

# Benton Park View

LONGBENTON NEWCASTLE UPON TYNE NE98 1ZZ

FOR SALE



Fully occupied office campus extending to  
56 acres with significant redevelopment potential

# Investment Summary

One of the most significant redevelopment sites in the regional markets.

A 56 acre site capable of supporting multiple uses including residential, offices, urban logistics and life sciences.

Let to Newcastle Estate Partnership Limited who have sub-let to HMRC by way of a Private Finance Initiative.

Excellent urban location less than 3 miles from Newcastle City Centre, 5 miles from the A1(M) via the A191 which borders the site and Longbenton Metro Station being within 0.5 miles.

Sub-Tenant in full occupation with a break option in March 2027. Lease expiry December 2027.

12.2024 - Initial rent of £561,732 per annum rising to:  
04.2025 - £2,084,030 per annum  
11.2027 - £2,972,906 per annum.

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

Long leasehold in excess of 200 years. The head lease has no onerous use clauses or any head rent payable.

Total minimum cumulative rent receipt over term to break is £4,052,789.

Total minimum cumulative rent receipt over term to lease expiry is £6,401,550.

Fully let high specification offices creating a dominant business park location.



## Pricing

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

QUORUM BUSINESS PARK



BENTON PARK STATION

BENTON LANE

BENTON PARK ROAD

BENTON ROAD



LONGBENTON STATION

VEHICLE ACCESS

VEHICLE ACCESS

1

2

3

12

14

RESTAURANT/  
SPORTS HALL

TYNEMOUTH HOUSE

AMBLE INN

THE CRÈCHE

6

5

4

13

15

NEWCASTLE  
FREEMAN HOSPITAL



3 MILES TO  
NEWCASTLE  
CITY CENTRE

2

BENTON PARK VIEW, LONGBENTON, NEWCASTLE UPON TYNE NE98 1ZZ

# 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 7 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 5 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

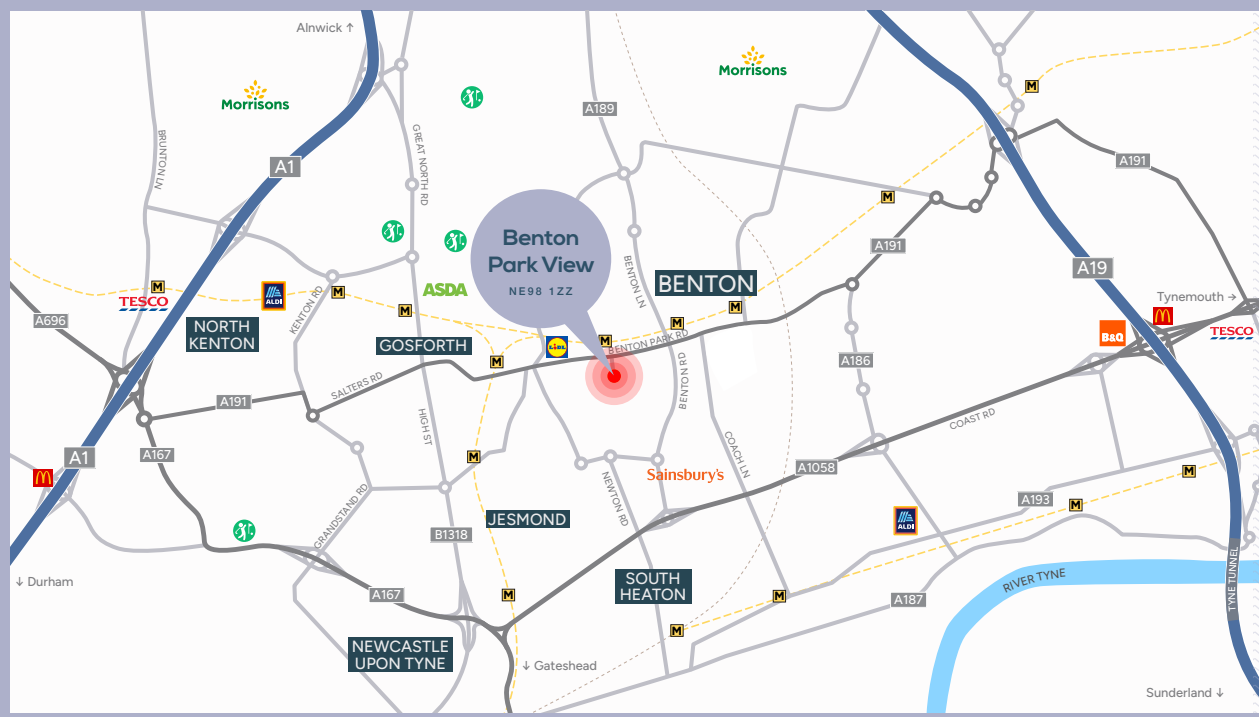
TOTAL PERSONS  
ECONOMICALLY  
ACTIVE

£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 Longbenton, 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.

Situated in a predominantly residential area and well served by public transport links and Longbenton Metro station is within 0.5 mile.



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 predominately office accommodation, together with ancillary areas including cafés, sports facilities, crèche, storage and maintenance workshop extending to 982,072 sq ft in total.

The Government have been in occupation since 1948. The site has undergone a phased development program involving the demolition of older buildings and the construction of new buildings, with the first stage completed in 1999 and the final stage in 2004. The overall development totals 11 office buildings, three amenity stores and one utility building.

The property has undergone rolling refurbishment including, 14 floorplates having full refurbishment and six with part refurbishment. Works have been undertaken between 2015-2019.

There are approximately 3,260 car parking spaces, providing a very attractive car parking ratio of 1:271 sq ft.

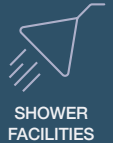
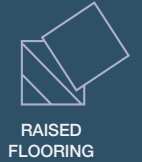


The site extends to 56 acres (22.67 hectares) and benefits from two vehicle access points.

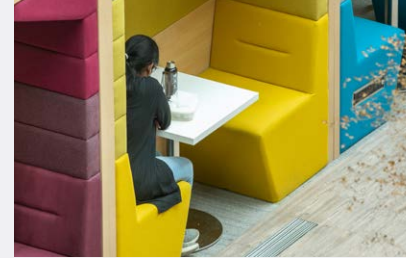


# Specification

The typical internal specification for the main office buildings includes:

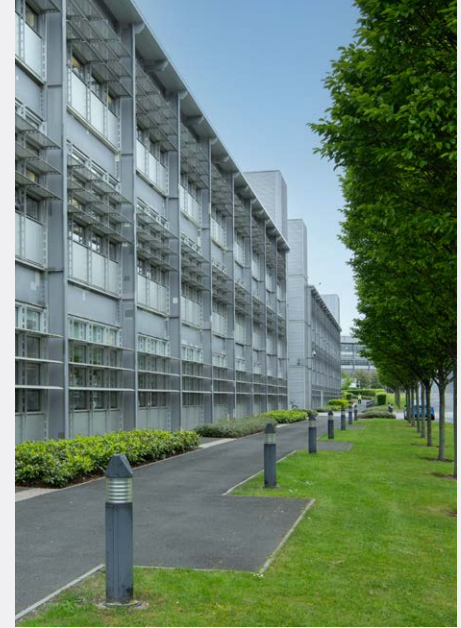


# Gallery





# Gallery



# Tenure

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

Title Number	Tenure	Definition
TY338551	Freehold	Land at Longbenton
TY383582	Leasehold: expiry 16/01/2250	Building 1
TY383583	Leasehold: expiry 08/02/2250	Building 2
TY417303	Leasehold: expiry 05/11/2252	Building 3
TY383584	Leasehold: expiry 14/03/2250	Building 4
TY383585	Leasehold: expiry 19/04/2250	Building 5
TY399045	Leasehold: expiry 21/07/2252	Building 6
TY417304	Leasehold: expiry 25/01/2252	The Crèche
TY383587	Leasehold: expiry 29/11/2249	Utility Building
TY383586	Leasehold: expiry 26/12/2247	Restaurant/Sports Hall
TY449835	Leasehold: expiry 03/10/2254	Building 12
TY449837	Leasehold: expiry 03/10/2254	Building 13
TY449838	Leasehold: expiry 03/10/2254	Building 14
TY449839	Leasehold: expiry 03/10/2254	Building 15
TY449840	Leasehold: expiry 03/10/2254	Building 16
TY449841	Leasehold: expiry 03/10/2254	Common Parts and Infrastructure
TY509488	Leasehold: expiry 03/10/2254	Premises to the south of Benton Park Road

# Newcastle Estate Partnership Limited

Newcastle Estate Partnership Limited (NEPL) is the PFI provider to the HMRC (sub-tenant). NEPL provide a range of services to HMRC under the PFI agreements at the site and charge HMRC for these services.

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) which is the PFI provider to the HMRC (sub-tenant). HMRC occupy 100% of the site. NEPL provide a range of services to HMRC under the PFI agreements at the site and charge HMRC for these services.

NEPL receive the rent from HMRC and transfer to the Landlord.

The rental payments are as such 'government backed'.

Building	SQ FT	Rent p.a (£psf)	Rent start	Lease expiry	Cumulative Rent roll on each rent start date	Break options
Utility Building	114,140	£513,632 (£4.50)	01/12/2024	31/12/2027	£513,632	
Restaurant/Sports Hall	28,576	£48,101 (£4.50)	28/12/2024	31/12/2027	£561,733	Mutual option to break each lease from 31/03/2027 on three months' notice. Conditional on occupier terminating the underlying Occupancy Agreements.
Building 1	88,567	£398,596 (£4.50)	18/01/2025	31/12/2027	£960,329	
Building 2	80,577	£362,553 (£4.50)	10/02/2025	31/12/2027	£1,322,882	
Building 4	90,461	£407,074 (£4.50)	16/03/2025	31/12/2027	£1,729,956	
Building 5	78,863	£354,075 (£4.50)	21/04/2025	31/12/2027	£2,084,031	
The Crèche	17,878	£80,453 (£4.50)	27/02/2027	31/12/2027	£2,164,484	
Building 6	89,825	£404,212 (£4.50)	23/07/2027	31/12/2027	£2,972,908	
Building 3	89,825	£404,212 (£4.50)	07/11/2027	31/12/2027	£2,972,908	
Building 12	62,672	-	-	31/12/2027		
Building 13	62,672	-	-	31/12/2027		
Building 14	62,672	-	-	31/12/2027		
Building 15	62,272	-	-	31/12/2027		
Common Parts and Infrastructure		-	-	31/12/2027		
Premises to the south of Benton Park Road		-	-	31/12/2027		
<b>982,072</b>		<b>£2,972,908</b>				

The cumulative rental receipts over the course of the occupancy agreements to break date and lease expiry are **£4,052,789** and **£6,401,550** respectively.

# Business Plan

The scale and range of accommodation on the site provide 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 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 4 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.

The passing rent at Benton Park View 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.

## Industrial

Given the connectivity of the site and the scale. There is potential to develop part of the site into an urban logistics scheme. Currently prime industrial rents in the region are £8.00 per sq ft, which represents excellent reversion potential against the passing rent.



# Residential

*The site is located in a predominantly residential area and has the capacity to provide a number of sub sectors including family dwellings and BTR.*

*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 provide an unrivalled opportunity to create a Masterplan and redevelopment across the 56 acre site, to meet the ever increasing demand levels.*

# Life Sciences

Newcastle is becoming a UK hotspot for life sciences with 129 companies concentrated primarily in Newcastle's city centre.

Of the companies in the Newcastle cluster, circa 56% are in the Drug Discovery and Development (R&D) services which provide contract design, research or manufacturing for other biopharmaceutical companies. This is a common trend in the North of England, where land and real estate are more readily available at a lower price point so are more accommodating to margin driven sub-sectors such as these.

Newcastle University is the 12th best university for Life Sciences and Medicine in the UK and in the top 60 globally.

The City is home to:  
**National Innovation Centre for Ageing, National Innovation Centre for Data, The International Centre for Life and the UK's first Health Innovation Neighbourhood.**

The site neighbours the Newcastle Freeman Hospital which is an 800-bed tertiary referral centre. The hospital is managed by the Newcastle upon Tyne Hospitals NHS Foundation Trust and is a teaching hospital for Newcastle University. We are aware the hospital are looking into expansion plans.

# Planning

Benton Park sits within Newcastle City 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, including meeting relevant technical requirements eg traffic impact.*

**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

The property has EPC ratings falling between Band C - E.

Individual EPC certificates are available upon request.

# Proposal

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



For further information or to request a viewing, please contact:

Eleanor Smith  
07971 527 983  
eleanor.smith1@jll.com

Mathew Atkinson  
07900 226 885  
mathew.atkinson@jll.com

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