

PRIME, WELL SECURED, FREEHOLD, LANDMARK RETAIL INVESTMENT

# NEWCASTLE UPON TYNE

102 GREY STREET • NE99 1SL

LLOYDS BANK PLC

green & partners





# Investment Summary

We are seeking offers in excess of **£6,620,000 (Six Million, Six Hundred and Twenty Thousand Pounds)** subject to contract reflecting a **net initial yield of 5.95%**, allowing for graduated purchaser's costs of 6.64%.

**A rare opportunity** to acquire a prominent, prime **'trophy' asset** forming part of a substantial island site fronting onto Grey Street, Newcastle.

**Popular retail, office and leisure location** immediately adjacent to **Newcastle's Theatre Royal** and **Byron Burger** and opposite **Carluccios, Harrys Bar** and the **Everyman Cinema**. Eldon Square & Monument Mall are in close proximity.

A landmark, Grade II\* listed property **comprising over 31,000 sq ft** with an extensive **91ft frontage onto Grey Street**.

An impressive and substantial ground floor **double height banking hall** with an internal full height atrium.

Securely let to **Lloyds Bank Plc** (5 A1 covenant) for a further **6.7 years**.

**Freehold.**

Current income of **£420,000 pax** with the next rent review in June 2021.

Potential to convert the upper parts for alternative use, subject to vacant possession and planning permission.





## Location

The city of Newcastle is the regional capital and principal economic focus of the north east of England and is one of the most dynamic cities in the UK. The city is located approximately 282 miles (455km) north of London, 97.5 miles (157km) north of Leeds and 121 miles (195km) south east of Edinburgh.

Newcastle benefits from excellent road communications served by the A1(M) which links the city to the UK's motorway network and provides access to Edinburgh in the North and London, Manchester and Leeds in the south.

Newcastle is served by two city centre railway stations, Newcastle Central Station and Manors Station, offering a fastest journey time of 2 hours 37 minutes to London Kings Cross and 1 hour 25 minutes to Edinburgh Waverley. Outside London, Newcastle is the only city in England to benefit from an underground rail network.

Newcastle International Airport is approximately 6 miles (10km) north west of the city centre, servicing 4.6 million passengers who fly to more than 80 destinations.

## Demographics & Retailing In Newcastle Upon Tyne

The city of Newcastle has a **primary catchment population of 1,022,000** persons ranking the city 5th in the UK, with a **shopping population of 390,000** placing it 14th.

The estimated **retail expenditure within Newcastle in 2017 was £5.1 billion** and the city ranks 6th in terms of volume of comparison retail spend available in the catchment area. Newcastle is also a popular tourist attraction with **visitors contributing circa £1.76 billion to the local economy**, spending £626m (up 3.5% from 2017) with over 16,190 people directly employed in the industry.

**City centre retail floor space in Newcastle is estimated at 2.6 million sq ft**, comparable with the Major City average and ranking the city 6th.



1,022,000  
primary catchment



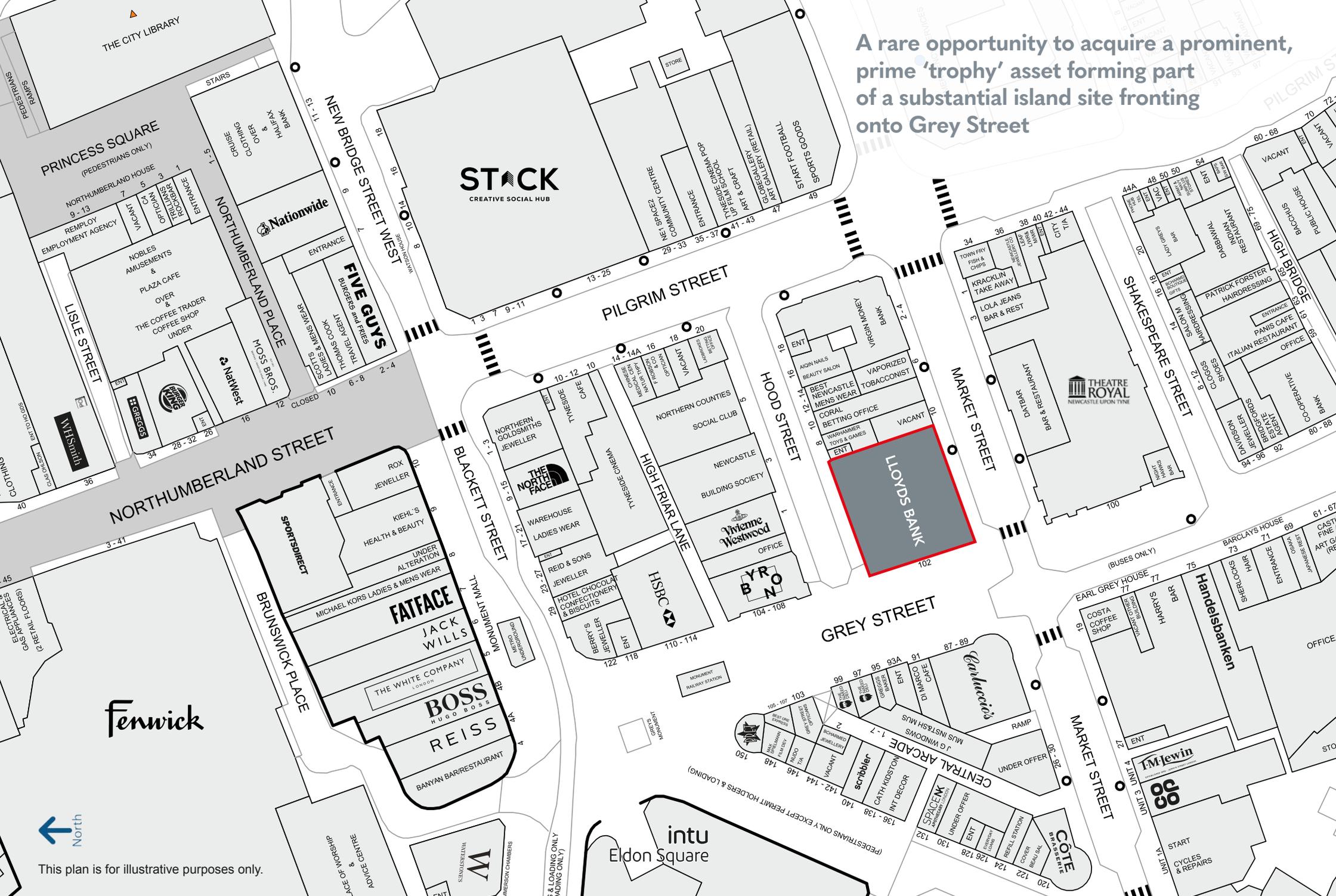
390,000  
shopping population



£1.76bn  
visitor contribution



A rare opportunity to acquire a prominent, prime 'trophy' asset forming part of a substantial island site fronting onto Grey Street



This plan is for illustrative purposes only.

## Situation

The subject property is located in a prominent position towards the northern end of **Grey Street, Newcastle's prime leisure and office location**. It is situated in close proximity to Monument, Monument Metro & the recently refurbished Monument Mall where Blakett Street, Grainger Street and Grey Street meet and where an entrance into Eldon Square Shopping Centre is located. The surrounding properties comprise a mix of retail, leisure and office uses with a number of similar properties having been converted into restaurants or bars with offices above.

**Grey Street has evolved over recent years to become the prime upmarket leisure and dining scene for Newcastle.** Home to the iconic Theatre Royal, the street links the Quayside to the south with the 'Diamond Strip' to the west. The street is home to many popular restaurants and bars including national multiples such as Las Iguanas, Harry's Bar and Carluccios along with local and regional occupiers such as Bar Luga, Decantus and Fitzgeralds.

## Accommodation

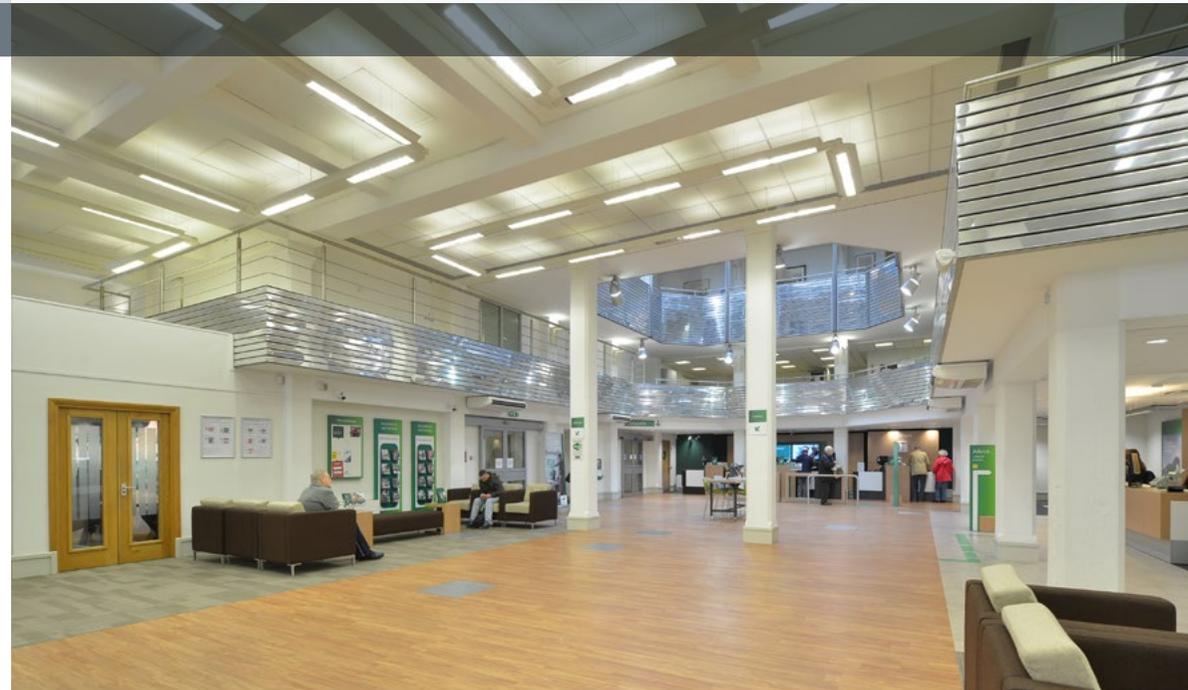
Floor	Use	Sq Ft	Sq M
Basement	Ancillary/ Vaulted Stores	4,449	413
Ground Floor	Sales	6,547	608
Ground Floor	ITZA	2,757 units	
Mezzanine	Offices	2,079	193
First Floor	Offices	5,276	490
Second Floor	Offices	2,227	207
Third Floor	Offices	5,881	546
Fourth Floor	Offices	5,453	507
<b>Total</b>		<b>31,912</b>	<b>2,964</b>

## Description

The subject property is Grade II\* listed and comprises a large double height banking hall on the ground floor and a customer business centre on the mezzanine and first floors. The remaining upper levels provide office accommodation arranged around a central atrium. At basement level there are various strong rooms and storage accommodation.



## Freehold





LLOYDS BANK

## Tenancy

Let to **Lloyds Bank Plc** on a full repairing and insuring lease (FRI) from 24th June 2011 and expiring 23rd June 2021 with a FRI reversionary lease in place from 24th June 2021 and expiring 23rd June 2026 (6.7 years unexpired). The next rent review (open market and upwards only) is due on 24th June 2021.

## Current Income Pax

Current passing rent of **£420,000 per annum exclusive (pax)**.

## VAT

The property has not been elected for VAT. The lease to Lloyds contains a Landlord covenant not to elect for VAT.



## Covenant

LLOYDS Bank Plc (Reg. No: 00002065)

For the previous two years the company reported the following financial results:

Financial Year End	31/12/2018	31/12/2017
D&B Rating	5A 1	5A 1
Tangible Net Worth	<b>£36,484,000,000</b>	£47,675,000,000
Sales Turnover	<b>£21,664,000,000</b>	£21,865,000,000
Pre-tax Profit	<b>£4,929,000,000</b>	£5,035,000,000
Net Current Assets	<b>£39,888,000,000</b>	£55,537,000,000

H1 2019 results highlights;

 **15%**

**PROFIT  
BEFORE TAX**  
up 15% to  
**£2.7bn**

 **1%**

**TOTAL  
INCOME**  
up 1% to  
**£8.6bn**

 **7%**

**OPERATING  
EXPENSES**  
down 7% by  
£411m to **£5.3bn**

## EPC

The property has a current EPC rating of E120.

## Anti-Money Laundering

In order to comply with anti-money laundering legislation, the preferred purchaser will be required to provide certain identification documents. The required documents will be confirmed to and requested from the successful purchaser at the relevant time.

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## Further Information

For further information, including inspection arrangements or access to a data room site please contact:

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