

100% PRIME FREEHOLD RETAIL INVESTMENT
LET TO DEICHMANN AND COTSWOLD OUTDOOR



60/62 Northumberland Street

NEWCASTLE

NE1 7DF

forge

Investment Summary

- **Newcastle is the regional capital** and principal economic focus for the North East of England.
- Newcastle has an **extensive primary catchment population of 875,000**, ranking the city 9th of the UK PROMIS centres on this measure.
- **The city has a superb retail offer.** Retailers with representation include: John Lewis, Primark, M&S, Next, Waitrose, H&M, Apple and Fenwick.
- The property is situated in a **100% prime and extremely prominent position on Northumberland Street**, immediately opposite the principal entrance into Eldon Square.
- **The property provides substantial and well-configured retail floor space**, totalling approximately 26,850 sq ft.
- The property is let on **two new 10 year leases** to Deichmann Shoes and Cotswold Outdoor.
- Re-based rents offering **superb prospects for future rental growth**.
- WAULT of 8.93 years to expiry.
- Freehold.

Proposal

Total current income:

£514,000 per annum

Offers in excess of:

£6,885,000

(subject to contract and exclusive of VAT).

Attractive net initial yield: **7.00%**

(rising to a minimum running yield of **7.10%** in 2029)





Location

The city of Newcastle is the regional capital and principal economic focus of the North East of England and is one of the most dynamic cities in the UK.



By Car

Newcastle benefits from strong road links, served by Junction 65 of the A1(M) which serves as a major north-south route, connecting the region with the rest of the UK's motorway network, from Edinburgh to London.



By Rail

Newcastle is served by two city centre railway stations: Newcastle Central Station and Manors Station. The city is located on the East Coast Mainline, connecting London to Edinburgh, and therefore benefits from excellent rail connections to major UK centres. The mainline offers a fastest journey time to London Kings Cross of 2 hours 35 minutes, and to Edinburgh Waverley in 1 hour 25 minutes.



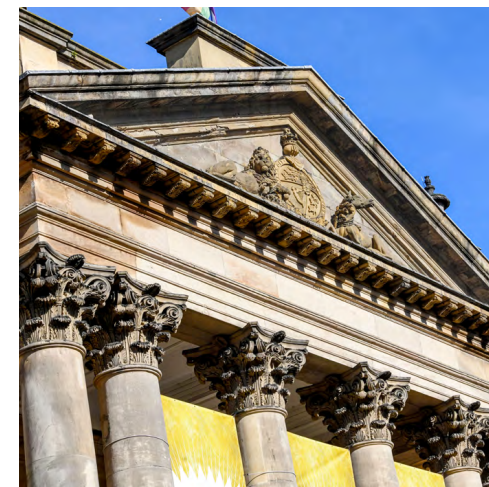
Metro

Newcastle is the only city in the UK to benefit from an underground rail network outside of London. The Tyne & Wear Metro provides a rapid transport system, connecting the inner city with the wider Tyneside area, stretching from Sunderland in the south-east and the airport in the north-west. The Metro stops at 60 destinations across the city centre and is considered one of the most efficient public transport systems in the UK.



By Air

Newcastle International Airport is located approximately 6 miles north-west of the city centre and with over 4.6 million passengers flying to more than 80 destinations worldwide, is recognised as being one of the top 10 regional airports in the UK.





Retailing in Newcastle

Newcastle is one of the UK's leading retail centres and is the primary destination for shoppers in the North East of England. The city centre's estimated retail space extends to 2.6 million sq ft, ranking 5th of the UK PROMIS centres and generating an estimated retail spend of £5.35 billion per annum.

Prime retailing is centred on the pedestrianised Northumberland Street and within Eldon Square Shopping Centre. Northumberland Street is anchored by M&S, Fenwick, Primark and H&M, where rents have historically peaked at levels reflecting £330 Zone A.

Eldon Square is one of the largest city centre shopping destinations in the UK, providing approximately 1.4 million sq ft of retail accommodation. The scheme is anchored by John Lewis, with both Fenwick and Marks & Spencer also having entrances into the shopping centre. Eldon Square benefited from a major extension

in 2010 which attracted new retailers to the city, including All Saints, Hollister and Apple. More recently, Next has re-committed to the Centre, opening a new 33,500 sq ft store in the former Debenhams. The Centre has an annual footfall of approximately 34 million people.

At the southern end of Northumberland Street, Monument Mall has repositioned itself as a premium retail destination, attracting luxury brands such as Hugo Boss, The White Company and Fat Face. The scheme was completely refurbished in 2013 and has entrances onto both Blakett Street and Northumberland Street.



Demographics

Newcastle has an extensive primary catchment area, which includes the built-up area of the Tyneside conurbation, as well as large areas of rural Northumberland.

Newcastle benefits from a thriving student population of approximately 45,000, supported by its two major universities, Newcastle University and Northumbria University. The city also benefits from a large tourist influx, with an annual visitor population in the order of 11 million people.



The total population of the primary catchment is **875,000** (ranking the city 9th of the PROMIS centres).



Shopping population is **809,000** (ranked 13th in the UK).

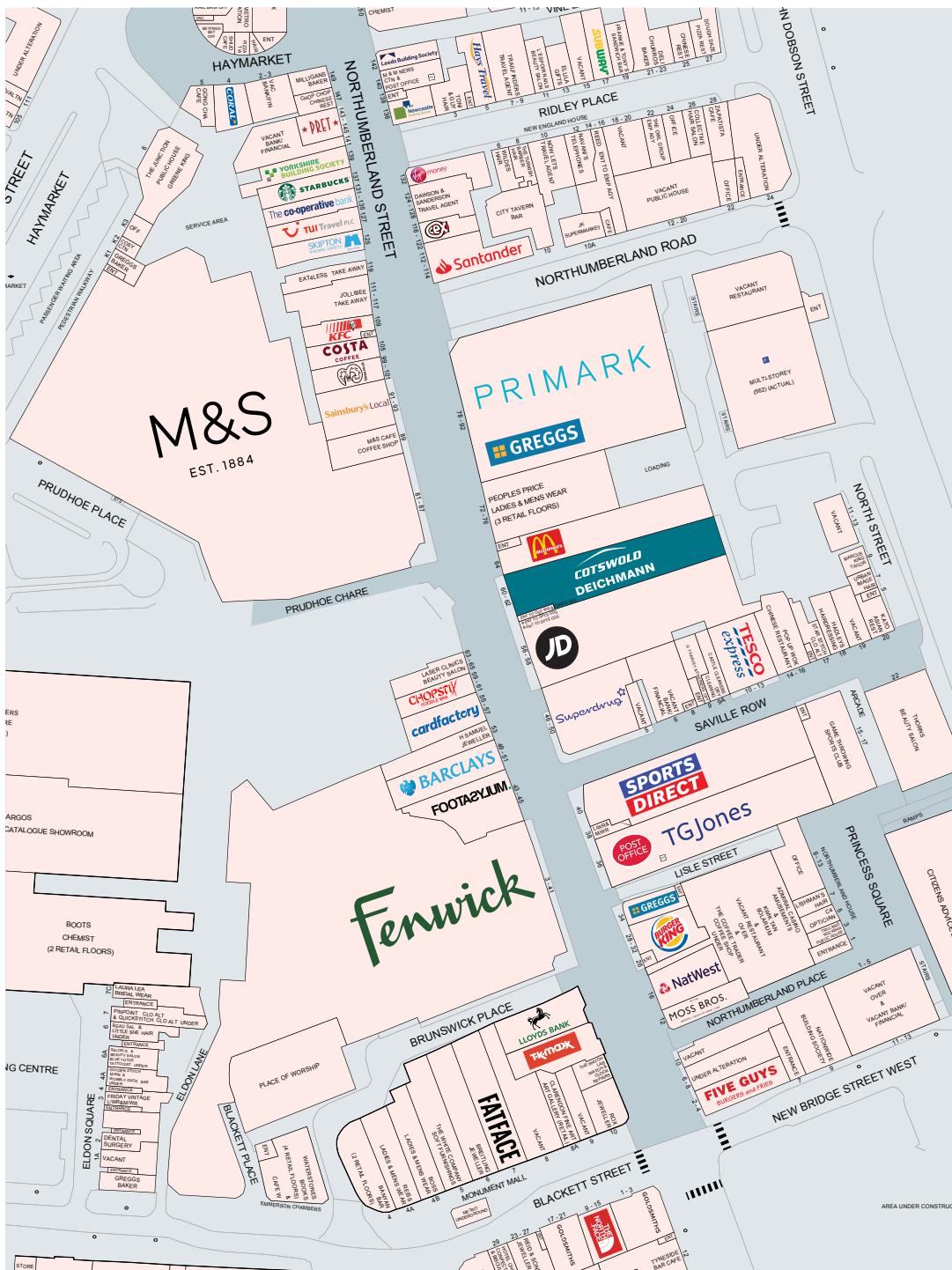


The city ranks **9th** in terms of the volume of comparison retail spend available in the catchment area.



Student population of approximately **45,000**.





Situation

The subject property occupies a 100% prime trading location on the pedestrianised Northumberland Street, directly opposite the principal entrance to Eldon Square Shopping Centre.

Other major retailers with representation in the immediate vicinity include:

M&S



PRIMARK

H&M

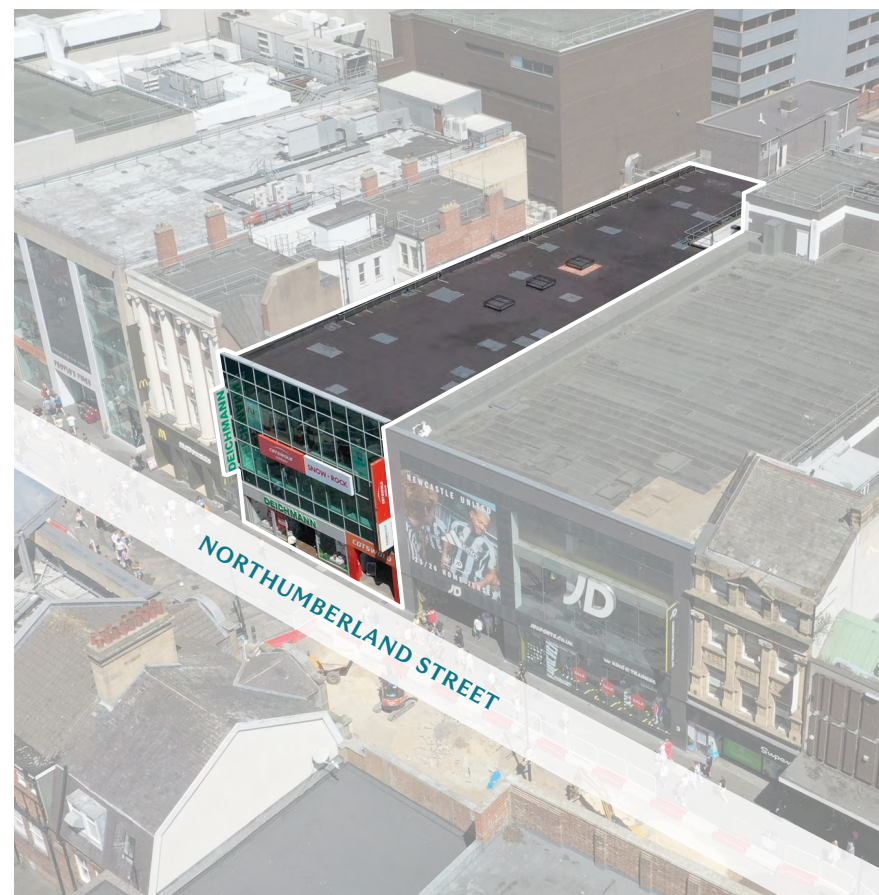
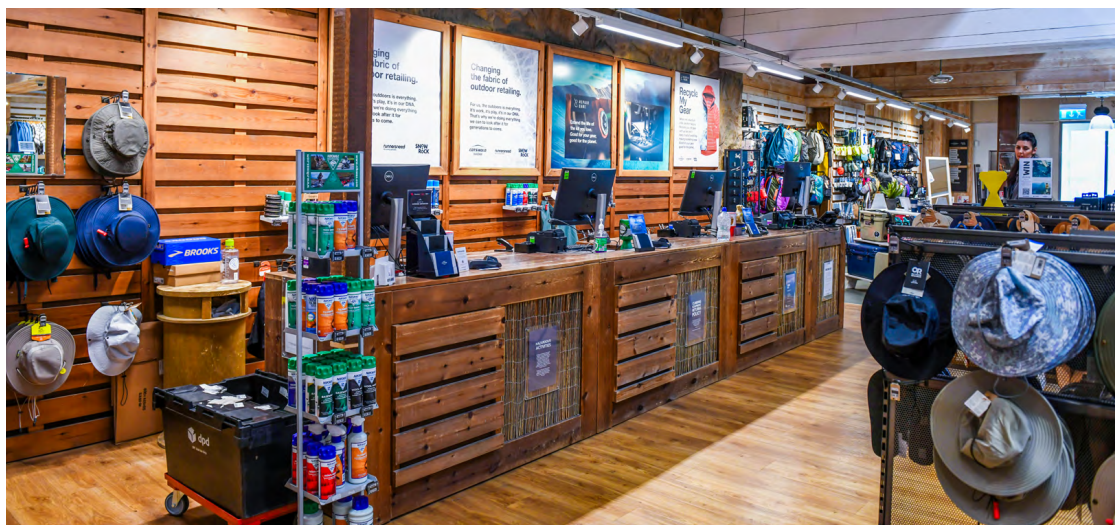


Fenwick

Description

The property comprises a highly prominent retail building, arranged over basement, ground and two upper floors. The ground floor and basement is let to Diechmann Shoes, with part ground floor and the two upper floors being let to Cotswold Outdoor Group.

The property provides a total of approximately 26,850 sq ft (2,494.4 sq m) of well-configured retail accommodation.



Tenancies and Accommodation

The property is let in accordance with the tenancy schedule below and produces a total current income of **£514,000 per annum**.

The Weighted Average Unexpired Lease Term (WAULT) until expiry is 8.93 years and 6.29 years to break options.

Demise	Tenant	Area Breakdown	Sq Ft	Lease Start	Review Date	Lease Expiry	Break Date	Passing Rent (pa)	Rent Analysis	Comments
Ground Floor & Basement	Deichmann-Shoes UK Ltd	Ground Floor Sales	8,199	23/08/2024	23/08/2029	22/08/2034	22/08/2030	£339,000	£185 Zone A	Rent subject to stepped increases: <ul style="list-style-type: none">• Year 1: £302,000 pa• Year 2: £311,000 pa• Year 3: £320,000 pa• Year 4: ££329,000 pa• Year 5: £339,000 pa The landlord will top up the rent to Year 5 level. There is an upwards only rent review at Year 5 in line with CPI, collared and capped at 2% - 4% i.e. a minimum rent at review of £345,780 pa Year 1 and Year 2 rent figures are subject to a 9 month rent free period followed by a 12 month half rent period. Landlord to top up.
		ITZA	1,694 Units							
		Basement Anc	3,393							
		Total	11,592							
Part Ground, First & Second	Cotswold Outdoor Group Ltd	Ground Floor Lobby	320	01/01/2024	01/09/2029	30/09/2034	N/A	£175,000	£11.47 psf	Rent subject to fixed increase on 01/07/26 to £175,000 pa. Landlord to top up.
		1F Sales	8,339							
		2F Sales / Anc	6,599							
		Total	15,258							
			26,850							
								£514,000		



Rental Analysis and Value

We have analysed the passing rent in respect of Deichmann to reflect £185 Zone A and in respect of Cotswold Outdoor to reflect an overall rate of £11.47 per sq ft.

Prime retail rents on Northumberland Street have historically peaked at levels reflecting £330 Zone A and we are aware of ongoing lettings that will reflect well in excess of £200 Zone A.

As such, the subject property provides an excellent platform for future rental growth from re-based rental levels.



Covenant

DEICHMANN

Deichmann is Europe's largest footwear retailer, operating over 4,600 stores in more than 30 countries.

The business entered the UK in 2001 and has since expanded to a national portfolio of more than 120 stores.

In 2024, Deichmann enhanced its brand portfolio by acquiring the trademark rights to the Esprit footwear brand in Europe and the United States.

Deichmann-Shoes UK Limited displays a CreditSafe rating of A-81, indicating 'Very Low Risk' of default.

Below are the companies most recently published accounts:

	YE Dec-23	YE Dec-22	YE Dec-21
Turnover	£139,132,000	£121,795,000	£85,297,000
Pre-Tax Profit	-£1,296,000	-£3,257,000	-£1,011,000
Net Worth	£46,261,000	£46,347,000	£25,500,000

COTSWOLD

Cotswold Outdoor is a leading UK specialist retailer of outdoor clothing, footwear and equipment, with over 70 stores nationwide.

Established in 1974, the brand has built a strong reputation for quality and expertise, catering to a loyal customer base of outdoor enthusiasts.

Cotswold Outdoor is part of the Outdoor & Cycle Concepts Group, which also includes Snow+Rock and Runners Need.

Cotswold Outdoor Group Limited (previously Outdoor & Cycle Concepts Ltd) displays a CreditSafe rating of B-51, indicating 'Low Risk' of default.

Below are the companies most recently published accounts:

	YE Dec-24	YE Dec-23	YE Dec-22
Turnover	£158,930,000	£159,771,000	£160,536,000
Pre-Tax Profit	-£380,000	-£7,345,000	-£3,983,000
Net Worth	-£47,465,000	-£46,639,000	-£43,043,000

Proposal

Offers are sought in excess of:

£6,885,000

Six Million Eight Hundred and Eighty Five Thousand Pounds), subject to contract and exclusive of VAT.

Allowing for standard purchasers costs, a purchase at this level would reflect an **attractive net initial yield of 7.00%** (rising to a minimum running yield of **7.10%** in 2029)

Data Room

Access available upon request

Energy Performance Certificate

EPC available upon request.

VAT

The property has been elected for VAT and we anticipate that the transaction will be treated as a transfer of a going (TOGC).

Anti-Money Laundering

In order to comply with anti-money laundering legislation, the successful purchaser will be required to provide certain identification documents. The required documents will be confirmed to and requested from the successful purchaser at the relevant time.

Misrepresentation Act - Forge act for themselves and for the vendors and lessors of this property whose agents they are, give notice that (i) these particulars are produced in good faith, are set out as a general guide only and do not constitute any part of an offer or contract. They are believed to be correct but any intending purchasers or tenants should not rely on them as statements or representations of fact but must satisfy themselves as to the correctness of each of them. (ii) no person in the employment of Forge has any authority to make or give any representation or warranty in relation to this property. © 2025. Designed by Creativeworld. T 01282 858200.



Further Information

JONATHAN MILLS

Mobile: 07795 333 195

Email: jonathan@forge-cp.com

JOE BAIO

Mobile: 07515 889 649

Email: joe@forge-cp.com

forge