

# WICKES

STATION ROAD, SOUTH SHIELDS, NE33 1RD



# INVESTMENT SUMMARY

- Securely let retail warehouse investment
- Situated in South Shields Town Centre
- Let to Wickes Building Supplies Limited until February 2029 (15.4 years remaining)
- Strong covenant strength
- Part sub-let to Pets at Home
- Totals approx 40,373 sq ft
- Long Leasehold interest at a peppercorn rent
- Total income of £463,019 per annum (£11.46 psf)
- Offers in excess of **£5,300,000** reflecting a **NIY of 8.25%**

## LOCATION

South Shields is a coastal town in Tyne & Wear located at the mouth of the River Tyne. The town is located within the Metropolitan Borough of South Tyneside which has a district population of 152,785 persons (Source: 2001 census) covering 15,921 acres (6,443 hectares).

South Shields has a resident population of 82,854 persons and is located approximately 10 miles east of Newcastle City Centre and 8 miles north of Sunderland. The town has good road communications with the A194 providing a direct link to the A19 dual carriageway and Junction 65 of the A1(M) motorway is approximately 8 miles to the south west.

Access to the Tyne Tunnel (recently dualled), providing two dual carriageways north and south alleviating traffic flow, is located approximately 3.4 miles to the south west and provides access from South Tyneside to North Tyneside. South Shields is part of the Nexus Metro Rail Network connecting South Tyneside, North Tyneside, Gateshead, Sunderland and Newcastle.

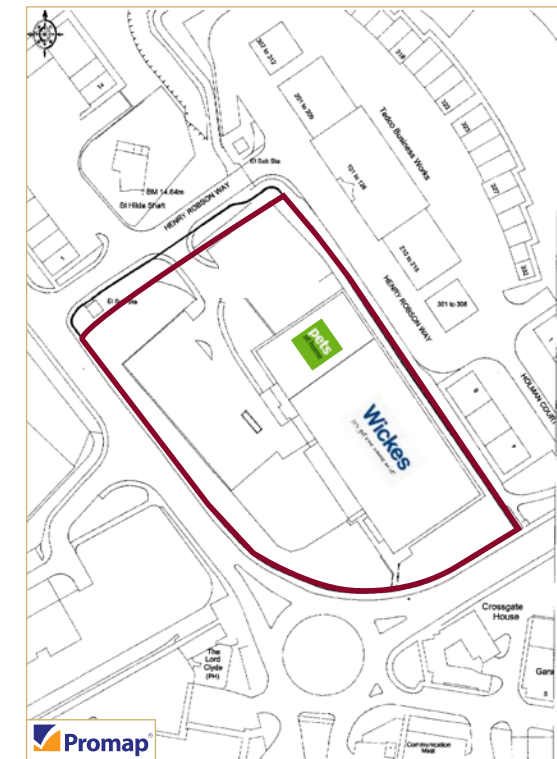
## SITUATION

The property is within Hilda Industrial Estate, situated in South Shields Town Centre at the junction of Station Road and Crossgate. The neighbouring occupiers include B&Q, Halfords, Asda, ATS Euromaster and the Plumb Centre.

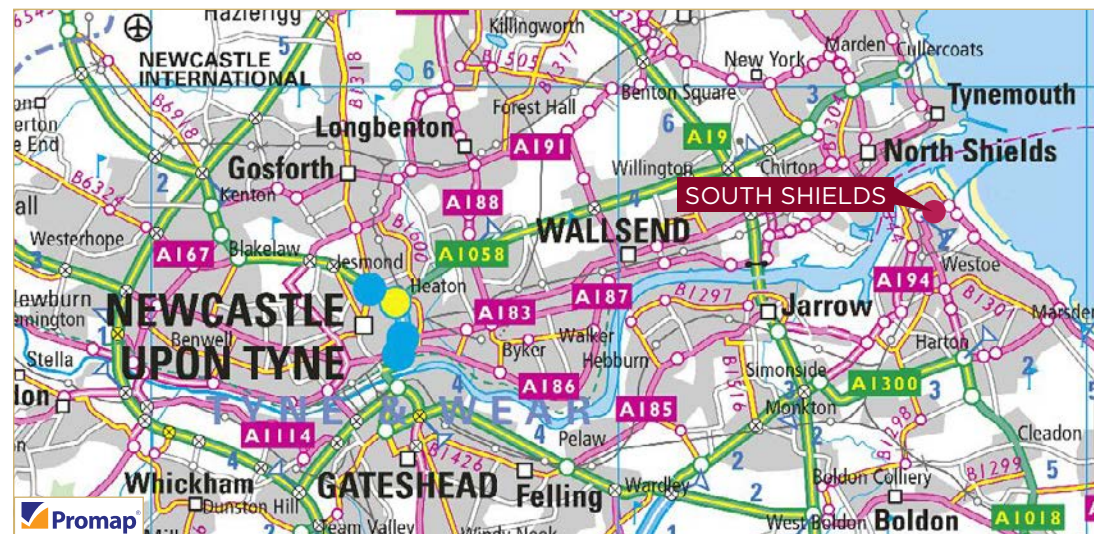
Approximately 700 metres to the north of the property lies Waterloo Square retail park with occupiers that include Debenhams, River Island, Next and BHS.

The main retailing pitch of South Shields is located on King Street which is 800 metres to the north of the property.

In addition, South Shields Metro Station is positioned approximately 0.5 miles to the north, providing access to a network of approximately 60 stations across Tyne & Wear.



For illustrative purposes only.



## DESCRIPTION

The property is a purpose built, single storey retail warehouse constructed in the mid 1980's. The building is of steel portal frame construction. There are a total of 75 car spaces (1:538 per sq ft) located at the front of the building with loading to the side of the property.

The site area is approximately 3.33 acres (1.35 ha), giving a low site cover of 28%.

## TENANCY

The property is let to Wickes Building Supplies Limited on a FRI lease for a term of 25 years from 13th February 2004 expiring 12th February 2029 (15.4 years unexpired). The passing rent is £463,019 per annum, which equates to £11.46 per sq ft.

From March 2015 the rent is subject to upward only, open market rent reviews every 5 years.

The property is part sub-let to Pets At Home Ltd for a term of 16.5 years from 2nd July 2012 expiring 1st February 2029 (15.4 years unexpired). The passing rent is £35,000 per annum, which equates to £9.36 per sq ft. From 3rd January 2015, the rent increases to £70,000 per annum.

## ACCOMMODATION

The warehouse has a total GIA of 40,373 sq ft (3,751 sq m) and comprises of the following approximate areas:

	Sq M	Sq Ft
<b>Wickes</b>		
Warehouse	3,751	40,373
<b>Sub Tenant - Pets At Home</b>		
Warehouse	709	7,633



## COVENANT

Wickes currently has a portfolio of around 200 stores across the UK having opened its first store in Manchester in 1972. Wickes is one of the UK's leading DIY home improvement and building supplies retailers. In February 2005 the business was acquired by the Travis Perkins Group and more information in this regard is available on their website: www.travisperkins.co.uk. Travis Perkins is a FTSE 100 company.

We have set out below the most recently available company accounts for Wickes Building Supplies Limited.

Wickes Building Supplies Limited. (Company number 01840419).

Year to Date	Turnover	Pre Tax Profit	Shareholder Funds
31/12/2011	£980,450,000	£40,375,000	£241,710,000
01/01/2011	£969,052,000	£48,573,000	£211,990,000
01/01/2010	£959,661,000	£46,938,000	£117,832,000

Sub tenant: Pets At Home Ltd. (Company number 01822577).

Year to Date	Turnover	Pre Tax Profit	Shareholder Funds
29/03/2012	£536,410,000	£72,864,000	£319,609,000
31/03/2011	£511,576,000	£75,174,000	£242,648,000
25/03/2010	£462,646,000	£68,853,000	£176,522,000

## TENURE

The property is held on a 125 year long leasehold interest commencing on 1st December 1985 (97 years remaining) from South Tyneside Borough Council at a peppercorn rent.



## PLANNING

Use as a non-food bulky goods retail use within Class A1 of the Town and Country Planning (Use Classes) Order 1987.

## EPC

The property has an energy performance asset rating of B35. The full EPC is available upon request.

## VAT

The property is elected for VAT and the purchase will be treated as a transfer of a going concern (TOGC).

## PROPOSAL

Offers in excess of **£5,300,000 (FIVE MILLION, THREE HUNDRED THOUSAND POUNDS)**, subject to contract and exclusive of VAT.

A purchase at this level reflects a **net initial yield of 8.25%** assuming normal purchasers costs of 5.8%.

## CONTACT

Strictly via sole agents.

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