



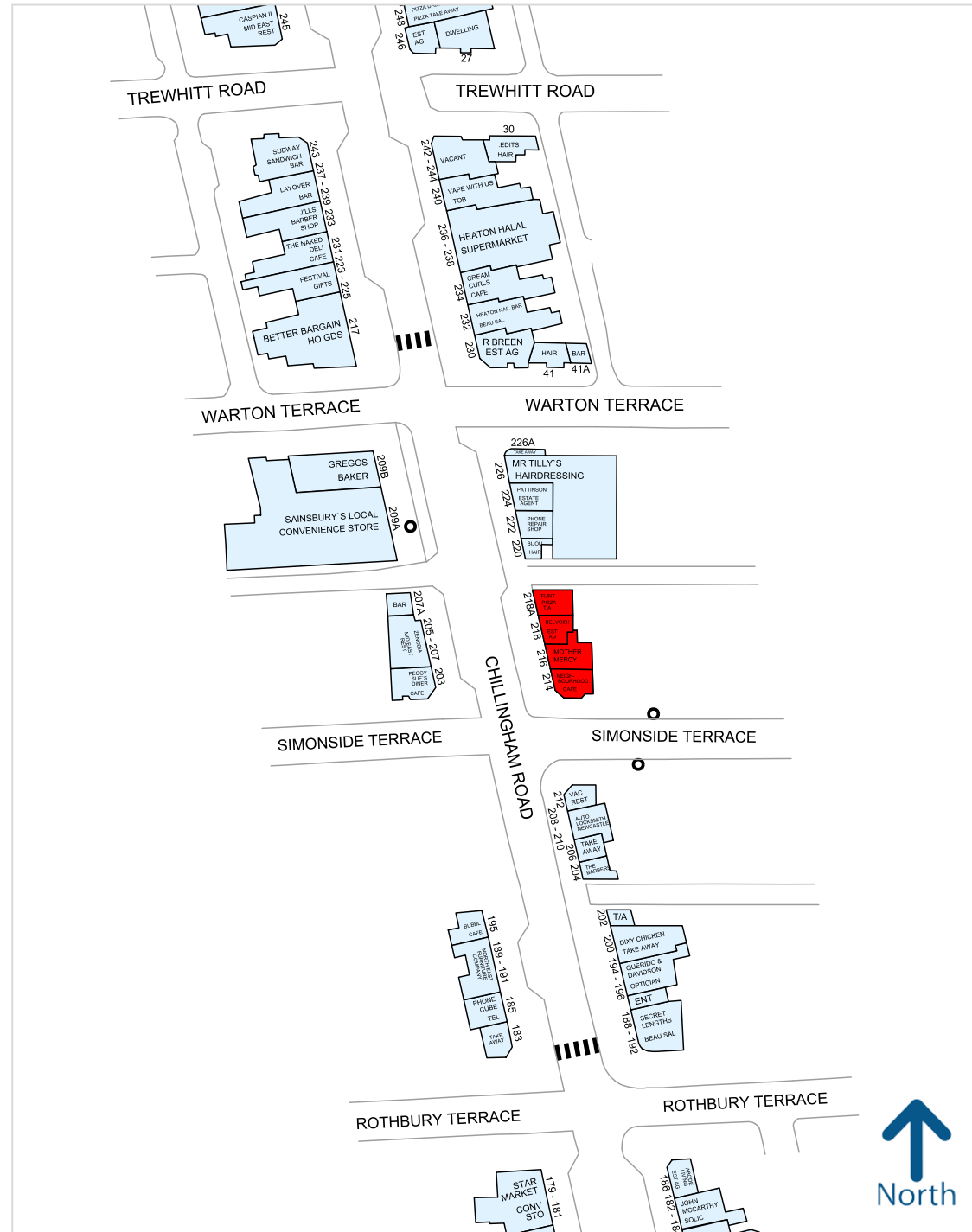
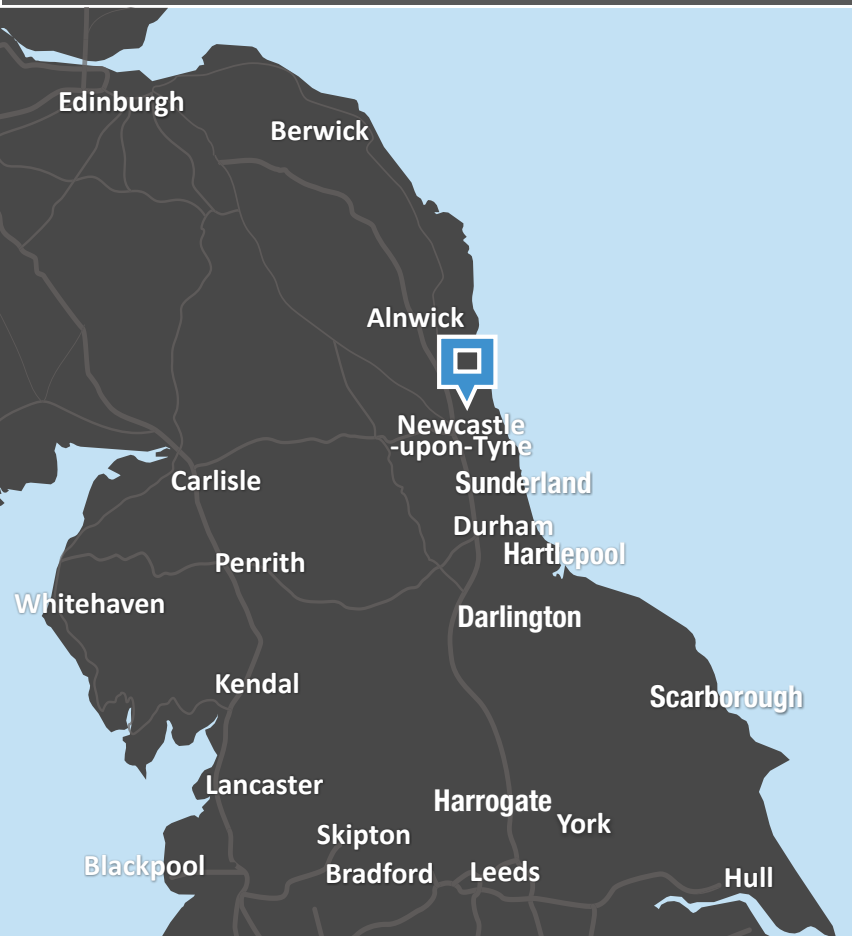
NEIGHBOURHOOD RETAIL PARADE INVESTMENT

214-218A CHILLINGHAM ROAD HEATON NEWCASTLE UPON TYNE NE6 5LP

INVESTMENT HIGHLIGHTS

- ❑ **Rare Multi-let Neighbourhood Parade in busy suburb**
- ❑ **Strong tenant demand and rental growth**
- ❑ **Popular suburb with young professionals, students & families**
- ❑ Current passing **rent of £69,000pa** with rental growth potential
- ❑ **WAULT of 7.23 years** to expiry & 4.8 to breaks

We are instructed to seek offers in excess of **£925,000** which reflects a net initial yield of **7.06%** after purchaser's costs of 5.66% and a potential reversionary yield of 7.9%.



LOCATION

Heaton is a popular and busy residential suburb of Newcastle upon Tyne lying just 2 miles to the east of the city centre. It is a very popular location with students, young professionals and families. It is currently experiencing a renaissance as more young professionals and families move in and take advantage of the increase in coffee shops, restaurants and bars. Heaton also benefits from a number of other amenities to include Heaton Park, Jesmond Dene, Ouseburn and Jesmond Park Academy.

Whilst it is only a short walk into Newcastle city centre, Chillingham Road is well served by public transport, with Chillingham Road Metro Station and a number of buses linking it to the city centre. It is also just off the A1058 Coast Road which links Newcastle to the Coast and the A19 which in turn opens up the wider region.



SITUATION

The property is situated in a prime location on the eastern side of Chillingham Road, with wide pavements, free parking, bus stops in a densely populated residential area. Nearby occupiers include Sainsburys, Greggs, Subway, Tesco, Domino's, Oxfam, Betfred, Pizza Hut together with a number of independent retailers. Heaton is now appealing to more families and young professionals, which has resulted in an improved retail offer. There are now a number of artisan coffee shops and restaurants as demand has increased. There is also still a strong student population in Heaton, with it providing more affordable accommodation than in the city centre.

DESCRIPTION

The property consists of a two storey parade of four shop units fronting Chillingham Road. 214 has a return frontage onto Simonside Terrace and an area of outside seating. Two of the shops are ground floor only (218 & 218A). The other two shops (214 & 216) have first floor accommodation. The property is a traditional brick building under a pitched slate roof which has recently been replaced. The ground floor shop units all have traditional retail frontages.

ACCOMMODATION & TENANCY

Unit	Tenant	Start Date	Next Review	Break	Expiry	Ground	1st	ITZA	Zone A	Rent	% of income	ERV	Comment
214	Neighbourhood Coffee Heaton Ltd	10/02/23	10/02/28	10/02/28	09/02/33	358	531	367	£36.55	£15,000	22%	£18,000	£4,500 deposit held & £10,000 premium paid
216	Whitley Bay Leisure Limited	12/12/24	12/12/29	12/12/29	11/12/34	418	277	366	£46.97	£18,000	26%	£18,000	£5,400 deposit held.
218	H K Rentals Limited	03/09/12	02/09/27		02/09/27	460		384	£46.82	£18,000	26%	£18,000	
218A	Flint Pizza Limited	25/02/19	25/02/29		24/02/34	666		498	£36.14	£18,000	26%	£23,250	£4,050 deposit held.
										£69,000	100%	£77,250	

TENURE

The property is freehold.

RENTAL COMMENTARY

The latest letting at 216 Chillingham Road shows a Zone A rate of £46.97 per sq ft. This is supported by the rent at 218. We therefore believe there is genuine rental growth to be had on this block. This is also further strengthened by the letting of 214 Chillingham Road, which was supported by a £10,000 premium being paid to secure the premises. This shows the level of demand from occupiers for this location.

COVENANT

The property is let to 4 independent retailers, all of which are Limited Companies.

HK Rentals is a franchise of Belvoir Estates agents and was founded in 2006. They have shareholder’s funds of £42,000, a Credit Safe Score of 81/100 and an ‘A’ Rating. More information can be found on the link to their website below:
www.belvoir.co.uk/newcastle-central-estate-agents

Flint Pizza Ltd was founded in 2018 and is a young and growing business. It has a Credit safe score of 41/100 and ‘C’ Rating. More information can be found on the link to their website below:
www.flintpizza.co.uk

Whitley Bay Leisure Ltd T/A Mother Mercy is a new company founded in 2023 and therefore no financial information is currently available. Mother Mercy is a small chain of cocktail bars and venues operating in the North East. Their other venues include, Grey Street, Fenwick & Cloth Market all in Newcastle City Centre together with Sheepfolds in Sunderland. More information can

be found on the link to their website below:
www.mothermercy.co.uk

Neighbourhood Coffee Heaton Ltd was a newly formed company in 2023, therefore there is no financial information currently available. It is however part of the North Shore Coffee Company group who have a number of venues around the region. It has a Credit safe score of 45/100 and ‘C’ Rating. More information can be found on the link to their website below:
www.northshorecoffeeco.co.uk

PROPOSAL

We are instructed to seek offers in excess of **£925,000**, which reflects a net initial yield of **7.06%** after purchaser’s costs of 5.66% and a reversionary yield of 7.9% based on our opinion of ERV.

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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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. April 2025.