



100% PRIME UNBROKEN TOWN CENTRE PARADE 47/61 KING STREET SOUTH SHIELDS NE33 1DH

INVESTMENT SUMMARY

- **100%** Prime Pitch
- **24% of income** secured to **JD Sports PLC** until **2026** with **shareholder funds** in excess of **1bn.**
- South Shields is benefitting from the **£100m** South Shields 365 regeneration project
- **Port of Tyne** to become base for **world's largest wind farm**
- The property is let to **7 occupiers**
- The property has a **WAULT** to expiry of **3.14 years**
- Total net rent of **£407,224 pa**

We have been instructed to seek offers in excess of **£3,200,000**, which reflects a net initial yield of **11.95%**.



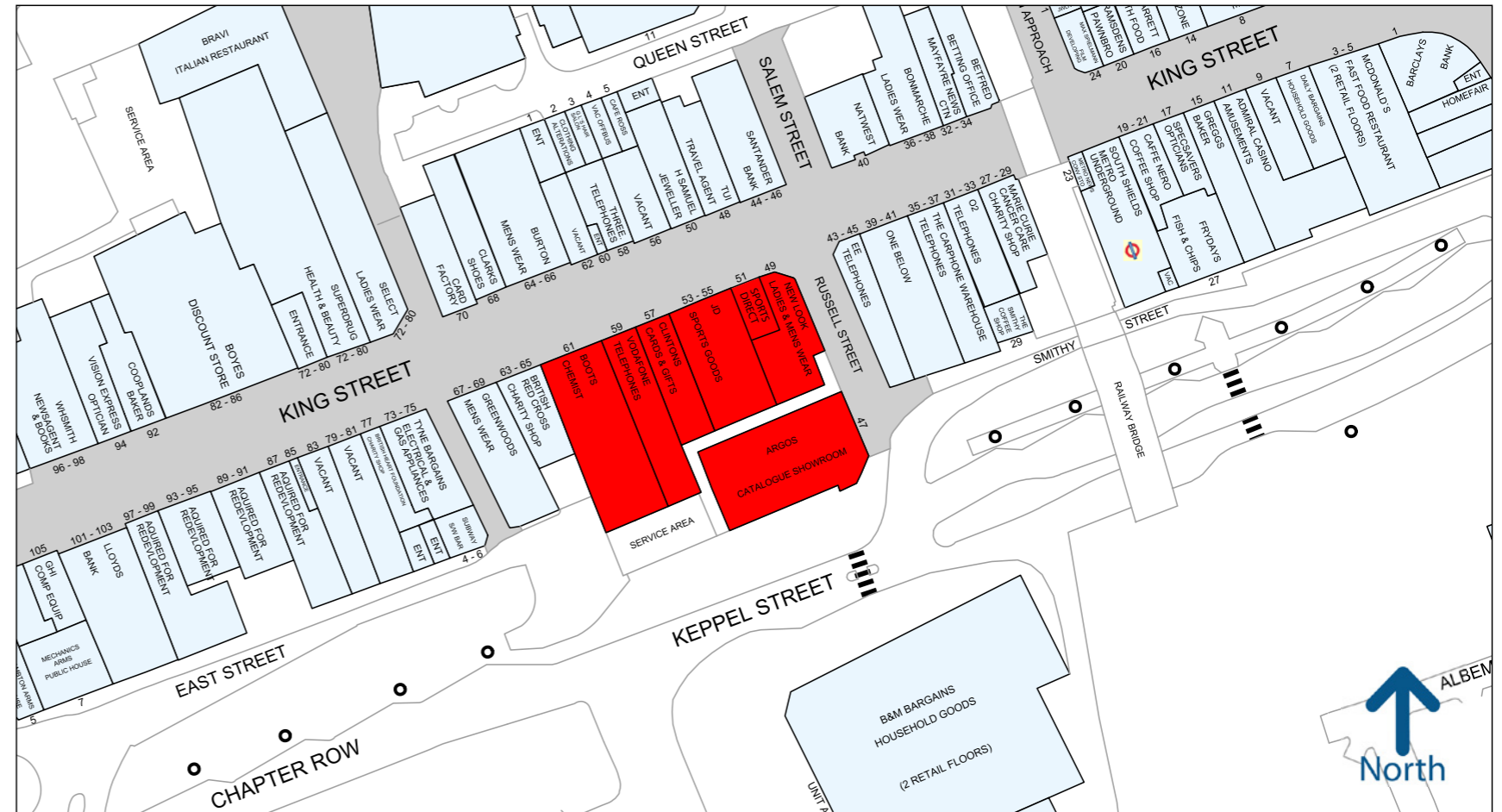
LOCATION

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 and 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 and is 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 strategic 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 and 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. It is also set to be the base for SSE Renewables and Equinor for their contract to operate the world's largest wind farm at Dogger Banks.



RETAILING IN SOUTH SHIELDS

South Shields can boast a loyal shopping catchment of 39,613 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 footfall 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 Shields town centre include Asda, Next, River Island, Morrison's, McDonalds, B&M, Superdrug, Santander and Greggs.

INVESTMENT IN SOUTH SHIELDS

South Shields benefits from significant public and private sector investment. Recently this has included the South Shields 365 programme which is a £100m investment in a joint venture between the local authority and Muse developments. The recent completion of the Transport Interchange at a cost of £21m completes Phase II of the regeneration.

Further investment is being made by the Port of Tyne, one of only two deep water ports in the North East. The Port is to be the base for Dogger Bank, the World's largest offshore wind farm. The wind farm is a 50:50 joint venture between Equinor and SSE Renewables and the Port of Tyne will be its base for the project creating significant employment both directly and through the supply chain.

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 Superdrug, B&M, Boyes, Card Factory and Clarks.

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 ground or first floor. In addition the property benefits from a self-contained service yard to the rear. The property totals approximately 42,722 sq ft (3,969 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 (Clinton's, JD Sports and 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.



TENANCY SCHEDULE

Address	Tenant Name	Lease Start	Years	Expiry Date	Rent Review Pattern	Next RR	Break Option	Current Rent pa	Zone A	GF (sq ft)	ITZA	FF (sq ft)	Base (sq ft)	EPC	Comments	
Unit 1	Boots UK Limited	21/07/2014	10	21/07/2024	5	21/07/2019		£80,000	£45.58	3,861	1,487	4,072		D-77		
Unit 2	Vodafone Limited	29/07/2014	10	29/07/2024	5	29/07/2019		£42,000	£47.46	2,731	885			C-68	Vodafone occupy the ground floor only. First floor is currently void. Assumed ITZA for rent review.	
Unit 2	Upper Floors - Vacant														Vacant space above Vodafone. Rent and rates shortfall of £6,376pa at present.	
Unit 3	Esquire Retail Limited t/a Clintons	01/01/2020	3	31/12/2022	5			£30,000	£35.04	1,326	760		1,684	C-71	Rent payment follows cashflow with the majority of rent being paid in busy periods.	
Units 4 and 5	JD Sports	18/08/2014	12	18/08/2026	4	18/08/2018		£100,000	£59.10	3,227	1,518		3,425	C-62	Double unit. Applied £3 to basement.	
Unit 6	Sports Direct.com Retail Limited	20/03/2018	5	20/03/2023	0			£65,000	£7.86			8,269		C-56	£7.98 per sq ft overall.	
Unit 7	New Look Retailers Ltd	17/05/2019	5	08/05/2024	5			£36,600	£28.24	2,224	990		2,882	C-59	Turnover rent based on 5% of sales. Rent shown based on average rent. ITZA includes a 5% allowance for return.	
Unit 8	Argos Limited	25/12/2014	10	24/12/2024	5	21/12/2019	25/12/2021	£60,000	£25.76	4,306	1,808	4,475		C-72		
Sub Station	Northern Electric Plc	15/05/1998	60	15/05/2058				£0								
								£413,600		17,675	7,448	16,816	7,991			
								Shortfalls	£6,376							
								Net Income	£407,224							



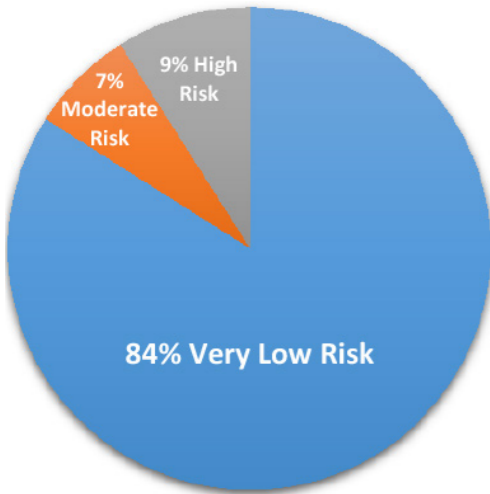
COVENANT INFORMATION

The property is let to established tenants including Boots, JD Sports, Argos, Vodafone, Sports Direct and New Look, with 84% of tenants being rated Very Low Risk by Credit Safe.

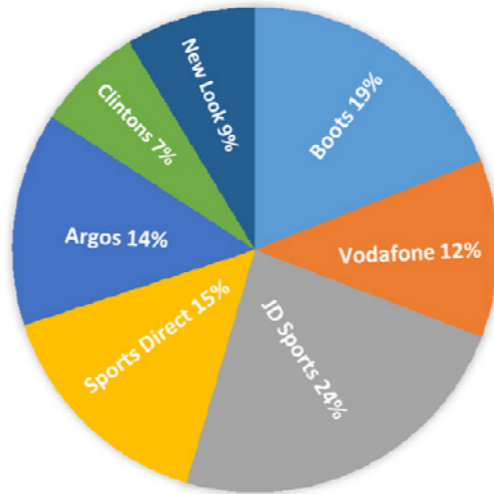
Risk Profile

84% Very Low Risk, 7% Moderate Risk, 9% High Risk.

Income Split by Credit Safe score



Income Split by Occupier



Tenant	Year End	Turnover	Pre-Tax Profit	Shareholder's Funds	Credit Safe Score
Boots UK Ltd	31/08/2020	£5,948,000,000	-£287,000,000	£1,382,000,000	86/100
Vodafone Ltd	31/03/2020	£5,657,600,000	-£375,000,000	£6,110,300,000	86/100
Esquire Retail Ltd	-	-	-	-	29/100
JD Sports	30/01/2021	£6,167,300,000	£324,000,000	£1,238,700,000	86/100
Sports Direct.com Retail Ltd	26/04/2020	£2,160,287,000	£212,862,000	£1,496,455,000	100/100
New Look Retailers Ltd	38/03/2020	£970,304,000	-£74,214,000	-£53,549,000	-
Argos Ltd	07/03/2020	£4,201,625,000	-£141,736,000	£500,898,000	80/100

SERVICE CHARGE

The current service charge budget for the year is £59,340. There is a £6,376 rates and service charge shortfall attributed to the vacant upper floors of unit 2.

TENURE

Freehold.

VAT

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

EPC

EPC's for the property are available upon request.

PROPOSAL

We are instructed to seek offers in excess of **£3,200,000** which would show a purchaser a Net Initial Yield of **11.95%** after purchase costs of 6.47% and a reversionary yield of 10.38% based on the current market rent of £360,000pa.

AUCTION

To be sold in the Allsop Auction 2nd November 2021 (unless sold prior) Legal pack will be available from www.allsop.co.uk

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