SALE OF FREEHOLD OFFICE INVESTMENT



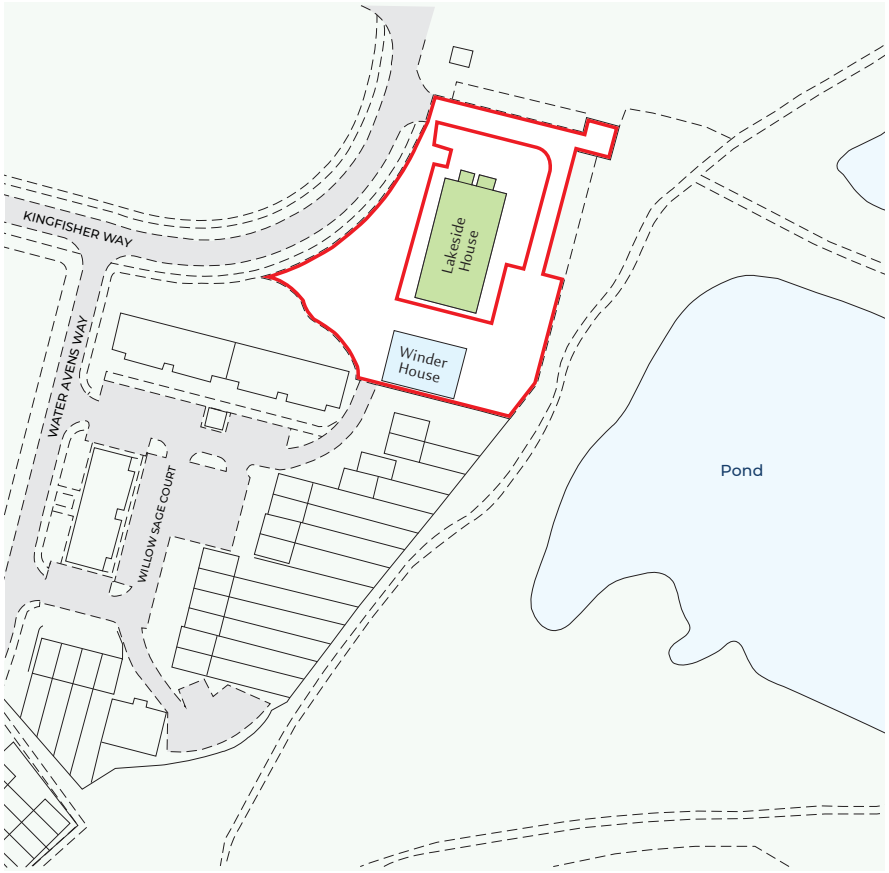
Lakeside House | Winder House

Kingfisher Way, Stockton-on-Tees TS18 3NB

CONNECT NORTH EAST PROPERTY
01642 602001
www.cpne.co.uk

INVESTMENT SUMMARY

- 2 detached offices totalling **1,785 m² (19,209 sq ft) NIA.**
- 3 core tenants: **Knights Law, Billions Europe Ltd and Aspire Technology Solutions Ltd plus sub lease to Handelsbanken.**
- Grade A offices.
- **Passing rent of £195,500 per annum exclusive** and reversionary rent of £254,748 pax based on modest assumptions of £13.00 psf pax at review and renewal over the next 3 years term.
- **Freehold.**
- We are instructed to seek offers at **£2,050,000 (Two Million and Fifty thousand Pounds exclusive),** subject to contract and exclusive of VAT. A purchase at this level reflects a **Net Initial Yield of 9.54 %** (allowing for purchaser's costs at 6.29%) and a potential reversionary rent following Market Rent Reviews of 11.46%.
- Modest capital value of £106.72 psf.
- The properties have been elected for VAT and it is envisaged that the transaction will be treated as a TOGC.










Stockton on Tees
Hartburn
Town Centre
Teesdale Office Park
Thornaby
Darlington
A66
A66
Premier Inn
A1045
BOWESFIELD INDUSTRIAL ESTATE
Falcon Court Office Park
A135
Halegrove Court Office Park
TOYOTA
PRESTON FARM INDUSTRIAL ESTATE
Audi
Kingfisher Court Offce Park
River Tees
Thornaby
A135
Ingleby Barwick
Google Earth

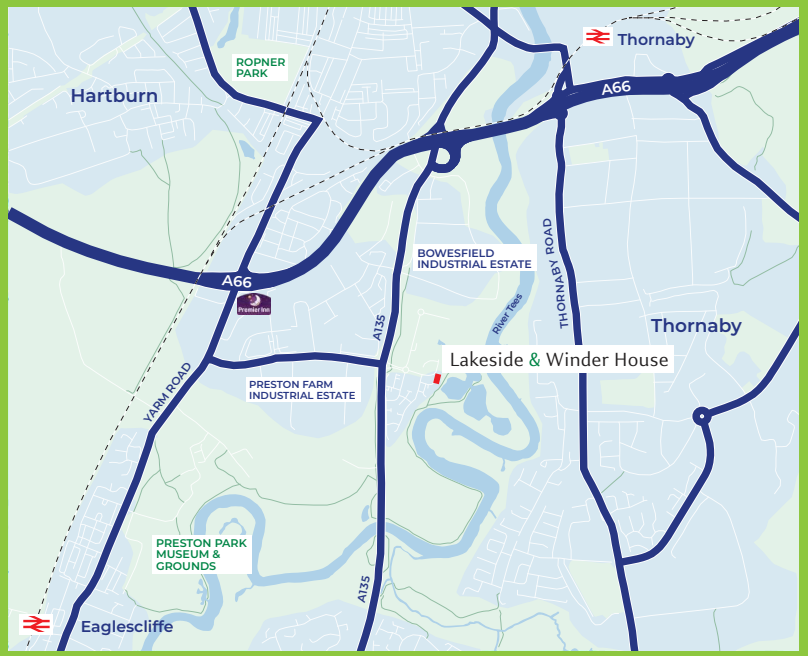
LOCATION

Standing in an established commercial environment, the Business Park enjoys a strategic location close to the A66 trunk road. The A66(T) provides a direct link to the A1(M) to the west and A19(T) to the east. The park is located within the Preston Farm area of Teesside and forms one of the main business locations for the Teesside conurbation housing a number of local, national and international occupiers.

Frequent rail services to London, Leeds, York, Newcastle and Edinburgh are afforded via the main East Coast station at Darlington, approximately 15 miles away. Additionally, a range of domestic and international flights are available at Teesside International Airport 6 miles away.

TRANSPORT

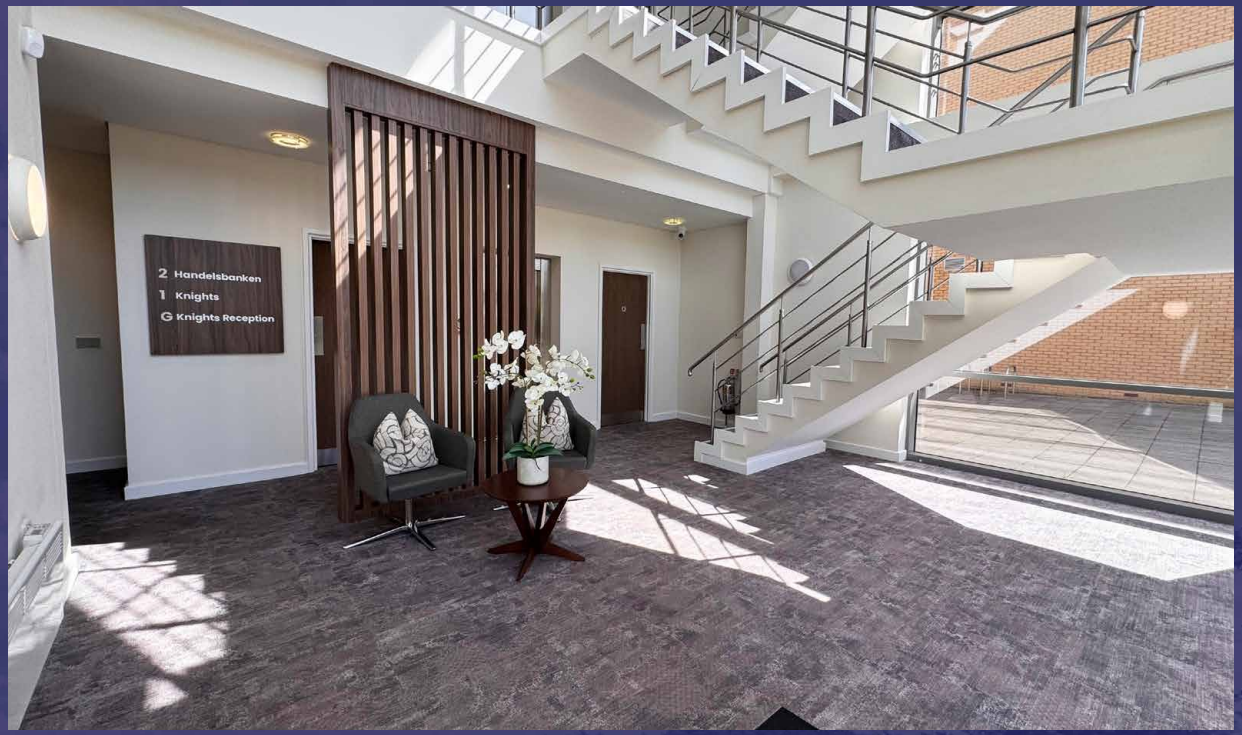
- Eaglescliffe Train Station - 6 mins (London 2 1/2 hours)
- A19 - 4 minute drive
- Darlington Train Station - 25 mins (London 2 ½ hours)
- A1M - 25 minute drive
- Teesside International Airport - 11 mins





ACCOMMODATION

LAKESIDE HOUSE	sq ft	m²
Ground Floor	4,552	423
First Floor	4,285	398
Second Floor	4,285	398
TOTAL	**13,122**	**1,219**
WINDER HOUSE		
Ground Floor	1,997	186
First Floor	2,045	190
Second Floor	2,045	190
TOTAL	**6,087**	**566**



DESCRIPTION

Two modern detached office buildings purpose built in c 2006. A river side setting with views over the River Tees.

- Purpose built modern Grade A office buildings
- Open plan office areas
- Raised access flooring
- Double-glazed windows
- Comfort cooling
- Passenger lifts
- WC — Male / Female and Disabled WC facilities
- P — 72 car parking spaces (including 3 disabled)

Whilst the specification of each office differs slightly, both buildings offer the same principal features.

TENANCIES

The property is currently let as outlined in the tenancy schedule. The contracted passing rent is **£195,500 per annum.** The leases are held on Tenants FRI terms with service charge and insurance recovery in addition to rent.

A sublease to Handelsbanken at £11.40 psf plus SC supports market rent aspirations and reversionary prospects to £13.00 psf.

Lakeside House

Unit	Tenant	sq ft (GIA)	m² (GIA)	Term	Lease Start	Expiry	Break	Rent Review	Net rent	Rent PSF	Reversion	EPC	RV	Notes
GF.FF 2F	Knights Professional Services	13,122	1,219	15 years	10.03.2016	29.10.2031	n/a	30.10.2026	£124,250.00	£9.20		B 42 A 22	£170,670.00	Substantially refurbished including M&E in late 2023/2024. Handelsbanken sub let 2F at £48,840 pax £11.40 psf + SC EC Ins. Late 2023.
TOTAL		**13,122**	**1,219**						**£124,250.00**		**£175,617.00**		**£170,670.00**	
											£13.00 psf			

Winder House

Unit	Tenant	sq ft (GIA)	m² (GIA)	Term	Lease Start	Expiry	Break	Rent Review	Net rent	Rent PSF	Reversion	EPC	RV	Notes
GF	Aspire Technology Solutions Ltd	1,997	186	8 years	08.05.2024	07.04.2032	08.04.2028	08.04.2028	£24,250.00	£12.14		B 30	£18,750.00	Penalty on break £6,062.50 (6 months notice) + SC EC INs
FF	Billions Europe Ltd	2,045	190	8 years	01.12.2020	30.11.2028	n/a		£23,500.00	£11.49		B 30	£34,750.00	Tenant did not use break December 2024 Rent settled @ 24 RR up from £17,000 + SC EC Ins
2F	Billions Europe Ltd	2,045	190	8 years	01.12.2020	30.11.2028	n/a		£23,500.00	£11.49		A 24	Combined assessment	Tenant did not use break December 2024 Rent settled @ 24 RR up from £17,000 + SC EC Ins
TOTAL		**6,087**	**565**						**£71,250.00**		**£79,131.00**		**£53,500.00**	
											£13.00 psf			

TENURE

Freehold.

Knights

aspire

龙佰集团 LB GROUP

COVENANTS

Knights - www.knightsplc.com

Knights, one of the UK's fastest growing legal and professional services businesses with a team of more than 1,200 professionals across 28 UK offices combining local knowledge with national capability to help clients take on any legal challenge or opportunity. They acquired Archers Law LLP ("Archers") in late 2021, a leading independent law firm based in Stockton-on-Tees, and who occupied the building when constructed.

Established in 1860, Archers was one of the leading full-service independent law firms operating in the Teesside area. The acquisition saw 38 fee earners joining Knights. Under the terms of the acquisition, Knights acquired Archers from its four equity partners on a debt free, cash free basis for a total consideration of £5.2m, subject to working capital adjustments at the time of completion.

Credit Safe Rating - Very Low Risk A 100

Knights Proffesional Services - www.knightsplc.com			
Company No. 08453370	**2024**	**2023**	**2022**
Turnover	£149,539,000	£139,790,000	£121,377,000
Pre Tax Profit	£12,242,000	£9,292,000	- £691,000
Shareholders Funds	£26,935,000	£25,540,000	£18,005,000
Employees	1,425	1,442	1,304

Aspire - www.aspirets.com

Founded in 2006 and turnover was up 22.9% to close to £40m for the year ended 29/02/2024. One of the UK's leading providers of managed IT, cyber security, and modern workplace solutions. Supporting over 2,000 customers with a team of over 300 experts. Clients include Barbour, Keir, Hitachi, Ineos. Headquartered in Gateshead, with offices across Glasgow, Leeds, London and Stockton-on-Tees.

Credit Safe Rating - Very Low Risk A 92

Aspire Technology Solutions Ltd - www.aspirets.com			
Company No. 06031628	**2024**	**2023**	**2022**
Turnover	£39,640,322	£32,258,722	£37,614,796
Pre Tax Profit	£3,170,551	£2,189,661	£4,870,183
Shareholders Funds	£10,738,916	£7,192,301	£5,199,952
Employees	250	238	192

COVENANTS

Billions - www.billionseurope.com

Billions Europe is a North East chemicals supplier to a multibillion-pound markets in Europe and forms part of the global Lomon Billions Group headquartered in China, the world's third largest producer of high-performance titanium dioxide pigments which employs 7,000 people worldwide. These pigments have a range of applications and end-uses within coatings, plastics, inks and papers. The global market for titanium dioxide pigment was approximately £14bn in 2018 and is expected to grow to around £18bn by the end of 2025. The European market currently accounts for almost 25% of the global market and is growing.

Credit Safe Rating - Very Low Risk A 79

Billions Europe Ltd - www.billionseurope.com			
Company No. 09298775	**2024**	**2023**	**2022**
Turnover	£249,905,690	£237,071,598	£172,419,471
Pre Tax Profit	£22,722,466	- £37,407,403	£9,544,076
Shareholders Funds	£5,518,821	- £11,972,482	£16,951,141
Employees	25	22	21



Caterpillar UK | Winder House | Lakeside House | Audi | Honda | A135 | Toyota | Country Style Foods | Premier Inn | A66







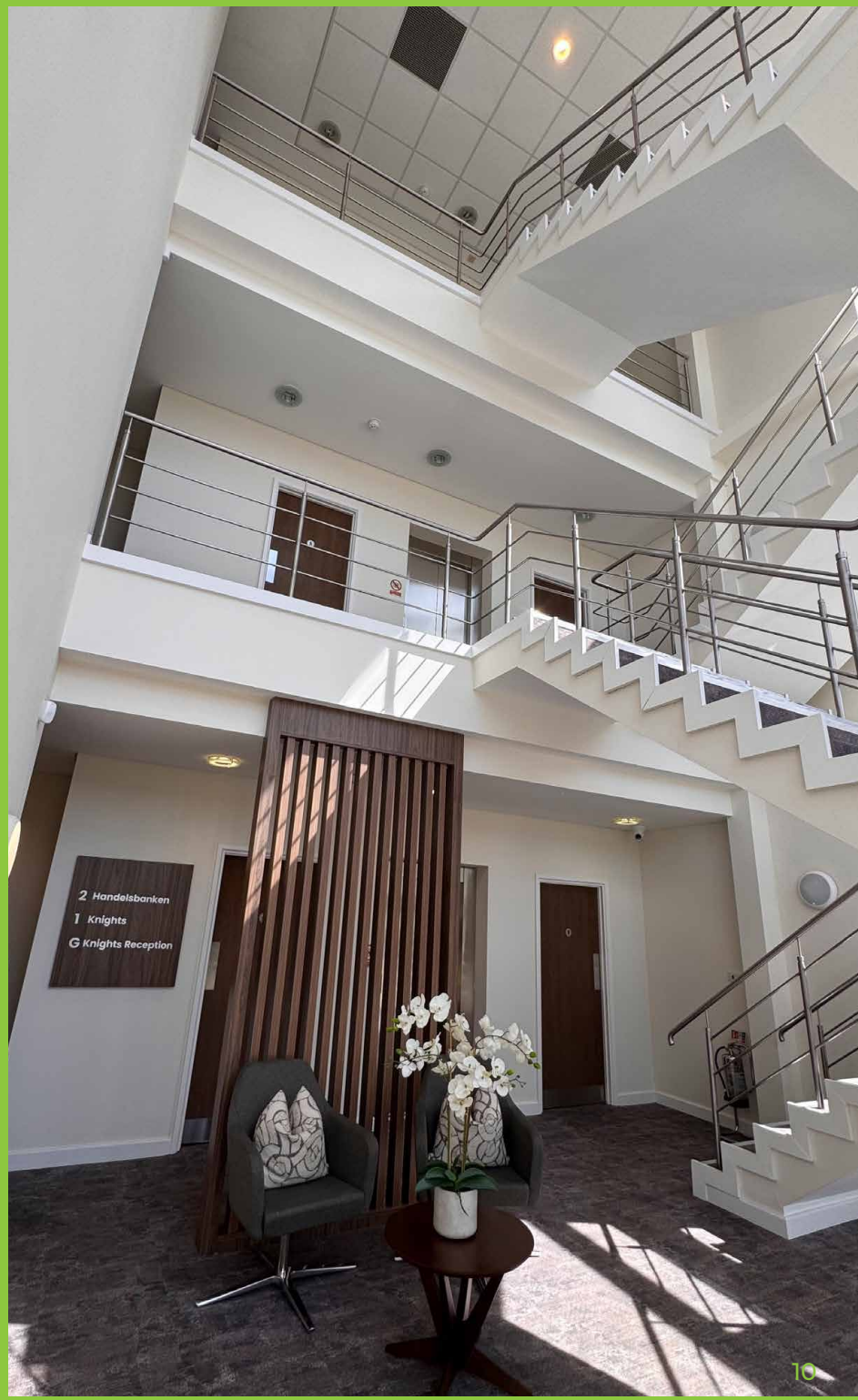



Handelsbanken
Mortgages that work for you,
without the hard work


Handelsbanken






2 Handelsbanken
1 Knights
G Knights Reception

CONTACT

MANAGEMENT

All leases are drawn on FRI terms with service charge and insurance recovery. The external Estate Charge is - £11,804 (£0.61) psf presently and Internal Service Charge is - £39,671 across both buildings exclusive of electricity and sub meter re charge of a further c£11,400 pa. Traditionally a 'split' of costs of two thirds Lakeside House and one third Winder House has been applied to the external service charge. Further information upon request.

EPC

As scheduled. Further information and a copy of the EPCs are available upon request.

VAT

The properties have been elected for VAT and it is envisaged that the transaction will be treated as a TOGC.

MONEY LAUNDERING

In accordance with the Anti-Money Laundering Regulations, two forms of identification and confirmation of the source of funding will be required from the successful purchaser.

CAPITAL ALLOWANCES

There are no Capital Allowances with the sale.

PRICE

We are instructed to seek offers at **£2,050,000 (Two Million and Fifty Thousand Pounds exclusive),** subject to contract and exclusive of VAT. A purchase at this level reflects a Net Initial Yield of **9.54 % NI (allowing for purchaser's costs at 6.29%) and a potential reversionary rent following Market Rent Reviews of 11.46%.** A purchase at this level reflects a modest capital value of £106.72 psf.

VIEWING

Strictly through the sole agent:

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Mob: 07904 622 277
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www.cpne.co.uk

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