



McColl's Convenience Store, 166 Dean Road, Meldon Terrace,
South Shields, Tyne & Wear, NE33 4AQ

Secure Convenience Store Investment

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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

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.

TENANCY

The whole property is let to Martin McColl Limited for a term of 16.5 years from the 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 a reduction in the purchase price.

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 26th November 2017 reported a turnover of £713.391 million, a pre-tax profit of £27.168 million and shareholder's funds of £186.239 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: <http://www.mccolls.co.uk/investor>.

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)

LEGAL COSTS

Each party is to be responsible for their own costs incurred in the transaction.

EPC

The property has an EPC rating of C73.

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

Offers in excess of **£420,000** are invited for the freehold interest of the property. A sale at this level reflects a net initial yield of **6.47%** allowing for purchasers costs of **4.30%**

VIEWING

Strictly By appointment through Johnson Tucker LLP or our Joint Agent Savoy Stewart. For more information please contact:

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Conditions under which these particulars are issued

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