

MCCOLL'S

Convenience Store

166 DEAN ROAD, MELDON TERRACE,
TYNE & WEAR
NE33 4AQ



SUBSTANTIAL CONVENIENCE STORE INVESTMENT

SAVOY STEWART

LET FOR 16.5 YEARS WITH NO BREAKS

INVESTMENT CONSIDERATIONS

We are instructed to seek offers in excess of

£435,000

(Four Hundred and Thirty Five Thousand Pounds) Subject to contract for the freehold interest.

A purchase at this level would reflect a **Net Initial Yield of 6.24%**, with a **Reversionary Yield of 6.89%** in 2025 assuming purchaser's costs of 4.39%.

- › Prominently located convenience store
- › Store benefits from a large public customer car park to rear
- › The whole property is let for 16.5 years with no breaks to Martin McColl Limited
- › Fixed uplifts at 2% pa compounded throughout offering guaranteed rental growth
- › Total current rents reserved £28,329 per annum rising to £31,278 per annum on 19th May 2025
- › Low passing rent of only £8.50 per sq ft



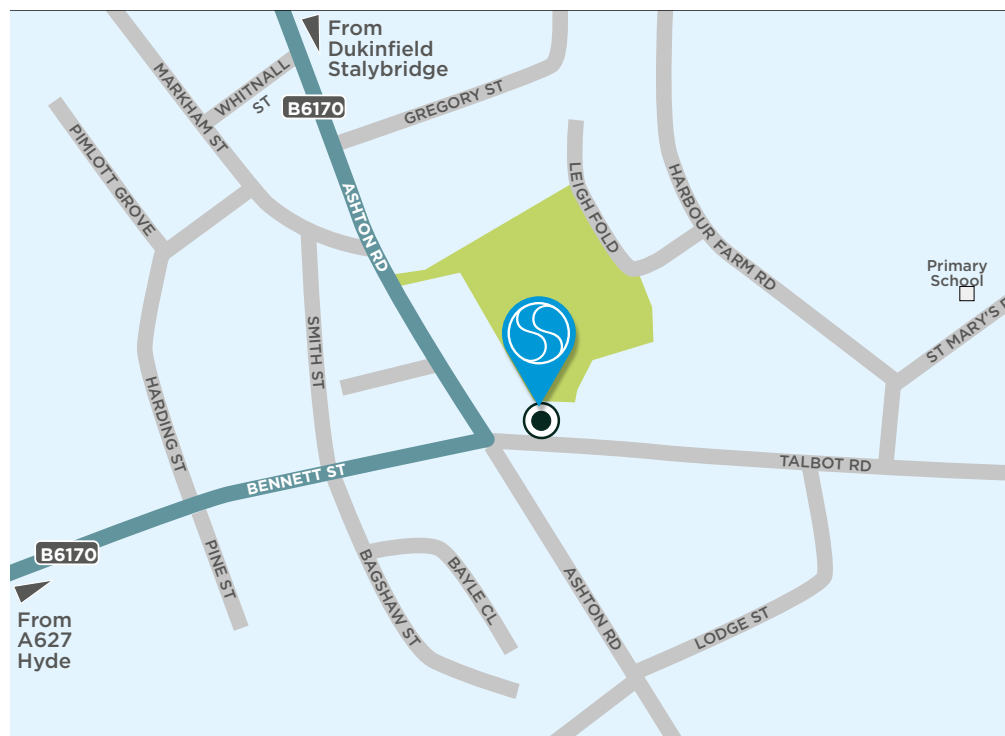
LOCATION

South Shields, with a population of approximately 83,000, is situated south of the River Tyne, some 11 miles east of Newcastle upon Tyne. Road communications are good, with the A1300 connecting to the A194 and hence the A1, whilst the Metro (light railway) provides frequent services to Newcastle city centre. The town centre is undergoing significant redevelopment with the £100m South Shields 365 project. This will provide a new retail, leisure and cinema development, a new transport interchange and improved public realm.

SITUATION

The property is situated in a predominantly residential area on Dean Road, a busy local retail parade. Other occupiers include Ladbrokes, Stage Coach, public houses and numerous local occupiers. The store benefits from being surrounded by numerous local primary and secondary schools.

The unit is within short walking distance of Chichester Metro Station and nearby The Port of Tyne.



DESCRIPTION

The building is a brick built end of terrace two storey under pitched slate roof. The retail shop is arranged over the ground floor with ancillary and staff accommodation to the rear and in part of the first floor. The sales area provides a full range of grocery products, bakery, ATM and an off licence. There is a flat on the first floor/attic. This has been sold off on a long leasehold basis.

The premises benefits from a large public customer car park to the rear of the store.

ACCOMMODATION

FLOOR	SQ FT	SQ M
Ground - Sales	1,318	122
Ground / First - Ancillary	1,919	178
Total NIA	3,237	300

Areas have been provided by the tenant and have not been measured by Savoy Stewart

TENURE

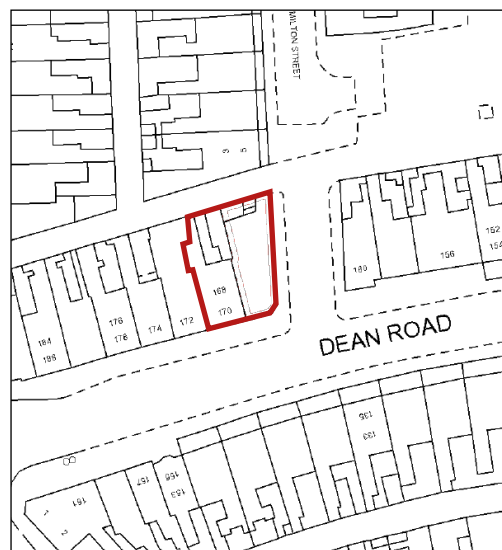
Freehold. The first floor and attic flat has been sold off on a long leasehold.

TENANCY

The whole property is let to Martin McColl Limited for a term of 16.5 years from 20th November 2019 on FRI terms and subject to fixed uplifts at 2% per annum compounded throughout. The passing rent is £27,500 per annum. The vendor will top up the rent to £28,329 per annum from completion until 19th May 2020 by way of an allowance on the day of completion in the purchase price.

RENTAL UPLIFTS

YEAR	RENT	REVERSIONARY YIELD
19th May 2025	£31,278 pa	6.89%
19th May 2030	£34,533 pa	7.61%





COVENANT

McColl's trade from over 1,600 stores throughout the UK with approximately three quarters of those being convenience stores and the remainder trading as newsagents. Their brands include McColl's, Martin's and R. S. McColl. For the year ending 25th November 2018 reported a turnover of £835.333 million, a pre-tax profit of £34.718 million and shareholder's funds of £218.271 million.

The combined group has a turnover in excess of £1.1bn. It employs over 22,000 full and part-time staff and is visited by over 5 million customers every week. The company floated on the London Stock Exchange in 2014. Further information can be found at:

<https://www.mccollsplc.co.uk/investors>



EPC

The property has an EPC rating of C73. A copy of the EPC is available on our website.

VAT

The property is elected for VAT which will be chargeable on the purchase price. It is anticipated the transaction is to be treated as a transfer of going concern (TOGC).

PROPOSAL

We are instructed to seek offers in excess of

£435,000

(Four Hundred and Thirty Five Thousand Pounds)

Subject to contract for the freehold interest, which reflects a net initial yield of 6.24% assuming purchaser's costs at 4.39%.

VIEWING & FURTHER INFORMATION

All interested parties are requested to make any appointments strictly through Savoy Stewart.



www.savoystewart.co.uk

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TERMS & CONDITIONS

Messrs Savoy Stewart, for themselves and for the vendors or lessors of this property for whom they act, give notice that:

These particulars are a general outline only, for the guidance of prospective purchasers or tenants, and do not constitute the whole or any part of an offer or contract.

Savoy Stewart cannot guarantee the accuracy of any description, dimensions, references to condition, necessary permissions for use and occupation, and other details contained herein, and prospective purchasers or tenants must not rely on them as statement of fact or representations, and must satisfy themselves as to their accuracy.

No employee of Messrs Savoy Stewart has any authority to make or give any representation or warranty or enter into any contract whatever in relation to the property.

Rents, prices, premiums and service charge quoted in these particulars may be subject to VAT in addition and

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