47-61 KING STREET
SOUTH SHIELDS
100% PRIME FREEHOLD
UNBROKEN RETAIL PARADE

allsop
INVESTMENT CONSIDERATIONS

- South Shields is an important administrative centre and popular seaside resort
- Home to one of the Country’s most important ports
- 100% prime retail location
- Well secured with an excellent tenant profile including Boots, Sports Direct, New Look, JD Sports and Argos
- The town’s retailing offer is set to benefit from the £100M South Shields 365 Master Plan over the next 5 to 10 years
- WAULT of 5.9 years to expiry and 4.1 years to break
- Total passing rent of £441,600 per annum
- Offers sought in excess of £4,500,000 (Four Million Five Hundred Thousand Pounds) subject to contract and exclusive of VAT. A purchase at this level reflects a net initial yield of 9.2% assuming purchaser’s costs of 6.57%. 

47-61 KING STREET, SOUTH SHIELDS

100% PRIME FREEHOLD UNBROKEN RETAIL PARADE
LOCATION

South Shields is an important coastal town and one of the region’s most popular seaside resorts. The town lies within the Tyne & Wear conurbation, located at the mouth of the River Tyne. It has an impressive and loyal resident population of 85,000 people within its primary catchment and a wider Tyne & Wear population in excess of 1 million.

South Shields is the administrative and retailing centre of South Tyneside. It is strategically situated between a number of cities and towns including Newcastle upon Tyne (12 miles), Gateshead (11 miles), Washington (10 miles) and Sunderland (7.8 miles). The town’s location means it is well connected, being situated close to the intersection of the A19 and A194 providing direct access to Newcastle upon Tyne to the west and Sunderland to the south.

The town is also well connected by rail, with South Shields Metro Station providing regular services to surrounding towns including Newcastle upon Tyne, allowing onward travel to Manchester, Leeds, Edinburgh and London.

Newcastle International Airport is easily accessible by road, only a 20 minute drive, or via the Tyne & Wear Metro. The airport provides regular domestic, European and international flights.

Furthermore South Shields is home to one of the UK’s most important ports, the Port of Tyne. It is one of Europe’s major deep sea ports and deals with not only cruises and ferries but also container and conventional cargo, as well as car distribution.

RETAILING IN SOUTH SHIELDS

South Shields has a loyal shopping catchment of 39,000 with a total in-store comparison retail expenditure of £207 million.

The town has a retail floor space of approximately 610,000 sq ft with the pedestrianised King Street being the traditional and prime retail pitch within the town. King Street’s main population flow is between Market Square, on the east end of the street, and the South Shields Metro Link on the western end of the street.

Key retailers in South Shield’s town centre include Debenhams, Next, River Island, Morrisons, McDonalds, Dorothy Perkins, Burtons, Poundland, Superdrug, Holland and Barrett and H Samuel. Source: Promis
INVESTMENT IN SOUTH SHIELDS

South Shields benefits from significant public and private sector investment. More recently this has included primarily the town centre, riverside and foreshore areas, growing the town’s importance as a major commercial centre and tourist destination.

The town centre regeneration master plan is proposing to enhance the retail offer by updating the aesthetics and enriching the public realm. (See page 6).

SITUATION

The property occupies the strongest trading position on the prime retailing thoroughfare of King Street. This property is situated within the 100% prime retailing pitch within South Shields and is strategically located on the busy pedestrianised route between the Metro Station and the Market Square.

The subject property has a dominant corner position on King Street and Russell Street and benefits from a return frontage on Russell Street which is a busy ancillary route linking the bus station and the Metro Station.

Nearby retailers include H Samuel, Superdrug, B&M Bargains, WH Smith, Dorothy Perkins and Poundworld.

DESCRIPTION

The subject property is a prominent modern retail parade of steel framed construction with brickwork and stone cladding and comprises accommodation over basement, ground and first floors.

The property was built in the 1990’s and provides one of the few purposebuilt modern retail parades in the town. The property comprises seven well configured retail units with ancillary accommodation at either basement or first floor. In addition the property benefits from a self-contained service yard to the rear. The property totals approximately 41,637 sq ft (3,868 sq m).

The modern construction allows for flexible floor plates which suits modern retailer requirements. Unit 1 (Boots) provides ground floor sales with first floor storage. Unit 2 (Vodafone) offers a ground floor lock up shop. Units 3, 4, 5 and 7 (AG Retail, JD Sports, New Look) comprise ground floor sales and basement storage. Unit 6 (Sports Direct) provides sales at first floor with access off King Street. Unit 8 (Argos) offers ground floor sales accommodation with storage at first floor level.
TENANCY SCHEDULE

<table>
<thead>
<tr>
<th>Unit</th>
<th>Tenant</th>
<th>Accommodation</th>
<th>Size (NIA)</th>
<th>ITZA</th>
<th>Lease Start</th>
<th>Lease Review</th>
<th>Lease Break</th>
<th>Lease End</th>
<th>Rent p.a</th>
<th>Rent psf</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unit 1</td>
<td>Boots UK Limited</td>
<td>Ground Floor Sales</td>
<td>3,553</td>
<td>330.1</td>
<td>1,438</td>
<td>21/07/14</td>
<td>21/07/19</td>
<td>20/07/24</td>
<td>£80,000</td>
<td>£10.77 (ITZA £55.63)</td>
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<tr>
<td>Unit 1</td>
<td></td>
<td>First Floor Storage</td>
<td>3,876</td>
<td>360.1</td>
<td></td>
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<td></td>
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<td></td>
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<td></td>
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<tr>
<td>Unit 2</td>
<td>Vodafone Limited</td>
<td>Ground Floor Sales</td>
<td>2,390</td>
<td>222.0</td>
<td>920</td>
<td>29/07/14</td>
<td>29/07/19</td>
<td>28/07/24</td>
<td>£50,000</td>
<td>£20.92 (ITZA £54.35)</td>
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<tr>
<td>Unit 2</td>
<td></td>
<td>First Floor Storage</td>
<td>3,876</td>
<td>360.1</td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unit 3</td>
<td>AG Retail Cards Limited</td>
<td>Ground Floor Sales</td>
<td>1,326</td>
<td>123.1</td>
<td>760</td>
<td>13/02/14</td>
<td>13/02/19</td>
<td>12/02/24</td>
<td>£50,000</td>
<td>£16.61 (ITZA £65.79)</td>
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<tr>
<td>Unit 3</td>
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<td>Basement Storage</td>
<td>1,684</td>
<td>156.4</td>
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<tr>
<td>Unit 4/5</td>
<td>JD Sports</td>
<td>Ground Floor Sales</td>
<td>3,227</td>
<td>300.0</td>
<td>1,518</td>
<td>18/08/14</td>
<td>18/08/19</td>
<td>17/08/26</td>
<td>£100,000</td>
<td>£15.03 (ITZA £65.87)</td>
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<td>Unit 4/5</td>
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<td>Basement Storage</td>
<td>3,425</td>
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<tr>
<td>Unit 6</td>
<td>Sportsdirect.com Retail Limited</td>
<td>First Floor Sales</td>
<td>8,269</td>
<td>768.0</td>
<td>0</td>
<td>25/11/17</td>
<td>20/03/18</td>
<td>19/03/23</td>
<td>£65,000</td>
<td>Tenant has signed a new 5 year lease. 18 months rent free. Landlord to top up.</td>
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<tr>
<td>Unit 7</td>
<td>New Look Retailers Limited</td>
<td>Ground Floor Sales</td>
<td>2,224</td>
<td>206.6</td>
<td>990</td>
<td>09/05/14</td>
<td>08/05/19</td>
<td>£36,000</td>
<td>£7.17 psf</td>
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<tr>
<td>Unit 7</td>
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<td>Basement Storage</td>
<td>2,882</td>
<td>267.7</td>
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<tr>
<td>Unit 8</td>
<td>Argos Ltd</td>
<td>Ground Floor Sales</td>
<td>4,306</td>
<td>400</td>
<td>1,808</td>
<td>25/12/14</td>
<td>24/12/19</td>
<td>25/12/19</td>
<td>£60,000</td>
<td>£6.83 (ITZA £33.19)</td>
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<tr>
<td>Unit 8</td>
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<td>First Floor Storage</td>
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<tr>
<td>Sub-Station</td>
<td>Northern Electric Plc</td>
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<td>15/05/98</td>
<td>14/05/58</td>
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</table>

TOTAL 41,637 3,868 £441,600

*The uppers above Vodafone are not self-contained and they are essentially landlocked. There is a rates shortfall of £2,842.60 pa and service charge shortfall of £3,552.00 pa.

SERVICE CHARGE

A service charge is in operation to cover the costs of repairing and insuring the structure of the building and the property’s common parts. The proposed service charge budget for 2018 is £62,610 + VAT, which equates to £1.50 per sq ft. There are two landlord annual service charge shortfalls: £3,552 for the void demise (unit 2 upper floors) and £843.32 as a result of Sports Direct service charge cap. Further details are available on request.

RENTAL COMMENTARY

At its peak the rental tone along prime King Street was approximately £80 per sq ft Zone A. Like almost all towns in the UK there has been a rental tone correction over the last few years. Based on local agent opinion and historic lettings current Zone A in South Shields falls between £50-£65 psf. The latest letting within the parade was a renewal to Sports Direct in 2018, highlighting the retailer’s commitment to the pitch.

COVENANT INFORMATION

The property is let to established tenants including Boots, JD Sports, Argos, Vodafone, Sports Direct and New Look, with 90% of tenants being rated better than Low Risk.

TENURE

Freehold.

VAT

We understand that the property is elected for VAT purposes and it is anticipated that the sale will be treated as a Transfer of Going Concern.

EPCS

EPCs for the property are available upon request.
SOUTH SHIELDS 365 DEVELOPMENT

In 2013 Muse Developments were selected to deliver South Tyneside Council’s ambitious South Shields 365 Masterplan over a five to ten year period. The plan proposed a town centre redevelopment with a new retail quarter in the Fowler Street West area. At its completion the scheme will create a new cinema, library, retail and leisure facilities as well as a quality hotel and new housing. The Council is also working with Nexus to bring improvements to the Metro system along with a new transport interchange (Phase 2).

Work on the first phase of the £100m regeneration Masterplan began in 2015 with the completion of the ‘The Word’ (The National Centre for the Written Word) in 2016. Since then development has continued at a pace with work due to start on phase two of the scheme, transport redevelopment, this year.

As you can see in the Development Plan above phase 3 will involve developing a site directly adjacent to the subject property. It will aim to improve the retail and leisure offering in the town creating a new leisure site which will include a cinema. Phase 3 will link through on the south side of King Street and parts of Chapter Row, Barrington Street and East Street. It is believed that the development will have a positive effect on the subject property’s footfall with the development as a whole aiming to enhance the Town Centre, improve connectivity and encourage more visitors to shop and holiday in the town.

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PROPOSAL

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For further information or to make arrangements for viewing please contact:

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