

ARNDALE HOUSE, 56-62 HIGH STREET WEST SUNDERLAND SR1 3BU

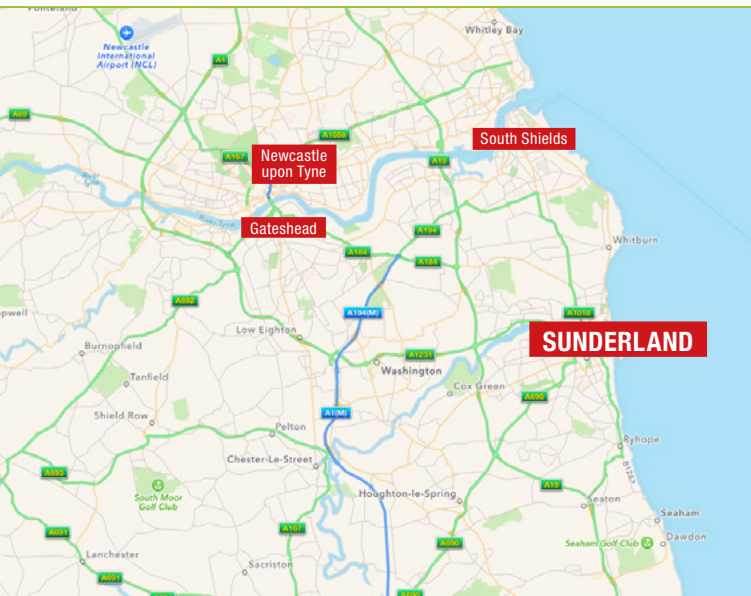


freehold, high yielding, retail investment opportunity

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Investment Summary

- A **prime** retail investment, on **High Street West** directly opposite **Primark** which acts as an entrance into **The Bridges Shopping Centre**.
- An established retailing pitch where national retailers include **Primark, Argos, Mothercare, Marks & Spencer, BHS, Boots Opticians, McDonalds, Ann Summers** and **Brighthouse**.
- Well secured to **Shoe Zone Retail Limited** and **Toni & Guy (South East) Limited** as well as a host of independent retailers.
- Average Weighted Unexpired Lease Term (**AWULT**) in excess of **4 years**.
- **Freehold**.
- Total net rent of **£213,791 pax**.
- Offers in excess of **£2,000,000** (Subject to Contract & exclusive of VAT) which reflects an attractive **Net Initial Yield** of **10%** assuming purchasers costs of 6.28%.



Location

Sunderland is one of the North East's most important commercial centres, located approximately 12 miles (19 km) south east of Newcastle and 25 miles (40 km) north of Middlesbrough.

Road communications are excellent as Sunderland is linked to the main East-Coast arterial routes of the A19, 2 miles (3 km) to the west and the A1 (M) at junctions 65 and 62, 7 miles (11 km) to the north and 10 miles (16 km) to the south respectively. Sunderland is also well served by rail providing regular services to Durham and Newcastle with a fastest journey time to London Kings Cross of 3 hours 20 minutes. The Tyne and Wear Metro system was extended in 2002 to include Sunderland which has benefited the city and region.

Newcastle International Airport is located approximately 20 miles (32 km) north west of Sunderland city centre and is accessed via road and rail in under an hour.

Demographics & Economy

The city has a total population within its primary retail catchment of **376,000** and an estimated shopping population of **191,000**. It was announced that Sunderland leads the north east region for the biggest increase in private sector employment from 2010 to 2012 (ONS).

Nissan Motor Manufacturing UK factory opened in Sunderland in 1986 and in 2012 produced 500,000 cars annually and is the UK's largest car factory. Nissan recently announced the investment of £100m in their Sunderland plant to build the next generation of its Juke crossover car. Almost 9,000 people are employed by Nissan in the UK and their Sunderland plant is widely recognised as one of the most efficient in Europe having turned out 8 million vehicles since opening.

Sunderland also benefits from a wealth of education facilities namely the University of Sunderland which boasts over **17,000 students** as well as Sunderland College which has over 14,000 students and 20 secondary schools.

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Retailing in Sunderland

Sunderland's city centre retail floor space is estimated at **1.2 million sq.ft** ranking the city 64th on PROMIS Centres of this measure.

The retail offer in Sunderland is concentrated within The Bridges Shopping Centre. A predominantly covered scheme which was extended in 2000 and 2012 and provides approximately 635,000 sq.ft. of retail space and is the dominant retailing destination. The scheme is anchored by **Debenhams** with other national retailers present including **Boots, H&M, Next, River Island, Primark** and **Topshop**.

High Street West was historically the prime retailing within Sunderland and is home to many large store national retailers including **M&S, Argos, BHS** and **Poundland**.

As well as High Street/Shopping Centre retail, Sunderland benefits from a strong supply of out of town retail having five retail parks within its primary catchment. These consist of Pallion Retail Park, Hylton Retail Park, Sunderland Retail Park, Waterloo Square in South Shields and Trimdon Street West Retail Park. These retail destinations host a combination of bulky good/out of town occupiers as well as High Street retailers such as **Argos, Costa, Poundland, BHS, Next, River Island** and **Pure Gym**.



Sunderland Development

The brownfield Vaux Brewery Site is a focal point of Sunderland and the council along with partner Siglion and chosen construction company Carillion has begun a £100m regeneration in Sunderland including four other sites owned by the city council. Plans for the five and a half hectare site include offices, a hotel, leisure and residential uses. Full plans for the long term redevelopment of the remaining sites are yet to be produced.

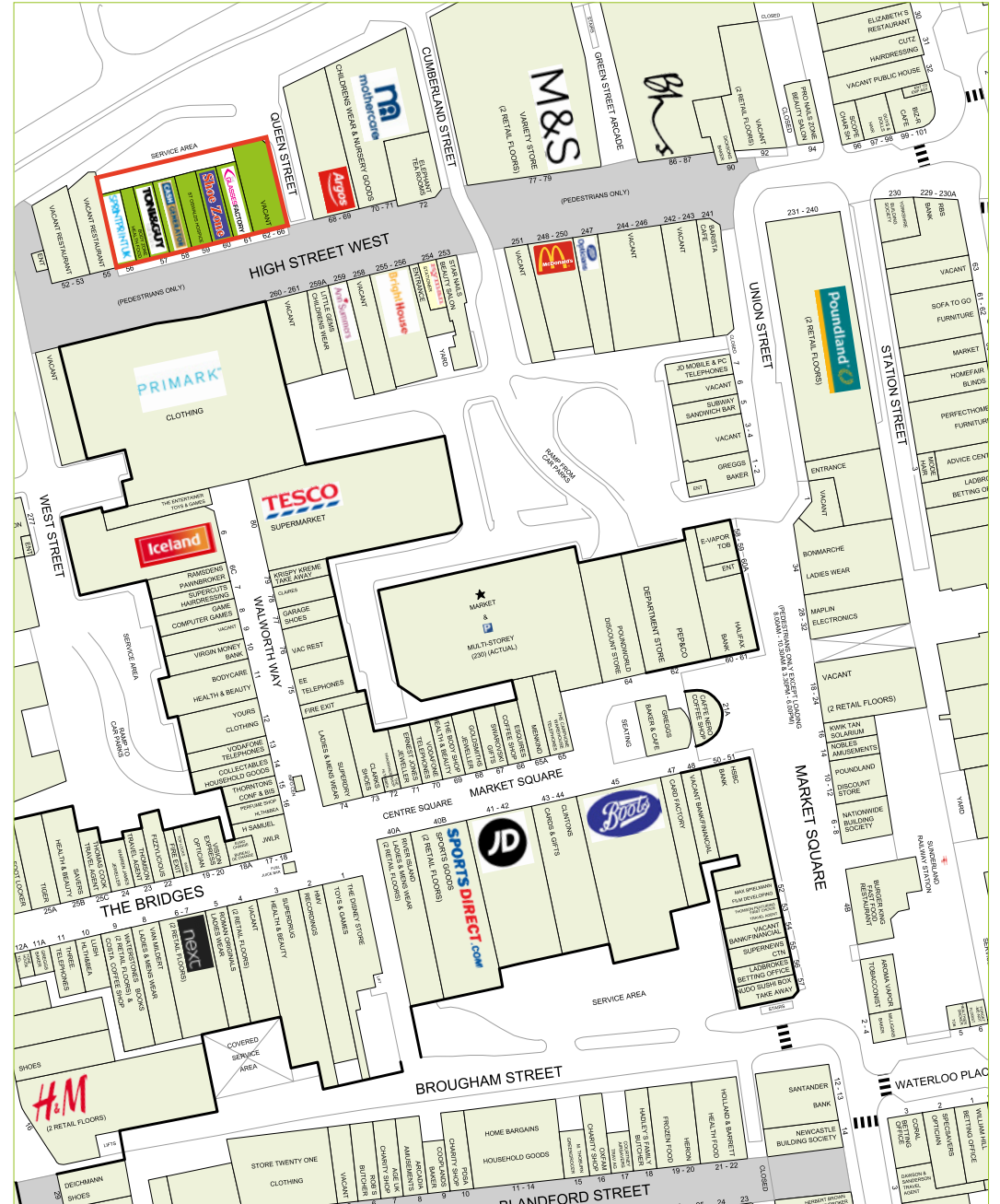
The former Crowtree Leisure Centre is scheduled to be demolished by the council providing an opportunity for an extension to The Bridges Shopping Centre (370,000 sq.ft) to include retail, leisure and a hotel. It is rumoured that the development will be anchored by a national department store.

Situation

The subject property is located on the pedestrianised section of High Street West directly opposite the new 3 floor **Primark** which provides access to The Bridges Shopping Centre. High Street West sites many of the city's large store operators including **Marks & Spencer, Argos, BHS, Poundland** and **Curry's**. Other national retailers in close proximity include **Mothercare, Ann Summers, The Works, Brighthouse** and **Boots**.



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Tenancy Schedule

Address	Tenant Name	Rent (£pax)	Area Analysis (sq. ft.)				Start Date	Expiry Date	Outstanding/ Next Rent Review	Next Break	Service Charge & Ins	Rates Payable	Landlord (Shortfalls)	Comments	
			GFS	ITZA	1st	2nd									
56 High Street	Sprintprint (NE) Limited	£14,000	966	499	259	-	02/10/15	01/10/20	-	01/10/17	£1,156.97	£14,051	-	Tenant rent deposit of £1,200 (+VAT). Rent increases to £16,000 on 02/10/2016, £18,000 on 02/10/2017, and £20,000 on 02/10/2018.	
56a High Street	Olympia Fitness Centre LLP	£10,080	-	-	2507	1476	19/06/15	18/06/20	-	-	£3,261.65	£3,648	£6,818.35	The tenants rent is inclusive of service charge and insurance.	
57 High Street	Toni & Guy (South East) Limited	£47,850	1496	738	-	-	03/04/06	02/04/21	03/04/15	-	£895.83	£20,460	-		
57a High Street	Trevor Mitchel & Michael Johnson t/a Body Zone Health Food	£15,000	376	298	-	-	14/11/12	13/11/17	-	-	£252.49	£6,902	-		
58 High Street	1 in 6 Limited	£30,000	1269	677	985	548	20/11/09	19/11/19	20/11/14	-	£2,125.43	£20,090	-		
59 High Street	St Oswalds Hospice Ltd	£27,500	1216	675	1085	594	09/02/13	08/02/23	09/02/18	08/02/18	£2,125.43	£20,706	-		
60 High Street	Shoe Zone Limited	£25,500	1575	672	1050	532	29/07/14	28/07/19	29/07/09	-	£2,125.43	£18,734	£820.97	The tenant benefits from a reduced repairing liability on their demise.	
61 High Street	The Glasses Factory (North East) Ltd	£21,500	1187	652	-	-	10/11/11	09/11/21	-	10/11/16	£709.05	£17,995	-		
62 High Street	Vacant (Rental Guarantee)	£30,000	2282	1083	3266	2729	-	-	-	-	£4,641.71	£33,771	£38,412.71	Landlord to provide one year rent, service charge, insurance & rates guarantee.	
Spaces 1 & 2	Beatrice Yorston	-	-	-	-	-	27/06/11	-	-	-	-	-	-		
Space 3	Beatrice Yorston	-	-	-	-	-	23/03/11	-	-	-	-	-	-		
Space 5	Beatrice Yorston	-	-	-	-	-	01/01/98	-	-	-	-	-	-		
Total		£221,430	25,398 sq. ft.									£17,294	£7,639		

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The Property

The property comprises eight retail units over a total site area of 0.41 acres. The retail units vary in size and are predominantly arranged over ground, basement and first floor. A large service yard can be found to the rear where all units are serviced from.

Accommodation

The property provides an approximate total net floor area of **2,360 sq.m (25,398 sq.ft)**.

Tenure

Freehold.

Current Income

- The current gross contracted income is **£221,430 pax**.
- The total net income, after landlord shortfalls is **£213,791 pax**.

Property Management & Service Charge

The property is currently managed by JLL. The service charge for the subject property is operated under a single schedule with the tenants having apportioned percentage contributions based on each occupier's Gross Internal Area.



The current service charge year runs from 1st April 2016 to 31st April 2017 and the present budget amounts to **£17,294 pax** which devalues to £0.59 per sq.ft. The previous service charge budget for the year ending 31st March 2016 amounted to £43,780 which devalues to approximately £1.50 per sq.ft and resulting in a **-60.5% variance**. There has been a significant reduction in service charge primarily due to £20,000 of roof repairs in the previous year's budget.

The vendor commits to provide a 12 month rent, rates and service charge guarantee on 62 High Street West. We estimate other Landlord Shortfalls to amount to **£7,639 pax**.

Further details are available upon request.

EPC

EPC's are available upon request.

VAT

The property has not been elected for VAT.

Proposal

We have been instructed to seek offers in excess of **£2,000,000 (Two Million Pounds)**, Subject to Contract & exclusive of VAT, which reflects a **net initial yield of 10%**, allowing for purchaser's costs of 6.28%.

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Further information or to arrange an inspection please contact:

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