



SUNDERLAND

- Sunderland is the 2nd largest city in the Tyne and Wear conurbation, located 12 miles south east of Newcastle-upon-Tyne and 8 miles east of the A1(M)
- The 20 minute drivetime catchment population is approximately 375,000
- The property forms part of a significant retail and leisure hub, including a large Sainsbury's foodstore and the popular Silksworth Sports Complex, located approximately 2 miles south west of the city centre
- A modern standalone retail warehouse unit totalling approximately 43,040 sq ft, with a garden centre at the rear
- An excellent car parking ratio of 1:215 sq ft
- Freehold
- Open A1 (non-food) planning consent with certain restrictions
- Let in its entirety to CDS (Superstores International) Limited, trading as 'The Range', until November 2026 without break, providing a unexpired term certain in excess of 10 years
- Passing rent of £518,436 per annum, equating to £12.05 per sq ft overall
- Offers are sought in excess of **£6,940,000** (Six Million Nine Hundred and Forty Thousand Pounds), subject to contract and exclusive of VAT
- A purchase at this price represents a **net initial yield of 7.00%**, net of costs at 6.65%, and a **capital value of £161 per sq ft overall**





LOCATION

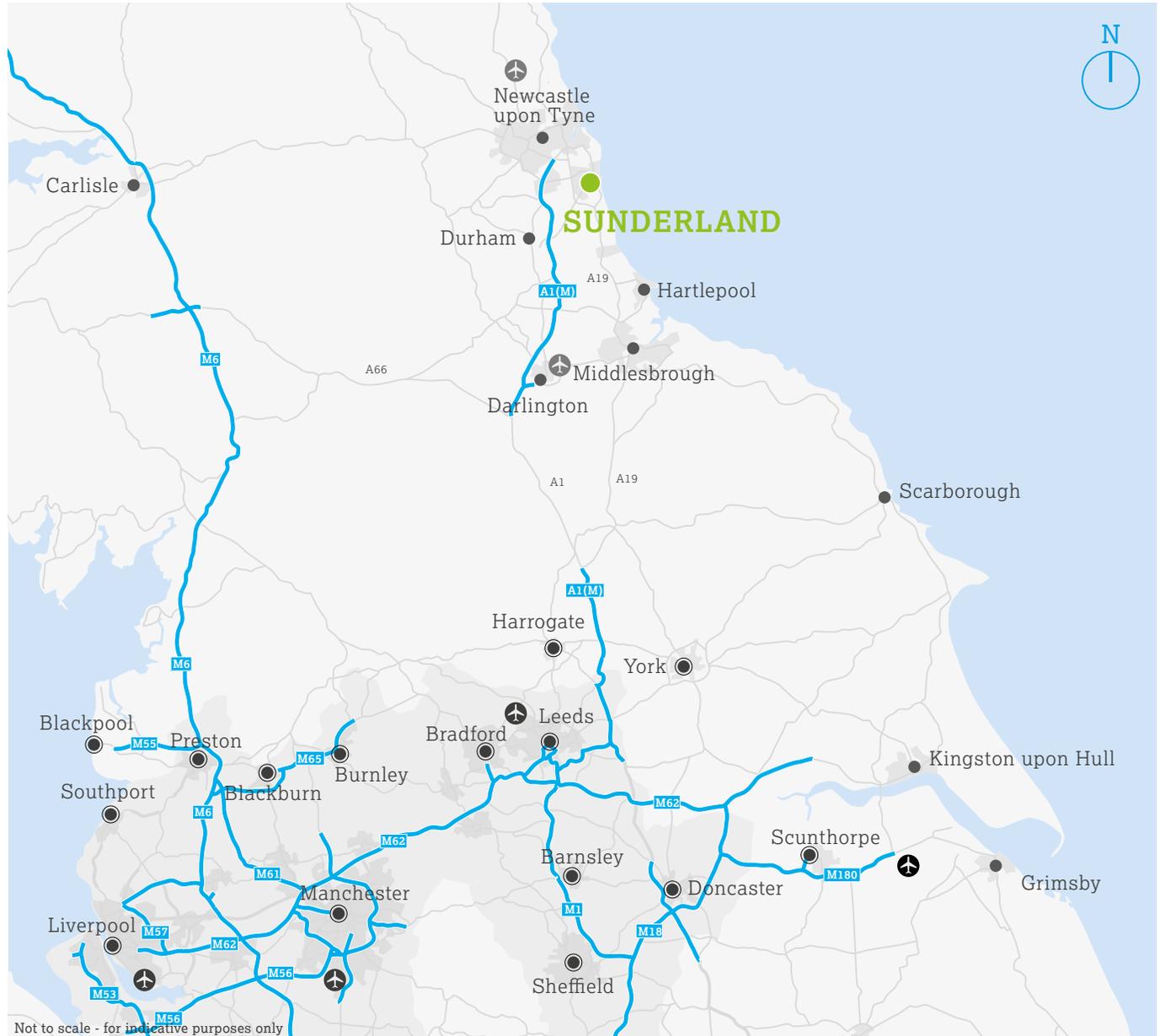
The city of Sunderland is the 2nd largest centre in the Tyne and Wear conurbation (of 1.1 million people) and is located 12 miles south east of Newcastle-upon-Tyne, 13 miles north east of Durham and 38 miles north of Middlesbrough.

Sunderland has excellent transport connectivity. The A19 (North Shields to Thirsk) trunk road passes approximately 3 miles to the west of the city centre and provides direct access to Newcastle, Teesside and points north and south. The A690 and the A1231 link the city centre with the A1(M) and A19, the A1(M) being accessed at both Washington and Durham.

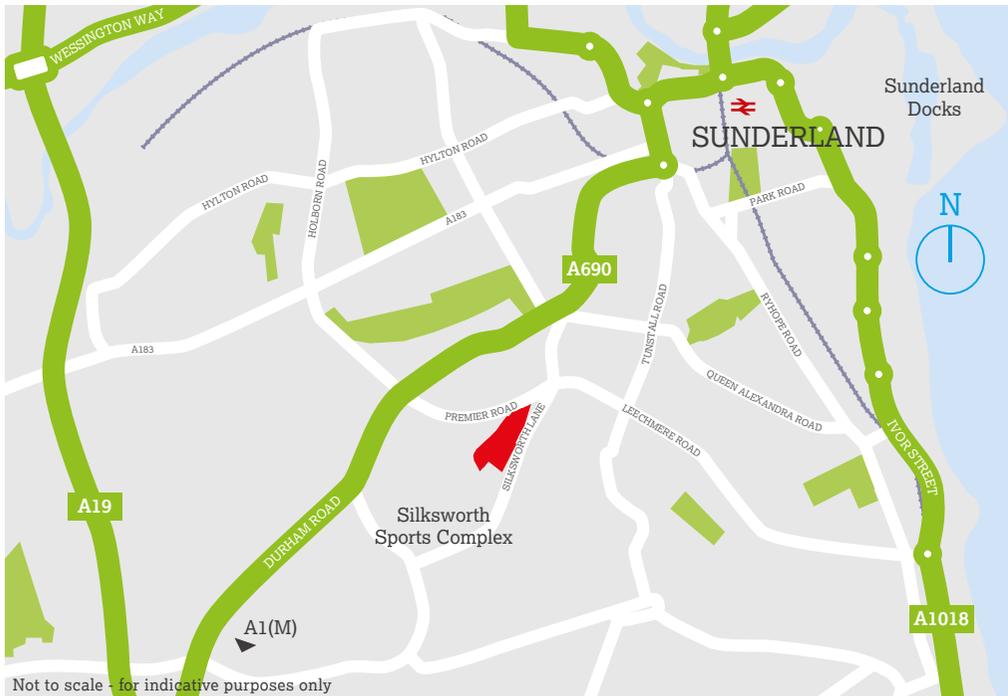
Sunderland station offers Tyne & Wear Metro, extensive suburban and intercity rail services including direct services to London King's Cross (under 4 hours) and Newcastle (25 minutes).

Newcastle International Airport is approximately 20 miles to the north west.

Sunderland is a major centre for both manufacturing and service industries and areas of the city form part of the Northeastern Enterprise Zone, which has attracted significant inward investment over recent years. Sunderland also has a student population of around 17,000.







SITUATION

The property is located approximately 2 miles south west of the city centre in the suburb of Silksworth. The A690 Durham Road passes approximately 0.5 miles north and west of the property and provides direct access to the city centre to the north east and the A19 (3 miles) and A1(M) (10 miles) to the south west.

From the A690, the property is accessed via Silksworth Lane, passing immediately to the east of the property.

The property forms part of a significant out-of-town retail and leisure destination: immediately adjacent is a popular 59,180 sq ft Sainsbury's foodstore and petrol filling station.

Immediately south of Sainsbury's is the large Silksworth Sports Complex, which includes swimming, ski, tennis and gym facilities and is a significant draw for the area. The surrounding area is principally residential and there are a number of frequent bus services operating along Silksworth Lane.

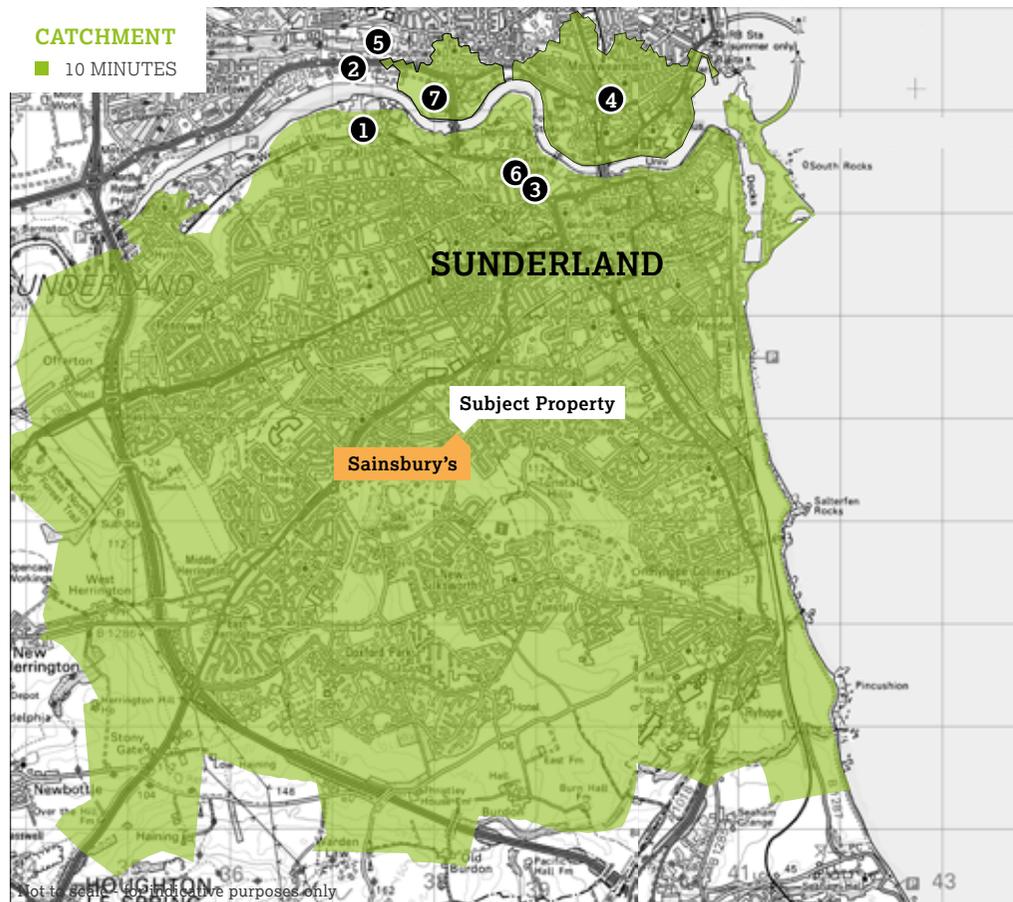
CATCHMENT & DEMOGRAPHICS

Within the 10 minute drivetime catchment:

- There is a population of 79,428 people, of which 74.67%, aged between 16 and 74 years, are economically active. This is higher than the UK average of 73.32%
- 34.65% are full time employees, which is below the average of 38.37% across the UK
- The level of home ownership, at 25.00%, is lower than the UK average of 30.88%
- Car ownership for 2 cars or vans is 15.70%, which is lower than the UK average of 24.79%
- 15% of the households within the 10 minute catchment population are regarded as financially comfortable, which is below the UK average of 27%

The population increases significantly to 374,400 people within the 20 minute drivetime.





RETAIL WAREHOUSING IN SUNDERLAND

Retail Warehousing Provision

Sunderland is undersupplied in terms of retail warehousing floorspace per household and total retail warehouse supply is approximately 904,000 sq ft. In addition to the subject property, there are four retail parks in Sunderland and a solus B&Q and Carpetright unit.

1. Pallion Retail Park

The scheme comprises 129,669 sq ft and is situated on European Way to the north west of the city centre, 2 miles north of the subject property. Occupiers include Matalan, Dunelm, B&M, Iceland and Poundstretcher Extra. B&M are upsizing into part of the Matalan unit.

The park is owned by Ediston Opportunity Fund and has Open A1 (non-food) planning consent with an element of food consent on the B&M and Iceland units. Rents on the park range from £10.00 per sq ft to £12.00 per sq ft.

2. Hylton Riverside Retail Park

This scheme is situated on the western side of the city, off Wessington Way, 2.5 miles north west of the subject property. The park comprises 120,000 sq ft of Open A1 (non-food) retail warehousing accommodation. The park is owned by Savills IM and is let to occupiers including Aldi, Matalan, Poundstretcher, Poundworld, Argos, Pets At Home and B&M. Rents on the park range from £14.25 per sq ft to £18.50 per sq ft.

3. Trimdon Street Retail Park

The scheme is located in close vicinity to the city centre and is situated on the A1231, approximately 1.75 miles north of the subject property. The park comprises 42,500 sq ft and has Bulky Goods planning consent. Occupiers include Currys / PC World and Halfords. Trimdon Street Retail Park is owned by Eskmuir Group. Rents on the park range from £14.50 per sq ft to £16.25 per sq ft.

4. Sunderland Gateway

The scheme is located in close vicinity to the city centre and is situated on Chester Road, 2.5 miles north east of the subject property. The scheme comprises 175,000 sq ft and Occupiers include Tesco, Sports Direct, Farmfoods, B&M, Poundland, Bensons for Beds and McDonalds.

The scheme is owned by Dorney Limited Partnership and has Open A1 (including food) consent on the main terrace.

5. Thomsen Retail Park

The scheme is located to the north west of the city centre and is situated off Wessington Way, 3 miles north west of the subject property. The park comprises 35,720 sq ft and has Open A1 (non-food) planning consent. Occupiers include Wickes and McDonalds, plus a vacant unit. The rent on the Wickes and McDonalds units are £10.92 per sq ft and £18.29 per sq ft respectively. Thomsen Retail Park is owned by Nuffield College.

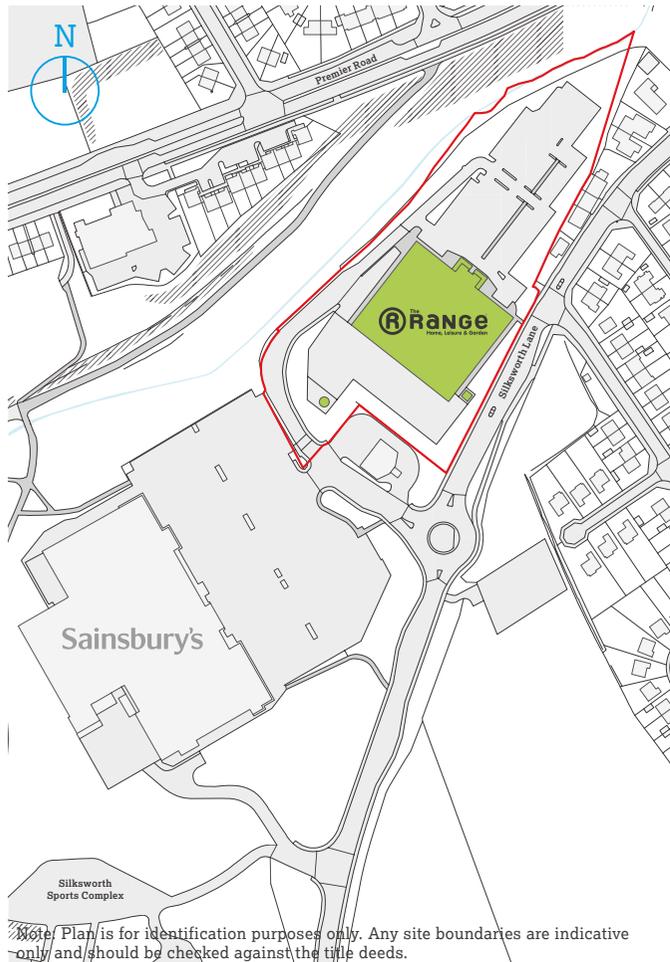
6. B&Q, Trimdon Street

The unit comprises 103,392 sq ft and is located approximately 1.75 miles north of the subject property. The property has a Bulky Goods planning consent and is owned by Quadrant Estates.

7. Carpetright, Dene Road

The unit comprises 29,982 sq ft and is located 2.5 miles north of the subject property. The property is let to Carpetright until December 2022 at a rent of £11.84 per sq ft and is owned by AEW Europe.





DESCRIPTION

Developed in 2001, the property comprises a modern, purpose-built retail warehouse unit totalling approximately 43,040 sq ft. The property was originally let to Homebase, but has been occupied by The Range since late 2014.

The property is accessed from Silksworth Lane via an access road owned by the adjacent Sainsbury's foodstore. Both servicing and customer parking are accessed from the rear of the site with parking laid out in front of the main elevation. The property benefits from approximately 200 car parking spaces, providing an excellent parking ratio of 1:215 sq ft.

The unit is of steel portal frame construction with external elevations clad in composite metal panels and a glazed entrance lobby. Internally the unit is configured as ground floor sales and a cafe, with limited upper parts for office functions and tenant mezzanine storage. The property benefits from a partly covered garden centre attached to the rear elevation. Servicing is from the rear, accessed from the western elevation of the store.

The site totals approximately 2.15 hectares (5.30 acres) providing an exceptionally low site cover of approximately 19%.

TENURE

Freehold.

The property does not abut the adopted highway at the main accessway and requires access over adjoining land owned by Sainsbury's to access the highway. The

necessary rights of access are in place subject to paying a proportion of the cost of maintenance of the accessway (tenant responsibility).

PLANNING

The property has an Open A1 (non-food) consent with the exception of the following goods:

- a) food and drink (excluding the sale of food and drink for consumption on the premises);
- b) fashion clothing (excluding gardening/DIY overalls and protective clothing);
- c) fashion accessories;
- d) footwear (excluding gardening/DIY protective footwear);
- e) jewellery;
- f) cosmetics and toiletries; and
- g) pharmaceutical products.

The retailing of the following goods are permitted, however must be limited to a total floorspace of 5,005 sq ft (465 sq m) (within the existing unit and enclosed garden centre combined):

- h) books and magazines;
- i) toys;
- j) sports goods (including walking and climbing equipment); and
- k) camping equipment

There are no restrictions on the sub-division of the unit, the creation of floorspace at mezzanine level, the hours of operation or the hours of servicing.

Further planning information is available upon request.





TENANCIES

Unit	Tenant	GIA (sq ft)	GIA (sq m)	Lease Start	Lease Expiry	Lease Break	Next Rent Review	Rent Passing (pa)	Rent Passing (psf)	1954 Act Protected	EPC Rating	D&B Risk Profile	Comments
Whole	CDS (Superstores International) Ltd	43,040	3,999	02/11/01	01/11/26	-	02/11/16	£518,436	£12.05	Yes	B	Lower than Average	Trading as 'The Range'. Floor area of 43,040 sq ft reflects the entrance area and first floor offices at half rate. Floor area excludes approximately 3,663 sq ft of tenant mezzanine.
Substation	Northern Powergrid (Northeast) Ltd	-	-	13/03/02	12/03/62	T- 6 month rolling	-	-	Peppercorn	Yes	-	-	-
TOTAL		43,040	3,999		WAULT of 10.3 years			£518,436	£12.05				





TENANT COVENANT

CDS (Superstores International) Limited (trading as 'The Range')

CDS (Superstores International) Limited (trading as 'The Range') operates more than 60 superstores nationwide. The stores retail up to 65,000 products across 16 departments, including furniture, housewares, arts and crafts supplies, gifts, toys, books, pet products, and gardening tools.

Established in 1989, The Range has significantly expanded in the UK over recent years and is targeting significant European expansion going forward.

The most recent summary accounts for the company are as follows:

Year Ending	25/01/2015	26/01/2014	27/01/2013
Turnover	£565,064,000	£470,282,000	£381,903,000
Profit Before Tax	£57,299,000	£45,238,000	£34,834,000
Tangible Net Worth	£166,972,000	£123,113,000	£88,338,000

CDS (Superstores International) Limited has a Dun and Bradstreet rating of 5 A2, representing a 'lower than average' risk of business failure.

ASSET MANAGEMENT OPPORTUNITIES

- Conclude the forthcoming November 2016 rent review
- Given the very low site cover and excellent parking provision, explore the potential for further commercialisation of the site, such as a potential pod development

EPC RATINGS

EPCs are available upon request.

