83 OCEAN ROAD

COMPREHENSIVE DEVELOPMENT ANALYSIS

Page 1 of 10 Generated: 6/8/2025

Page 2 of 10 Generated: 6/8/2025

Property Investment Analysis Report

Executive Summary

Property: 83 Ocean Road, South Shields NE33 2JJ

Purchase Price: £250,000

Location: South Tyneside (Beacon and Bents Ward)

Current Use: Commercial Property (Operational)

Key Findings

- Located in South Shields town center, Ocean Road is a prime commercial/residential mixed-use area
- Property situated in an Article 4 Direction area requiring additional planning considerations

Page 3 of 10 Generated: 6/8/2025

- Strong potential for both HMO and residential conversion given proximity to South Shields town center
- Development viability challenged by current market conditions in South Tyneside

Location Analysis

Area Profile

- South Shields (NE33 2JJ)
- Prime town center location on Ocean Road
- Walking distance to South Shields Metro station
- Close to South Shields Marine School and South Tyneside College
- Beachfront and South Shields Pier within 0.5 miles
- Major regeneration ongoing through South Shields 365 masterplan

Key Demographics

- Mixed demographic area with growing student population

Page 4 of 10 Generated: 6/8/2025

- High density of rental properties
- Strong demand for affordable professional accommodation
- Growing young professional population due to regeneration

Development Strategy Analysis

Strategy 1: HMO Conversion

Feasibility Score: 7/10

Development Costs

- Purchase Price: £250,000

- Conversion Costs: £120,000

- Professional Fees: £25,000

- Contingency: £17,500

- Total Investment: £412,500

Page 5 of 10 Generated: 6/8/2025

Revenue Projections

- 6-8 bedrooms @ £400-450 pcm

- Projected Annual Revenue: £28,800 - £43,200

- Gross Yield: 7.0% - 10.5%

Key Risks

- Article 4 Direction requiring full planning permission

- HMO licensing requirements

- Market saturation in student sector

Strategy 2: Residential Apartment Conversion

Feasibility Score: 8/10

Development Costs

- Purchase Price: £250,000

- Conversion Costs: £180,000

- Professional Fees: £30,000

- Contingency: £23,000

Page 6 of 10 Generated: 6/8/2025

- Total Investment: £483,000

Revenue Projections

- 3-4 one-bedroom apartments

- Projected Sale Values: £110,000 - £125,000 per unit

- Total GDV: £330,000 - £500,000

Financial Analysis

| Metric | HMO Strategy | Residential Strategy |
|------------------|-------------------|----------------------|
| Total Investment | £412,500 | £483,000 |
| Projected Return | 7.0-10.5% (Yield) | 15-20% (ROI) |
| Payback Period | 8-10 years | 18-24 months |

Page 7 of 10 Generated: 6/8/2025

Risk Assessment Matrix

| Risk Factor | Impact | Mitigation Strategy | |
|------------------------|--------|--|--|
| Planning Permission | High | Early pre- application consultation with South Tyneside Council | |
| Market Demand | Medium | Phased development approach with flexible unit sizing | |
| Construction Costs | Medium | Fixed-price contracts with established local contractors | |

Professional Recommendations

Page 8 of 10 Generated: 6/8/2025

Primary Recommendation: Residential Apartment Conversion

Rationale:

- 1. Lower regulatory barriers compared to HMO
- 2. Strong demand for one-bedroom apartments in town center
- 3. Better aligned with South Shields regeneration strategy
- 4. Higher potential returns with lower ongoing management requirements

Implementation Timeline:

- Month 1-2: Planning Pre-application and Design
- Month 3-4: Full Planning Application
- Month 5-7: Construction Documentation
- Month 8-14: Construction Phase
- Month 15-18: Marketing and Sales

Analysis based on current market data as of June

2025. All projections subject to market conditions and planning approval. Professional advice should be sought before proceeding with any development strategy.

Page 9 of 10 Generated: 6/8/2025

RiskAssessmentMatrix

| Risk Factor | Probability | Impact | Mitigation |
|------------------------|-------------|--------|--|
| Market Downturn | Medium | High | Conservative valuations, stress testing |
| Planning Rejection | Low | High | Pre- application consultation, professional advice |
| Construction Delays | Medium | Medium | Experienced contractors, realistic timelines |

This document is for information purposes only and does not constitute financial advice.

All figures are projections based on current market conditions and comparable evidence.

Document prepared: June 2025

Page 10 of 10 Generated: 6/8/2025