



Fully occupied office campus on a 20 acre site  
with excellent alternative use potential

FOR SALE

Tyneview Park

BENTON NEWCASTLE UPON TYNE NE12 9TR

# Investment Summary

**20 acre site** with excellent alternative use potential.

**Low passing rent of only £4.50 psf** compared to prime business park rents of £16.50 psf.

Let to Newcastle Estate Partnership Limited who have sub-let by a Private Finance Initiative to **DWP**.

100% occupied by DWP.

**Excellent urban location** less than 4 miles from Newcastle City Centre, 5 miles from the A1(M) via the A191 and Benton Metro Station being within 0.4 miles.

**Long leasehold, in excess of 220 years remaining.** The head lease has no onerous use clauses or any head rent payable.

Sub-Tenant in full occupation with mutual break in January 2025. Lease expiry December 2027.

**4 High specification buildings** and on site amenity extending to 276,148 sq ft in total, constructed between 1995-2003.

**Current passing rent of £981,395** per annum.

Minimum rent roll to break of **£1,002,904**.

Minimum rent roll to lease expiry of **£3,944,000**.

Recent Taylor Wimpey scheme in the micro location consisting of 75 dwellings.

## Pricing

We are instructed to seek **unconditional offers** for our client's Long Leasehold interest.

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TYNEVIEW PARK, WHITLEY ROAD, BENTON, NEWCASTLE UPON TYNE NE12 9TR





# Location

The property is located in Newcastle Upon Tyne. Newcastle is a university city and the regional capital of the North East of England and forms part of the UK's top seven regional cities. The City serves as the key administrative centre for the region and the prominent office destination for occupiers, arts and sciences.

Forecasts from Oxford Economics indicate that the regional economy (as measured by GVA) will expand by a compound **annual growth rate of 1.1% over the 12 years 2019-2031.**

With a local economy of £22 billion, the North of Tyne Combined Authority has a **catchment population of 820,000.**

Growing SME base that works closely with industrial partners and academic institutions, innovating in areas such as formulation, novel therapies and biologics. **Latest data highlights total R&D expenditure in the region of £742 million in 2019.**

Home to five top 100 UK universities educating a combined 100,000 students with **over 25% studying a life sciences subject.**

The region has the highest proportion of computer science students in England, among over 52,000 students studying Science Technology Engineering and Mathematics (STEM) subjects.

**Home to digital innovation and international businesses** such as the global headquarters of FTSE 100 business software group Sage, Bede Gaming, Accenture, DXC Technology and Red Hat Solutions.





The City is fast becoming a cluster hub for new business, improving productivity and growth through significant investment into the Newcastle and Gateshead Accelerated Development Zone as well as becoming a designated science city, helping to retain a greater proportion of the dynamic and sizeable student population within the region.

*It is one of the fastest growing cities in the UK with 21,000 new homes and 14,000 new jobs expected by 2030.*

*2.7 million people within a 1 hour drive.*

*Residential property prices 37% less than the UK average.*

## Key Demographic & Economic Figures for the North East

**2,680,763**

TOTAL POPULATION  
MID 2020

**1,249,000**

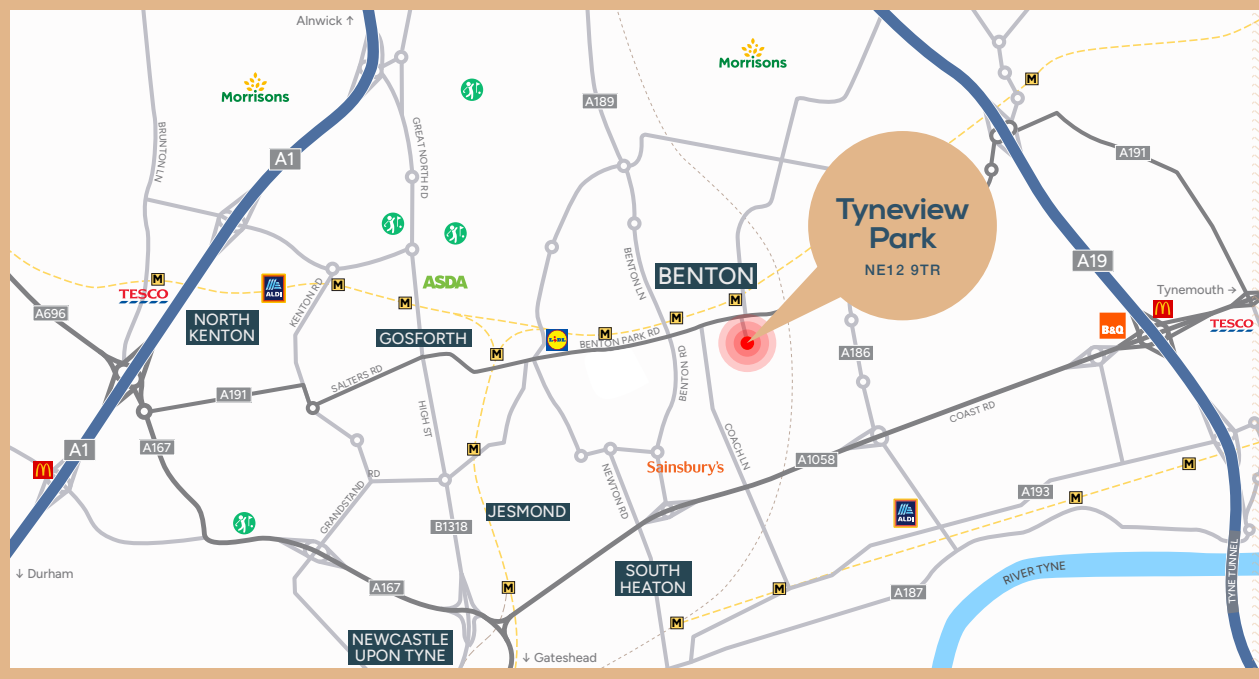
TOTAL PERSONS  
ECONOMICALLY  
ACTIVE

**£5.6B**

GROSS VALUE  
ADDED  
(GVA), 2019

*“Newcastle is a vibrant and dynamic city that offers an exciting investment proposition for businesses, entrepreneurs and investors. With a rich history and culture, Newcastle boasts several key assets that make it an attractive destination for investment, including leading-edge research and innovation hubs, prestigious universities, and prime development sites.”*

- Pam Smith , Chief Executive, Newcastle City Council



# Situation

The property is located in Benton, approximately 3 miles north east of Newcastle city centre. The busy A191 runs along the site's northern boundary and this gives excellent access to both the city centre and to the A19, which lies approximately 4 miles to the east.

Predominantly a residential area except for the subject property. The area is well served by public transport links and there is a Metro station only a short distance from the property.

Surrounding the site are a number of sports facilities including Newcastle United Training Centre, known as 'Darsley Park' which is the training ground of Premier League club Newcastle United. The facility opened in 2003 and operates as the first team training pitch with other facilities on site such as a gym, restaurant and offices. To the west of the site is also Northumberland Football Association base at Whitley Park.

Immediately adjacent to the site is a recently completed residential development delivered by Taylor Wimpey which extends to 75 units.



100  
MILES NORTH OF  
LEEDS

120  
MILES SOUTH OF  
EDINBURGH

280  
MILES NORTH OF  
LONDON

## M Metro

The Tyne and Wear Metro system stretches 48.1 miles (77.5km) with 60 stations providing excellent access across the area including links to other transport networks.

## Road

The city benefits from excellent road communications with the A1 and A19 providing principle routes from the south, the A69 which extends westwards and the A1 providing the main route north to Scotland.

## Rail

Newcastle is positioned on the East Coast mainline providing direct routes across the country with travel times to London Kings Cross of 2 hours 40 minutes and 1 hour 20 minutes to Edinburgh.

## Air

Newcastle International Airport is located approximately 7 miles (15 minutes drive) to the north west of the city centre, providing flights to over 85 destinations across Europe and worldwide.

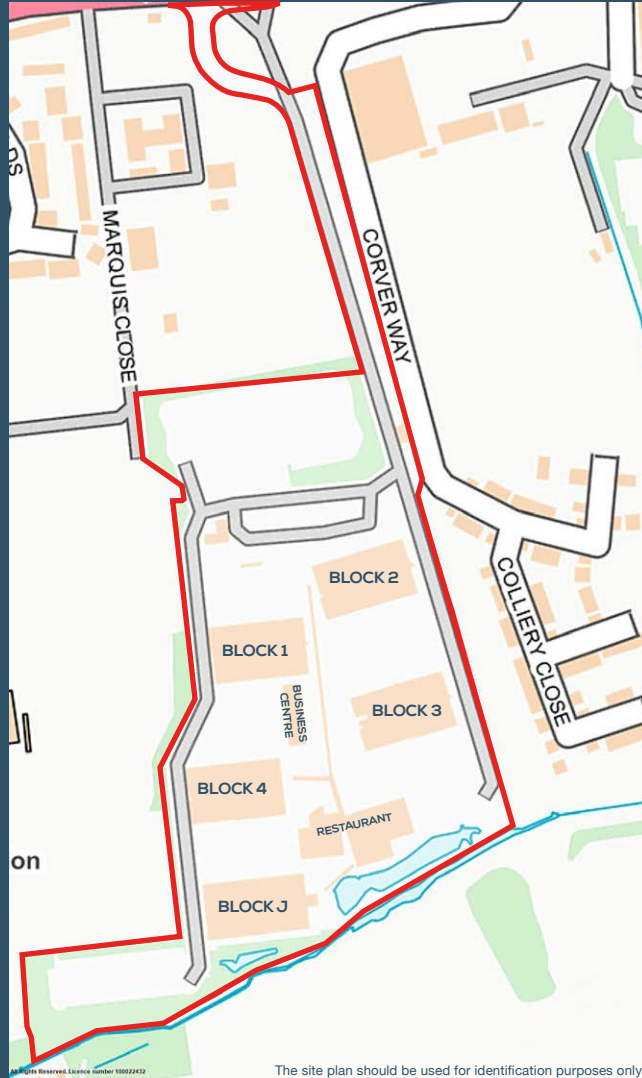
# Description

The property comprises five office buildings and adjacent amenity buildings including a restaurant and a business centre extending to 276,148 sq ft and extensive on-site car parking. Four of the office buildings were constructed in 1995 and the fifth (Office Block J) which was completed in February 2003. The buildings have been occupied by the Government since construction. There are approximately 1092 car parking spaces, providing an attractive car parking ratio of 1:253 sq ft.

# Floor Areas

The property provides the following NIA measurements:

Building	Size (SQ FT)
Block 1 / Building A	50,514
Block 2 / Building B	50,514
Block 3 / Building C	50,514
Block 4 / Building D	50,514
Business Centre	5,119
The Restaurant	10,912
Common Parts and Infrastructure	n/a
Block J / Building J	58,060
<b>Total</b>	<b>276,147</b>



The site plan should be used for identification purposes only

The site extends to 20 acres (8.1 hectares).

# Specification

The typical internal specification of the offices includes:



FLOOR TO CEILING HEIGHT OF 2.7M



DISPLACEMENT VENTILATION SYSTEM



4 PASSENGER LIFTS



RAISED FLOORING



VAV AIR CONDITIONING



TOILETS TO EACH FLOOR



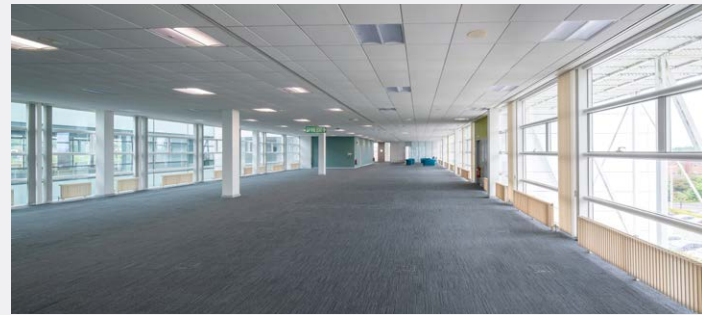
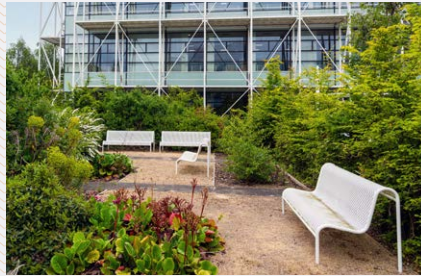
SHOWER FACILITIES



GYM ON-SITE



# Gallery





## Tenure

The property is held Long Leasehold by way of the following titles. The head leases do not contain any onerous user clauses or restrictions on development and there is no head rent payable.

Title Number	Tenure	Definition
TY417266	Leasehold: expiry 07/01/2248	Block 1
TY417268	Leasehold: expiry 07/01/2248	Block 2
TY417269	Leasehold: expiry 07/01/2248	Block 3
TY417270	Leasehold: expiry 07/01/2248	Block 4
TY417271	Leasehold: expiry 26/01/2253	Block J
TY417273	Leasehold: expiry 07/01/2248	The Restaurant Building
TY417272	Leasehold: expiry 07/01/2248	Business Centre
TY417274	Leasehold: expiry 07/01/2248	Land at Tyneview Park
TY338552	Freehold	Land at Tyneview Park

## Newcastle Estate Partnership Limited

Newcastle Estate Partnership limited have a CreditSafe rating of 83A, representing very low business risk.

Year to Date	Turnover	Pre Tax Profit	Net Profit
31/03/2022	£14,091,000	£5,106,000	-£367,000
31/03/2021	£12,127,000	£3,354,000	-£2,084,000
31/03/2020	£17,979,000	£7,134,000	-£5,382,000

Newcastle Estate Partnership are owned by Semperian. Semperian are the largest Public Private Partnership.

## Tenancy and Accommodation

The property is let to Newcastle Estate Partnership Limited (NEPL) who are the PFI provider to the DWP (the sub-tenant). DWP occupy 100% of the site. NEPL provide a range of services to DWP under five PFI agreements at the site and charge the DWP for these services. NEPL receives the rent as part of the PFI charge from DWP and transfers this element to the Landlord.

The rental payments are 'government backed'.

Building	SQ FT	Rent (p.a)	Rent (psf)	Rent start date	Lease expiry date	Break options
Block 1 / Building A	50,514	£227,313	£4.50	09/01/2023	31/12/2027	Mutual option to break from 01/01/2025 on three months' notice. Conditional on occupier terminating the underlying Occupancy Agreement.
Block 2 / Building B	50,514	£227,313	£4.50	09/01/2023	31/12/2027	
Block 3 / Building C	50,514	£227,313	£4.50	09/01/2023	31/12/2027	
Block 4 / Building D	50,514	£227,313	£4.50	09/01/2023	31/12/2027	
Business Centre	5,119	£23,037	£4.50	09/01/2023	31/12/2027	
The Restaurant Building	10,912	£49,106	£4.50	09/01/2023	31/12/2027	
Common Parts and Infrastructure	-	£0	-	09/01/2023	31/12/2027	
Block J / Building J	58,060	-	-	-	31/12/2027	
<b>Total</b>		<b>£981,395</b>				

Minimum rent roll from the December 2023 Quarter date to break date **£1,002,904**. Minimum rent roll to expiry of the lease of **£3,944,000**.



# Business Plan

The scale and range of accommodation on the site provides a number of flexible and defensive business plan options.

## Office

The opportunity exists to own and create a dominant business park.

The park has a dynamic range of office accommodation, well equipped to offer flexible options that suit a wide range of business needs, from small start-ups to large multi-national organisations. The park also boasts ample parking space and a well-maintained and landscaped environment creating an attractive destination for occupiers and their respective employees.

The North East is a premier office destination with major employers in the region including Sage Group PLC, Home Group, HMRC, Just Eat and Barclays. The occupational market has seen a marked increase in activity and demand over the course of the last 12 months. In particular the volume of inward investment enquiries from businesses looking to locate into the region from other locations, including north-shoring projects are starting to increase.

The City centre has seen a notable increase in headline rents. Rising from the long term rate of £21.50 to £28.50 within four years. The increase in rental growth and development in the city centre has had a notable influence on the out of town market, with out of town rents and incentives now looking more attractive. The out of town occupational market has remained robust and take up in 2022 reached the second highest level within the last 10 years.

Quorum and Cobalt office parks have now established headline rents at £16.50 per sq ft. The passing rent at Tyneview Park reflects only £4.50 per sq ft, which represents a large discount to the other competing schemes, this is an excellent opportunity to significantly enhance the reversionary income return.

## Residential

The site is located in a predominantly residential and recreational area and has the capacity to provide a number of sectors including family dwellings and BTR. There is recent residential development in the micro location.

The residential market continues to be buoyant, Land Registry reporting an annual increase of 5.50% in house prices despite debt costs increasing. Coupled with this rents continue to rise nationally to a new high of £1,184 per month, up 0.8% on February 2023 and 9.8% on March 2022. Rents are forecast to continue to rise this year, supported by increases in wages and supply shortages.

The increasing population in Newcastle and the lack of housing stock provides an unrivalled opportunity to create a Masterplan and redevelopment across the 20 acre site, to meet the ever increasing demand levels.



# Planning

Tyneview Park sits within North Tyneside Council's administrative area. It is an allocated employment site.

Potential uses to be considered include:

## **Employment use class E, B2 and B8 (previously B1, B2 and B8);**

*Proposals for (Business – excluding B1c), B2 (General Industrial) and B8 (Storage and Distribution) employment uses will be encouraged on site. Now E(g) uses under the new use class order.*

## **Residential (Use Classes C2 and C3)**

*Class O of the GPDO allows for the conversion of office floorspace to any number of dwellings. Therefore, as the building is currently in use for office purposes (class B1a/E(g)), it could benefit from a change of use to use class C3 (residential), subject to prior approval and technical requirements.*

**Purchasers should make enquiries of the Local Authority and rely on their own planning due diligence.**



# Data Site

Access to the data site is available upon request.

# AML

The successful purchaser will be expected to comply with all relevant anti-money laundering regulations.

# EPC

Block 1 / Building A	E
Block 2 / Building B	E
Block 3 / Building C	E
Block 4 / Building D	E
Business Centre	B
The Restaurant	C
Common Parts and Infrastructure	n/a
Block J / Building J	D

# Proposal

We are instructed to seek unconditional offers for our client's Long Leasehold interest.

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