

1A, 1B & 2, Echo 24, West Wear Street Sunderland, Tyne and Wear SR1 1XD

lot 61

Prominent City Centre Restaurant and Office Investment

- Landmark city centre building
- Let to tenants including Atos IT Services UK Limited and Siglion LLP
- Prominent location close to Sunderland

- Riverside, Sunderland city centre and The Stadium of Light
- Totalling approximately 11,385 sq ft
- High yielding on guide price

Rent
£139,774
per annum
exclusive
(2) (5) (6)

On behalf of Administrators

Location

Miles: 13 miles south-east of Newcastle upon Tyne
13 miles south-west of Durham
Roads: A1(M), A19, A1018, A1231
Rail: Sunderland Railway Station
Air: Newcastle Airport

Situation

The property is situated on the northern side of West Wear Street (A1018), close to its junction with Wearmouth Bridge, in the heart of Sunderland city centre, with Sunderland's Riverside and The Stadium of Light being located close by. The property is also a short walk from The Bridges Shopping Centre that houses retailers including Primark, Next, H&M, River Island and TK Maxx. Other nearby occupiers include Marks & Spencer, Nando's, Frankie & Benny's, Empire Cinema and a Grosvenor Casino as well as number of independent bar and restaurant operators.

Description

The property comprises three ground floor units, comprising two offices and a restaurant, forming part of the building known as Echo 24, a fifteen storey prestigious building with 179 residential apartments above the offices and restaurant.

Tenure

Long Leasehold. Let for a term of 125 years (less two days) from 1st February 2004 expiring in January 2129 at a current ground rent of £100 per annum rising to £200 per annum in 2030, £400 per annum in 2055 and £500 per annum in 2080.

VAT

VAT is not applicable to this lot.
Please see Special Conditions of Sale.

Six Week Completion

Tenancy and accommodation

Floor	Use	Floor Areas (Approx)	Tenant	Term	Rent p.a.x.	Review
Ground	Office	404.31 sq m (4,352 sq ft)	ATOS IT SERVICES UK LIMITED (1)	Approximately 3 years and 5 months from 26/02/2016 until 31/07/2019	£40,000 (2)	-
Ground	Office	177.17 sq m (1,907 sq ft)	SIGLION LLP (3)	10 years from 01/04/2015 until 31/03/2025 (4)	£22,884 (5)	01/04/2020
Ground	Restaurant	476.22 sq m (5,126 sq ft)	Y.H. WONG, W. SHARP AND K.P. WONG (t/a Asiana Fusion Restaurant)	15 years from 25/11/2008 until 24/11/2023	£76,890 (6)	25/11/2018

Totals 1,057.70 sq m (11,385 sq ft) £139,774 (6)

- (1) Atos IT Services UK Limited are a part of the larger Atos SE brand, that is a leader in digital services with pro forma annual revenue of circa £12 billion, employing 100,000 staff across 72 countries. For the year ending 31st December 2014, Atos IT Services UK Limited reported a turnover of £1,451,349,000, pre-tax profits of £88,103,000 and a total net worth of £1,566,751,000 (Source: Experian Group 08/06/2016).
- (2) The lease provides that the contractual rent is £20,000 per annum until 26th February 2017 after which the rent rises to £40,000 per annum until the expiry of the lease. The vendor has agreed to adjust the completion monies so that the property will produce £40,000 from completion.
- (3) Siglion LLP is a joint venture between The Council of the City of Sunderland and Carillion, with a purpose of redeveloping Sunderland city centre, the Vaux Brewery Site, Chapelgarth and Seaburn seafront areas.
- (4) The lease is subject to a tenant option to determine on 1st April 2020.
- (5) The tenant is currently benefiting from a rent-free period due to expire in December 2018 as result of the tenant completing the fit-out of the office. The vendor has agreed to adjust the completion monies so that the property produces £22,884 from completion.
- (6) Whilst the contracted rent is £76,890 per annum, the tenant is currently paying £70,512 per annum, although there is no documentary evidence confirming agreement of this concessionary rent.

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