

Merchants Quay, Newry, BT35 6AH

For Sale

High Yielding Open Class Retail Park Investment





Investment summary

- Newry is a strategically located 'Gateway City' located 39 miles south of Belfast and 67 miles north of Dublin.
- Merchants Quay is Newry's premier in-town retail park with a strong trading history.
- Strong tenant line up with occupiers including TK Maxx, B&M Bargains, Savers, Argos and Peacocks.
- Open Class 1 Retail Park comprising c.58,590 sq ft with dedicated on-site car parking.
- Current Net Income of **£716,155 per annum exclusive**.
- Asset management opportunities to re-gear leases and maximize rental income.
- We are instructed to seek offers in the region of **£5,000,000 (Five Million Pounds Sterling) exclusive**.
- A purchase at this level would reflect a highly attractive **Net Initial Yield of 13.44% based on purchaser's costs of 6.59% and a low Capital Value of £85 psf**.

Location

The city of Newry is a thriving regional hub located close to the border with the Republic of Ireland. Newry is considered to be the 'Gateway City' between Northern Ireland and the Republic and is strategically located approximately 39 miles south of Belfast and 67 miles north of Dublin. The city's positioning, just off the A1 motorway and on the main Belfast to Dublin train line means that the city benefits from excellent transport links both by car and train. The population of Newry, Mourne and Down Borough Council is currently estimated to be 181,669 people.

Situation

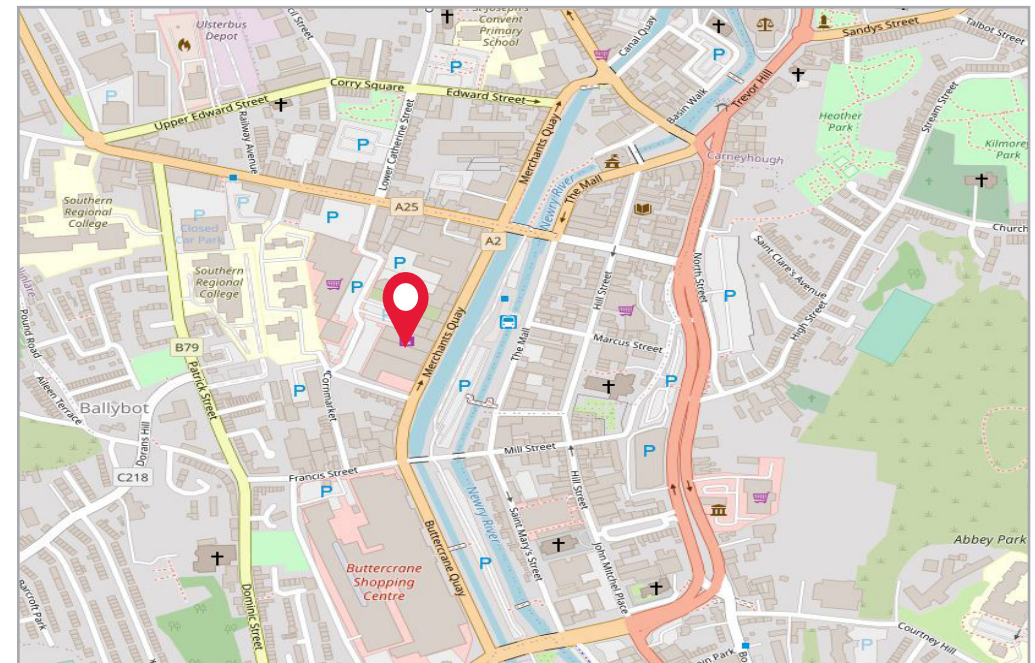
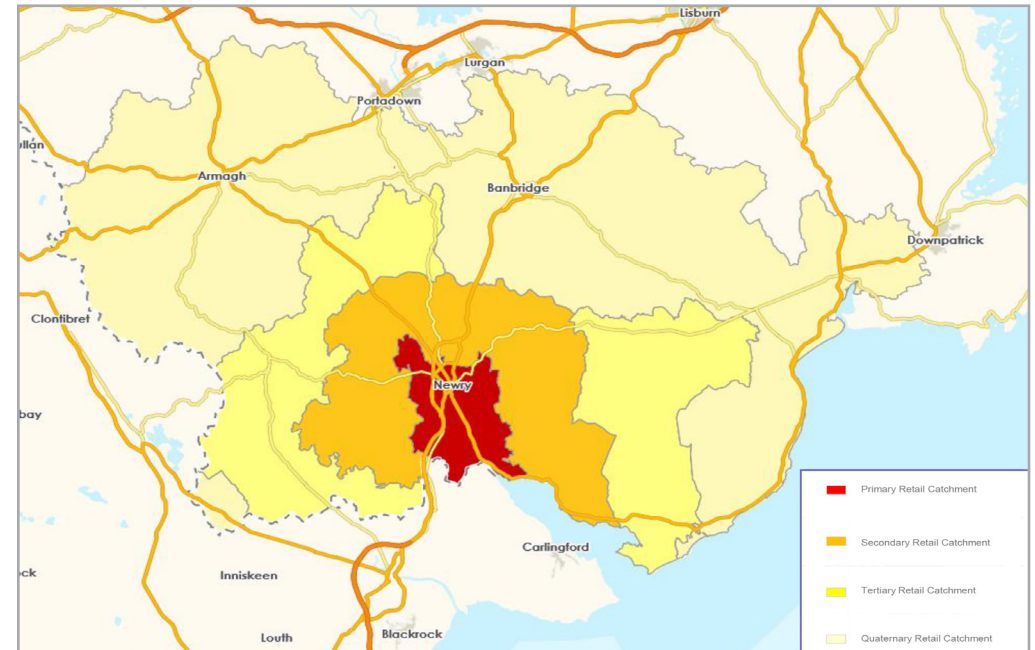
The park is prominently situated on Merchants Quay in Newry City Centre, directly adjacent to the Old Creamery Retail Park and a short distance from Buttercrane and The Quays shopping centres. Neighbouring occupiers include Dunnes Stores, Lynas Foods, Dreams, Boyle Bingo, Bogarts, Therapie and the Canal Court Hotel.

Description

Merchants Quay extends to approximately 58,590 sq ft and is Newry's premier in-town retail park. The main retail parade was developed in 2001 and comprises modern purpose-built retail warehouse accommodation. The parade is of steel portal frame construction with part brick / part clad walls incorporating dedicated entrances with concrete floors and metal roof decking. Tenants currently represented on the main retail parade include TK Maxx, Peacocks and B&M Bargains.

The remainder of the park, which is stepped back from the main retail parade, comprises of two retail units currently occupied by Savers and Argos. The units are of brick construction, with dedicated entrances and glazed shop fronts which sit under a double skinned clad roof. The units connect into a period building at the rear of the property which overlooks the canal, and this space is currently used as back of house storage by Savers and Argos. The upper floors are currently vacant and they were previously occupied by a gym.

The park benefits from over 110 free dedicated car parking spaces and there is also significant car parking provision located in the immediate vicinity.



For Indicative Purposes Only

Tenancy Schedule

UNIT	TENANT	TRADING AS	LEASE START	LEASE EXPIRY	CURRENT RENT	AREA (SQ. FT)	NAV	RATES PAYABLE	SERVICE CHARGE 2021/22	INSURANCE 2021/22	COMMENTS
41-45, Merchants Quay											
Unit 1	TJX UK Limited	TK Maxx	03-Sep-01	02-Sep-21	£298,000	22,500	£241,500	£125,331	£13,867	£6,403	New lease requested. Discussions ongoing.
Unit 2	Peacocks Stores Limited (In Administration)	Peacocks	01-Jun-12	03-Feb-17	£150,000	9,640	£117,500	£61,498	£5,941	£2,744	Solicitors Instructed- Tenant- Cancer Research, Term- 10 year lease, Rent- £106,000 pax, Rent Free- 9 months, Break Option- Year 5. Subject to securing VP. Peacocks Stores Properties Ltd t/a Peacocks have made the following proposal:- Term- 5 year lease, Rent- £120,000 pax, Break Option- Year 3.
Unit 3	Opus Homewares Limited	B&M Bargains	24-Apr-06	23-Apr-21	£99,000	5,500	£64,300	£55,789	£5,131	£2,558	New lease requested. Discussions ongoing.
Unit 4	B&M Retail Limited	B&M Bargains	25-Oct-17	23-Apr-21	£45,000	3,490	£39,600				
38-40, Merchants Quay											
Unit 1	Savers Health & Beauty Limited	Savers	01-Sep-19	31-Aug-24	£45,000	GF- 3,487 FF- 2,040	£40,700	£21,122	£10,505	£1,650	
Unit 2	Argos Distributors Limited	Argos	31-Mar-97	30-Mar-17	£82,000	GF- 6,341 FF-3,762	£77,700	£42,036	£17,317	£2,864	Tenant holding over on a flexible basis.
Second Floor	Vacant	Vacant	-	-	-	1,830	£6,350	£3,699	£3,556	£580	
Advertising	Clear Channel NI Limited	Clear Channel	01-Dec-15	30-Nov-18	£2,400	-	-	-	-	-	Tenant holding over.
Total					£721,400	58,590					

Gross Income - £721,400 pax | Net Income - £716,155 pax (After deduction of Landlord void costs)

Planning

The scheme benefits from unrestricted Open Class 1 planning consent. Further information can be found in the data room.

Energy Performance Certificates

UNIT	TENANT	Rating
41-45, Merchants Quay		
Unit 1	TK Maxx	D81
Unit 2	Peacocks	C70
Unit 3	B&M Bargains	C58
Unit 4	B&M Bargains	C58
38-40, Merchants Quay		
Unit 1	Savers	C60
Unit 2	Argos	C55
Second Floor	Vacant	D79

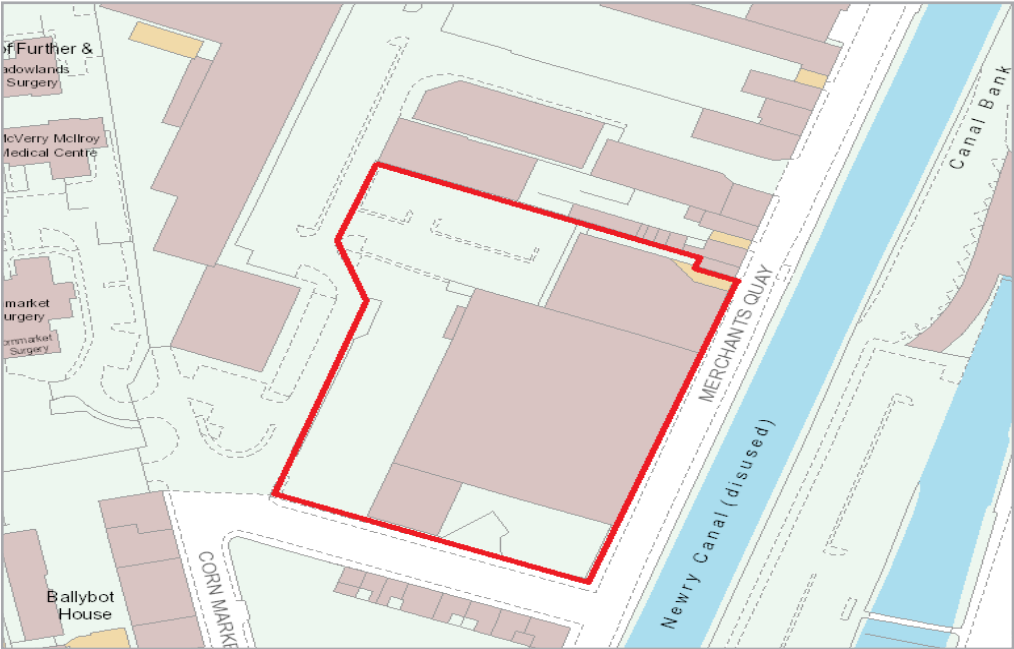
NB:- Full EPCs' are available in the data room.

Title

We have been advised the property is held part Freehold and part Long Leasehold, subject to nominal ground rents. Full details have been uploaded to the data room and are available for inspection.

Data Room

A data room has been populated for prospective purchasers to undertake due diligence. Access available upon request.



For Indicative Purposes Only



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Value Added Tax

The property has been elected for VAT and it is therefore anticipated the sale will be treated as a TOGC.

Proposal

We have been instructed to seek offers in the region of **£5,000,000 (Five Million Pounds Sterling)** subject to contract and exclusive of VAT. A purchase at this level would reflect a **Net Initial Yield of 13.44% based on purchaser's costs of 6.59% and a low Capital Value of £85 psf.**

Contacts

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