



THE BRIDGES SHOPPING CENTRE **SUNDERLAND**

SHOPPING CENTRE INVESTMENT OPPORTUNITY





INVESTMENT SUMMARY

- + Situated in the heart of Sunderland City Centre, The Bridges dominates the city's retail offering and comprises the majority of Sunderland's retail floorspace
- + High footfall in excess of 11 million across 2022 with a weekly average of 211,000 visitors
- + Footfall increased by 16.4% in 2022 and has grown by a further 2.2% for the year to date in 2023
- + The Bridges provides a range of unit sizes offering a good variety of floor plates for prospective occupiers
- + The retail offering is tailored to the demographic in Sunderland with the scheme anchored by two discount fashion retailers; Primark and TK Maxx
- + Proven occupier appetite with 45 deals agreed since 2020 and over 50 national multiples in occupation
- + The Bridges currently produces a contracted income of £8,038,666 per annum and a net income of £4,787,477 per annum
- + WAULT of 4.0 years to expiry and 3.3 years to break with 64% of income secured to the top ten tenants
- + Total business rates payable for The Bridges reduced by 38% as of April 2023 which will assist future rental growth prospects
- + Sunderland City Council are a pro-active public body with a strong track record of attracting and contributing towards investment and development in the city
- + Sunderland City Council have secured public and private funding for the £223m re-development of 'Riverside Sunderland' which will drive footfall around The Bridges
- + Opportunity to benefit from future capital value and rental growth as well as increased occupier appetite resulting from the Sunderland County Council re-development plans.

SUNDERLAND IS LOCATED IN THE NORTH EAST OF ENGLAND 12 MILES TO THE SOUTH OF NEWCASTLE CITY CENTRE. THE BRIDGES EXTENDS TO 595,000 SQ FT ACROSS JUST UNDER 100 UNITS.

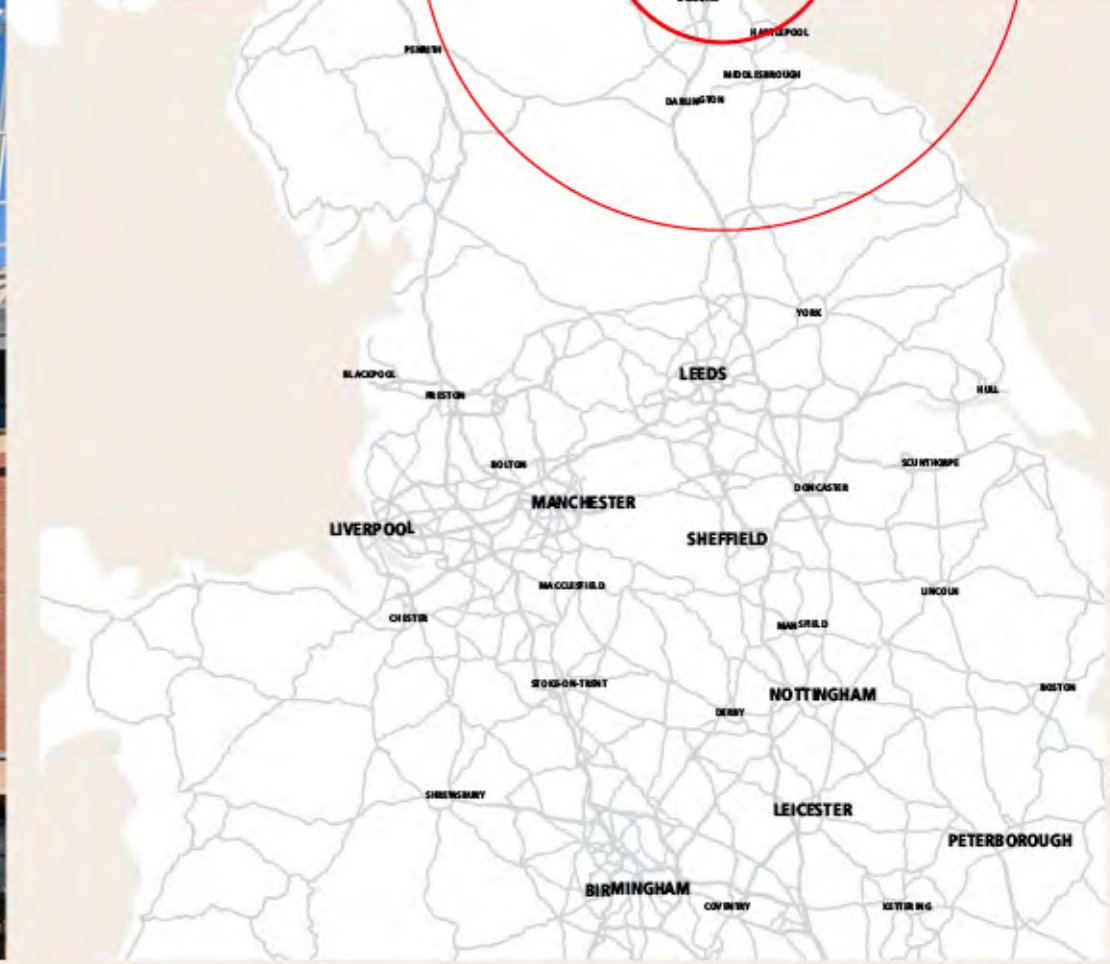


Note: The Freehold of Sunderland Market sits outside of the ownership of The Bridges.

LOCATION

Situated in the heart of Sunderland City Centre, The Bridges dominates the city's retail offering comprising the majority of the total retail floorspace.

Famous Landmarks include Iconic Wearmouth Bridge, Hylton Castle, The Stadium of Light, Sunderland Empire Theatre and Roker Pier and Lighthouse.



BY ROAD

The city is connected to the national motorway network by the A690 and the A1231 which adjoin the A1(M) motorway at junctions 62 and 65. Both junctions are within a 25-minute drive of The Bridges and Sunderland city centre with Newcastle-Upon-Tyne a 30-minute drive to the north west. The A19 also provides a key strategic route which connects the city with North Yorkshire as well as Tyneside.



BY RAIL

Sunderland benefits from a direct rail service to London Kings Cross, with the fastest journey time 3 and a half hours. Newcastle Station and Middlesborough Station are both easily accessible, with journey times of 23 and 58 minutes respectively. Direct services also run to York to the south west with a journey time of 1 hour 30 minutes. In addition, Sunderland is connected to Newcastle City Centre via the Tyne and Wear Metro tram service with a journey time of 31 minutes.



BY AIR

Newcastle International Airport and Teeside International Airport are 20 miles to the north west and 37 miles to the south respectively, providing access to the north east from a range of international flight destinations throughout Europe.



CATCHMENT & LOCAL ECONOMY



4TH OUT OF 278 RETAIL CENTRES IN THE NORTH EAST



THE BRIDGES IS THE SOLE COVERED RETAIL OFFERING WITHIN SUNDERLAND



THE BRIDGES HAD AN ANNUAL FOOTFALL IN EXCESS OF 11 MILLION ACROSS 2022



DRIVE TIME POPULATION

(CACI, 2022)



10 MINS
122,245



20 MINS
493,544



SUNDERLAND'S RESIDENTIAL POPULATION 646,587

(CACI, 2022)



SUNDERLAND HAS A TOTAL RETAIL EXPENDITURE OF £1,389M PLACING IT IN THE UPPER QUARTILE OF PROMIS CENTRES IN THE UK



A NUMBER OF SUNDERLAND'S INDUSTRIES HAVE BENEFITTED FROM STRONG EMPLOYMENT GROWTH OVER THE PAST 15 YEARS INCLUDING HEALTHCARE, UTILITIES, FOOD & FINANCE AND INSURANCE & PENSIONS

(Core Strategy 2015-2033)



SUNDERLAND IS A MANUFACTURING HUB PARTICULARLY IN THE AUTOMOTIVE SECTOR WITH THE NISSAN PLANT PROVIDING OVER 30,000 JOBS FOR THE REGION. IN ADDITION, NISSAN HAVE INVESTED IN EXCESS OF £100 MILLION OPENING A NEW PRODUCTION LINE TO BUILD ELECTRIC VEHICLES.

THE BRIDGES ANNUAL FOOTFALL PERFORMANCE

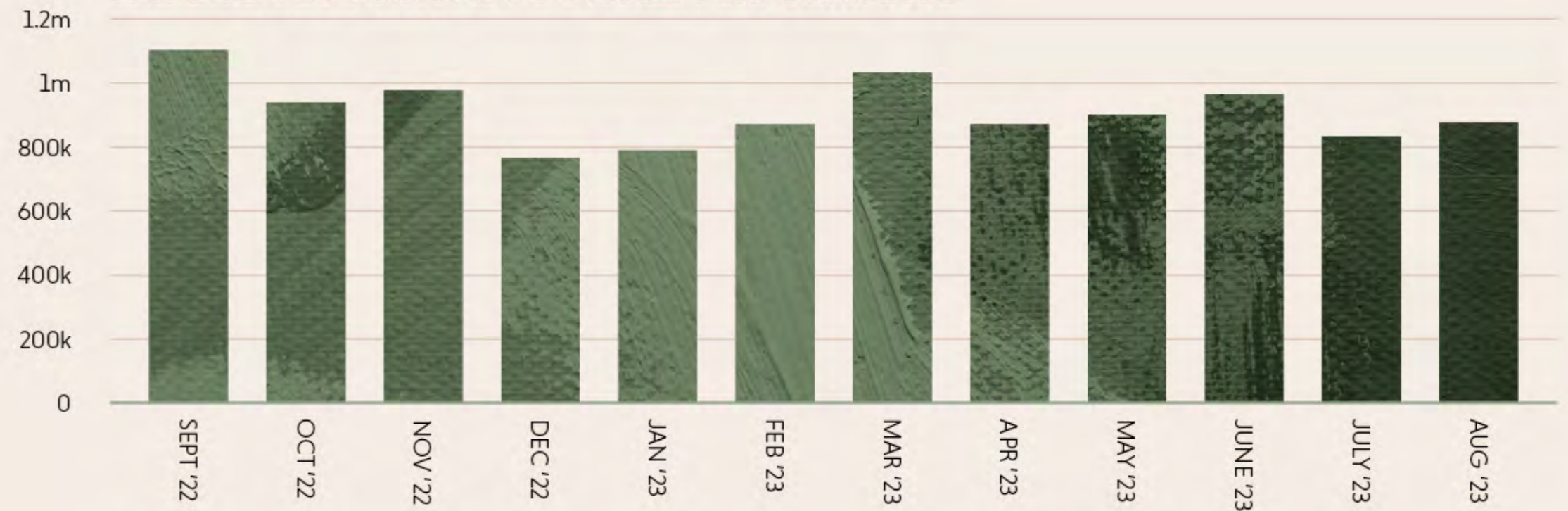


Figure 1: Annual footfall by month across the past 12 months (The Bridges Property Management, 2023)

RETAILING IN SUNDERLAND

Prime retail facilities within Sunderland City Centre are centred around The Bridges, High Street West, and to a lesser extent, Fawcett Street.



The Bridges dominates the retail offering within Sunderland and comprises the majority of retail floorspace within the city. Sunderland benefits from some Out-of-Town retail outlets including Hylton Riverside Retail Park (121,915 sq ft) and Pallion Retail Park (135,469 sq ft). These retail parks offer a complimentary tenant mix to that within The Bridges Shopping Centre.



Major national multiple retailers currently trading in Sunderland (within The Bridges) include:

- PRIMARK
- next
- JD
- schuh
- Iceland
- 
- RIVER ISLAND
- T.K.maxx
- NEW LOOK
- HOTEL
Chocolat.



REGENERATION & DEVELOPMENT IN SUNDERLAND

Sunderland City Council have been successful in securing investment, and consequently economic growth over recent years, with the current regeneration programme benefiting from over £1.2bn in public and private funding. Some examples of this are detailed below and include the upgrades made to High Street West and Bridge Street as well as the investment in public realm improvement at the Minster Park creating a cultural quarter to act as a gateway into the city centre.

CURRENT DEVELOPMENTS



CULTURE HOUSE



SUNDERLAND CITY ARENA



WEAR CROSSING



SUNNYSIDE HOUSING



CIVIC SITE



L&G BUILDINGS



VAUX HOUSING



EYE HOSPITAL



TRAIN STATION



THE YARD



KEEL TAVERN

Figure 2: List of ongoing developments in Sunderland (Sunderland Echo, 2022)

COMPLETED PROJECTS



THE BEAM



MINSTER PARK



AUDITORIUM



SSTC3



MEDICAL SCHOOL



CITY HALL



KEEL SQUARE HOTEL

SITUATION

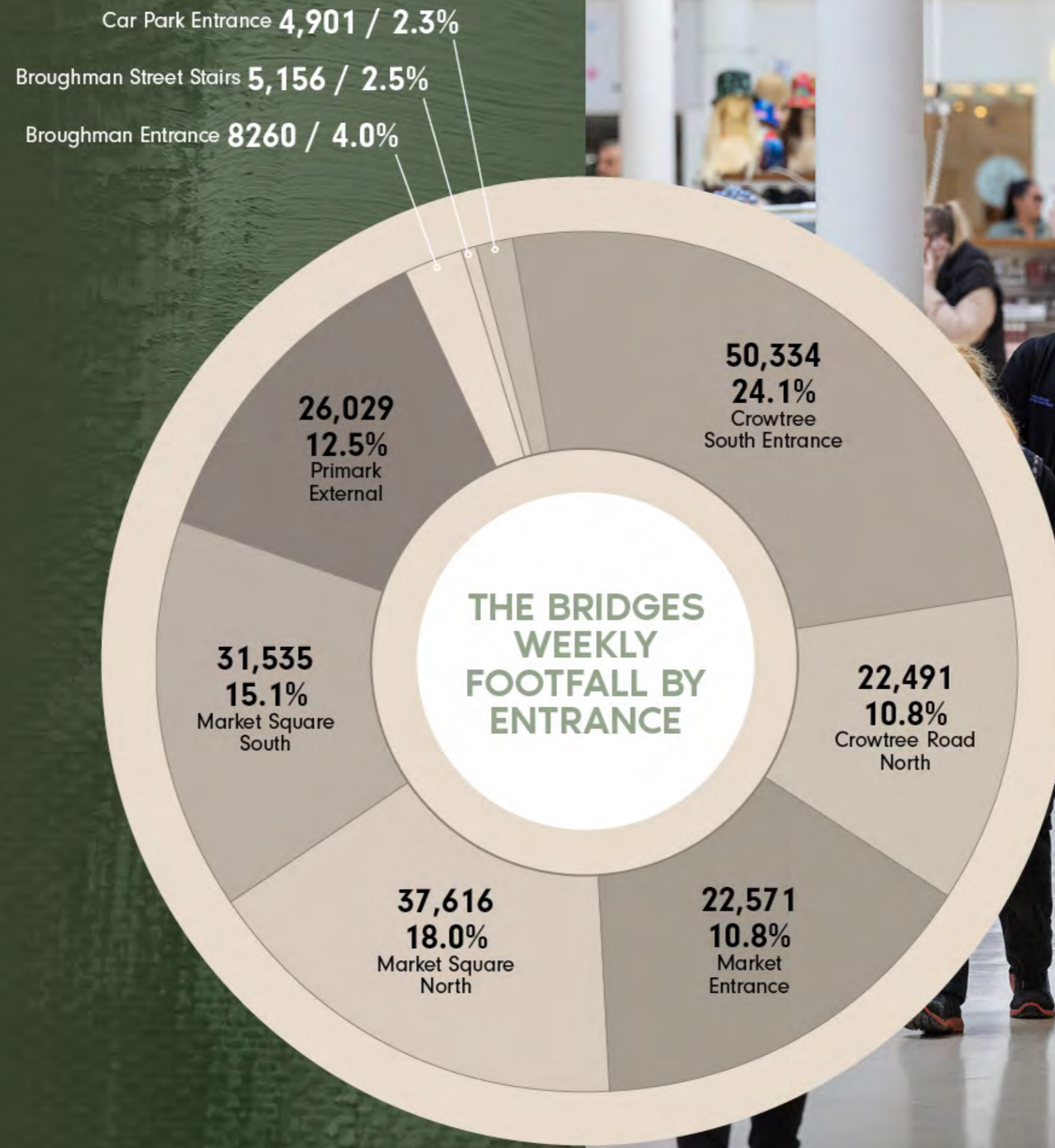
The Bridges is located in the heart of Sunderland City Centre and dominates the retail offering within the City, comprising over half of the city's total retail floorspace.

The main City centre car park, which is included in the ownership of The Bridges offering direct links into the shopping centre, sits adjacent to the scheme comprising 938 spaces across multi storey and rooftop level. The scheme can be accessed by car and foot from all directions:

- + Brougham Street and Green Terrace to the south
- + Crowtree Road and West Street to the west
- + Market Square and Union Street to the east
- + High Street West to the north

Sunderland Train Station is located to the east directly opposite the Market Street entrance with the Stadium of Light situated 900m to the north on the north side of the River Wear. The extensive council-led re-development 'Riverside Sunderland' runs from Keel Square directly adjacent to the scheme up to the River Wear and beyond.

The centre can be accessed from 9 different entrances with weekly footfall for the week commencing 28th August 2023 distributed as per the graph to the right.



DESCRIPTION

The Bridges is anchored by Primark and TK Maxx with a 938-space car park across multi-storey and roof levels.

The Bridges is a dominant enclosed town centre scheme comprising approximately 595,000 sq ft of retail accommodation set across 99 units. There is a dynamic mix of tenants in occupation including national multiple retailers such as TK Maxx, Primark, New Look, H&M and Iceland. Footfall at The Bridges across 2022 was in excess of 11 million which represented a 16.4% increase on 2021 levels and was 7.5% above UK average shopping centre footfall growth. There has been further growth of 2.2% in the year to date. These numbers illustrate the rebound in footfall numbers post-COVID and indicate that visitor numbers are returning to pre-COVID levels of 13.75m. The council-owned covered market also sits within The Bridges.

The Bridges was originally constructed in 1988 and subsequently extended and refurbished in 1999 by Land Securities. The property provides mixed level trading with the majority of retailers trading across ground floor. Servicing is provided to the rear of the units.





CAR PARKING

The scheme benefits from 938 car parking spaces split between 722 spaces in a multi storey car park with a further 216 spaces at rooftop level. Vehicular access is from Green Terrace, and The Bridges is the main car park for shoppers in the town centre.

A new ANPR system becomes operational in September 2023 which will result in approximately £100,000 p.a. reduction in operating costs.

MULTI-STOREY CAR PARK	OPENING HOURS
Mon - Sat	7:00am - 6:00pm
Sun/Bank Holiday	8:00am - 6:00pm

ROOFTOP CAR PARK	OPENING HOURS
Mon - Wed	8:00am - 6:30pm
Thu	8:00am - 9:30pm
Fri - Sat	8:00am - 6:30pm
Sun	10:00am - 6:30pm
Bank Holidays	8:00am - 6:30pm



TARIFFS (all vehicles)	RATE	HOURS
Mon - Sat	£1.50 per hour	7:00am - 6:00pm
Mon - Sat Evenings	50p per hour	6:00pm - 7:00pm
Late Nights	FREE	5:30pm - 9:00pm
Sun/Bank Holiday	£2.00 flat rate	8:00am - 6:00pm
Sun/Bank Holiday Evenings	50p per hour	6:00pm - 7:00pm

TENURE

The Bridges is currently held on five separate headlease interests and two freehold titles.

The annual headrent for 2022 was approximately £798,565 per annum, which equates to a gearing of 22.5% of rent received on Phase 1 and, in effect, 0.0% on Phase 2.

Sunderland County Council as freeholder are an active City Council who want to invest in the city centre emphasising the possibility of a re-structuring opportunity to modernise the headlease structure.



- PHASE ONE - LEASEHOLD**
 - + This phase was constructed in 1988 and comprises the Purple coloured section on the attached plan.
 - + The headlease is for a term of 150 years from 27th October 1988 at a current gearing of 22.5% of the net income excluding the Primark store with an additional 12.6% of the income from the Primark store.
 - + The majority of this section provides enclosed retail and forms the main core of the overall shopping centre.
- PHASE TWO - LEASEHOLD**
 - + This phase opened in 2001 and provides an extension to the existing scheme together with two additional blocks on Crowtree Road and is coloured Light Blue on the attached plan.
 - + The headlease is for a term of 140 years from 23rd November 1998 at a current gearing to the lesser of £430,000 and the excess of rental value over £362,700 + 9.0% of development costs. Currently, the headrent payable on this leasehold is £0.00 per annum.
 - + This section is anchored by a former Debenhams department store and provides a north-south link on the council's masterplan.
- PRIMARK - LEASEHOLD**
 - + A long leasehold interest on part of the Primark which runs from 28th February 2012 to 26th October 2138 with a fixed gearing of £510 per annum subject to 3-yearly RPI increases.
- MANAGEMENT SUITE - LEASEHOLD (1ST FLOOR)**
 - + Long leasehold held from 1st March 1999 to 26th October 2138 on the 1st floor management suite with a peppercorn rent payable.
- UNIT 40 - LEASEHOLD**
 - + Let until 14th March 2068 with an outstanding ground rent review in 2039. The current ground rent payable is £130,000 per annum.
- 12-19A CROWTREE ROAD - FREEHOLD**
 - + This property sits outside of the main shopping centre and is a stand-alone freehold unit currently occupied by New Look.
 - + New Look have recently completed on a re-location within the centre to units 38 and 39, previously occupied by The Disney Store and HMV. Therefore, the freehold of 12-19a Crowtree Road is vacant as of September 2023.
- 262, 263, 264 & 273 HIGH STREET (PART OF PRIMARK STORE) - FREEHOLD**
 - + Freehold element including part of the Primark store and adjacent addresses coloured Green on the plan.
- MARKET HALL**
 - + Separate freehold owned by Sunderland City Council

TENANCY & INCOME ANALYSIS

The property is multi-let to 88 tenants a gross contracted rent of £8,038,666.

- + A detailed tenancy schedule is provided in the data site.
- + The net annual income is £4,787,477 per annum after the deduction of headrent, shortfalls and the landlord's contribution to the marketing budget.
- + The WAULT is 4.0 years to expiries and 3.3 years to breaks.
- + 64% of income is attributed to the top 10 tenants as detailed below:

#	UNIT NAME	TRADING AS	LEASE END	UNEXPIRED TERM	NOI	% OF NOI
1	Unit 1 The Bridges	Primark Stores Limited	30/07/2032	8.90	£776,667	16.22%
2	Unit 41 & 42 The Bridges	JD Sports Fashion PLC	06/07/2025	1.84	£426,132	8.90%
3	Unit 45 The Bridges (previously known as 33-37 Market Square; units 74-75)	Boots Properties Limited	24/03/2032	8.55	£415,000	8.67%
4	Unit 1 40 The Bridges	River Island Clothing Co Ltd	12/03/2027	3.52	£300,000	6.27%
5	Unit 80 The Bridges	Tesco Stores Limited	20/05/2024	0.71	£300,000	6.27%
6	Unit 2 40 The Bridges	Vodafone Ltd	21/07/2027	3.88	£200,000	4.18%
7	37 The Bridges, Phase II	Superdrug Stores Plc	20/09/2025	2.05	£176,700	3.69%
8	Unit 61 & Part Unit 60, The Bridges Phase I	Bank of Scotland Plc t/a Halifax	27/02/2028	4.48	£168,000	3.51%
9	Unit 49, 50 and 51 The Bridges	HSBC UK Bank Plc	23/06/2025	1.80	£150,000	3.13%
10	34 Crowtree Road	TJX t/a TK Maxx	11/06/2024	0.77	£144,815	3.02%

The top ten retailers currently trading within The Bridges include:

PRIMARK



RIVER ISLAND

TESCO

vodafone

Superdrug

HALIFAX

HSBC

TKmaxx



RECENT LEASING ACTIVITY

The Bridges leasing activity since 2020:

There have been a number of recent lettings within The Bridges with a strategy of 'right-sizing' stores to ensure more sustainable occupation. Recent occupier activity includes transactions with New Look, Starbucks and HMV.

The majority of recent lettings have been relocations to alleviate oversupply and maximise value by driving footfall through the main part of the mall. This influx of occupiers is evidenced by Sunderland being 31st out of 200 PROMIS retail centres for net take-up (in-movers minus out-movers). Currently, the shopping centre comprises a mix of fashion and convenience shopping with future leasing strategy focussing on retention of existing tenants through either relocations or rightsizing and bringing new leisure and retail operators (such as Quiz, Everyman Cinema, Accessorize and Nando's) into Sunderland to supplement tenant demand and increase footfall around the vacant former Debenhams.

As demonstrated by the table to the right there has been significant occupational activity at The Bridges since 2020. National multiples such as Starbucks, H&M, New Look, HMV & Clintons have added to the impressive tenant lineup at The Bridges having all taken

occupation in the past 12 months. In addition, tenants including Next, Iceland, Vodafone, Greggs, Schuh, Holland & Barrett & H&M have outlined their commitment to The Bridges with recent lease re-gears and renewals.

An offer has been received from a leisure operator to take the entirety of the Debenhams store for use as a family entertainment centre. This would re-invigorate the Crowtree Mall section of the scheme where occupational activity had been paused as Sunderland City Council's development proposals were explored.

In addition, a cinema operator has offered to take 12,000 sq ft of the vacant space at 12-19a Crowtree Road. This is particularly significant for The Bridges as the Empire Cinema chain recently closed meaning the scheme would offer the only cinema in Sunderland.

NEW LETTINGS

schuh

Superdrug

TKmaxx

NEW LOOK

STARBUCKS

hmv

Clintons

Ann Summers

claire's

GLAMOUR FOREVER

BEAVERBROOKS

Hays Travel

THE FASHION BIBLE

next

LUSH

ROMAN

Holland&Barrett

SUGARSOLE

OneBeyond

select

♥ YOURS

The Fragrance Shop

O₂

TRESPASS

BLUE INC

laserclinics

BE MORE GEEK

PAVERS

MILLIGANS

RENEWAL / REGEARS

HSBC

vision express

Iceland

smiggle

GREGGS

eurochange

vodafone

SWAROVSKI

TheWorks.co.uk

Card Factory

H.SAMUEL

RAMSDENS

THE PERFUME SHOP



RIVERSIDE SUNDERLAND RE- DEVELOPMENT PLANS

Riverside Sunderland is the pre-eminent re-development scheme in Sunderland and has attracted over £200m in public and private funding.

The scheme will produce a new Urban Quarter created by Sunderland City Council to provide over 1,000 homes for residents as well as 1 million sq ft of office space facilitating between 8,000-10,000 jobs.

In addition, the public realm and City centre will be drastically improved by upgrading public spaces and the revitalisation of Riverside Park; a 13.7 hectare green space. The total site comprises 33.2 acres including 19.5 acres of developable land sitting across both sides of the River Wear with projected completion dates staggered from 2021 up to 2027.

The masterplan (RIGHT) subdivides Riverside Sunderland into six areas:

SHEEPFOLDS

Sheepfolds had a strongly industrial character until the late 20th century. The area was dominated by Wearmouth Colliery, and large areas were occupied by railway sidings, with a dry dock and other industries on the riverside. There was also a cluster of workers' housing.

RIVERSIDE PARK

Riverside Park comprises Galley's Gill – once occupied by the coal exporting trade, and now a green space running down to the river – and both banks of the river.

AYRE'S QUAY

Ayre's Quay is a tapering tail of riverside land that runs north from Farringdon Row to the Liebherr site. It was the site of Hetton Staithes and a variety of other traditional industries.

FARRINGDON ROW

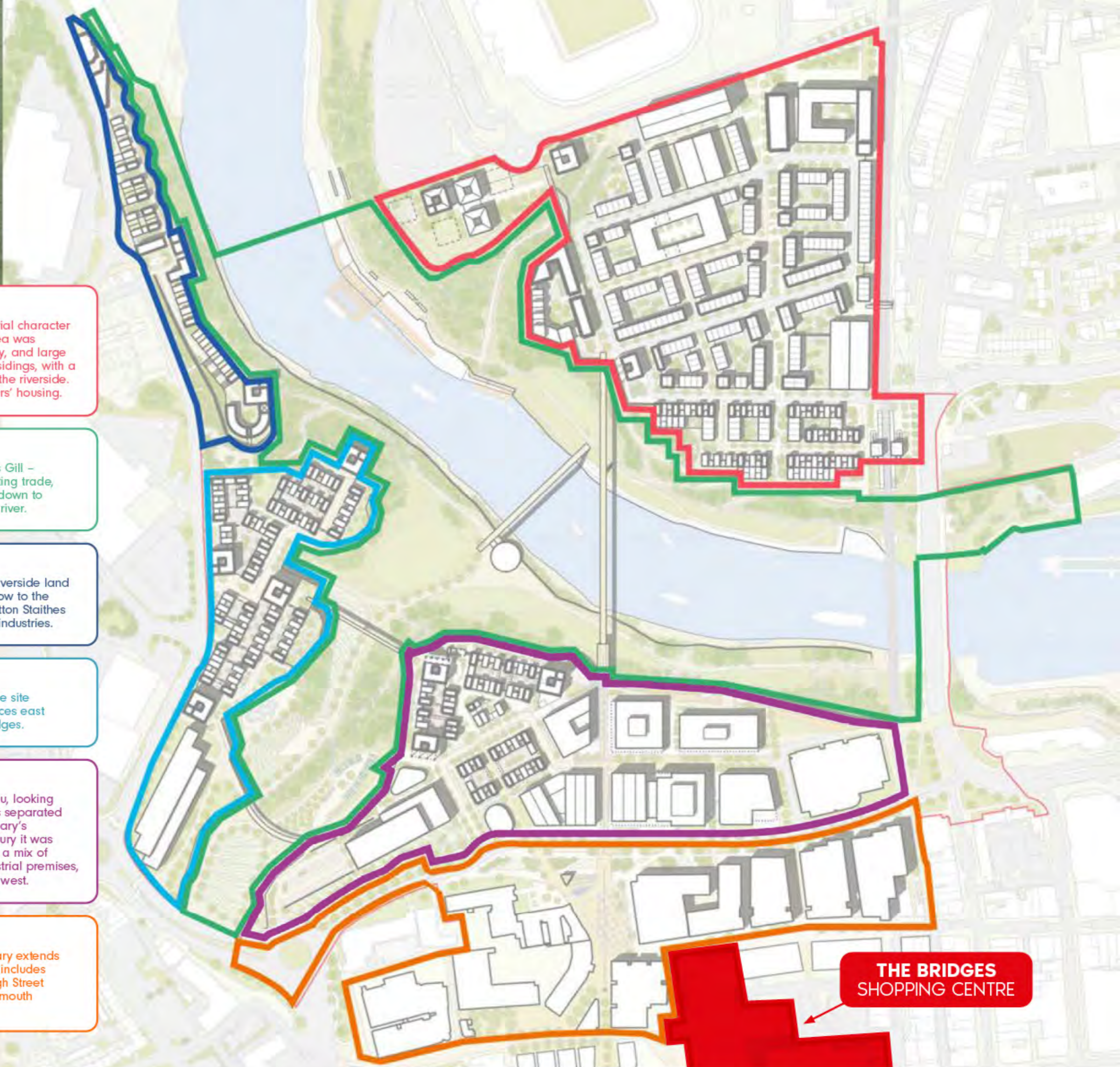
Farringdon Row was previously the site of Sunderland Power Station; it faces east towards Galley's Gill and the bridges.

VAUX

Vaux occupies land on the plateau, looking north towards the River Wear. It is separated from the Heart of the City by St Mary's Boulevard. Until the late 20th century it was occupied by a grid of streets and a mix of small-scale commercial and industrial premises, with an enclave of housing to the west.

HEART OF THE CITY

The Riverside Sunderland boundary extends into the established city centre; it includes Keel Square, the north side of High Street West and part of the Bishopwearmouth Conservation Area.



**THE BRIDGES
SHOPPING CENTRE**

THE CULTURE HOUSE & CITY HALL

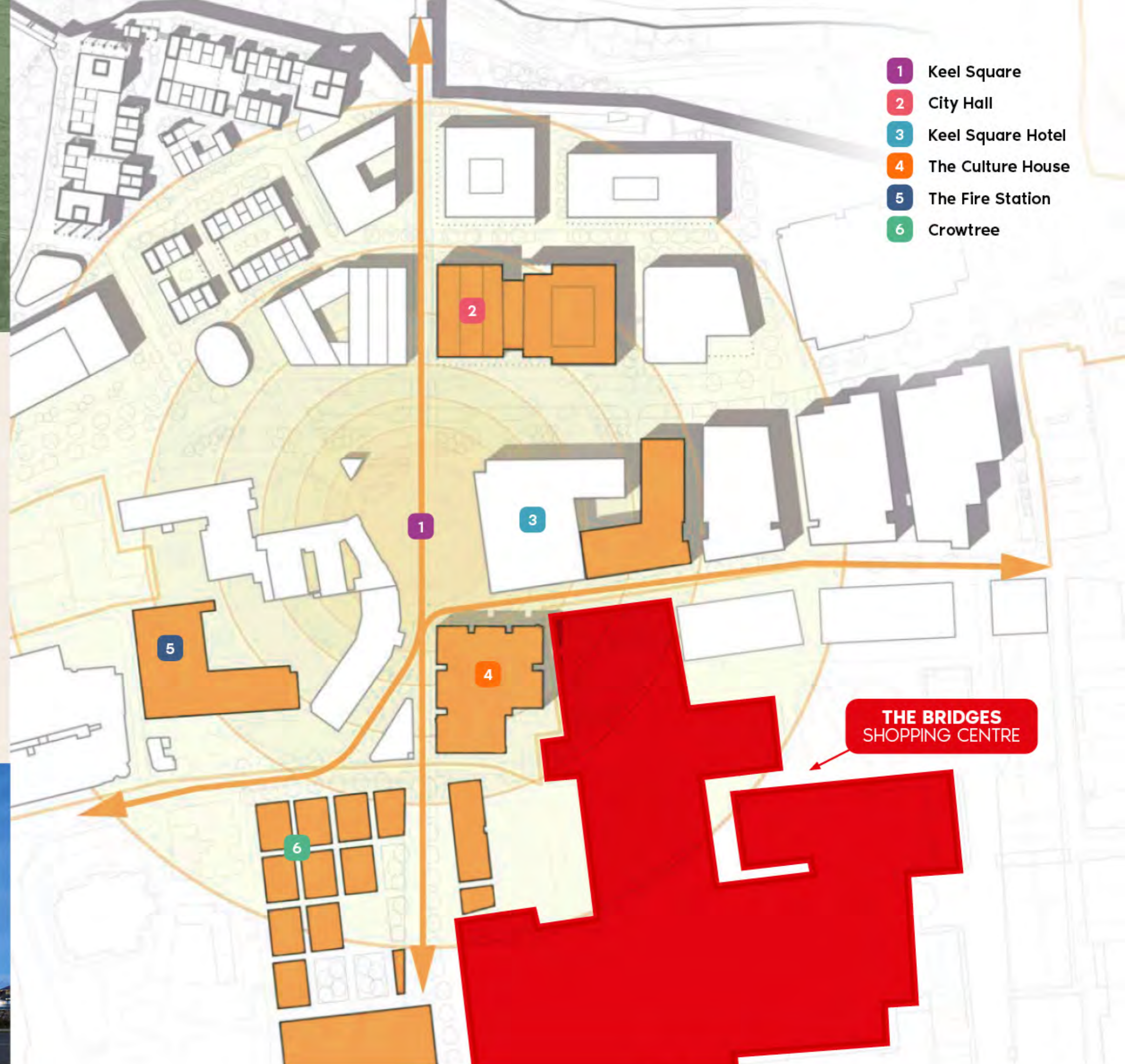
Figure 3 (RIGHT):
Sourced from Riverside
Sunderland Masterplan

www.riversidesunderland.com/sites/default/files/2020-10/sunderland_masterplan_relaunch_RevU_spreads.pdf

The 'Riverside Sunderland' masterplan includes the creation of both a new City Hall and an events space; 'The Culture House' in the area adjacent to the north west corner of the Bridges Shopping Centre.

City Hall comprises a 191,000 sq ft building on Keel Square acting as an access point to the city's residents for housing, employment and benefits.

The Culture house will offer a community meeting place aiming to encourage engagement across all stakeholders in the city by facilitating community events and activities. Footfall at The Bridges is set to benefit from the combined 1,000,000 visitors per year that these developments will generate.



- 1 Keel Square
- 2 City Hall
- 3 Keel Square Hotel
- 4 The Culture House
- 5 The Fire Station
- 6 Crowtree



The Culture House



City Hall

ASSET MANAGEMENT

Improve F&B/Leisure offering in Sunderland

- Opportunity to diversify the retail offering in Sunderland by bringing new F&B and Leisure operators to the scheme

Re-Structure and modernise (5) headleases with Sunderland City Council

- Opportunity to modernise the existing headlease structures and simplify into a singular institutional format



- VACANT DEBENHAMS UNIT**
 - + Under offer to leisure operator who will occupy the entire unit.
 - + Rent payable comprises base rent and turnover structure with the base rent exceeding landlord service charge shortfall (£420,000 p.a.).
 - + Tenant will cover business rates.
- ADDITION OF CUSTOMER ACCESS ROUTE VIA FORMER DEBENHAMS UNIT**
 - + Opportunity to add a direct customer route into the covered part of the shopping centre as part of Landlord capital contribution in letting deal with leisure operator.
- 93-98 CROWTREE ROAD**
 - + Currently let on short term leases to allow flexibility for development opportunity.
 - + Opportunity to reinvigorate west side of Crowtree Road by extending WAULT and maximising rental income by re-letting units to superior covenants on longer terms.
- FORMER TESCO UNIT**
 - + TK Maxx under offer to re-locate into former Tesco and combining units 77-80.
- EXISTING TK MAXX UNIT**
 - + Interest received from discount operators and gym to occupy 34 Crowtree Road once TK Maxx re-locate.
- 12-19A CROWTREE ROAD - FORMER NEW LOOK**
 - + Everyman Cinema have offered to re-develop this unit into a 12,000 sq ft cinema.
 - + Potential to explore further interest from other operators and Sunderland County Council as part of their wider regeneration plan.
- ENGAGE WITH SUNDERLAND CITY COUNCIL OVER 'JACKY WHITE'S MARKET'**
 - + Opportunity to re-position market into a variety of alternative F&B/leisure uses.
- UPGRADE RETAIL OFFER ON MARKET SQUARE**
 - + Opportunity to improve retail offering opposite new refurbishment of Sunderland Train Station.



FURTHER INFORMATION

SERVICE CHARGE

The service charge at The Bridges runs annually from 31/03/2023 to 01/04/2024 across two separate budgets for Phase 1 and Phase 2.

The budget for Phase 1 totals £1,607,800 reflecting £5.21 per sq ft for the year ending 1st April 2024.

The budget for Phase 2 totals £1,304,250 reflecting £4.98 per sq ft for the year ending 1st April 2024. For further detail on the service charge schedule including historic budget breakdowns, please refer to the marketing data site.

EPC

EPC's are available in the data room.

DATA SITE

Further information can be found on the marketing data site, please contact JLL for access to the data site.

Offers in excess of £37,400,000 (Thirty Seven Million Four Hundred Thousand Pounds) reflecting a capital value of £63 per sq ft subject to contract and exclusive of VAT. A purchase at this level would reflect a net initial yield of 12.0% assuming standard purchaser's costs of 6.80%.

The SPV which owns the Freehold interest in The Bridges can be made available. Further information on the corporate structure is available on the data site. The company is a Jersey based JPUT.



CONTACTS

FOR FURTHER INFORMATION OR TO ARRANGE AN INSPECTION, PLEASE CONTACT THE SOLE AGENT:

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