

SUPERMARKET ANCHORED RETAIL WAREHOUSE SCHEME



TYNE VIEW RETAIL PARK NE42 6BU
PRUDHOE NORTHUMBERLAND





- **Supermarket anchored** retail warehouse scheme
- Anchored by **Aldi, B&M and McDonalds**
- **WAULT** of **11.6 years** to expiry & 10.2 years to breaks
- **48,936 sq ft** of accommodation on **7.4 acres**
- Includes **development land** with **outline planning** for a further **20,000 sq ft** of space
- Annual rent of **£774,924pa**
- **88%** of the income secured to **Aldi, B&M and McDonalds**

We have been instructed to seek offers in excess of **£11,000,000**, reflecting a net initial yield of **6.55%** after costs of 6.7% and a potential reversionary yield of **7.24%**.

LOCATION

Prudhoe is an historic Northumberland market town situated 10 miles west of Newcastle upon Tyne on the South banks of the river Tyne and 12 miles east of Hexham. It is a well placed commuter town serving the affluent Tyne Valley catchment area. The town has excellent links to the wider region with the A69 situated just to the north of the town. The A695 runs east to west through the town, linking it to Tyne & Wear in the East and Hexham and Corbridge to the West as well as the A68.



The scheme is situated fronting the A695 Princess Way which is the main link road lying to the north of the town centre and south of the river. Prudhoe industrial estate is situated directly opposite.

THE SCHEME



Tyne View Retail Park is split into two phases:

PHASE 1

Phase 1 – was completed in 2020 and comprises a 48,936 sq ft retail park anchored by Aldi and B&M. It also has a McDonalds Drive Thru and a parade of three small units. The scheme has the benefit of EV charging points and a car wash on site.

PHASE 2

Phase 2 – has outline planning permission and provides the opportunity to add an additional 20,000 sq ft of space at the eastern end of the scheme. There is currently strong interest from a number of occupiers in taking space within Phase 2. More information can be provided on request.





ACCOMMODATION & TENANCY

Unit	Tenant	Start Date	Next Review	Review Type	Break	Expiry	Area	Passing Rent pa	% of Income	Rent PSF	ERV	ERV PSF	Comment
Unit 1 (Drive-Thru)	McDonalds Restaurants Ltd	26/07/21		Market Rent	26/07/36	25/06/46	3,777	£85,000	11.0%	£22.50	£113,310	£30.00	There is a cap on the service charge, but this does not create a shortfall.
Unit 2A	Greggs plc	04/06/21	26/07/26	Market Rent		03/06/31	1,545	£24,000	3.1%	£15.53	£30,900	£20.00	
Unit 2B	BJC Plumbing	30/04/21	13/05/26			29/04/26	1,534	£25,000	3.2%	£16.30	£30,650	£20.00	A rent deposit of £7,500 is held.
Unit 2C	Caffe Ginevra UK Ltd	16/10/20		Market Rent	30/10/25	15/10/30	1,545	£26,260	3.4%	£17.00	£30,900	£20.00	Break Notice not exercised.
Unit 3	Aldi Stores Ltd	28/09/20	16/10/25	RPI 1-3%		27/09/40	18,535	£319,704*	41.3%	£15.20	£316,258	£17.06	RPI reviews 1-3%. Aldi have an option for a further 15 years. Service Charge cap of £18,535 pa + RPI. *The current rent of £280,990 will be topped up to £319,704 on completion. The rent review is due in September 2025.
Unit 4	B&M Retail Limited	05/10/20	28/09/25	Market Rent		04/10/30	22,000	£275,000	35.5%	£12.50	£308,000	£14.00	Rent Review capped at £308,000pa. Service Charge capped at £16,500pa for 1st 5 years + RPI and £20,900pa for next 5 years.
EV Charging Point	Osprey Charging Network Ltd	05/03/25	05/10/25	CPI 1-5%	05/03/35	04/03/50		£14,000	1.8%		£16,230		Rent based on the higher of 20% of Gross Profit or £2,000 per bay, per annum base rent. Base rent reviewed annually based on CPI 1-5%.
Site for Car Wash (Potential Service Charge Contribution)	HACW Limited	15/01/23	05/03/26			14/01/30		£2,778	0.4%		£3,377		Fixed annual increases in the rent taking it up to £3,377pa by 2030. We have not included this in our net rent. See Service Charge section.
EV Charging Point (Potential Service Charge Contribution)	Osprey Charging Network Ltd	28/09/20				27/09/40		£3,182	0.4%				Rent based on 15% of the Gross Profit. We have not included this in our net rent. See Service Charge section.
							48,936	£774,924	100.0%	£15.84			
					Potential Service Charge Contribution			£5,960					
					Net Income			£768,964					



EPC'S

Property	EPC Rating
B&M	B-28
Aldi	A-18
McDonalds	B-37
Unit 2A	A-24
Unit 2B	A-36
Unit 2C	A-21

Aldi Stores Ltd

Company No – 02321869
Creditsafe Score – 100/100
Rating – A – Very Low Risk

Aldi was founded in Essen, Germany in 1913 and has grown to become one of Europe’s leading supermarkets. It is now the UK’s 4th largest supermarket with over 1,000 stores employing 45,000 staff. A summary of their last three years accounts are set out below:

Year End	31st December 2023	31st December 2022	31st December 2021
Turnover	£17,887,909,000	£15,473,348,000	£13,645,779,000
Pre-Tax Profit	£536,720,000	£152,611,000	£35,736,000
Shareholder Funds	£3,580,748,000	£3,232,363,000	£3,041,337,000

B&M Retail Ltd

Company No – 01357507
Creditsafe Score – 88/100
Rating – A – Very Low Risk

B&M was formed in 1978 in Blackpool and has grown to occupy over 700 stores employing in excess of 35,000 staff. They serve over 4m customers every week. B&M Retail Ltd is a subsidiary of the listed B&M European Value Retail SA which has a Net Worth of circa £2.6bn. A summary of B&M Retail Limited’s last three years accounts are set out below:

Year End	30th March 2024	25th March 2023	26th March 2022
Turnover	£4,417,000,000	£4,073,000,000	£3,914,000,000
Pre-Tax Profit	£475,000,000	£430,000,000	£514,000,000
Shareholder Funds	£623,000,000	£604,000,000	£624,000,000

McDonald’s Restaurants Ltd

Company No 01002769
Creditsafe Score – 93/100
Rating – A – Very Low Risk

McDonalds was founded in California in 1940 and has grown to become one of the world’s most iconic brands and now trades out of 36,000 restaurants in over 100 countries. McDonalds



Restaurants Ltd is wholly owned subsidiary of the listed McDonalds Corporation which has a market capitalisation of c.£178bn. A summary of McDonalds Restaurant Ltd’s last three years accounts are set out below:

Year End	31st December 2023	31st December 2022	31st December 2021
Turnover	£1,835,618,000	£1,597,442,000	£1,459,422,000
Pre-Tax Profit	£66,327,000	£170,875,000	£148,538,000
Shareholder Funds	£789,294,000	£776,757,000	£823,483,000

Greggs PLC

Company No – 00502851
Creditsafe Score – 77/100
Rating – A – Very Low Risk

Greggs was founded 75 years ago as a family bakery and has grown into one of the country’s leading food on the go companies, trading from over 1,700 outlets throughout the UK employing 20,000 staff. A summary of their last three years accounts are set out below:

Year End	30th December 2023	31st December 2022	1st January 2022
Turnover	£1,809,600,000	£1,512,800,000	£1,229,700,000
Pre-Tax Profit	£188,300,000	£148,300,000	£145,600,000
Shareholder Funds	£530,900,000	£446,000,000	£429,200,000

Caffe Ginevra UK Ltd

Company No – 09172356
Creditsafe Score – 33/100
Rating – C –Moderate Risk

Caffe Ginevra is part of a small North East chain of coffee shops which was originally founded in Prudhoe and have outlets throughout the region. Further information can be found at www.caffeginevra.co.uk. A summary of their last three years accounts are set out below:

Year End	31st August 2023	31st August 2022	31st August 2021
Turnover	N/A	N/A	N/A
Pre-Tax Profit	N/A	N/A	N/A
Shareholder Funds	£28,275	£81,322	£71,697



Osprey Charging Network Ltd

Company No – 08460233
Creditsafe Score – 63/100
Rating – **B – Low Risk**

Osprey which was originally known as Engenie Electric Vehicles Rapid Charging was founded in London in 2016. In 2018 Investec invested in the company to aid its growth and agree partnerships with the likes of Marston’s and M7 Real Estate. Osprey now operates from over 1,300 bays throughout the UK. A summary of Osprey Charging Network Ltd’s last three years accounts are set out below:

Year End	31st December 2023	31st December 2022	31st December 2021
Turnover	£12,735,708	£5,406,473	N/A
Pre-Tax Profit	(£7,688,453)	(£5,984,539)	N/A
Shareholder Funds	£56,525,396	£36,277,899	£15,932,778

BJC Plumbing is a local Kitchen and Bathroom specialist and therefore no financial information is currently available. For further information, visit their website - bjcplumbing.com.

TENURE

The property is freehold.

ASSET MANAGEMENT

There are several short and medium term asset management opportunities to further enhance income and improve value. These include:

Phase 2 Development

Phase 1 has quickly become an established and dominant retail park servicing the wider affluent Tyne Valley catchment area. Phase 2 has outline permission for an additional 20,000 sq ft and there is interest from a number of retailers in taking accommodation. Further information can be provided on request.

Once developed this phase could add an additional £300,000-£350,000 per annum.

Rent Reviews and Lease Renewals

There are a number of rent reviews and lease renewals to be carried out as the scheme approaches its 5th anniversary. Since construction there has been substantial rental growth in the retail warehouse sector and this is an opportunity to take advantage as lease events occur.

Tenant Engineering

Whilst the local operators are trading well from the location, now that the scheme is established there is an opportunity to improve the tenant line up in the smaller parade in particular. Alternatively, Caffè Ginevra has recently not exercised their break option and are investing in a canopy for their outside space. There may be an opportunity to re-gear this lease.

BJC Plumbing have a lease expiry in April 2026 and again there is an opportunity to either move the rent on or improve the tenant line up with a national operator.

Service Charge

The service charge budget for the current year is £46,910.17. There are service charge caps in both the Aldi and B&M leases. The McDonalds lease states that a proportion of car park income should go towards service charge although that proportion is not specifically quantified. Whilst there was a small shortfall of c.£4,000 last year this will not be carried forward for the reasons set out below.

The B&M service charge cap will increase to £20,900pa later this year. The Aldi cap also has an RPI uplift further increasing their contribution.

In addition to the new Osprey lease shown in the tenancy schedule Osprey also have an additional 4 spaces held on a 20 year lease from 2020. This is based on a turnover rent of 15%, the income from which was £3,181.14 in 2024. In addition, there is a car wash operation located in the car park held on a 7 year lease from 2023. The income is currently £2,778pa and will rise annually to £3,377pa by 2030. Together this represents an additional £5,959.14pa of income which has not been capitalised in the tenancy schedule and can be allocated to the service charge. This additional income together with the service charge cap uplifts mentioned above means there will be no future service charge shortfall.

CAPITAL ALLOWANCES

The purchaser will have the benefit of any unclaimed capital allowances.

PROPOSAL

We have been instructed to seek offers in excess of **£11,000,000**, reflecting a net initial yield of **6.55%** after costs of 6.7% and a potential reversionary yield of **7.24%** based on our opinion of ERV*.

*This does not include any additional income derived from development of Phase 2.

VAT

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

CONTACT



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