



ockleston bailey
retail leisure investment

**UNITS 1 & 2, 86/87 NEWBOROUGH &
123/124 WESTBOROUGH
SCARBOROUGH YO1 1ET**

**PRIME FREEHOLD RETAIL INVESTMENT AND DEVELOPMENT OPPORTUNITY
LET TO CLARKS, GRAPE TREE AND SCARBOROUGH TIME CENTRE**

Investment Summary

- Prime corner trading position.
- Let to three quality covenants comprising JG Foods Limited trading as Grape Tree (Company No.0817814), C&J Clark International trading as Clarks (Company No. 00141015) and Walter Pickering Limited trading as Scarborough Time Centre (Company No.00315838).
- Scarborough Time Centre have traded from this location for 19 years and Clarks for over 25 years. Grape Tree took a new lease in June 2017.
- JG Foods Limited have a lease on the ground floor of Unit 1, 86/87 Newborough only. The first, second and third floors above are vacant with a separate access off North Street.
- Subject to planning, the vacant upper parts above the Grape Tree unit would be suitable for a residential conversion and preliminary designs indicate two, two bedroom flats and three, one bedroom flats.
- The current passing rental on the three units is **£160,000 p.a.x.**
- WAULT of 4.13 years (3.19 years to break).
- The property has been registered for VAT purposes and it is assumed that the transaction will be dealt with as a TOGC.
- Freehold.
- We are instructed to seek offers for our client's freehold interest in excess of **£1,650,000**. A purchase at this level would reflect a net initial yield of **9.1%** after deducting purchasers costs of **6.17%**.



Location

Scarborough is a popular north eastern seaside town located in Yorkshire approximately **40 miles (64 km)** north east of York and **42 miles (67 km)** north of Hull. It is the main town on the south side of the North Yorkshire Moors National Park and as such, benefits from a strong tourist industry, especially during the summer months.

The town benefits from good communication links with the **A64** providing access to York which is **40 miles (64 km)** to the south west. The **A165** provides access to Hull which is **42 miles (67 km)** to the south, and the **A171** provides access to Middlesbrough which is **47 miles (76 km)** to the north west.

Scarborough railway station provides direct Trans-Pennine express services between Scarborough, Leeds, Manchester and Liverpool.

The nearest international airport is **Leeds Bradford Airport** which is located **68 miles (109 km)** to the south west. In 2014 the airport handled approximately 3,275,000 passengers.

Catchment and Demographics

Scarborough ranks first on PMA Competition Indicator (PROMIS) with **80%** of expenditure retained within the town. Scarborough's total catchment population is **148,000** (PROMIS) with the town benefiting from a captive catchment and the closest significant competing retail centre of York and Middlesbrough being over one hour's drive away.

"Comfortable Communities" account for the highest proportion of residents (**42%**), significantly higher than the Yorkshire and Humber average. The proportion of "Mature Money" is **8%** above the GB Average (CICI). Per capita retail expenditure in Scarborough is broadly in line with the PROMIS centre average.

The town benefits from around **7 million** annual visitors and spending is estimated at **£522.4m** in 2014, with almost a quarter of this spend falling into the retail sector.

According to an T&S/Visit England figures released in June 2016, the Borough of Scarborough is one of England's top five most visited destinations based on total domestic trips and the total spend over a 3 year period between 2013 and 2015 and finished second only to London based on domestic holiday trips and holiday spend over the same period. The number of day visitors increased by **27%** between 2006 and 2011.

18% of jobs in the town are linked to tourism, **29%** in public administration, education and health sectors, **11%** in manufacturing and **14%** of the working population are self employed (PROMIS).

The NHS is the largest employer in Scarborough with 2,400 staff followed by Coopland & Son (bakers) and McCain Food with 1,300 and 1,000 employees respectively.



Retailing in Scarborough

Scarborough is the leading retail destination on the North Yorkshire coast. The town centre retail floor space is estimated at 1.70 million square feet (81st of the PROMIS centres) and both the volume and quality of retail provision is significantly above average relative to the size of the shopping population reflecting the importance of the tourist and visitor spend to the town. Retailing is focused around a centralised pedestrian prime retailing pitch on Westborough and Newborough which runs east from Scarborough Railway Station (situated approximately 350m to the west).

The town benefits from a number of pay & display car parks in close proximity to the Subject Property and in particular, Aberdeen Terrace **480** spaces, St Thomas Street **123** spaces, Brunswick Shopping Centre **325** spaces, King Street **50** spaces.

Situation

The subject property block occupies a prime trading location at the junctions of the pedestrianised Newborough/Westborough and North Street. Nearby multiple retailers include **Card Factory**, **Edinburgh Woollen Mill**, **EE**, **Bodyshop**, **Thorntons**, **The Works**, **Greggs**, **Pandora**, **Weird Fish**, **Shoe Zone**, **Marks & Spencer**, **Savers**, **Poundworld** and **Ponden Mill**.

Description

The property is arranged on ground, first, second and third floors and is brick construction under a pitched, slate and flat asphalt roof.



Tenancy and Accommodation

Address	Tenant	Accommodation	Area (ft/sq ft)	Area (m/sq m)	Lease Start	Lease Expiry	Next Rent Review	Tenants Option to Break	Rent (p.a.x)
Unit 1 86/87 Newborough	JG Foods Ltd t/a Grape Tree	Window Frontage	14'11"	4.55m	01-Jun-17	01-Jun-27	01-Jun-22	1 June 2023 *	£37,500
		Return Frontage	43'6"	13.2m					
		Internal Width	24'8"	7.5m					
		Shop Depth	50'4"	15.3m					
		Ground Floor Sales	1,116 sq ft	103.6 sq m					
		First Floor - vacant	1,033 sq ft	96 sq m					
		Second Floor - vacant	897 sq ft	83.3 sq m					
		Third Floor - vacant	652 sq ft	60.6 sq m					
		ITZA	666						
Unit 2, 86/87 Newborough	C&J Clark International Limited t/a Clarks	Internal Width	40'6"	12.3m	25-Dec-10	25-Dec-20			£96,000
		Shop Depth	52'6"	16m					
		Ground Floor Sales	1,662 sq ft	154.4 sq m					
		First Floor Ancil	1,580 sq ft	146.8 sq m					
		Second Floor Ancil	1,466 sq ft	136.2 sq m					
		Third Floor Ancil	168 sq ft	15.6 sq m					
		ITZA	1,017						
123/124 Westborough	Walter Pickering Limited t/a Scarborough Time Centre	Internal Width	17'10"	5.4m	23-Dec-10	23-Dec-20		23 December 2016 **	£26,500
		Shop Depth	12'5"	3.8m					
		Ground Floor Sales	154 sq ft	14.3 sq m					
		First Floor Ancil	125 sq ft	11.6 sq m					
		Second Floor Ancil	108 sq ft	10 sq m					
		ITZA	154						
TOTAL			8,961	832.4					£160,000

* The lease contains a tenant only option to break on 6th anniversary of the term upon serving 6 months prior written notice. If the break clause is activated, then the tenant will pay a rent penalty of 3 months (£9,375) plus VAT if applicable.

** The tenant did **not** activate the 23 December 2016 break clause.





Covenant Information

JG Foods Limited (trading as Grape Tree) - Company No. 08178714

J G Foods Limited trading as Grape Tree operate from over 90 units across the UK selling a variety of health foods, nuts, seeds, dried and crystallised fruit, snacks, confectionery, cooking and baking ingredients.

We set out below the most recent financial information available for the tenant:-

	31/12/2016	31/12/2015	31/12/2014
Turnover	19,169,897	14,672,142	£9,881,234
Pre-Tax Profit	707,532	368,629	-£3,055,724
Shareholders Funds	1,206,286	773,899	501,738

J G Foods Limited has a Creditsafe rating of 38 out of 100 which represents a moderate risk (Source:-Creditsafe).



C&J Clark International Limited (trading as Clarks) - Company No.00141015

C&J Clark International Limited trading as Clarks is a British based international shoe manufacturer and retailer. It was founded in 1825 in Street, Somerset where it still has its headquarters. The Company has over 1,000 branded stores and franchises around the world and also sells through third party distribution.

We set out below the most recent financial information available for the tenant:-

	31/01/17 £000's	31/01/16 £000's	31/01/15 £000's
Turnover	885,600	935,400	894,700
Pre-Tax Profit	36,400	71,300	110,000
Shareholders Funds	332,200	363,300	266,500

C&J Clark International Limited has a Creditsafe rating of 69 out of 100 representing a very low risk (Source:-Creditsafe).

Walter Pickering Limited (trading as Scarborough Time Centre) - Company No. 00315838

The tenant was established in 1936 and operates the Pandora franchise at 5 Westborough, Scarborough, the Nominations unit at 15c Brunswick Centre, Scarborough as well as Scarborough Time Centre at 123/124 Westborough.

We set out below the most recent financial information available for the tenant:-

	31/01/17	31/01/16	31/01/15
Shareholders Funds	671,940	700,134	356,074

Walter Pickering Limited has a Creditsafe rating of 89 out of 100 representing a very low risk (Source:- Creditsafe).



CLARKS SHOES
GRAPE TREE
HEALTH FOOD
(2 RETAIL FLOORS)

MARKS & SPENCER
VARIETY STORE
(2 RETAIL FLOORS)

T MAXX
CLOTHING
&
SPORTS
OVER
INTERSPORT
&
SPORTS GOODS

MILKO
VARIETY STORE

MCDONALD'S
(2 RETAIL FLOORS)

ICELAND
FROZEN FOOD

**SCARBOROUGH LIBRARY &
INFORMATION CENTRE**

(480) (ESTIMATED)

STAIRS
RAMPS TO
CAR PARK

THE BODY SHOP
HEALTH & BEAUTY

THORNTONS
CONFECTIONERY
& BISCUITS

THE BALMORAL CENTRE

THE EDINBURGH WOOLLEN MILL
CLOTHING

CARD FACTORY

INTERIOR DECORATIONS

CUSHION FLEX
SHOES

WEIRD FISH
CLOTHING

CHR JEWELLERY

PIZZA HUT

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EPC

Address/Tenant	Rating
Unit 1, 86/87 Newborough – Grape Tree	D86
Unit 2, 86/87 Newborough – Clarks	D88
123/124 Westborough Scarborough – Time Centre	F142

Certificates and recommendations are available upon request.

VAT

The property has been elected for VAT and it is assumed that the transaction will be treated as a TOGC.

Anti-Money Laundering Regulations

In accordance with Anti-Money Laundering Regulations, two forms of identification and confirmation of the source of funding will be required from the successful purchaser.

Proposal

We are instructed to seek offers in excess of **£1,650,000** subject to contract and exclusive of VAT, reflecting a net initial yield of **9.1%** after deducting purchasers costs of **6.17%**.

Further Information

For further information, or to arrange an inspection of the property, please contact Hugh Ockleston, Ockleston Bailey 01244 403445
Email: hugh@ocklestonbailey.co.uk

Subject to Contract

Date of particulars: May 2018



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