

FOR SALE

Dominant Neighbourhood
Shopping Centre Investment

MOUNTBATTEN SHOPPING CENTRE

Station Road, Hebburn, Tyne and Wear NE31 1LF



MOUNTBATTEN SHOPPING CENTRE



Investment Considerations

- Prominent and established shopping centre in the heart of Hebburn Town Centre situated on Station Road with adjacent occupiers including Aldi, and Asda
- Extensive free parking adjacent to the centre
- Hebburn has a population of 23,000 people and the town centre has seen significant redevelopment over recent years. This includes Hebburn Central, a new leisure centre, which opened in 2020
- Over 50% of the income from national tenants
- Strengthening budget and convenience retail market of which this scheme is focussed
- Numerous asset management angles available to improve the tenant mix and increase rental income

Our client is seeking offers in excess of £3,500,000 (Three Million and Five Hundred Thousand Pounds) for their long leasehold and freehold interests, exclusive of VAT and subject to contract.

This reflects a net initial yield of 11.50% after costs of 6.50%.

MOUNTBATTEN SHOPPING CENTRE

Hebburn is part of the South Tyneside conurbation and is situated approximately 4 miles to the south east of Newcastle upon Tyne and 3 miles to the east of Gateshead Town Centre.

Mountbatten Shopping Centre is situated in the heart of Hebburn Town Centre. It sits near the junction of Station Road and Victoria Road West and benefits from excellent public transport links with multiple bus routes nearby as well as Hebburn Metro Station approximately 200m from the centre.



Location



MOUNTBATTEN SHOPPING CENTRE

Key

- 1 Mountbatten Shopping Centre
- 2 Hebburn Central
- 3 Asda
- 4 ALDI
- 5 Fountain Park
- 6 Hebburn Iona Social Club
- 7 The Glen Medical Group
- 8 Hebburn Metro Station





Hebburn Central

MOUNTBATTEN SHOPPING CENTRE

The Adjacent Hebburn Central

Located right the heart of Hebburn town centre, Hebburn Central is an impressive leisure facility with a wide variety of things to do for all the family.

POOLS

Two swimming pools offer a range of activities, from swimming classes to inflatable fun sessions and parties.

HEBBURN CENTRAL LIBRARY

The centre features a well-stocked library and public computers and is host to a number of local history and family fun events.

SPORT COURTS

There are multiple sport courts for indoor football, netball and badminton, and a gym boasting all the latest equipment.

SOFT-PLAY AND CAFE

A soft-play area is also available and finally, a cafe to relax in after all the fun!



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Description

The shopping centre is available in two parades facing onto the pedestrianised St James Mall and St Johns Precinct. The individual retail units are set over ground and first floor. The units have servicing access to the rear. There is ample free car parking in the adjacent public car park off Station Road.

Current occupiers of the shopping centre include:



MOUNTBATTEN SHOPPING CENTRE

TENURE

Our client owns the long leasehold interest of Hebburn Shopping Centre for a period of 125 years from 30 August 1996.

In addition, they own the freehold interest of 14A, B and C St Johns Precinct which is also included in the sale.

OCCUPATIONAL MARKET

- Overall Retail spending grew 0.5% when compared to the same period last year as consumers spend more on Grocery (+4.0%), and a Discount Stores (+2.7%) (Barclays Consumer Spending Report Oct 22)
- The current market provides opportunity to reposition the asset for future growth and changes in retail habits
- Multiple local housing developments planned for Hebburn by developers including Barratt Homes, Keepmoat, and other national house builders

ENERGY PERFORMANCE CERTIFICATE (EPC)

EPC information is available upon request.



Unit	Tenant	Lease Start Date	Term (Yrs)	Rent	Break	Rent Review	Lease Expiry	NIA Sq M*	NIA Sq Ft*	£Per Sq Ft
1 St Johns Precinct	Karl Bourdieu	09/12/2021	3	£9,500	Fixed to £9,500 per annum from 09/12/2022		08/12/2024	69.50	748.1	£11.31
3 St Johns Precinct	Hannah Day-Jarvis and Colleen Day-Jarvis	17/10/2019	5	£6,000		N/A	16/10/2024	64.14	690.4	
5 St Johns Precinct	South Tyneside Community Laundry CIC	16/06/2014	5	£1,250		N/A	15/06/2019	66.39	714.64	£3.58
7 St Johns Precinct	Claudia O'Brien T/A Poss Hub	16/06/2014	5	£4,500		N/A	15/06/2019	65.96	710	£11.54
9 St Johns Precinct	Susan Bell T/A Hairbiz	21/03/2019	5	£6,000		N/A	20/03/2024	65.44	704.39	£13.33
11 St Johns Precinct	Peter Knowles T/A Safe Vape	21/07/2019	5	£6,000		N/A	20/07/2024	61.86	665.85	£14.20
13 St Johns Precinct	Vacant							66.40	714.72	
15 St Johns Precinct	Mr Peter Frail	11/06/2020	3	£10,500		N/A	10/06/2023	161.47	1,738	
32 St James Mall	Vacant							109.16	1,175	
30 St James Mall	Device Care Ltd	01/07/2019	5	£7,500		None	30/06/2024	53.79	579	
30a St James Mall	Vacant							41.16	443	
28 St James Mall	Mohammad Asif Bilal T/A The Balti Masters	01/07/2018	10	£13,500	Landlord option every 6 months	17/01/2023	30/06/2028	59.27	638	
26 St James Mall	Vacant							112.79	1,214	
24 St James Mall	Vacant							109.63	1,180	
22 St James Mall	Vacant							115.02	1,238	
20 St James Mall	Claire Javan	08/07/2020	3	£12,000		N/A	07/07/2023	95.32	1,026	
16-18 St James Mall	Done Brothers Limited	14/05/2015	10	£16,000		N/A	13/05/2020	221.11	2,380	
12-14 St James Mall	Ladbroke's Limited	04/05/2022	5	£22,000	Tenant 03 May 2025	N/A	03/05/2027	236.16	2,542	
10 St James Mall	M I Dickson Limited T/A Dicksons Butchers	01/05/2020	6	£10,625		01/05/2023	03/04/2026	128.86	1,387	
8 St James Mall	Greggs Plc	29/10/2009	10	£11,750		N/A	28/10/2019	129.51	1,394	
6 St James Mall	Gillian Blake	28/06/2019	5	£11,000			27/06/2024	77.11	830	
4 St James Mall	Thi Lung Dao	03/08/2022	5	£8,500		N/A	02/08/2027	53.23	573	
2 St James Mall	Savers Health & Beauty Limited T/A Savers	25/08/2017	5	£20,000		N/A	24/08/2022	521.93	5,618	
2A St James Mall	Nigel Bould T/A Carpet Designs	15/10/2021	5	£8,500		N/a	14/10/2026	54.07	582	

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Tenancy Schedule

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1 St James Mall	Subway Realty Limited	22/01/2016	10	£13,500		N/A	21/01/2026	159.24	1,714	
3 St James Mall	Mehmet Kaplan t/ Turkish Barber	25/12/2019	10	£13,500		25/12/2024	24/12/2029	73.67	793	
5 St James Mall	Emmaus North East	03/04/2017	10	£14,250		03/04/2022	02/04/2027	158.40	1,705	
7 St James Mall	Mrs G Farrow T/a Hebburn Diner	19/12/2013	5	£12,000		N/A	18/12/2018	153.76	1,655	
9-13 St James Mall	Farmfoods Limited T/A Farmfoods	04/07/2003	20	£43,000		N/A	03/07/2023	901.54	9,704	
15 St James Mall	Boots The Chemist Limited T/A Boots	20/07/2007	10	£15,000		N/A	19/08/2017	241.83	2,603	
17, 19 & 21 St James Mall	Heron Frozen Foods Limited T/A Heron Frozen Foods	06/04/2021	10	£45,000		06/04/2026	05/04/2031	792.36	8,529	
23-25 St James Mall	Vacant			£-		N/A		629.24	6,773	
14a St Johns Precinct	Allison Wilson t/a Hebburn Helps	05/07/2021	7	£ -			03/07/2028	2,352.41	3,395	
				£340,375				6,905.19	74,326	

*Floor areas taken from client records and subject to verification



INCOME

Rental guarantees on the void units will be provided for 12 months and therefore the total gross income will be £428,688 pa excluding VAT.

SERVICE CHARGE

The estate has a modest service charge which runs from 1st January to 31st December. The 2022 budget was £27,900. The service charge covers costs such as security, gritting, fabric repair and maintenance, cleaning and health and safety.

NON-RECOVERABLE COSTS

Current annual non-recoverable costs on void units, which includes service charge and insurance, is £6,800.47 plus circa £18,000 of empty rates following rates mitigation.

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ASSET MANAGEMENT OPPORTUNITIES

- Regear existing leases, instigate outstanding renewal or upcoming renewal negotiations on existing leases and improve the tenant mix
- Reduce the retail footprint with alternative uses/reconfiguration considered
- Public realm works to enhance the scheme

VAT

All prices quoted are exclusive of VAT.

LEGAL COSTS

Each party will be responsible for their own legal costs incurred in the transaction and any VAT in addition.

ANTI-MONEY LAUNDERING

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

Our client is seeking offers in excess of £3,500,000 for their long leasehold and freehold interests in the property, exclusive of VAT and subject to contract.



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VIEWING ARRANGEMENTS

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MISDESCRIPTIONS DISCLAIMER

Naylors Gavin Black and ATF Retail Limited give notice to anyone who may read these particulars as follows: 1. These particulars are prepared for the guidance only of prospective purchasers. They are intended to give a fair overall description of the property only and do not constitute any part of an offer or contract. 2. Any information contained in these particulars (whether in the text, plans or photographs) is given in good faith but should not be relied upon as being a statement or representation of fact or that the property is in good condition or otherwise nor that any services or facilities are in good working order. 3. The photographs appearing in these particulars show only certain parts and aspects of the property at the time when the photographs were taken. Certain aspects may have changed since the photographs were taken and it should not be assumed that the property remains precisely as displayed in the photographs. Furthermore no assumptions should be made in respect of parts of the property which are not shown in the photographs. Any areas, measurements or distances referred to herein are approximate only. 4. Where there is reference in these particulars to the fact that alterations have been carried out or that a particular use is made of any part of the property this is not intended to be a statement that any necessary planning, building regulations or other consents have been obtained and these matters must be verified by any intending purchaser. 5. No person in the employment of Naylors Gavin Black or ATF Retail Limited have any authority to make or give any representation or warranty whatsoever in relation to this property. 6. This property is offered subject to contract and unless otherwise stated all rents are quoted exclusive of VAT. 7. Unless otherwise stated, no investigations have been made by or on behalf of Naylors Gavin Black and ATF Retail Limited regarding pollution, or potential land, air or water contamination. Interested parties are advised to carry out their own investigations as required. Particulars prepared February 2023.

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