

PEEL
RETAIL
PARK

SECURE LONG-INCOME
RETAIL WAREHOUSE OPPORTUNITY
WITH +11 YEAR WALT AND GUARANTEED UPLIFTS



WASHINGTON
NE37 2PA

 Knight
Frank

INVESTMENT OVERVIEW

- **Freehold**
- Fully let to JD Gyms and British Heart Foundation
- **100% of income is rated as lower than average risk** of failure by D&B
- **46% of the income benefits from fixed uplifts**
- The unit extends to 46,428 sq ft across ground and first floor
- **Highly attractive WAULT of 11.4 years** to expiry with no breaks
- Total rent today of £278,008 per annum with **very low average rents of £5.99 psf**
- **Situated in retail cluster with complementary retailers** including Lidl, B&M, The Food Warehouse, McDonald's Drive Thru, Costa Coffee
- **Well maintained scheme** located off a roundabout with good accessibility
- **No retail warehouse vacancy in Washington**
- **Very low capital value of £78 per sq ft**, significantly below replacement cost
- Strong trade reported
- The land to the south of the car park benefits from an **AFL in place to Soul Padel**, subject to planning. More information available on request



SECURE LONG-INCOME RETAIL WAREHOUSE OPPORTUNITY



PROPOSAL

OFFERS ARE INVITED FOR OUR CLIENT'S FREEHOLD INTEREST IN EXCESS OF **£3,600,000** REFLECTING A VERY LOW CAPITAL VALUE OF **£78 PSF**. A PURCHASE AT THIS LEVEL WOULD REFLECT THE FOLLOWING YIELD PROFILE, AFTER THE DEDUCTION OF STANDARD PURCHASER'S COSTS.

Net Initial Yield	7.25%
Running Yield 2029	7.69%
Running Yield 2034	8.19%

LOCATION

WASHINGTON IS AN ESTABLISHED TOWN LOCATED APPROXIMATELY 7 MILES SOUTH OF NEWCASTLE UPON TYNE AND 10 MILES NORTH FROM DURHAM. THE TOWN ENJOYS EXCELLENT CONNECTIVITY VIA THE A1(M) AND A19, PLACING IT IN A STRATEGIC POSITION WITHIN THE NORTH EAST GROWTH CORRIDOR.

Washington forms part of the region's key economic hub and benefits from strong transport links to major cities and ports. The area has seen ongoing investment in housing, infrastructure, and business parks, supporting both residential and commercial growth.

With a substantial local population and easy access to surrounding urban centres, Washington is an increasingly attractive location for retailers, trade occupiers, and logistics operators.



ROAD

The property occupies a prominent position off the A1231 and benefits from excellent connectivity to the A1(M) and A19, providing direct access to Newcastle upon Tyne, Sunderland, and Durham. This strategic location places Washington within easy reach of major regional centres and key transport corridors.



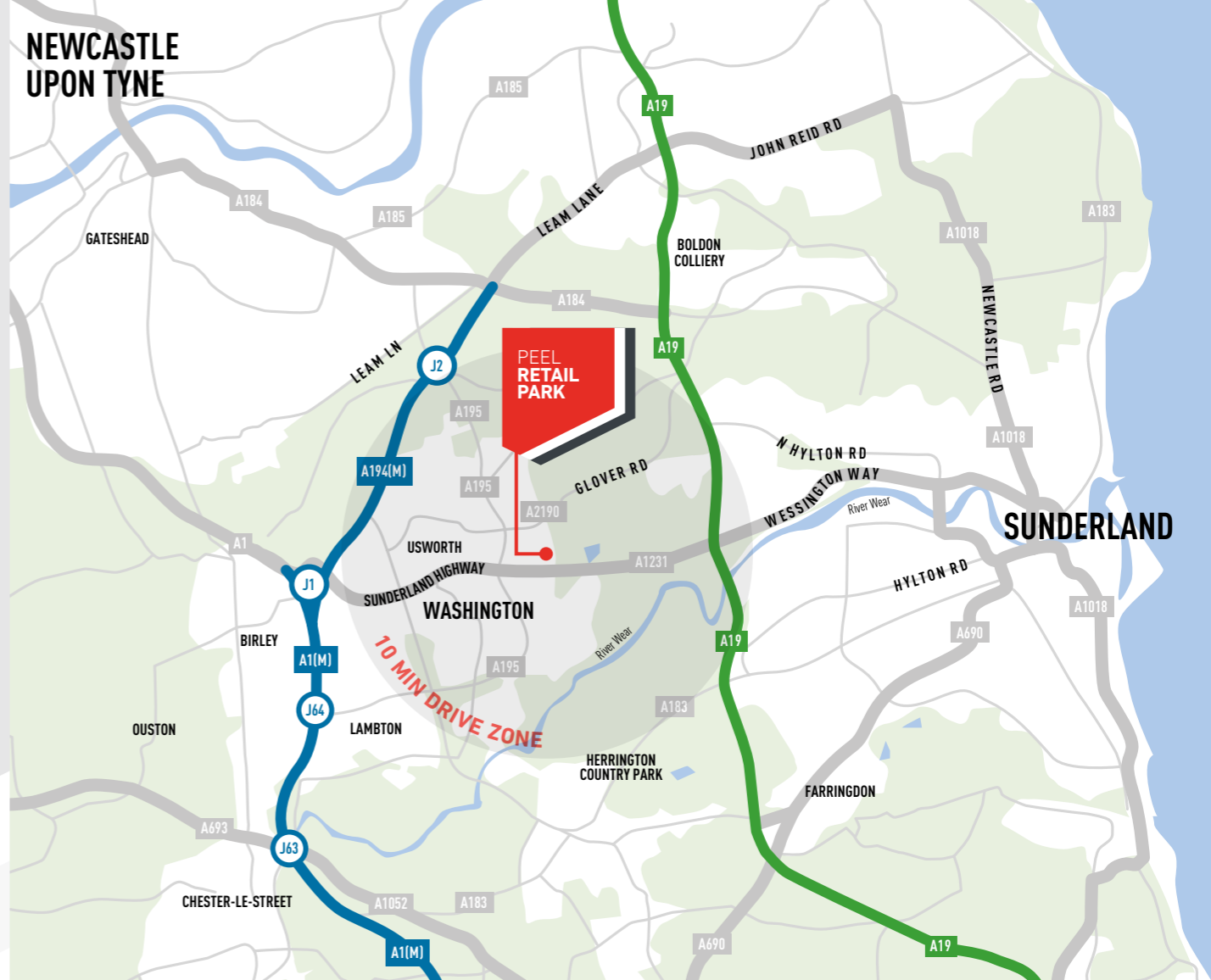
RAIL

The nearest mainline station is Newcastle Central, approximately 7 miles north, offering frequent services to London King's Cross, Edinburgh, and other UK destinations. Chester-Le-Street Station, around 4 miles away, provides additional regional connections.



AIR

Newcastle International Airport is located approximately 15 miles north-west of the property, accessible via the A1(M), offering a wide range of domestic and international flights.



**THERE IS A LARGE CATCHMENT
OF 175,640 PEOPLE WITHIN A 10
MINUTE DRIVE OF THE SUBJECT SITE**

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DESCRIPTION

The property comprises a purpose-built retail warehouse extending to 46,428 sq ft (GIA) over ground and first floor.

Built in 2008/9, the building is made up of a steel portal frame and features 157 car parking spaces.

The British Heart Foundation occupies the ground floor unit of 26,439 sq ft, while JD Sports is located on the first floor with a ground floor entrance.

Agreement for lease in place with Soul Padel Limited for the land in blue to the south of the car park, subject to planning. Available to purchase separately, more information available on request.

EPC

JD Gyms	A20 (Valid until April 2032)
British Heart Foundation	C55 (Valid until May 2032)

TENURE

Freehold (Title number: TY436514).
– JD Gyms, British Heart Foundation

Optional Freehold (Title number: TY596568).
– Padel land



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THE FREEHOLD INTEREST COMPRISES A 3.3 ACRE SITE

POTENTIAL TO PURCHASE LAND SHADED BLUE WHICH TOTALS 0.9 ACRES

For illustrative purposes only.

TENANCY SCHEDULE

Tenant	Size (sq ft)	Start Date	Rent Review	Lease Expiry	% of Income (expiry)	Rent p.a	Rent psf.	D&B	Comment
British Heart Foundation	26,439	02/12/2024	02/12/2029	01/12/2034	54%	£150,000	£5.67	5A1	5 yearly upwards only rent reviews
JD Sports Gyms Limited	19,989	01/12/2014	01/12/2029	30/11/2039	46%	£128,008	£6.40	N2	Fixed rental uplifts: 1/12/2029 to £144,830 pa 1/12/2034 to £163,862 pa
Total	46,428					£278,008	£5.99		
Soul Padel Ltd	20,000	AFL	Every 5 years	10 years		£100,000	£5.00	1A1	AFL signed, available to purchase separately 5 yearly RPI rent reviews (1-3%) FRI lease

The ground floor unit is let on a Full Repairing and Insurance lease to **British Heart Foundation (No. 00699547)**, with 5 yearly upwards only rent reviews.

The 1st floor unit is let to **JD Sports Gyms Limited (No. 08770057)** on a full repairing and insuring lease, with fixed rental uplifts on 1/12/2029 to £144,830 pa and on the 1/12/2034 to £163,862 pa.

The land to the south of the car park has an agreement for lease in place with **Soul Padel Limited (No.15334324)**. The Premises will be used as a padel club with 8 padel courts.

The operator is expected to invest £600,000 of capital expenditure. More information will be provided upon request. Subject to planning.



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PLANNING PERMISSION

Class A1 retail use at ground floor and Class D2 health and fitness use at first floor.

COVENANTS

ALL TENANT COVENANTS RANK **LOW RISK OR ABOVE.**



BRITISH HEART FOUNDATION



- Founded: 1961
- Industry: Charity and non-profit
- Product Range: Furniture & Clothing
- Number of Stores: over 750 across the UK
- Number of Employees: 4,000
- D&B Rating: 5A1

The company has reported the following accounts for the last three financial years:

	Year End 31/03/2025	Year End 31/03/2024	Year End 31/03/2023
Sales Turnover	£410,600,000	£398,900,000	£381,300,000
Pre-Tax Profit	£6,000,000	£12,700,000	£7,900,000
Tangible Net Worth	£355,600,000	£376,100,000	£125,600,000

JD SPORTS GYMS LIMITED



- Founded: 2013
- Industry: Health & Fitness
- Product Range: Open Gym Equipment, Boxing room, Spin studio, Studio Classroom.
- Number of Gyms: over 96 across the UK
- Number of Employees: 954
- D&B Rating: N2

The company has reported the following accounts for the last three financial years:

	Year End 03/02/2024	Year End 03/02/2023	Year End 03/02/2023
Sales Turnover	£100,877,000	£81,106,000	£48,566,000
Pre-Tax Profit	(£29,000)	£16,402,000	£6,402,000
Tangible Net Worth	(£7,320,000)	(£1,475,000)	(£12,958,000)

Aggressive expansion hence the negative tangible net worth.

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KEY RETAIL WAREHOUSE OFFERING

A Washington Retail Park
83,679 sq ft, tenants include:



B Galleries Retail & Leisure Park
156,454 sq ft, tenants include:



C Armstrong Retail Park
113,788 sq ft, anchored by:



- The subject scheme is a unique discount led offering within Washington, benefiting from comparatively lower passing rents.
- No recorded vacancy within Washington.
- There is limited charity retail presence nearby, supporting strong demand for British Heart Foundation as a tenant in the local area. Their closest store is in Westmorland Way, Cramlington which is smaller at c.10,000 sq ft and located a 36 minute drive away to the north of Newcastle.

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JD GYMS




WASHINGTON GYM PROVISION

COMPARISON HIGHLIGHTS:

- JD Gyms sits between budget and premium competitors, offering a balanced price point and modern facilities.
- Bannatyne targets a more premium demographic, while PureGym also appeals to price-sensitive users, however their offering is much smaller than the subject JD Gym.
- JD Gyms can leverage brand strength and facility size and quality to differentiate from PureGym.
- The nearest JD Gym to the subject site is located at Trimdon Street Retail Park, Sunderland, approximately a 17 minute drive. This distance supports the formation of a distinct catchment area, with the subject scheme likely to attract customers from the west and Washington.



SUBJECT SITE



MEMBERSHIP: £26.99 PCM
SIZE: 20,000 SQ FT



PUREGYM

MEMBERSHIP: £22.99 PCM
SIZE: 11,000 SQ FT

7 MINUTES DRIVE

Bannatyne
Health Club & Spa

MEMBERSHIP: £59.99 PCM
SIZE: 25,000 SQ FT

16 MINUTES DRIVE



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PEEL RETAIL PARK

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CONTACT

Freddie MacColl

M +44 7834 755 033

E Freddie.MacColl@knightfrank.com

Josh Roberts

M +44 7966 246 912

E Josh.Roberts@knightfrank.com

Eve Brooksbank

M +44 7870 167 802

E Eve.Brooksbank@knightfrank.com

Dickon Wood

M +44 7966 023 924

E Dickon.Wood@knightfrank.com



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AML

A successful bidder will be required to satisfy the usual AML requirements.

DATA ROOM

Access to an online data room is available on request.

VAT

It is anticipated that the property will be sold by way of a Transfer Of Going Concern (TOGC).

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