

47/61 KING STREET

SOUTH SHIELDS

100% PRIME FREEHOLD UNBROKEN RETAIL PARADE



CBRE

**METCALF
HARLAND**
PROPERTY
INVESTMENT



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.



LOCATION

South Shields is an important coastal town and one of the region's most popular seaside resorts. The town lies within the Tyne & Wear conurbation, located at the mouth of the River Tyne. It has an impressive and loyal resident population of 85,000 people within its primary catchment and a wider Tyne & Wear population in excess of 1 million.

South Shields is the administrative and retailing centre of South Tyneside. It is strategically situated between a number of cities and towns including Newcastle upon Tyne (12 miles), Gateshead (11 miles), Washington (10 miles) and Sunderland (7.8 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 to 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.

Newcastle International Airport is easily accessible by road, only a 20 minute drive, or via the Tyne & Wear Metro. The airport provides regular domestic, European and international flights.

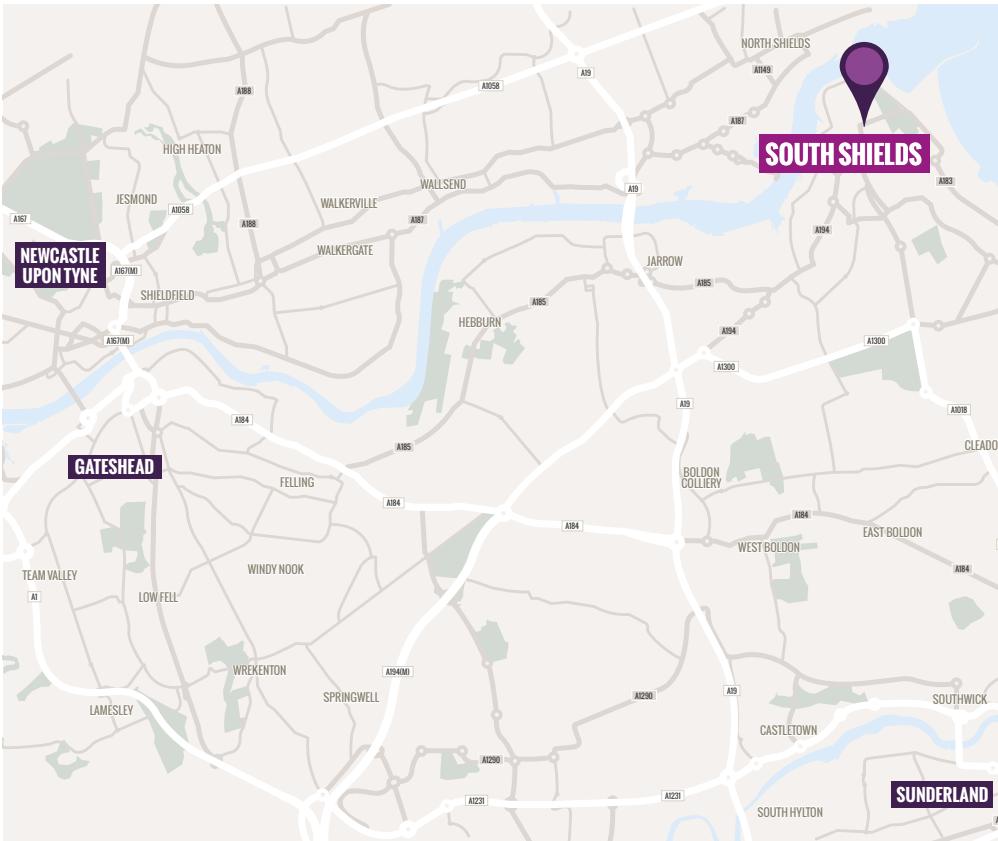
Furthermore South Shields is home to one of the UK's most important ports, the Port of Tyne. It is one of Europe's major deep sea ports and deals with not only cruises and ferries but also container and conventional cargo, as well as car distribution.

RETAILING IN SOUTH SHIELDS

South Shields can boast a loyal shopping catchment of 39,613 (NSLSP 2014) with an average consumer spend of £84.7m per annum.

South Shields has a retail floor space of approximately 610,000 sq ft with the pedestrianised King Street being the traditional and prime retail pitch within the town. King Street's main population flow is between Market Square, on the east end of the street, and the South Shields Metro Link on the western end of the street.

Key retailers in South Shield's town centre include Debenhams, Next, River Island, Morrisons, McDonalds, Dorothy Perkins, Burtons, Poundland, Superdrug, Holland and Barrett and H Samuel.



INVESTMENT IN SOUTH SHIELDS

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

The town centre regeneration master plan is proposing to enhance the retail offer by updating the aesthetics and enriching the public realm. Further detail on this masterplan is available on request.



SITUATION

The property occupies the finest trading position on the prime retailing thoroughfare of King Street. This property is situated within the 100% prime retailing pitch within South Shields and is strategically located on the busy pedestrianised route between the Metro Station and the Market Square.

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 ancillary route linking the bus station and the Metro Station.

Nearby retailers include Clarks, Greenwoods, H Samuel, Superdrug, B&M Bargains, WH Smith and Dorothy Perkins.

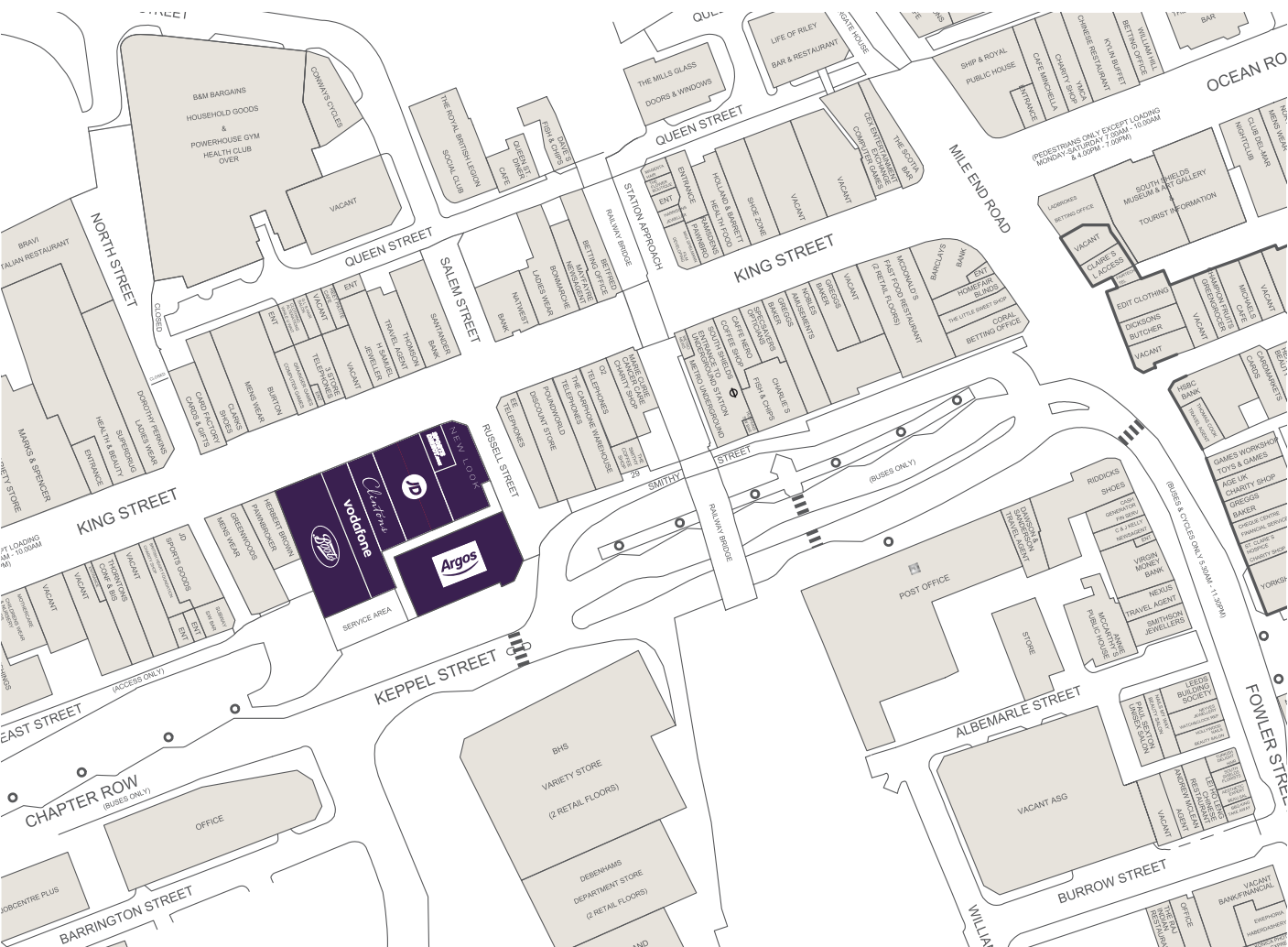
DESCRIPTION

The subject property is a prominent modern retail parade of steel framed construction with brickwork and stone cladding and comprises accommodation over basement, ground and first floors.

The property was built in the 1990's and provides one of the few purpose built modern retail parades in the town. The property comprises seven well configured retail units with ancillary 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 41,637 sq ft (3,868 sq m).

The modern construction allows for flexible floor plates which suits modern retailer requirements. Unit 1 (Boots) provides ground floor sales with first floor storage. Unit 2 (Vodafone) offers a ground floor lock up shop. Units 3, 4, 5 and 7 (AG Retail, JD Sports, New Look) comprise ground floor sales and basement storage. Unit 6 (Sports Direct) provides sales at first floor with access off King Street. Unit 8 (Argos) offers ground floor sales accommodation with storage at first floor level.

THE PROPERTY PROVIDES WELL CONFIGURED UNITS AND IS ONE OF THE FEW PURPOSE BUILT MODERN PARADES IN THE TOWN.



TENANCY SCHEDULE

Address	Tenant Name	Lease Start	Expiry Date	Rent Review Pattern	Next RR	Break Option (year)	Break Option (Date)	Current Rent pa	Zone A	GF (sq ft)	ITZA	FF (sq ft)	Base (sq ft)	Comments
Unit 1	Boots UK Limited	21/07/2014	21/07/2024	5	21/07/2019			£80,000	£47.50	3,553	1,438	3,876		
Unit 2	Vodafone Limited	29/07/2014	29/07/2024	5	29/07/2019	5	29/07/2019	£50,000	£54.35	2,390	920			Vodafone occupy the ground floor only. First floor is currently void. Assumed ITZA for rent review.
Unit 3	AR Retail Cards Limited T/A Clinton Cards	13/02/2014	13/02/2024	5	13/02/2019	5	13/02/2019	£50,000	£59.14	1,326	760		1,684	Open market letting.
Units 4 & 5	JD Sports	18/08/2014	18/08/2026	4	18/08/2018			£100,000	£59.10	3,227	1,518		3,425	Open market letting.
Unit 6	Sports Direct.com Retail Limited	19/03/2013	19/03/2023	5	19/03/2018	5	19/03/2018	£65,000	£7.86			8,269		
Unit 7	New Look Retailers Ltd	09/05/2014	09/05/2019					£61,000	£52.88	2,224	990		2,882	Assuming 5% allowance for return.
Unit 8	Argos Limited	25/12/2014	25/12/2019					£60,000	£25.76	4,306	1,808	4,475		
Sub Station	Northern Electric Plc	15/05/1998	15/05/2058											
Total		WAULT 8.14		WAULT 6.64		£466,000		17,026		7,434		16,620		7,991



SERVICE CHARGE

A service charge is in operation to cover the costs of repairing and insuring the structure of 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 Zone A. Like almost all towns in 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 based off in our opinion an artificially low rental tone.

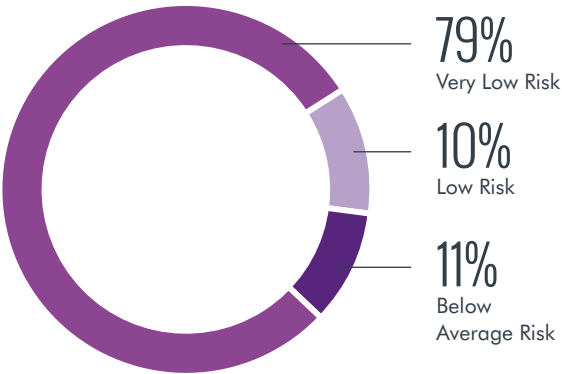
All the rents within the subject property have been rebased at levels reflecting Zone’s A between £47.50 per sq ft and £59.14 per sq ft. The latest open market letting was to JD Sports in August 2014; the tenant agreed to a 12 year term at a rent of £100,000 per annum which reflects a headline of £62.05 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.

EXPERIAN COVENANT ANALYSIS BY RENTAL INCOME



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 the property are available upon request.

THE PROPERTY IS LET TO ESTABLISHED TENANTS INCLUDING BOOTS, JD SPORTS, ARGOS, VODAFONE, SPORTS DIRECT AND NEW LOOK



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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

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