47/61 KING STREET
SOUTH SHIELDS

100% PRIME FREEHOLD UNBROKEN RETAIL PARADE
INVESTMENT SUMMARY

• South Shields is an important administrative centre and popular seaside resort
• Home to one of the Country’s most important ports
• 100% prime retail location
• Well secured with an excellent tenant profile including Boots, Sports Direct, New Look, JD Sports and Argos
• WAULT of 8.4 years (6.6 years to break)
• Rebased rents offering excellent future reversionary prospects
• Total passing rent of £466,000 per annum

THE SUBJECT PROPERTY OCCUPIES THE FINEST TRADING POSITION ON THE PRIME RETAILING THOROUGHFARE OF KING STREET.

47/61 KING STREET, SOUTH SHIELDS
South Shields can boast a loyal shopping catchment of number of cities and towns including Newcastle upon Tyne, Gateshead (11 miles), Washington (10 miles) and Sunderland (9 miles). It is strategically situated between a Tyne & Wear population in excess of 1 million.

South Shields is the administrative and retailing centre of South Shields is the administrative and retailing centre of South Tyneside. It is strategically located between a number of cities and towns including Newcastle upon Tyne (12 miles), Gateshead (11 miles) and Sunderland (9 miles). The town’s location means it is well connected, being situated close to the intersection of the A19 and A194 providing direct access to Newcastle upon Tyne on the west and Sunderland to the south.

The town is also well connected by rail, with South Shields Metro Station providing regular services to surrounding towns including Newcastle upon Tyne, allowing onward travel to Manchester, Leeds, Edinburgh and London.

South Shields has a retail floor space of approximately £84.7m per annum.

The subject property has a dominant corner position on King Street and Russell Street and benefits from a return frontage on Russell Street which is a busy pedestrianised route linking the town centre, riverside and foreshore areas; growing the town’s importance as a major commercial centre and tourist destination.

The property comprises seven well configured retail units over ground and basement levels. The units are individually configured to suit modern retailer requirements.

**LOCATION**

South Shields is an important coastal town and one of the region’s most popular residential resorts. The town lies within the Town and Waterfront conservation area, bounded to the north by the River Tyne. It has an impressive and loyal resident population of 40,000 people with a primary catchment and a water Tyne & Wear population in excess of 1 million.

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**INVESTMENT IN SOUTH SHIELDS**

South Shields benefits from significant public and private sector investment. More recently this has included projects within the town centre, Riverside and riverside areas; growing the town’s importance as a major commercial centre and tourist destination.

The town centre regeneration master plan is progressing to enhance the retail offer by maximising the aesthetics and raising the public realm. Further details on the masterplan are available on request.

**DESCRIPTION**

The subject property is a prominent modern retail parade of the few purpose built modern retail parades in the town. The property comprises seven well configured retail units with excellent accommodation at either basement or first floor.

In addition the property benefits from a self-contained service yard to the rear. The property totals approximately 47,637 sq ft (4,388 sq m).

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The modern construction allows for flexible floor plates which suits modern retailer requirements. Unit 1 (Boots) comprises ground floor sales with first floor storage. Unit 2 (Vodafone) offers ground floor lock up shop (42,843 sq ft), and (AG Retail, JD Sports, New Look) comprise ground floor sales with first floor storage. Unit 6 (Sports Direct) comprises ground floor sales at first floor storage. Unit 7 (Argos) offers ground floor sales with first floor storage. Unit 2 (Vodafone) offers ground floor lock up shop (42,843 sq ft), and (AG Retail, JD Sports, New Look) comprise ground floor sales with first floor storage. Unit 6 (Sports Direct) comprises ground floor sales at first floor storage. Unit 7 (Argos) offers ground floor sales with first floor storage.

**RETAILING IN SOUTH SHIELDS**

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## TENANCY SCHEDULE

<table>
<thead>
<tr>
<th>Address</th>
<th>Tenant Name</th>
<th>Lease Start</th>
<th>Lease Expiry</th>
<th>Rent Review</th>
<th>Break Option</th>
<th>Rent (pa)</th>
<th>Zone A (sq ft)</th>
<th>Zone B (sq ft)</th>
<th>Base (sq ft)</th>
<th>Comments</th>
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<tr>
<td>Boots UK Limited</td>
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<td>21/07/2019</td>
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<td>AR Retail Cards Limited</td>
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<td>JD Sports Retail Limited</td>
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<td>Sports Direct.com Retail Limited</td>
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<td>New Look Retailers Ltd</td>
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<td>Sub Station Northern Electric Plc</td>
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<td>15/05/2058</td>
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<td>Total WAULT 6.64</td>
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### SERVICE CHARGE

A service charge is in operation to cover the costs of repairing and insuring the building and the property’s common parts. The service charge budget for 2015 is £47,000, which equates to £1.10 per sq ft. Further details are available on request.

### TENURE

Freehold.

### RENTAL COMMENTARY

At its peak the rental tone along prime King Street was approximately £80 per sq ft. Due to the impact of JD Sports, for the UK there has been a rental tone correction over the last few years. South Shields has seen a substantial adjustment which has resulted in the town being rated as an artificially low rental tone.

All the rents within the subject property have been rebased at levels reflecting Zone A between £59.14 per sq ft and £47.50 per sq ft. The latest open market letting was to JD Sports in August 2014; the tenant agreed to a 12 year term at a rent of £100,000 per annum which reflects a headline of £62.05 per sq ft. The JD Sports letting, in addition to the open market letting to Clintons, have set the tone for the rest of the parade and therefore we feel that the property offers excellent reversionary prospects.

### COVENANT INFORMATION

The property is let to established tenants including Boots, JD Sports, Argos, Vodafone, Sports Direct and New Look, with 90% of tenants being rated better than Low Risk.

| 79% | Very Low Risk |
| 10% | Low Risk |
| 11% | Average Risk |

### VAT

We understand that the property is elected for VAT purposes and it is anticipated that the sale will be treated as a Transfer of Going Concern.

### EPCs

EPCs for this property are available upon request.

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PROPOSAL

WE ARE INSTRUCTED BY OUR CLIENT TO SEEK OFFERS IN EXCESS OF £6,300,000 (SIX MILLION THREE HUNDRED THOUSAND POUNDS), SUBJECT TO CONTRACT AND EXCLUSIVE OF VAT, FOR THE FREEHOLD INTEREST IN THE PROPERTY.

A PURCHASE AT THIS LEVEL WILL REFLECT A NET INITIAL YIELD OF 7.00% ASSUMING NORMAL PURCHASER’S COSTS OF 5.80%.

FURTHER INFORMATION