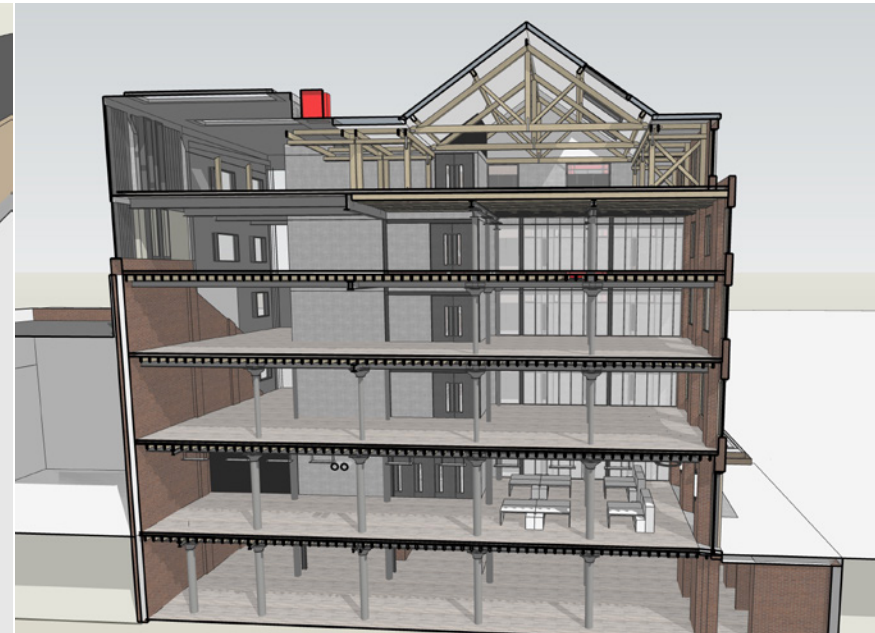
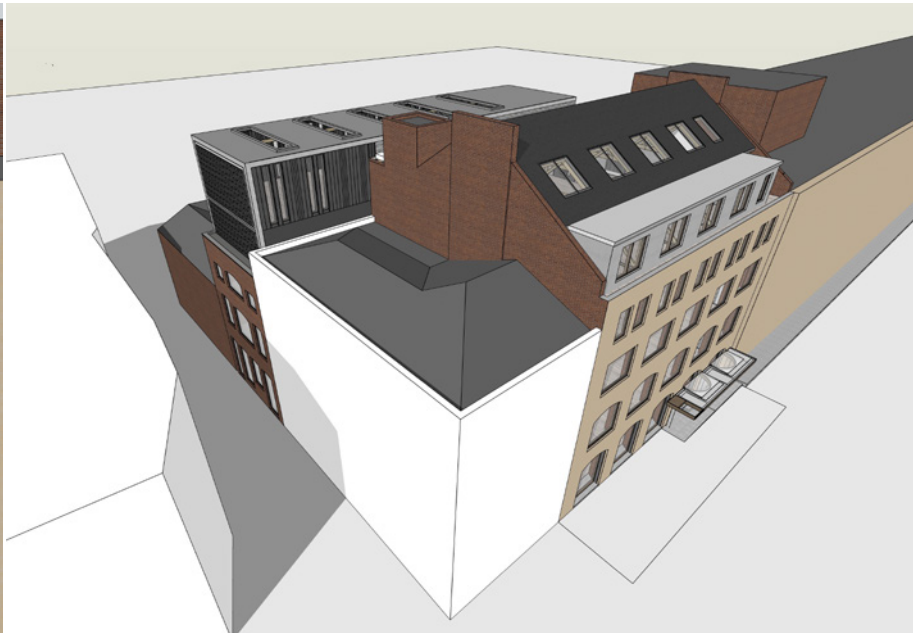
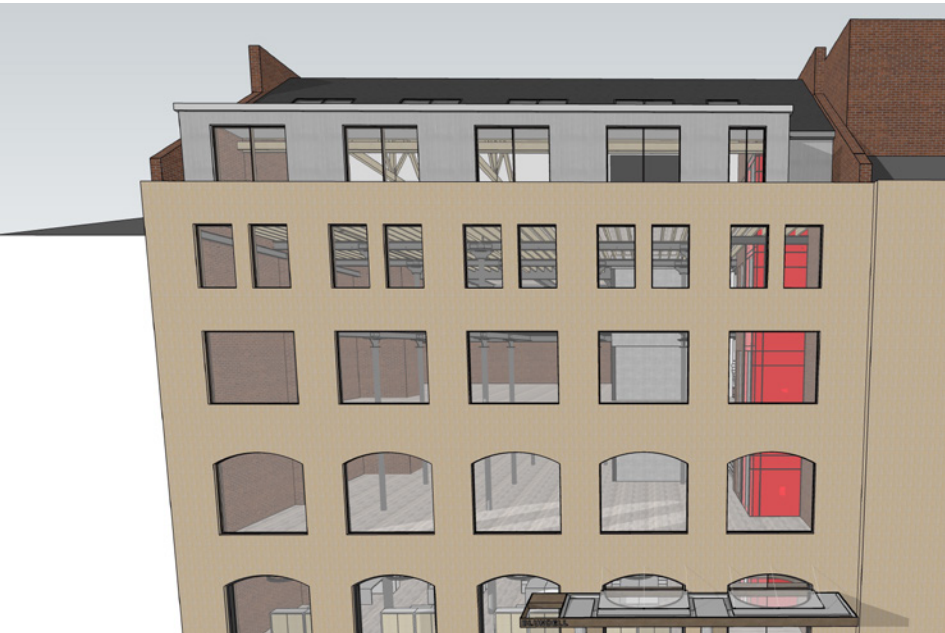




CITY CENTRE OFFICE DEVELOPMENT OPPORTUNITY



FORMER BLUNDELL'S DEPARTMENT STORE CLAYTON STREET NEWCASTLE UPON TYNE NE1 5DZ

PROPERTY HIGHLIGHTS

A **rare** chance to acquire a **development opportunity** in the **heart of Newcastle city centre**

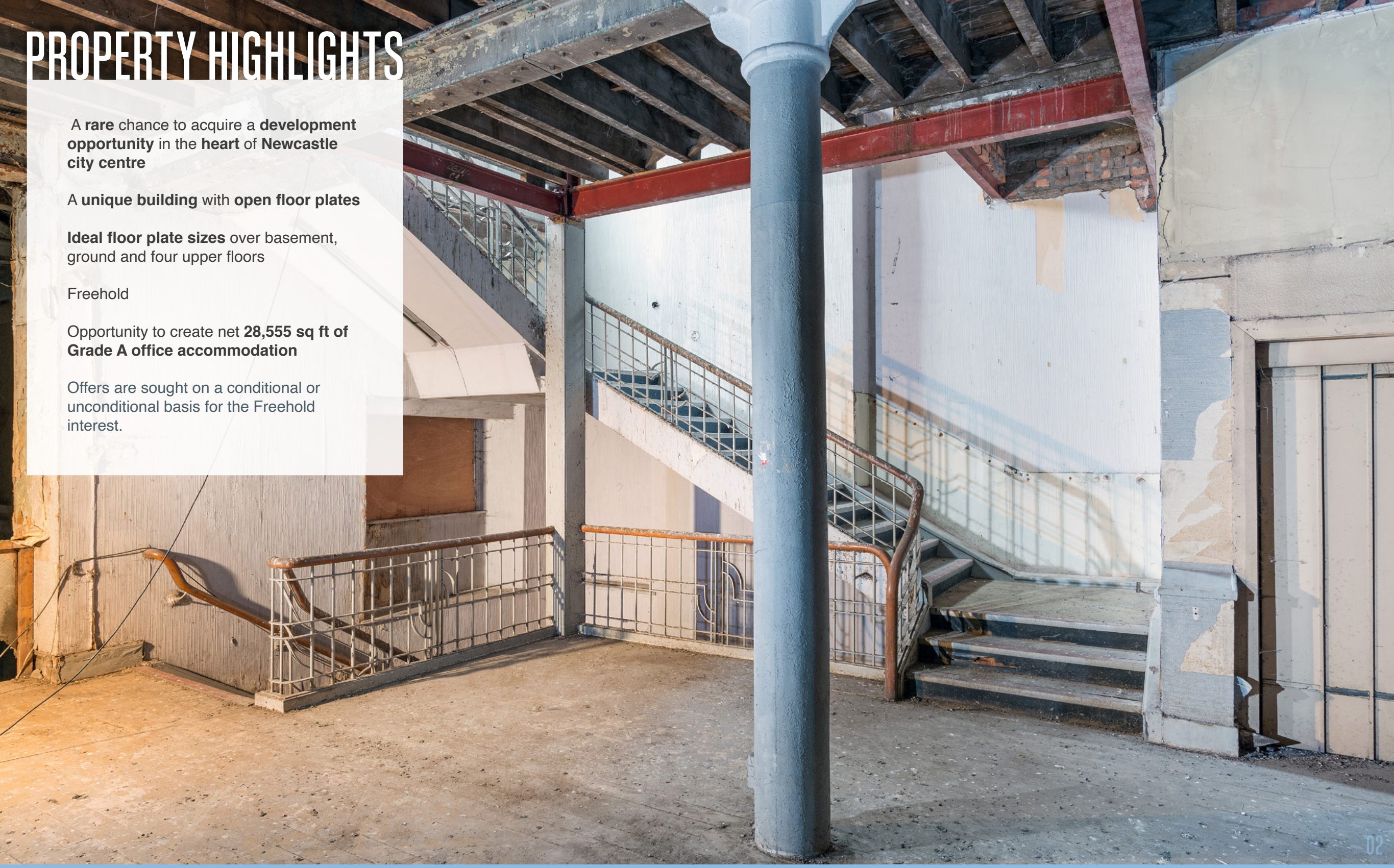
A **unique building** with **open floor plates**

Ideal floor plate sizes over basement, ground and four upper floors

Freehold

Opportunity to create net **28,555 sq ft of Grade A office accommodation**

Offers are sought on a conditional or unconditional basis for the Freehold interest.





ST. JAMES' GATE

CENTRAL STATION

STEPHENSON QUARTER

BLUNDELL'S BUILDING

NEWCASTLE HELIX

GREY STREET

QUAYSIDE

ST. JAMES' PARK

INTU ELDON SQUARE

NEWCASTLE UNIVERSITY

NORTHUMBERLAND STREET

NEWCASTLE

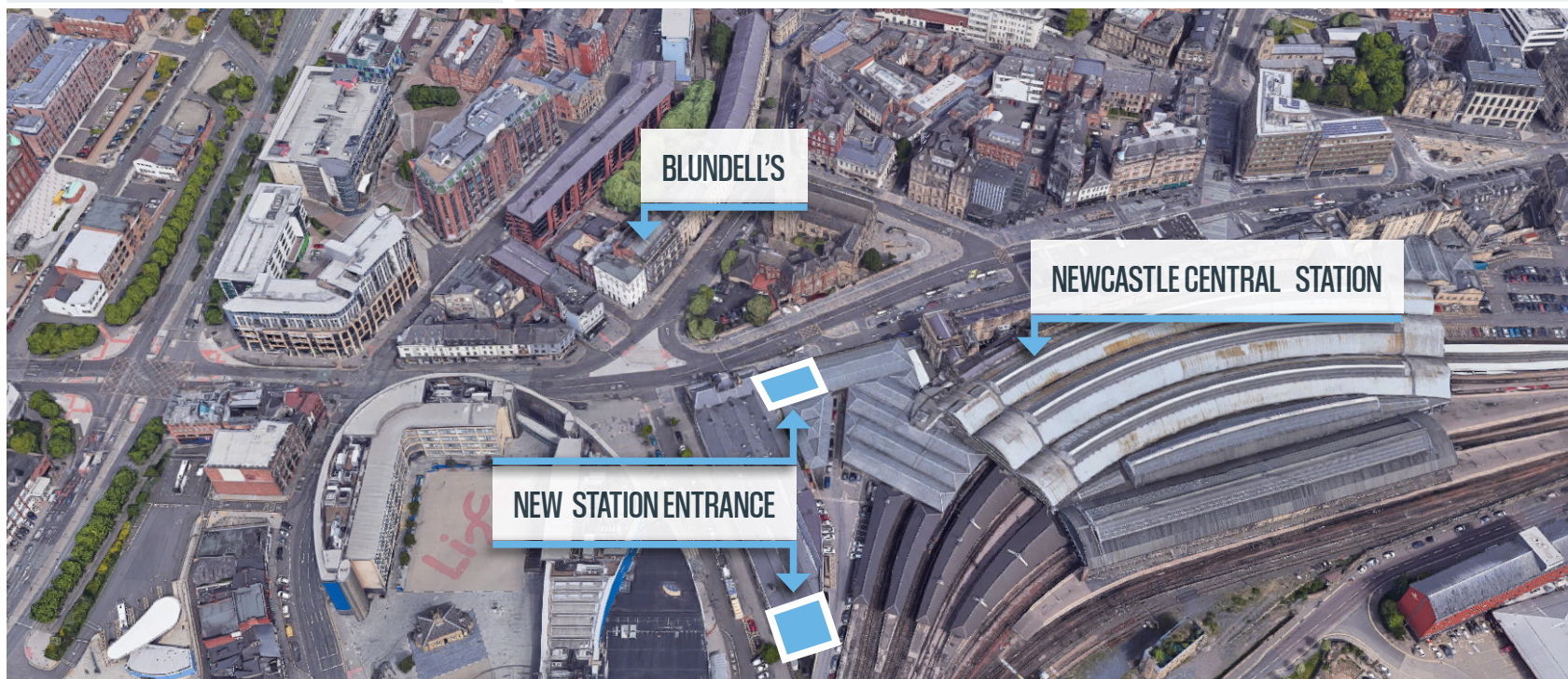
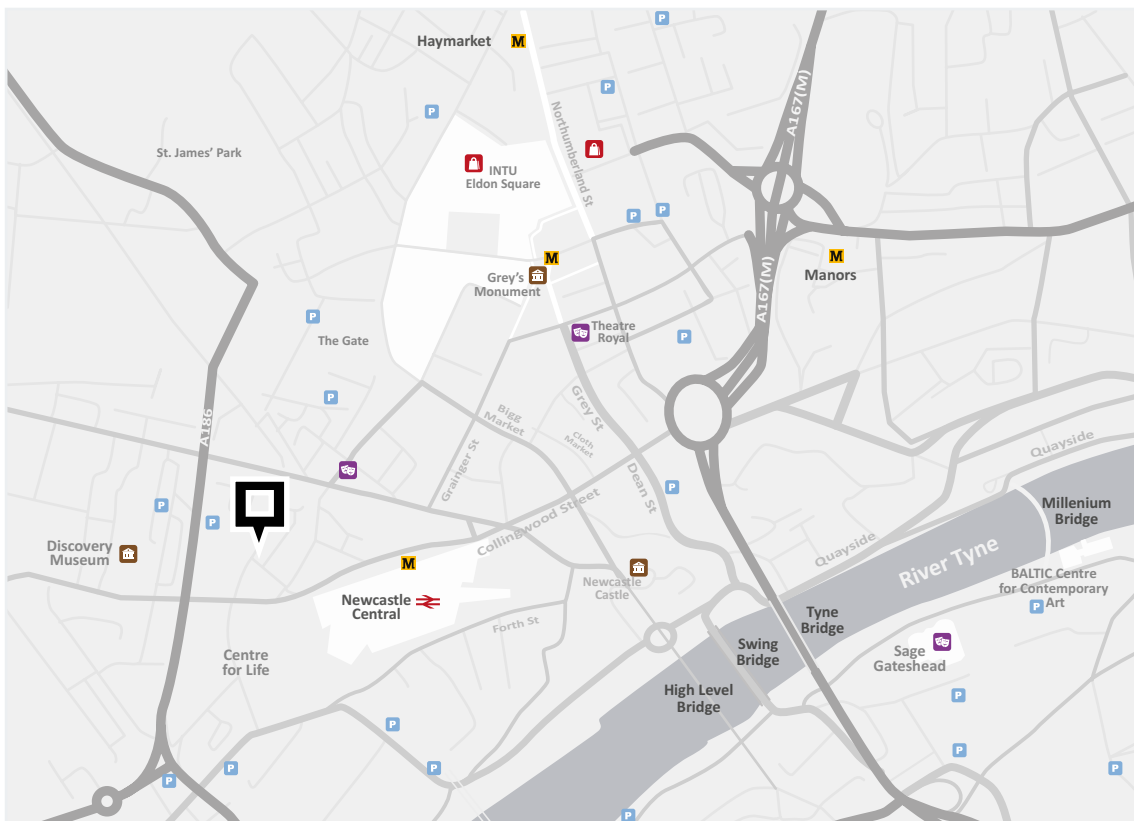
Newcastle upon Tyne is the regional capital and principal focus of economic activity within the North East of England. It is the largest retailing, leisure and office centre in the North East and has an international draw as a business, education and tourism centre. With a population of 304,600 people and a wider urban population of around a 1,000,000 the city is located 270 miles north of London and 105 miles south of Edinburgh.

Home to two leading universities, Newcastle and Northumbria, the city attracts over 55,000 students annually from the UK and 136 countries around the world. Newcastle University is a member of the prestigious Russell Group comprising the leading 24 universities in the country.

The city has an extensive primary catchment shopping population of 1.5 million people with approximately 2.6 million sq ft of retail floor space ranking it sixth out of the 100 PROMIS centres. The prime area is centred around Intu Eldon Square Shopping Centre and Northumberland Street and is home to a number of national retailers including John Lewis, Marks & Spencer, Fenwick, Hugo Boss, Reiss, White Company and Debenhams. The city also has a booming license and leisure market which has seen over 80 new bars and restaurants open in the last 4 years alone, attracting some 2 million leisure visitors to the city each year.

Newcastle has attracted many high profile global, national and regional occupiers, many of which have expanded or upgraded their existing space. Companies include Barclays Bank plc, PWC, Sage Group, Virgin Money Plc and Procter & Gamble. The city centre has continued to attract new private sector companies recently including BSKyB, DAC Beachcroft Solicitors, Convergys and Qubic Tax. Newcastle is also home to national and regional legal firms including Womble Bond Dickinson LLP, Watson Burton LLP, DWF LLP, Irwin Mitchell LLP and Eversheds LLP.





LOCATION

Blundell's is located in a prominent position on Clayton Street in the heart of the city centre opposite the Grade 1 listed St Mary's Cathedral. This area continues to see significant investment and redevelopment having already benefitted from a comprehensive programme of streetscape improvements at Central Station. The next phase of the Central Station redevelopment will see two new entrances to the north western corner of the station directly opposite the subject property. Investment focussing on Central Station is aimed at increasing passenger numbers from 8.7m to 12m by 2023.

In addition to the excellent road and rail connectivity Blundell's is located close to the main leisure and retail offering in the city.

Road

Newcastle city centre is easily accessible from the regional road network with arterial dual carriageways linking direct to the A1(M) and A19 which give access to the wider region.

Rail

Blundell's is located just 100m from Newcastle Central Station. Central Station is a major transport hub and key stop on the LNER railway line. LNER trains provide direct services to London Kings Cross with a fastest journey time of 2 hours and 37 minutes and Edinburgh Waverley in 1 hour and 25 minutes. Regional railways connect Newcastle to Sunderland, Hartlepool and Middlesbrough to the south and east and Carlisle to the west.

Metro

In addition to the overground rail connections, Newcastle is the only city in England, outside of London to benefit from an underground rail network. The Metro is run by Nexus and totals 60 stations connecting the wider conurbation including Sunderland to the South East, Newcastle Airport to the North West and all major suburbs.

Newcastle International Airport

Newcastle International Airport is situated 7 miles (11 km) to the north west of the city centre and serves in excess of 5.4m passengers annually to 74 direct destinations globally via 13 scheduled airlines, including Air France, British Airways, Easyjet and Emirates. Newcastle International Airport is one of the leading regional airports and benefits from regular flights to London with a flight time of less than one hour.

DESCRIPTION

The property was built in the mid 1800's and was one of Newcastle's most popular department stores until its closure in the mid 1980's. The building comprises basement, ground and four upper floors. The former use of the building means the floors are very open plan and have a distinct warehouse feel. The building has a fantastic Georgian façade incorporating large windows adding to character. Internally the building has been stripped back to expose steel beams, cast iron columns and timber roof trusses offering the opportunity to create unique space. Floors are accessed from a feature 1920's staircase in addition to which there are two existing lift shafts.



ACCOMMODATION

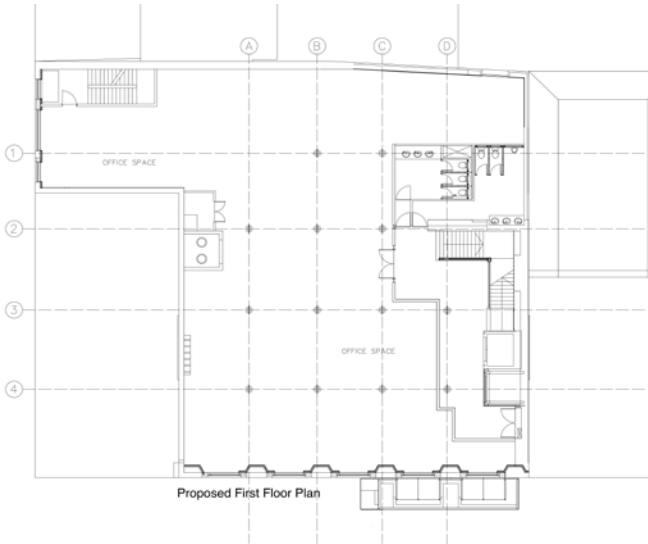
The property is currently in shell condition. The vendors architects have drawn up a scheme which provides the following Gross and Net internal floor area:

Accommodation	Sq m (Gross)	Sq ft (Gross)	Sq m (Net)	Sq ft (Net)
Basement	661	7,115	491	5,285
Ground	569	6,124	424	4,563
First	575	6,189	440	4,736
Second	575	6,189	440	4,736
Third	575	6,189	440	4,736
Fourth	547	5,887	418	4,499
Total	3,502	37,693	2,653	28,555

DEVELOPMENT

A scheme has been drawn up by Studio-SP Architects for the refurbishment and extension of Blundell's to provide net 28,555 sq ft of Grade A office accommodation over basement, ground and four upper floors.

This scheme has been given in principle approval by the planning department subject to a full application being made.



TENURE

Freehold.

NEWCASTLE OFFICE MARKET

The city of Newcastle has a total office stock of around 9.9m sq ft with the traditional office core centring around the Grainger Town area within which this building sits.

Traditionally new development in Newcastle has primarily been on a pre-let basis and as such the availability of Grade A space during the downturn was one of the lowest of all UK regional cities. The lack of new build office space has pushed the focus on upgrading and improving some of the older yet still institutional buildings in the city. The most prominent examples being the refurbishment of Central Square South close to the subject property which achieves rents of £24.50psf.

Growing tenant demand has now changed the development situation with the city with The Lumen and Spark buildings on site as part of the Helix development. The Bank House development on Pilgrim Street due to commence on site and a partner selected for the development of the Stephenson Quarter.

There currently exists around 1.6m sq ft of Grade A stock in Newcastle with around 186,000 sq ft of available space. Recent city centre take up figures are as follows:

Year	Take up Sq ft
2018	235,057
2019	112,212
2020 YTD	71,091

This lack of available stock verses demand has meant we have continued to see a pattern of increasing rental levels being set with the city. Recent lettings include:

Building	Tenant	Size sq ft	£ sq ft
The Lumen	Homes England Q2 2020	19,310	£26.00
50 Grey Street	Lloyds Bank Q1 2020	3,272	£21.50
St Nicholas Building	Global Processing Services Q4 2019	2,799	£22.00
Central Square South	Sanderson Weatherall Q4 2018	4,294	£23.75
Central Square South	Towergate Q4 2018	2,897	£24.50
71 Grey Street	Savills Q4 2018	1,061	£22.50
Central Square South	DWF Q2 2018	7,300	£23.50
Time Central	Mott MacDonald Q1 2018	6,000	£23.00



OFFICE INVESTMENT MARKET

Recent office investment deals include the following:

Date	Address	Price	Yield	Cap Value psf	Comments
August 19	Lloyds Court & 52-60 Grey Street, Newcastle	£12,500,000	6.43%	£266	
March 19	20 Collingwood Street, Newcastle	£2,420,000	6.02%	£143	WAULT to break of 16.21 years
June 2018	Gainsborough House, 34-40 Grey Street, Newcastle	£5,850,000	4.48%	£227	WAULT 6.16 years
April 18	42-50 Grey Street, Newcastle	£4,055,000	4.17%	£221	8 years on ground and basement leisure income upper floors vacant
March 18	St Nicholas Building, Newcastle	£19,300,000	6.00%	£300	WAULT to break of 3.42 years.

VAT

We understand that the property is elected for VAT.

PROPOSAL

Offers are sought on a conditional or unconditional basis for the Freehold interest.



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Misrepresentation Act: These particulars shall not form part of any offer or contract and no guarantee is given as to the condition of the property or the accuracy of its description. An intending purchaser or tenant is not to rely on any representation made in these particulars and must satisfy himself as to their accuracy by his own investigation before entering into any contract. July 2020.