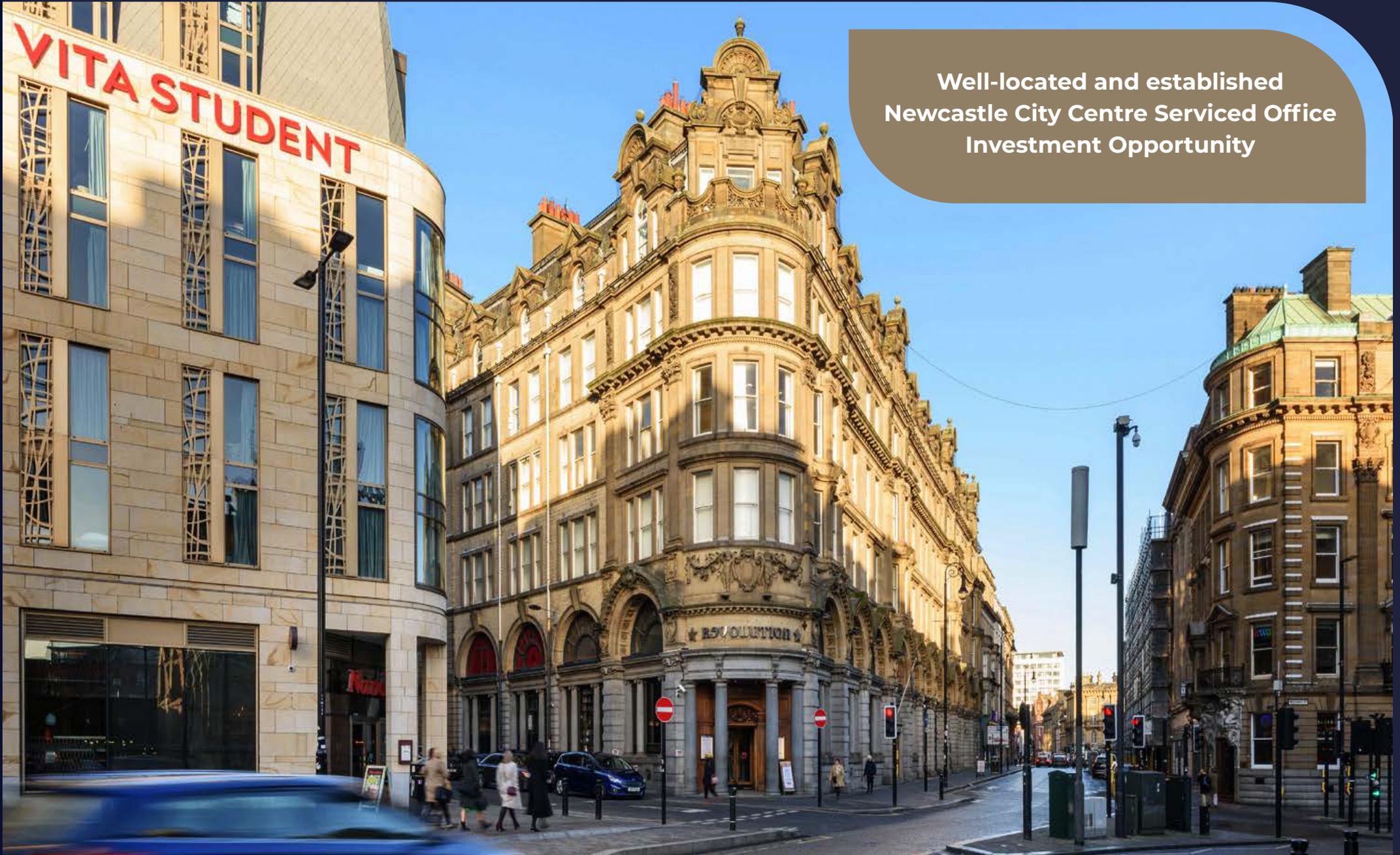


COLLINGWOOD BUILDINGS

Collingwood Street, Newcastle NE1 1JF

AVISON
YOUNG

LP LEWIS & PARTNERS



Well-located and established
Newcastle City Centre Serviced Office
Investment Opportunity

INVESTMENT SUMMARY

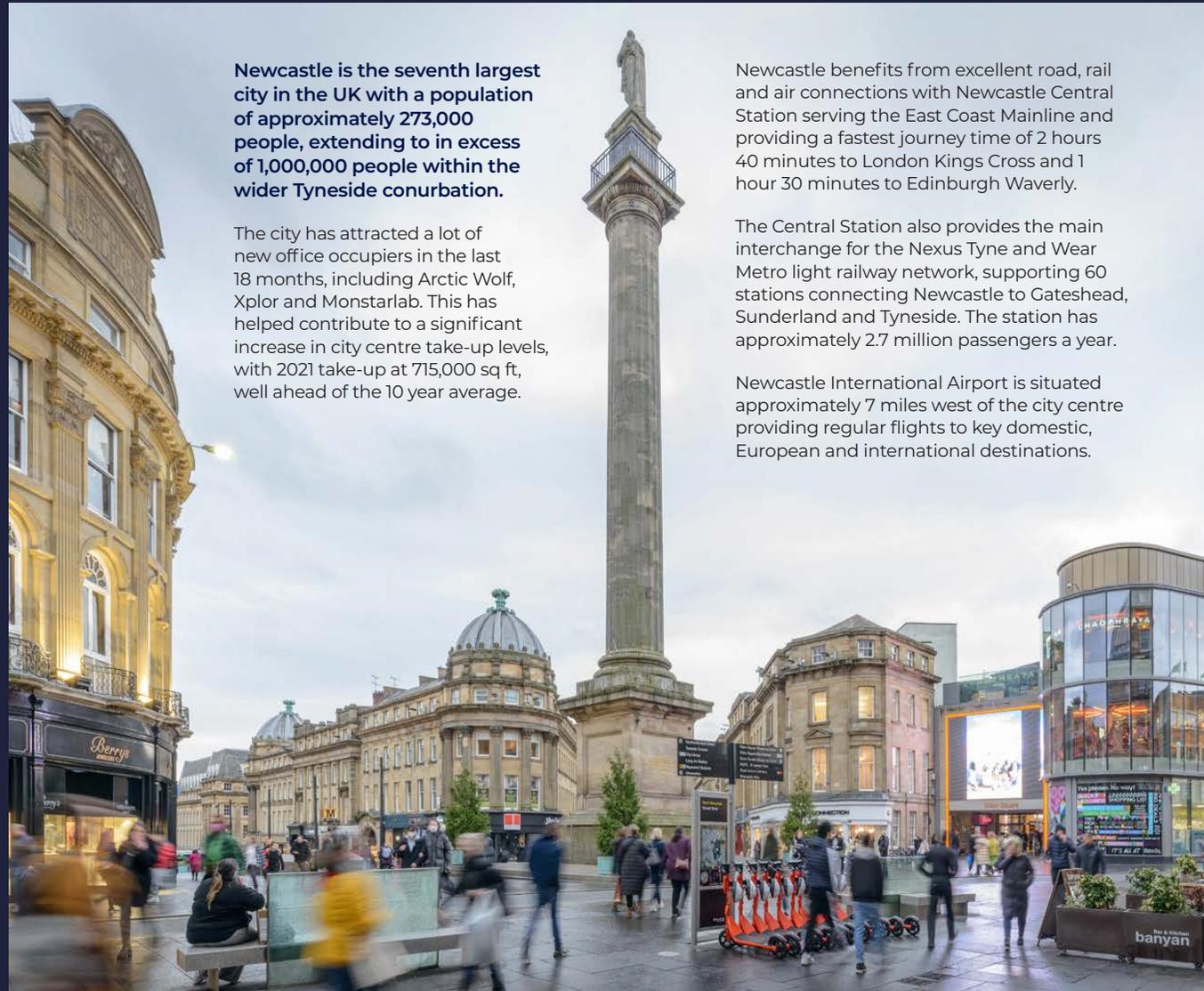
- Very well-located and established multi-let serviced offices
- Substantial Grade II Listed trophy building in Newcastle City Centre
- Flexible accommodation creating an excellent co-working environment
- Excellent transport links with Newcastle Central Railway and Metro Station less than 200m away
- GIA of 42,102 sq ft and a Net Lettable Area of 33,231 sq ft
- Freehold
- 65% occupied with a current Gross Income of **£826,631 per annum** and a Net Operating Income of **£307,507 per annum**
- Clear immediate asset management opportunities to significantly increase the net operating income and re-brand

We are instructed to seek offers of **£5,500,000 (Five Million and Five Hundred Thousand Pounds)** exclusive of VAT for our client's Freehold interest. A purchase at this level reflects a **Net Initial Yield of 5.24%** on the current net income after purchaser costs. Reversionary potential yield following refurbishment of **13.53%**.



LOCATION

Newcastle is located approximately 285 miles north of London and 105 miles south of Edinburgh and is the commercial and administrative capital of the North East, located in the county of Tyne and Wear.



Newcastle is the seventh largest city in the UK with a population of approximately 273,000 people, extending to in excess of 1,000,000 people within the wider Tyneside conurbation.

The city has attracted a lot of new office occupiers in the last 18 months, including Arctic Wolf, Xplor and Monstarlab. This has helped contribute to a significant increase in city centre take-up levels, with 2021 take-up at 715,000 sq ft, well ahead of the 10 year average.

Newcastle benefits from excellent road, rail and air connections with Newcastle Central Station serving the East Coast Mainline and providing a fastest journey time of 2 hours 40 minutes to London Kings Cross and 1 hour 30 minutes to Edinburgh Waverly.

The Central Station also provides the main interchange for the Nexus Tyne and Wear Metro light railway network, supporting 60 stations connecting Newcastle to Gateshead, Sunderland and Tyneside. The station has approximately 2.7 million passengers a year.

Newcastle International Airport is situated approximately 7 miles west of the city centre providing regular flights to key domestic, European and international destinations.



TRAVEL TIMES



Rail

Edinburgh	1hr 35mins
Leeds	1hr 20mins
Manchester	2hrs 10mins
London Kings	2hrs 45mins



Road

Newcastle Int. Airport	20mins
Sunderland	37mins
Leeds	1hr 20mins
Manchester	2hrs 10mins

SITUATION

The Collingwood Buildings are located in Newcastle city centre in the historic Grainger Town, the commercial heart of the City Centre.

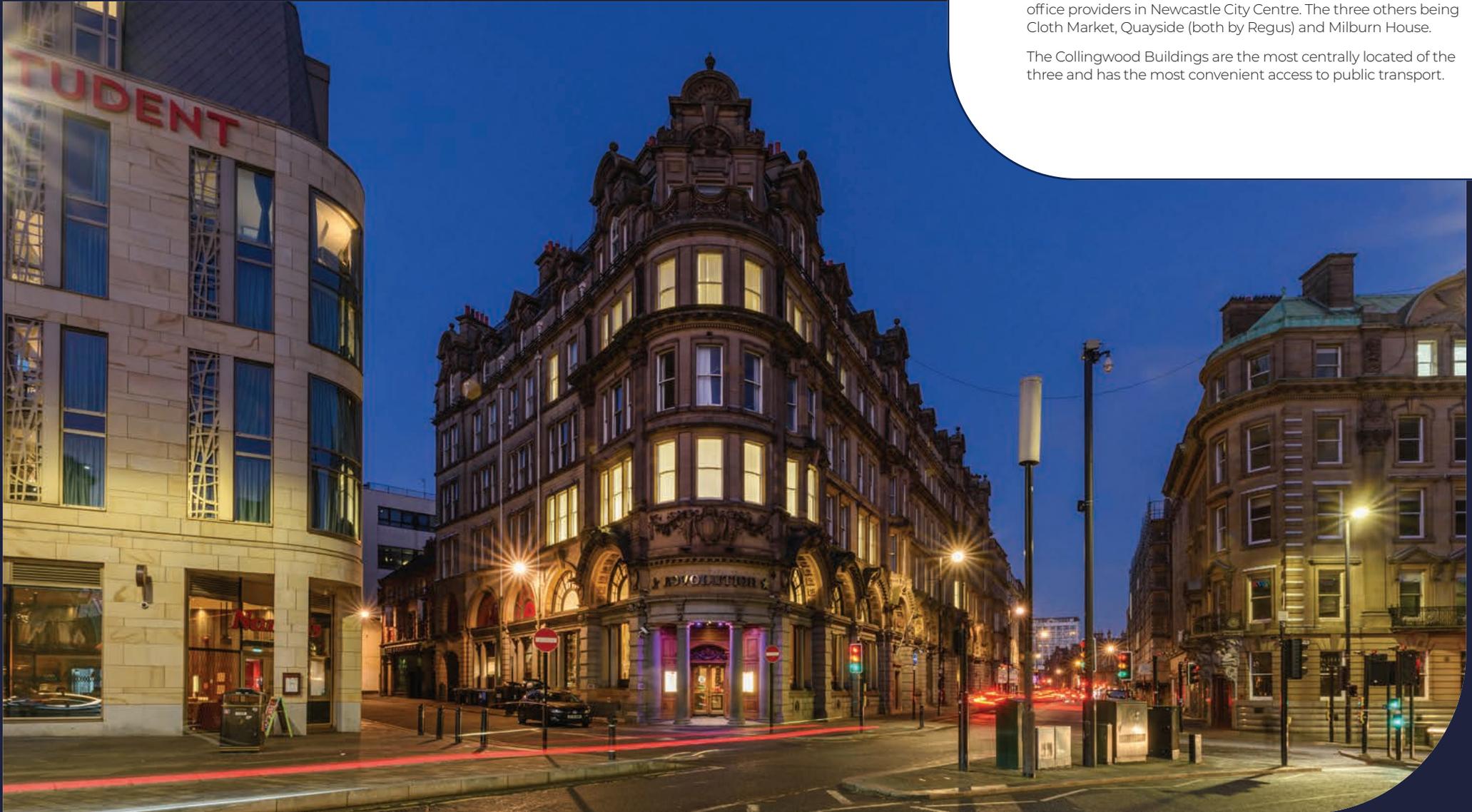
The property is situated on Collingwood Street, a thriving commercial area comprised of retail, leisure and offices.

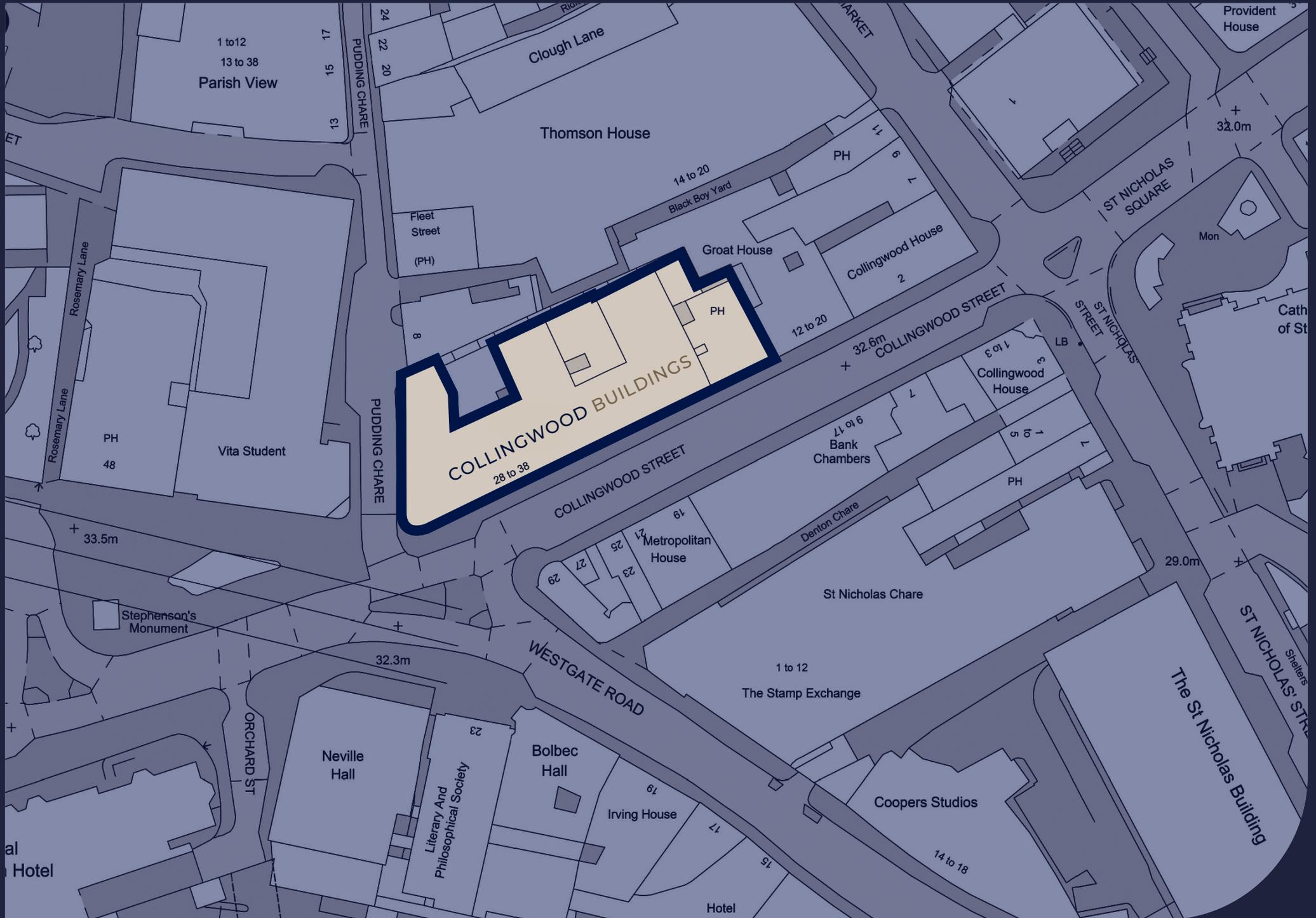
Occupiers within the immediate vicinity include:

American Express, Ryder Architecture, National Audit Office, North East Chamber of Commerce, Beecham Peacock Solicitors, Revolution Bar and the recently built 259 bed Vita Student accommodation and Nandos restaurant.

The Collingwood Buildings are one of the four main serviced office providers in Newcastle City Centre. The three others being Cloth Market, Quayside (both by Regus) and Milburn House.

The Collingwood Buildings are the most centrally located of the three and has the most convenient access to public transport.







Re-development of Thompson House

Directly behind the Collingwood Buildings, plans have been submitted to re-develop Thompson House and create a new 198 room hotel and 96 bed aparthotel. The mixed-use development will incorporate a gym, bar, restaurant, meeting room facilities and standalone public house.

Former Allied Irish Bank

Diagonally opposite the Collingwood Buildings is the former Allied Irish Bank HQ. Planning has been granted for a mixed-use redevelopment, comprised of ground floor bar and restaurant and 12 luxury serviced apartments to the first and third floors, featuring onsite concierge and gym.

Former Mining Institute

Further development has taken place at the former Mining Institute located 50m to the west, which recently completed a £9 million refurbishment and is now known as The Common Rooms, a unique heritage venue with a café, bar and event space.

Newcastle Central Station Refurbishment

Approximately 200m to the west of the property is Newcastle Central Station, providing excellent public transport links to the wider Tyneside area and the East Coast Mainline. The Station is currently undergoing a £4 million refurbishment, which will provide two new entrances, new concourse and relocation of the existing taxi rank with pedestrianisation of the Orchard Street tunnel, which will include lift access into the station.

Helix Development

Just 0.5 miles to the north is the 24-acre £350 million Helix development, a partnership between Legal & General, Newcastle City Council and Newcastle University, providing 210,000 sq ft of Grade A offices, state of the art teaching facilities and a mixture of PRS and privately owned residential units.

It is the UK's largest urban development of its kind outside of London, combining prestigious commercial and residential space with first class research and education facilities.

Prime city centre office rents have continued to rise over the last couple of years, with headline rents at The Helix now at £27.00 psf. Quoting rents on the upper floors of Bank House are at £30 per sq ft.

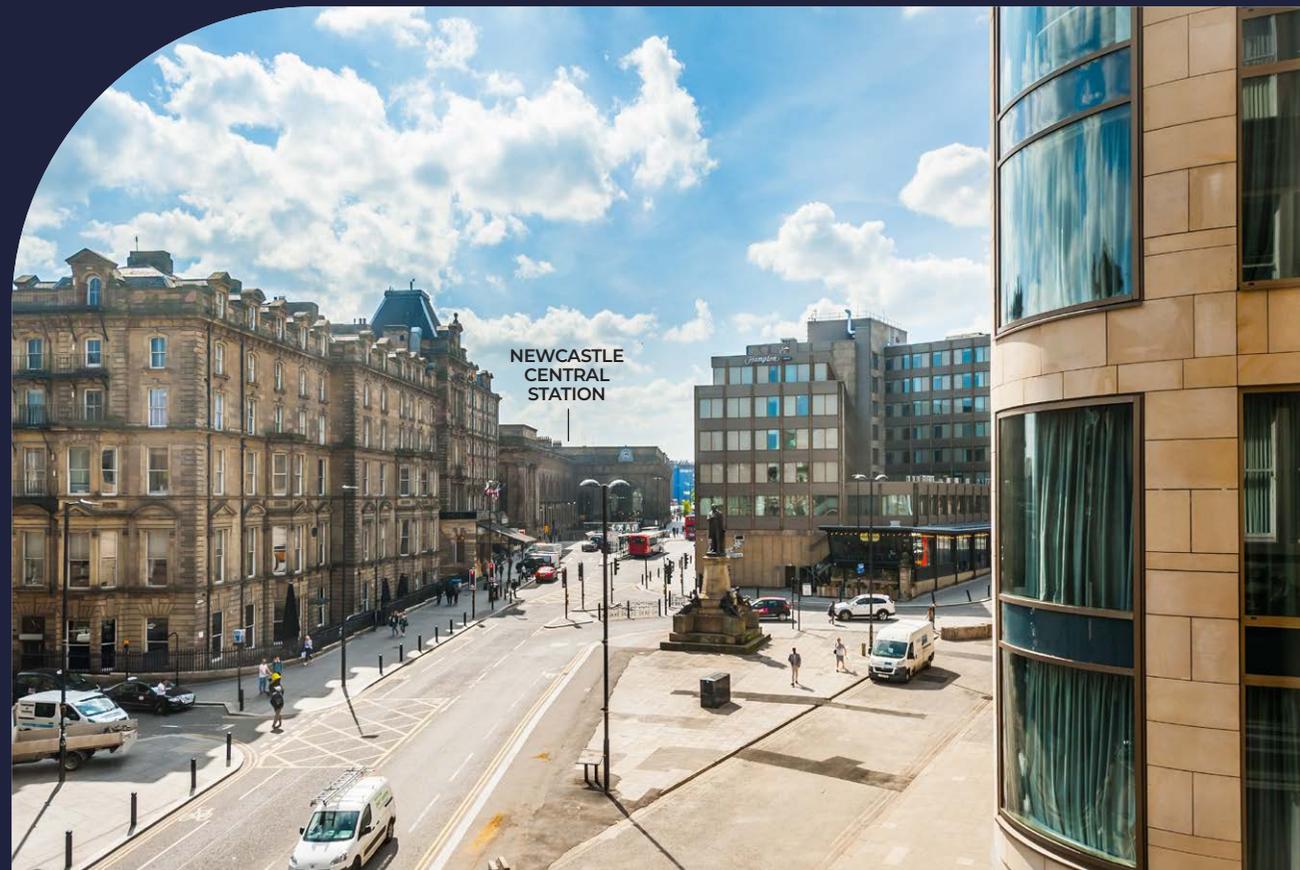
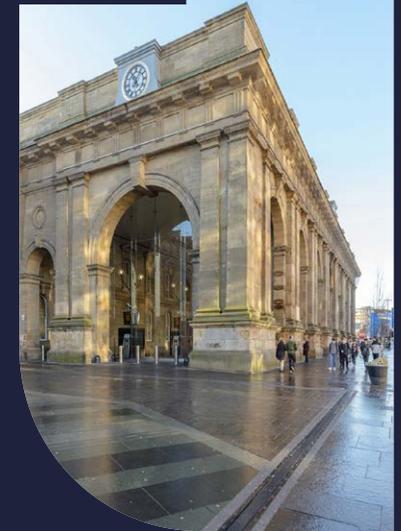
Re-development of Pilgrim Street

Approximately 0.2 miles to the east is the £200 million re-development of Pilgrim Street, which will include the under construction 14 storey 120,000 sq ft Grade A Bank House and a new pre-let 460,000 sq ft HQ for the HMRC, who will re-locate 9,000 staff to Newcastle City Centre.

Strawberry Place - Further Development

Further development is proposed for Strawberry Place, the land beside St James' Park. The proposed £120 million development will comprise of a 200 room hotel, 130,000 sq ft of Grade A offices and 328 apartments.

Newcastle Central Station



View from Collingwood Buildings

NEWCASTLE
CITY CENTRE



ST JAMES' PARK

HAYMARKET

NORTHUMBERLAND
STREET

WELLBAR
CENTRAL

TIME
CENTRAL

ELDON SQUARE

THE HELIX

CITYGATE I & II

MONUMENT

BANK HOUSE
PILGRIM QUARTER

THE GATE

GREY STREET

HADRIAN TOWER

COLLINGWOOD
BUILDINGS

NEWCASTLE
CENTRAL STATION

CENTRE FOR LIFE

CENTRAL
SQUARE SOUTH

DESCRIPTION

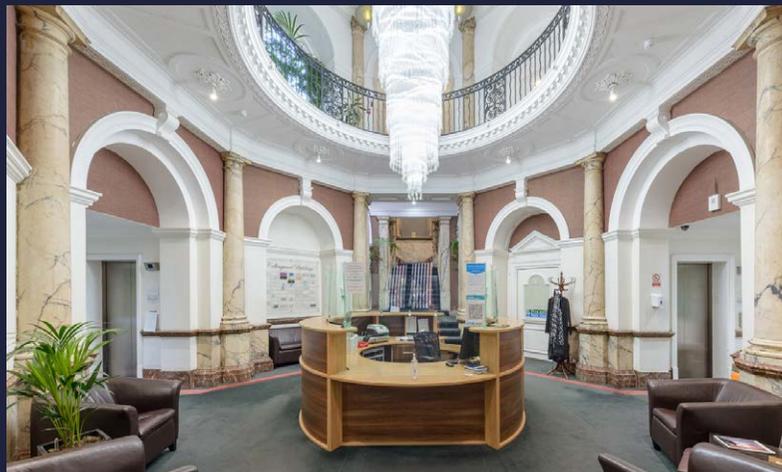
The Collingwood Buildings comprise a substantial attractive **Grade II Listed building** arranged over ground and five upper floors.



The ground floor and basement, which provide a mix of leisure and retail, have been sold off on a long lease. The bar is occupied by Revolution.

The building has a stone façade with side and rear elevations being of brickwork and a pitched roof with slate coverings.

The principal entrance to the building is from Collingwood Street and leads to an attractive main reception area, featuring marble and granite floors, pillars and a dramatic circular open ceiling to the first floor.



The first floor provides attractive communal break out areas, bike store, meeting rooms, post room and office suites.

Each floor has male & female toilets, shower rooms and kitchenettes.

The suites benefit from:

- Secure 24/7 entry
- Reception with telephone answering service
- Communal break out areas
- Professional daily cleaning service to the common parts
- Air-cooling to most areas
- Furniture
- Complimentary beverages
- High speed broadband connection and telephone line rental
- Secure bike storage

The accommodation is flexible and suites can be joined to accommodate larger lettings.

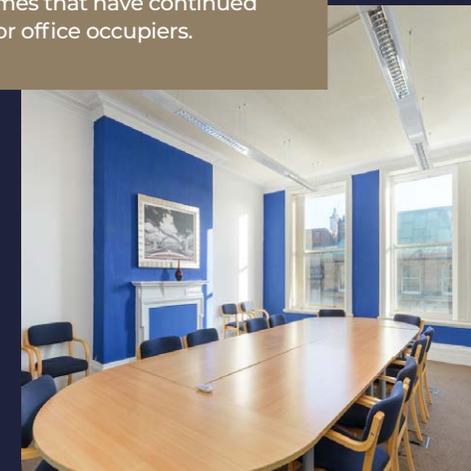
Car parking can be arranged at the nearby Genting Casino, for an additional charge to the tenant.



The upper floors provide office suites ranging from 104 sq ft to 844 sq ft.



The Collingwood Buildings provide occupiers with flexibility and creates an excellent environment for co-working. Two themes that have continued to emerge as a priority for office occupiers.



ACCOMMODATION

We have been provided with the following Gross Internal Areas for the Collingwood Buildings:

DESCRIPTION	SQ M	SQ FT
First Floor	559.95	6,027
Second Floor	939.41	10,112
Third Floor	939.41	10,112
Fourth Floor	909.14	9,786
Fifth Floor	563.43	6,065
TOTAL	3,911.34	42,102

The Net Lettable Area is 33,231 sq ft.

The net area including kitchen and break out areas is 33,975 sq ft.

Floor plans are available on request.



TENURE

The property is held Freehold.

The ground and basement are underlet on a long lease for a term of 999 years at a peppercorn rent without review from October 2007.

The lease has a permitted use for bar/restaurant/retail and for the Landlord to be notified in writing for any alternative uses.

TENANCY

The Collingwood Buildings are approximately 65% occupied, have a current Gross Income of £826,631 pa and after deduction of operating costs (staff salary, insurance, cleaning, utilities, security and maintenance) a Net Operating Income of £307,507 per annum. Recent letting activity in the building demonstrate rents at £40.00 per sq ft.

By break down, 20,309 sq ft is let to 76 occupiers on licence agreements, which is inclusive of rent, business rates, utilities, high speed broadband, telephone lines and insurance. There is approximately 13,666 sq ft of accommodation available to let.

A detailed tenancy/operational cost schedule and example license agreement is available on request for seriously interested parties.

ASSET MANAGEMENT

If a refurbishment program was undertaken to modernise the existing office suites, communal facilities and common areas, there is scope to significantly increase the occupancy and income levels and reduce the running costs. Running costs in particular are running at a high level compared to other centres and it is anticipated another operator could reduce costs significantly and re-brand.

By way of demonstration, we have applied an ERV of £40 per sq ft to the suites facing onto Collingwood Street and £35 per sq ft to the side and rear suites. These levels are already being achieved on some suites. This produces a ERV Gross Income of £1,220,350 per annum and assuming more typical operating costs of 35%, this would give a net operating income of £793,228 per annum

The property may also be suitable for conversion to residential or hotel uses subject to planning.

EPC

The new EPC rating for the property is C – 64 and was undertaken in February 2020. A copy is available on request.

REF: 111160

(1) Avison Young hereby gives notice that the information provided (either for itself, for any joint agents or for the vendors lessors of this property whose agent Avison Young's in this brochure is provided on the following conditions: (2) The particulars are set out as a general outline only, for the guidance of intending purchasers and/or lessees and do not constitute an offer or contract, or part of an offer or contract. (3) All descriptions, dimensions and references to this property's condition and any necessary permission for use and occupation, and any other relevant details, are given in good faith and are believed to be correct. However, any intending purchasers or tenants should not rely on them as statements or representations of fact but satisfy themselves of their correctness by inspection or otherwise. (4) No person in the employment of Avison Young, or any joint agents, has any authority to make or give any representation or warranty whatsoever in relation to the property or properties in this brochure. (5) All prices quoted are exclusive of VAT. (6) Avison Young shall have no liability whatsoever in relation to any documents contained within the brochure or any elements of the brochure which were prepared solely by third parties, and not by Avison Young, February 2022.

Designed & produced by www.creativestreakdesign.co.uk Ref: CSD1835



PROPOSAL

We are instructed to seek offers of **£5,500,000 (Five Million and Five Hundred Thousand Pounds)** exclusive of VAT for our client's Freehold interest. A purchase at this level reflects a **Net Initial Yield of 5.24%** on the current net income after purchaser costs. Reversionary potential yield following refurbishment of **13.53%**.

CONTACT JOINT AGENTS

**AVISON
YOUNG**

SIMON BEANLAND

T: 0191 269 0512
M: 07885 459 270
E: simon.beanland@avisonyoung.com

JAMIE SIM

T: 0191 269 0062
M: 07940 951 776
E: james.sim@avisonyoung.com

LP LEWIS & PARTNERS

JOSEPH RANTOR

T: 0207 580 4333
M: 007976 599 374
E: josephrantor@lewisandpartners.com

STEPHEN RAINGOLD

T: 0207 580 4333
M: 07775 647 499
E: stephenraingold@lewisandpartners.com