



“One Stop” Convenience Store Investment – on behalf of Fixed Charge Receivers

 1 Harbour View, Sunderland, United Kingdom, SR6 0NL

FOR SALE  PRIVATE TREATY

£ 270,000 Offers in the region of

Location



Sunderland is a port city in Tyne and Wear. The city is 10 miles (16 km) from Newcastle-upon-Tyne and is on the River Wear's mouth to the North Sea.

Sunderland station has five direct trains to London King's Cross on weekdays (five on Saturday / four on Sunday), taking about 3 hours 30 minutes.

Newcastle is a 30-minute Tyne & Wear Metro ride (see above) from Sunderland city centre and has connecting services to London every half hour that take approximately 2 hours 45 minutes.

The city's main road is the A19, which is a dual carriageway running north to south-west of the city, crossing the River Wear at Hylton. The A1231 leaves the city and takes 20 minutes to reach the motorised A1 linking to the national motorway system.

Newcastle Airport is a 55-minute Metro ride from Sunderland city centre; there is a Metro train connecting with the airport every 12–15 minutes in both directions until 11pm. Also, Teesside International Airport can be reached in less than one hour by car.

Summary

- For sale on behalf of Fixed Charge Receivers
- Freehold convenience store investment
- Let to One Stop Stores (a wholly owned subsidiary of Tesco PLC)
- Highly secure income – Net Assets £163.6 million
- 2024 break option not exercised, demonstrating the tenant's commitment to this location
- Popular seaside town and tourist resort
- Passing rent £25,000 per annum
- Offers in the region of £270,000, subject to contract
- Net Initial Yield 9.0%

Situation

The property occupies a prominent corner position on Harbour View in the coastal district of Roker, opposite Sunderland Marina and less than half a mile from the popular tourist destination of Roker Beach. The property is approximately 2.5 miles (4 km) north of Sunderland city centre and benefits from being in a densely populated residential area.

Nearby occupiers include Harbour View Motors, The Queen Vic Hotel and Restaurant, The Harbour View Pub and Premier Express, along with several independent cafés and takeaways.

The Bridges Shopping Centre in Sunderland city centre is some 3.1km (1.9 miles) from the property, occupied by a wide range of businesses including Primark, Pandora, Savers, Hotel Chocolat, Superdrug, Smiggle, TK Maxx, H&M, Next, Swarovski, JD Sports, Boots and River Island among others.

St Peters Metro Station lies 2.1 km (1.3 miles) to the south and Seaburn Station 2.3km (1.4 miles) to the north, providing direct links to Sunderland city centre and Newcastle upon Tyne.

Sunderland University is situated 2.7km (1.7 miles) from the subject property and the Stadium of Light, Sunderland's football ground is only 1.8km (1.1 miles) away.

Description

The property comprises a ground floor retail unit which is predominantly open plan and has been fitted out in One Stop's usual corporate style. The property forms part of a two-storey mixed-use building, with a bar/restaurant occupying the adjoining section. The retail unit benefits from a prominent glazed frontage to the street and level access for customers

Accommodation

The property has been measured by BKR Floorplans and provides the following accommodation:

Gross Frontage	40 ft	12.19 metres
Net Frontage	41 ft 3 inches	12.57 metres
Ground Floor GIA	2,469 sq ft	229.37 sq m
Ground Floor NIA	2,382 sq ft	221.29 sq m
ITZA	1386.25	

A set of floor plans is available to download, and the measured survey report will be re-addressed to a purchaser at a cost of £540 + VAT.

EPC

The property has an EPC rating of ‘B’ valid until 28th January 2030.

Rateable Value

According to the valuation office website the rateable value for the property is £26,250

The business rates multiplier is 49.9 pence.

Tenure

Freehold.

Tenancy

The property is let to **One Stop Stores Limited** on a full repairing and insuring lease, subject to a Schedule of Condition, for a term of 15 years from 4th February 2019, expiring 3rd February 2034. The current rent is £25,000 per annum and there is an upwards only open market rent review on 4th February 2029.

The tenant had a break option in February 2024 which was not exercised, demonstrating the tenant’s commitment to this location. There is a further break option on 4th February 2029, subject to six months’ written notice.

The lease provides that the tenant has a pre-emption right when marketing to acquire the freehold and submit a proposal for consideration. However, the tenant has confirmed that they have no interest in acquiring the freehold.

It should be noted that the lease provides that any defect which makes the property unfit for occupation or unfit for use, the tenant can suspend paying rent. The landlord must rectify at its own cost or may elect not to rectify. Note that the defects are defined in the agreement for lease, but the agreement is not available. However, we are unaware of any building issues which could give rise to a landlord’s expense.

The lease provides that where the landlord is required to undertake “Exceptional Works” which go beyond typical services, whilst the tenant is One Stop the cost is not to exceed £5,300 + VAT and the tenant is responsible for half.

Covenant

One Stop Stores Limited (Company Number: 02462858) has reported the following figures:

Year Ending	24 February 2024	24 February 2023
Revenue	£1,297,600,000	£1,171,300,000
Pre-Tax Profits	£22,100,000	£15,400,000
Net Assets	£163,630,000	£54,416,000

One Stop Stores Limited is a wholly owned subsidiary of Tesco PLC, it is a retail convenience business which currently has over 1000 retail stores throughout England and Wales. The convenience stores are open seven days a week providing a range of products from newspapers, groceries and alcohol in addition to cash withdrawals, National Lottery and Post Office services.

VAT

This property has been registered for VAT. It is anticipated that the sale will be treated as a transfer of a Going Concern (TOGC).

Proposal

We are instructed to seek **£270,000** (Two Hundred and Seventy Thousand Pounds), subject to contract, reflecting an attractive net initial yield of **9.0%** (allowing for purchaser's costs at 2.91%).

Please note that a purchaser will be re-charged the costs of the measured survey (£540.00 +VAT) and searches (£2,459.80 inc VAT) which are provided in the data room.

Investment Considerations

1. Opportunity to acquire a freehold convenience store investment;
2. Strong covenant to One Stop Stores a wholly owned subsidiary of Tesco PLC;
3. Over 8 years unexpired lease term;
4. 2024 break option not exercised, demonstrating the tenant's commitment to this location;
5. The property benefits from being in a densely populated residential area;
6. A purchase at the asking price represents an attractive net initial yield;
7. Attractive lot size for investors.

Disclaimer

Fixed Charge Receivers Andrew Pear and Milan Vuceljic by the powers given by the Mortgage and all other powers given by statute or otherwise who act as agents for the Company and without personal liability. Both Fixed Charge Receivers are licenced by the Insolvency Practitioners Association and are bound by the Insolvency Code of Ethics.

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