RESIDENTIAL INVESTMENT OPPORTUNITY

Tyne & Wear, New Build Residential Portfolio
Burradon | Hebburn

2016 constructed, income producing suburban residential portfolio
INVESTMENT SUMMARY

- Portfolio of **14 residential units** in 2 popular suburban locations
- Mixture of 2 and 3 bedroom units in either townhouse or apartment house type
- All properties constructed in 2016 or later offering well built, modern stock - resulting in the **best housing stock in each of the local submarkets**
- Properties covered under **NHBC/LABC warranties from completion**
- Newcastle city centre is the primary commercial centre for the Tyne & Wear conurbation and both locations are within a 15 minutes' drive of the city
- Total passing rent of **£96,840 per annum** through 13 ASTs
- Reversionary potential of **£102,540 per annum** upon letting vacant unit
- Offers in excess of **£1,300,000** reflecting a Gross Initial Yield of 7.45% with a Gross Reversionary Yield of 7.89% and representing a discount to vacant possession value of 23%

**Units**

- 6 Burradon
- 8 Hebburn

**Income by location**

- 35% Burradon
- 65% Hebburn

**Bedrooms**

- 71% 2 bed
- 29% 3 bed
Newcastle upon Tyne is situated approximately 286 miles north of London and 105 miles south of Edinburgh. The city is well connected to the wider national road network via the A1(M) and A19. The city is a major transport hub and key stop on the East Coast mainline, with Newcastle having direct rail services to London Kings Cross in 2 hours 50 minutes and Edinburgh within 1 hour 30 minutes. Newcastle International Airport is situated 7 miles north west of the city centre and serves in excess of 4.8 million passengers to 80 destinations worldwide. The Tyne & Wear Metro is a rail network that run throughout the Tyneside conurbation with three stations in the city centre as well as in every major commuter location.

Newcastle upon Tyne is the commercial and administrative capital of the North East with a population of approximately 280,000 (census 2011) extending to approximately 11 million people across the wider Tyneside conurbation, making it the 7th largest in the UK.

Newcastle is the largest retailing, leisure and office centre in the North East and has an international draw as a business, education and tourism centre. Major occupiers in the city include BSKYB, Sage Group, Barclays Bank and Npower. Newcastle is also a major public-sector hub, not just for local and regional government, but also for national government operations, most notably the Department for Work and Pensions and HM Revenue & Customs.

Hebburn and Burradon are both within a 15 minutes’ drive of the city centre in popular commuter locations.
Burradon is commuter village located 6.3 miles north east of Newcastle city centre, it is well connected regionally and nationally, situated 2.5 miles east of the A1 (M) and 1.9 miles west of the A19. The village sits amongst Newcastle’s most popular suburbs including Forest Hall, North Gosforth and Killingworth and on a primary arterial route between Cramlington to the north and Gosforth to the south. The development fronts onto the B1505, which acts as the main retail and leisure parade for Camperdown and Burradon. The units are located 2 miles north of Quorum Business Park, one of Tyne & Wear’s largest office parks and a significant employment base in North Tyneside, occupiers include Capita, Home Group, Engie and Balfour Beatty.

Description
The development consists of 8 townhouses across two terraces, constructed in 2016. Each townhouse consists of 3 storeys, with living areas on the ground floor and bedrooms spread across first and second floors with Juliet balconies to the rear. Each townhouse comes with a rear garden and allocated car parking space in the adjoining car park.
Situation
Hebburn is a town situated on the south bank of the River Tyne and is part of the Metropolitan Borough of South Tyneside, it is located 5 miles east of Newcastle city centre and is connected to the city via excellent road and rail networks. Hebburn is also home to a station on the Tyne & Wear Metro system with a journey time of 20 minutes, without changes, to Newcastle city centre. The A185 provides access to the city centre and links into the A184, a major arterial route from South Tyneside to Newcastle city centre.

Description
The residential units at Hebburn form part of the Riverside Village development which was developed by Persimmon Homes. The estate is directly opposite Hebburn Metro Station and near Hebburn Central, the town’s primary shopping centre, which includes ASDA and Aldi stores amongst a wider convenience offering. The units are a mixture of 2 and 3 bed units in townhouse and apartment house types.

The apartments are accessed via a shared entrance, with an open plan kitchen and living area as well as two bedrooms as pictured. Apartments on upper floors are complete with Juliet balconies looking over the development. The apartments are heated via gas central heating and the kitchen contains an integrated 4 hob Zanussi cookers.

The townhouses are arranged in terraces and each comes with its own parking space to the front of the property.
### TENANCY SCHEDULE

The four apartments at St Nicholas Way, Hebburn are subject to an annual ground rent of £150 per unit and service charge of £740.75 per unit, totalling £3,563 per annum.

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<thead>
<tr>
<th>Address</th>
<th>Area</th>
<th>Postcode</th>
<th>Type</th>
<th>Beds</th>
<th>Area (Sq Ft)</th>
<th>Time in occupation (years)</th>
<th>Rent (pcm)</th>
<th>Rent (pa)</th>
<th>Reversionary Rent per annum</th>
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<td><strong>£96,840</strong></td>
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**TENURE**

The properties at Burradon, 37 St Nicholas Way and 56 St Michaels Way are held Freehold. The apartments at St Nicholas Way, Hebburn are held on a long leasehold basis with c. 118 years unexpired.

Full information is available in the dataroom.

**INVESTMENT RATIONALE**

- New build, modern stock superior to nearby accommodation in each of the local submarkets
- Opportunity to break up portfolio and sell individually with significant discount to VP values
- Low tenant turnover due to quality, minimising void rates when compared to other stock
- Complete with NHBC/LABC warranties

**PROPOSAL**

We are instructed to seek offers in excess of **£1,300,000** subject to contract and exclusive of VAT.

A purchase at this level reflects a Gross Initial Yield of **7.45%**, with a Gross Reversionary yield of **7.89%**, reflecting a discount to vacant possession value of **23%**.
FURTHER INFORMATION

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