.

Creditsafe Risk Score: 96 / 100 - 'Very Low Risk'
International Rating: 'A'




## 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.

## VAT.

The property is elected for VAT. We anticipate that the sale should be treated as a Transfer of a Going Concern (TOGC).

## DATA ROOM.

Access to a comprehensive data room is available on request.

## ENERGY PERFORMANCE CERTIFICATE (EPC).

Available on request.

## INVESTMENT CONSIDERATIONS.

- **A rare opportunity to acquire a 'last mile' trade investment in Newcastle city centre;**
- **Prime location situated off Scotswood Road – the main arterial route west from Newcastle city centre to the A1(M)**
- **Generational acquisition opportunity – very limited stock trades in this location**
- **Rare opportunity to acquire granular income that has such a strong line up of tenants**
- **Established tenants with those with upcoming renewals keen to remain in occupation in the future**
- **Opportunity to significantly increase the reversionary yield beyond the reserved figure in the brochure**
- **Potential to break up and sell individual units to owner occupiers**
- **Investment value underpinned by vacant possession value**

UNITS 1 - 17

# NOBLE STREET

## PROPOSAL.

We are instructed to seek offers in excess of **£4,000,000 (Four Million Pounds)**, subject to contract and exclusive of VAT, reflecting a **net initial yield** of **7.02%**, assuming standard purchaser's costs of 6.54% and a **reversionary yield** of **7.93%.**

### Viewing & Further Information

For further information or to arrange an inspection please contact agents HTA Real Estate: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