

BAJA BEACH CLUB, PIPEWELLGATE, GATESHEAD

Freehold Leisure Investment For Sale



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Location

The property occupies a landmark site on the south bank of the River Tyne adjacent to the Swing Bridge which links with Newcastle's Quayside. The Quayside is an established leisure, commercial and residential area, with the subject property being located next to La Riviera restaurant and Buffalo Joes.

The Newcastle Gateshead Hilton hotel is immediately to the south and beyond is Gateshead town centre. The Brett Oils site immediately to the west of the property is likely to be redeveloped in the short/medium term.

Newcastle City Centre is approximately 1 mile to the north.

Description

The property was built in the late 1990's providing two storey accommodation of steel framed construction with brick and block elevations under dual pitched roofs. The roof covering is a mix of tile and profiled cladding, and the north elevation overlooking the River Tyne benefits from extensive full height glazing.

The accommodation has been fully fitted out as a night club with trading areas on the ground and first floors. In addition there are a range of office, storage and amenity areas. The property is presently not trading and the lease is being marketed by Christie & Co.

Accommodation

Ground Floor	940.61 sqm	(10,125 sq ft)
First Floor	802.11 sqm	(8,634 sq ft)
Total	1,742.72 sqm	(18,759 sq ft)

Frontage to Pipewellgate	63.25m	(208 ft)
Site Depth	23.37m	(77 ft)
Site Area	0.14ha	(0.35 acres)

Tenure

Freehold, subject to a long ground lease in relation to a strip of land between the quay and north building boundary.

Tenancy and Covenant Details

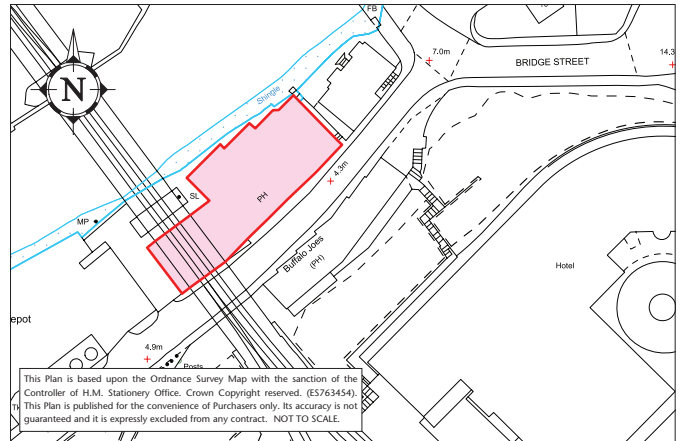
The premises are let by way of a 25 year full repairing and insuring lease from 12 April 1999, incorporating 5 yearly upward only rent reviews. The passing rental is £285,000 per annum, with the 2009 rent review outstanding. The tenant has an option to determine the lease at the end of the 20th year.

The tenant is Spirit Group Retail Limited. For the year ended 31 August 2008 the company recorded net tangible assets of £1,313,935,000 and had shareholders funds of £1,074,821,000.

Market Commentary

Newcastle / Gateshead Quayside is well established as one of the key leisure locations, and the subject property occupies a landmark river fronted site. Gateshead Quayside has seen significant regeneration over recent years with developments such as The Sage music venue, The Baltic Arts Centre and the Hilton Hotel. In addition, there has been significant commercial development including the Baltic Business Park where a new campus has been built for Gateshead College, City & Northern's 120,000 office scheme and the proposed Jury's Hotel. Adjacent to the Baltic Art Centre there are modern residential apartment blocks known as Baltic Place.

Rental values for leisure properties on Tyneside generally range between £20-25persqft. Accommodation within The Gate complex on Newgate Street range between £20-£35 per sqft.



Summary

- ◆ Prime Quayside location with river frontage.
- ◆ Well let to substantial company providing secure income until 2019.
- ◆ Outstanding rent review, ERV £320,000 per annum (Nigel Westwood of Sanderson Weatherall acting for Landlord).
- ◆ Superb longer term development opportunity.
- ◆ Potential to purchase holding company.

Proposal

We are instructed to seek offers in the order of £4m (Four Million Pounds) for our Client's freehold interest, subject to contract and exclusive of VAT. This would show a purchaser a net initial yield of 6.74% based on the current passing rental.

Contact Details

For further information or to arrange to inspect the premises please contact joint agents:

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