

# Group to sell half property

By Nigel Stirling

**E**NTREPRENEUR of the Year Ian Baggett's property company Adderstone Group has put half its commercial property up for sale.

Mr Baggett, awarded the title last month by North-East networking group the Entrepreneurs Forum, has spent four years acquiring the Tyneside properties.

He said: "We have bought the properties over the past two to four years and have tried to package them into an attractive investment proposition."

The portfolio includes a shop and flats in Benton Road, Benton, North Tyneside, let to Global Video Shop; a 10,000sqft office building at Newcastle Business Park; a shop let to Quick Fix in Tynemouth; and a shop let to Starbucks in Jesmond.

Property agent Atisreal in Newcastle is marketing the portfolio for £5.5m, representing a 5.75% rental yield, based on an annual rent roll of £325,135.

Mr Baggett said: "I am not really interested in holding [property] on really keen yields. Our money has got to work for us, and I would prefer to package them up and sell them to the type of investor who wants a drier yielding property portfolio."

Atisreal head of investment Philip Gifford said: "We are confident that significant interest will be generated, not only because of the attractiveness of the portfolio, but also the potential of longer term capital and rental growth."

Adderstone, which also has a significant residential portfolio, mainly in Jesmond, as well as managing more than 1,200 tenancies through a separate management company, has sold residential and commercial property worth £25m in the past year.

Mr Baggett said the proceeds from the portfolio sale would be used to fund the company's £30m development programme, including its 100,000sqft Quay West business park on the site of the former Austin & Pickersgill shipyard in Sunderland.

He said: "We have got a big and exciting development portfolio and it does not make sense to be too highly geared [indebted]." The thirty-something entrepreneur and former Northumberland ten-

nis champion backed three senior managers at Tolent who left the Aim-listed construction company last year to revive North building name Brims Construction Ltd.

Mr Baggett said the company, in which he has a 25% stake, was on track to hit its first-year turnover targets, although it was still to take on work other than Adderstone.

He said: "They are preferred contractor for us on Quay West and the development on City Road and have done an impressive job."

"They have been pricing lots of jobs, but have not taken any on yet. That is definitely on the agenda in the next six months, though."

Adderstone's own workload, which has been pared back from the £50m it estimated 12 months ago, also had the capacity to increase, Mr Baggett said.

"We have had some deals in the pipeline that have not come off - a lot of developers are struggling to find the right opportunities - but we have the funding to increase our pipeline again when the right opportunity comes along."



FOR SALE: A Jesmond property in the portfolio.



ASSETS: Ian Baggett's company Adderstone Group is to sell half its commercial property.