



PRIME RETAIL INVESTMENT



48-52 MARYGATE **BERWICK UPON TWEED** NORTHUMBERLAND, TD15 1BN

- ❑ **100% Prime pitch.** – Best units in the town
- ❑ Let to excellent covenants of **Vodafone and The Works Stores Limited**
- ❑ **New letting to The Works**
- ❑ **Northumberland** was voted **UK's best holiday county in 2018 British Travel Awards**

Berwick upon Tweed is an historic market town situated in the County of Northumberland. It lies approximately 64 miles (103 Kilometres) north of Newcastle upon Tyne and 56 miles (90 Kilometres) south east of Edinburgh. The town benefits from excellent transport links being situated on both the A1 which is the main road linking London to Edinburgh and the East Coast main line, the main rail link between the two cities. Travel times to both Newcastle and Edinburgh are just over 1 hour with train times of circa 40/45 minutes.

The map shows a grid of streets with various businesses and landmarks. A red rectangle highlights the location of 'THE WORKS' at the intersection of Marygate and Church Street. Other businesses include Boots, Chemist, Health & Beauty, Card Factory, and various shops and services. A blue dot marks the location of 'EMERGENCY SERVICES' near Kings Head Public House. A blue arrow points North.

Berwick has a current population of 12,043 according to the 2011 census. In addition to this it has 17,069 people within a 15 minute drive time and 39,260 within a 30 minute drive time.

In 2018 Northumberland was voted the UK's best holiday county in the British Travel Awards. As a result of this, the noticeable increase in tourism has for the first time lead to the Northumberland Tourist industry generating in excess £1billion per annum.



SITUATION

The property is situated in 100% prime pitch on the northern side of Marygate, Berwick's main high street and thoroughfare. The pitch also benefits from a wide pavement allowing pedestrian flow, market stalls and seating.

Nearby occupiers include Costa, Savers, Greggs, Card Factory, Boots, Homebargains, Holland & Barrett, WH Smiths and Café Nero.



DESCRIPTION

The property consists of a mid-terraced retail block of brick construction under a pitched tile and partially flat felt roof.

At ground floor level the property provides two good sized retail units with traditional glazed frontage.

The first floor provides ancillary accommodation above Units 50/52 occupied by The Works.

48 Marygate which is occupied by Vodafone has ground floor only.



ACCOMMODATION & TENANCY INFORMATION

| Property | Tenant | Lease Start | Lease End | Rent | Break | Area | M2 | Sq ft | Zone A | Market Rent | Comment |
|----------------|----------------------|-------------|------------|---------|------------|--------|-------|-------|--------|-------------|---|
| 48 Marygate | Vodafone Ltd | 29.09.2017 | 28.09.2022 | £15,000 | 29.09.2020 | Ground | 115.7 | 1,245 | £26.55 | £22,450 | The lease is subject to tenant option to break giving the landlords 6 months notice and payment of a break penalty of £3,750 + VAT. |
| | | | | | | ITZA | 52.5 | 565 | | | |
| 50/52 Marygate | The Works Stores Ltd | 02.08.2019 | 01.08.2024 | £37,500 | | Sales | 175.9 | 1,893 | £39.71 | £37,500 | The tenant has a limited liability on repairs to the car park at the rear. |
| | | | | | | ITZA | 78.9 | 849 | | | |
| | | | | | | 1st | 163.1 | 1,893 | | | |
| Total | | | | £52,500 | | | 454.7 | 5,031 | | £59,950 | |

RENTAL COMMENTARY

The Works letting was completed in August 2019 and is the latest letting in the pitch. The rent shows a Zone A rate of £39.71 per sq ft. This is in line with the Clarks rent at 42 Marygate at £37.35 per sq ft in terms of Zone A. Superdrug also renewed at 54-58 Marygate in 2015 at £39 per sq ft ITZA. Given the evidence above we would suggest the 48 Marygate is reversionary.

COVENANT

The Works Stores Limited (Company No 06557400)

The Works was founded in 1981 and has grown to be one of the UK’s leading multi-channel specialist retailers of value, gifts, arts, crafts, toys, books and stationary. Today the company trades from over 450 stores throughout the UK and Ireland. On the 19th July 2018 The Works completed their IPO and were listed on the London Stock Exchange. A summary of their last three years accounts are set out below:

| Year End | 29th April 2018 | 30th April 2017 | 1st May 2015 |
|-------------------|-----------------|-----------------|--------------|
| Turnover | £192,100,000 | £166,421,000 | £154,398,000 |
| Pre Tax Profit | £7,537,000 | £5,371,000 | £9,796,000 |
| Shareholder Funds | £31,244,000 | £24,494,000 | £20,080,000 |

Vodafone Limited (01471587)

Vodafone are one of the world’s leading mobile communications providers

operating in 26 countries. They have 444 million customers including 19.5 million in the UK. Vodafone Limited is a wholly owned subsidiary of Vodafone Group PLC which has an annual turnover of £38.9bn and shareholder funds of £55bn. A summary of Vodafone Limited’s last three years accounts are set out below:

| Year End | 31st March 2018 | 31st March 2017 | 31st March 2016 |
|-----------------------|-----------------|-----------------|-----------------|
| Turnover | £6,253,600,000 | £5,843,900,000 | £6,183,500,000 |
| Pre Tax Profit (Loss) | (£339,900,000) | (£668,500,000) | (£636,800,000) |
| Shareholder Funds | £6,246,000,000 | £6,357,000,000 | £7,199,400,000 |

EPC

An EPC has been commissioned and is available on request.

PROPOSAL

We are instructed to seek offers in excess of **£665,000**, which reflects a net initial yield of **7.5%** after purchaser’s costs of 5.22% and a reversionary yield of **8.57%**.

VAT

The property is elected for VAT and it is anticipated that the sale will be treated as a TOGC.

CONTACT



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