

## RETAIL & RESIDENTIAL INVESTMENT





# INVESTMENT SUMMARY

Mixed town centre **retail and residential** parade

**Asset management** and **rental growth** opportunities

Tenants include **Greggs, Coral, Oxfam** and **Nisa**

Total net income of **£168,815.04pa**

We are instructed to seek offers of **£2,000,000** (Two Million Pounds), which reflects a net initial yield of **7.94%** after purchaser's costs at 6.28%.



# LOCATION

Whickham is a prosperous commuter town located 8 km (5 miles) south west of Newcastle City Centre, 476 km (286 miles) north of London and 175 km (105 miles) south of Edinburgh. Newcastle upon Tyne is the commercial and administrative capital of the North East and the 7th largest city in the UK with a population of approximately 273,000, with the wider Tyneside conurbation extending to over 1,000,000.

Newcastle Central station is situated on the East Coast main line providing a journey time to London Kings Cross of 2 hours 40 min and Edinburgh in 1 hour 30 minutes. The Tyne & Wear Metro, the rail link running throughout Tyne & Wear supports 60 stations running as far as Newcastle Airport to the North and Sunderland to the south. Newcastle Airport is situated 11 km (7 miles) north west and provides regular flights to key domestic and international destinations.

Whickham is well positioned being immediately south of the A1 linking London to Edinburgh. Whickham has twice been awarded outright winner of the RHS Britain in Bloom award. The town is also steeped in history with it being the stopping place of Oliver Cromwell on his march to Edinburgh and more recently schooling the inventor and industrialist Lord Armstrong in the 19th century.







## SITUATION

The property forms a large part of the retail offer in Whickham and occupies a prominent position on the northern side of Front Street set back from the attractive St Mary's Green. The property is situated within the prime retail area of Whickham. To the rear of the property there are two large carpark with a number of pedestrian links to the retail offer.

Nearby occupiers include Tesco, Heron, Lloyds Bank and Barclays.



## DESCRIPTION

The subject property comprises a modern retail and residential development built in 1985. The scheme provides 6 ground floor retail and leisure units together with 11 recently converted modern flats on the first floor.

The building has brick built elevations under a pitched tiled roof. At ground floor the retail and leisure units have traditional predominantly glazed frontages with first floor flats benefitting from double glazed windows. To the rear of the property there is a dedicated yard area serving the retail units and 11 separate private car parking spaces servicing the residential tenants.



TENANCY

Unit	Tenant & Vacant	Unit Type	Post Code	Lease Start	Lease End	Term	Next Review Date	Areas sq ft	Rate Per sq ft/ Zone A	Rent £	ERV	Comments
Flat 1	Under offer	Residential	NE16 4JA	21/03/2016	20/03/17	12 mnths				£5,940	£6,000	U/O & due to complete
Flat 2	Vacant (2 bed)	Residential	NE16 4JA							£6,000	£6,000	On market from March 16.
Flat 3	Martyn & Tony Jamieson	Residential	NE16 4JA	12/07/2013	11/01/14	6 mths				£6,300	£6,500	tenancy continues
Flat 4	Chloe & Joanne Robson	Residential	NE16 4JA	10/04/2015	09/04/16	12 mths				£5,940	£6,000	
Flat 5	Mr Ian Sutcliffe & Miss Emily	Residential	NE16 4JA	05/05/2015	04/11/15	6 mths				£5,940	£6,000	tenancy continues
Flat 6	Mr D Crawford, Miss B Kyle	Residential	NE16 4JA	22/06/2015	21/12/15	6 mths				£5,940	£6,000	tenancy continues
Flat 7	Mr Liam Bennison	Residential	NE16 4JA	14/10/2015	13/04/16	6 mths				£6,420	£6,600	
Flat 8	Michael Gordon	Residential	NE16 4JA	20/12/2015	31/12/16	12 mths				£4,200	£4,500	1 bed studio
Flat 9	R Brinzoi & C Murariu	Residential	NE16 4JA	20/01/16	19/07/16	6 mths				£6,600	£6,600	
Flat 10	Peter Simpson	Residential	NE16 4JA	28/01/16	27/07/16	6 mths				£6,600	£6,600	
Flat 11	Philip Robinson	Residential	NE16 4JA	29/01/16	28/01/17	12 mths				£6,600	£6,600	
Unit 1	North East Convenience Stores	Retail	NE16 4JA	17/11/2008	16/11/18	10 yrs		4,194	£11.41	£47,860	£56,500	
Unit 1B	Peter and Sarah Skotidakis	Retail	NE16 4JA	29/09/2008	28/09/28	20 yrs	28/09/18	2,227	£15.94	£35,500	£35,500	Tenant break 28/09/2018 on giving 6 months notice
Unit 2	St Oswald's Hospice Limited	Retail	NE16 4DN	20/07/2010	19/07/25	15 yrs	20/07/15	821 (ITZA 609)	£22.17 (ITZA)	£13,500	£14,750	RR ongoing. Tenant break 20/07/2020 on giving 6 months notice
Unit 3	Greggs plc	Retail	NE16 4DN	07/09/2012	06/09/17	5 yrs		1088 (ITZA 608)	£21.1 (ITZA)	£12,831	£14,250	
Unit 4	Oxfam	Retail	NE16 4DN	02/08/2010	01/08/20	10 yrs	02/08/15	1055 (ITZA 598)	£20.56 (ITZA)	£12,300	£14,000	RR ongoing
Unit 5	Coral Racing Limited	Retail	NE16 4DN	25/03/2015	24/03/25	10 yrs	25/03/20	789 (ITZA 533)	£23.45 (ITZA)	£12,500	£12,500	Tenant break 25/03/2020 on giving 6 months notice
										£200,971	£214,900	
									16% of rent received	£32,155.36	£34,384.00	
									Net Rent after head rent dedcution	£168,815.64	£180,516.00	

NB: This estate is subject to a ground rent charge equating to 16% of the rents received.



## TENURE

The building is held Long Leasehold from Gateshead Council for a term of 125 years from 25th March 1985. There is a ground rent payable of 16% of the total rent received or £12,000 whichever the greater. The current rent payable £32,155.36.

## COVENANT

### North East Convenience Stores Limited

North East Convenience Stores operate 30 stores in the north east trading under the NISA and Bargain Booze brand names. For the year ended 30th November 2014 they had a Turnover of £25,437,614, Pre-Tax Profit of £903,361 and Shareholders Funds of £2,081,477.

### St Oswald's Hospice Limited

St Oswald's Hospice are a north east based charity providing palliative care to adults, children and young people. For the year ended 31st March 2015 they had a Turnover of £10,616,070, Pre-Tax Profit (Loss) of (£1,137,306) and Shareholders Funds of £15,034,447.

### Greggs plc

Greggs is the UK's leading bakery food-on-the-go retailer. They have 1,671 shops around the country and employ over 20,000 staff. For the year ended 3rd January 2015 they had a Turnover of £803,961,000, Pre-Tax Profit of £17,986,000 and Shareholders Funds of £253,726,000.

### Oxfam

Oxfam is a global charity established in 1942 which focusses on eradicating poverty. For the year ended 31st March 2015 they had a Turnover of £401,400,000, Pre-Tax Profit of £13,600,000 and Shareholders Funds of £77,200,000.

### Coral Racing Limited

Coral Racing is part of the Gala Coral Group and one of the pre-eminent betting and gaming businesses. As well as a strong online presence they have over 1,700 stores. For the year ended 27th September 2014 they had a Turnover of £688,107,000, Pre-Tax Profit of £53,487,000 and Shareholders Funds of £299,218,000.

## PROPOSAL

We are instructed to seek offers of **£2,000,000** (Two Million Pounds), which reflects a net initial yield of **7.94%** after purchaser's costs at 6.28%.

## VAT

We understand the property is elected for VAT purposes. It is anticipated that the sale will be treated as the Transfer of a Going Concern (TOGC).

## CONTACT

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