

DEVELOPMENT FUNDING OPPORTUNITY

PARSONS ROAD WASHINGTON TYNE & WEAR NE37 1EZ



 **GREGGS**

Angling Direct

 **TOOLSTATION**

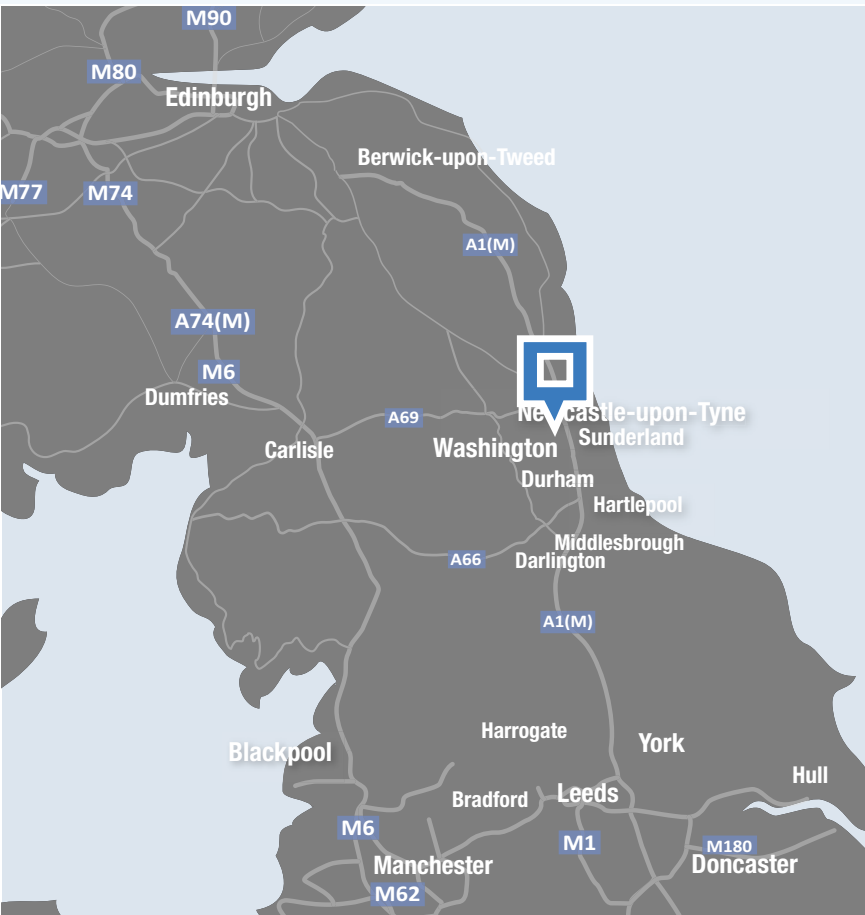
FRANK'S
THE FLOORING STORE

FASTNED 

PROPERTY HIGHLIGHTS

- ❑ Roadside **development funding opportunity**
- ❑ Occupiers include **Greggs, Toolstation, Franks Flooring** and **Fastned**
- ❑ **13,048 sq ft** of accommodation plus **electric charging points**
- ❑ **Annual rent of £160,480pa**
- ❑ **WAULT** to expiry in excess of **13 years**

We have been instructed to seek a total commitment of **£2,450,000**, which will provide the funder with a net initial yield of **6.24%** upon completion.



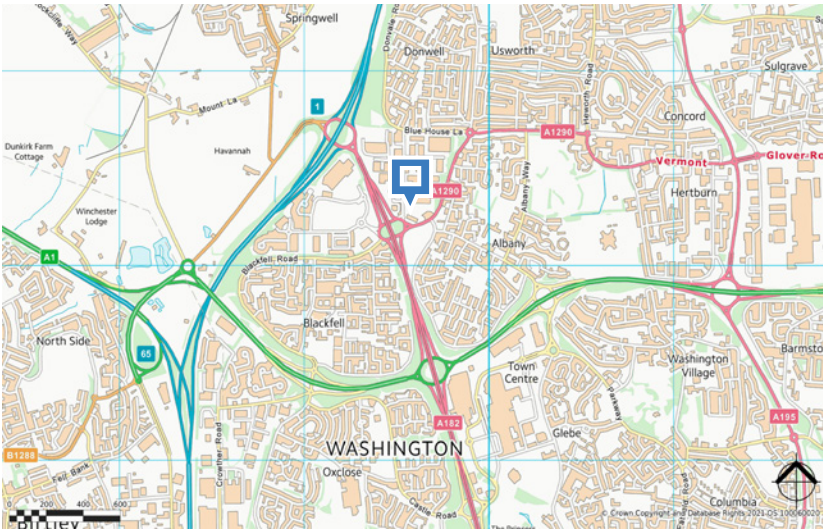
LOCATION

Washington is a strategically placed former New Town, located in the Tyne and Wear conurbation in the North East. The town is situated 8 miles south of Newcastle upon Tyne, the commercial and administrative capital of the North East.

Washington is at the epicenter of the region’s motorway network and bounded by the A1231 Sunderland Highway which connects both the A1(M) and the A19. The area is well served by both commercial and public transport links, with the Port of Tyne being just 5 miles to the north east and Newcastle International Airport situated 15 miles to the north west of the property, facilitating national and international flights. Furthermore Newcastle Central Station, a main station on the East Coast Mainline, connects the city to London in 2 hours and 50 minutes and Edinburgh in 1 hour and 30 minutes.

Washington is home to a wide range of industrial and office occupiers across c. 6.5 million sq ft of commercial space. Amazon, Nissan, Asda, Clipper, Rolls Royce and BAE Systems all have a sizable presence on the Washington – Gateshead A1(M) corridor.

Amazon are currently on site with construction of two units at Follingsby Park totaling 2.16 million sq ft having purchased the site in Q1 2020. Nissan have invested into Sunderland significantly in the last decade taking 430,000 sq ft through its logistics operator Vantec and 421,000 sq ft at Hillthorn Park, Washington in 2016. In August 2020 L&G announced its plans to fund 620,000 sq ft of industrial space at Hillthorn Park.



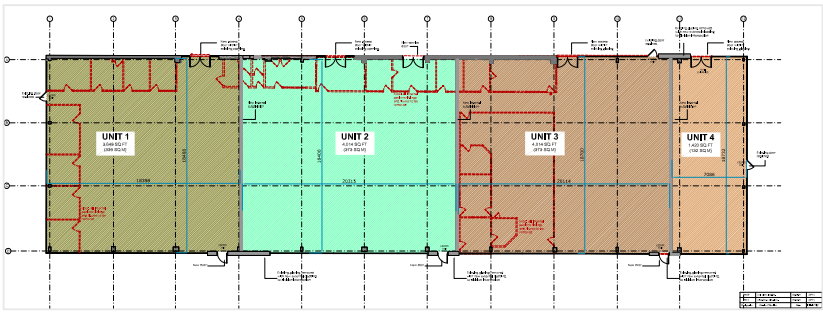
SITUATION

Parsons Road is excellently located off the A182 Washington Highway which in turn links directly with the A194(M) and on to the A1(M). The property is very prominently located on a major roundabout fronting Parsons Interchange and accessed off Parsons Road which forms the main estate road.

Directly adjacent to Parsons Road is a B&Q warehouse and ALDI supermarket which coupled with the strategic location of the estate has meant that the majority of occupiers have a trade bias. This is also the case with the nearby Armstrong Industrial Estate which has established itself as popular trade location.

The land immediately opposite the B&Q warehouse is to be redeveloped to provide a 60,000 sq ft DPD distribution unit.

The Nissan car factory, which is Europe’s most efficient car plant, is situated approximately one and a half miles to the east.



ACCOMMODATION & TENANCY

Unit	Tenant	Lease length	Break	Rent	Size	Rent per Sq ft	Reviews	Rent free	Comment
Unit 1	J and D Carpets Ltd (Franks Factory Flooring)	10 years	5th	£36,480	3,648 sq ft	£10.00	5 yearly open market	6 Months	
Unit 2	Toolstation Limited	15 years	6th & 10th	£40,000	4,000 sq ft	£10.00	5 yearly open market	6 Months	
Unit 3	Angling Direct plc	10 years	6th	£40,000	4,000 sq ft	£10.00	5 yearly open market	6 Months	
Unit 4	Greggs plc	10 years		£28,000	1,400 sq ft	£20.00	5 yearly CPI 1% - 3%	6 Months	S/C cap to £1.50psf subject to annual CPI.
EV	Fastned UK Limited	30 years		£16,000 + Variable			5 yearly fixed uplift to £20,000 at the first review. RPI 1% - 4% thereafter.		5 year extension option. There will be a variable rent element linked to 1p/kWH sold also subject to 5 yearly RPI 1% - 4%. Total Rent Cap of £75,000pa. Exclusivity on the site to Fastned.
				£160,480	13,048				

DEVELOPMENT

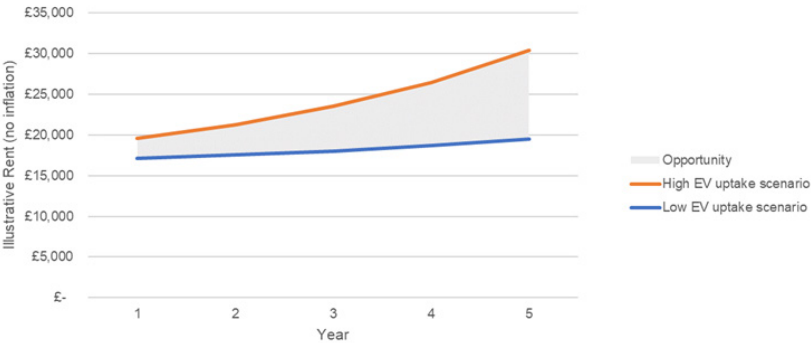
The development provides a roadside scheme of **1,212.2 sq m (13,048 sq ft)**. The building was originally constructed as a car dealership and is being comprehensively refurbished to provide four trade units together with an electric vehicle charging area. The development has pre-lets in place with **Toolstation, Angling Direct, Greggs, Franks Flooring** and **Fastned** (EV Charging).

Timeline:

- Full planning permission expected Q3 2021
- The construction is **due to commence in Q4 2021**
- Build Period of **4 months**
- Practical Completion anticipated end of **Q1 2022**

FASTNED VARIABLE RENT ESTIMATION

The following is an estimate of the potential rental income including the variable rent element for the EV charging lease:



COVENANT STRENGTH

Greggs plc
Company No – 00502851

Greggs was founded 75 years ago as a family bakery and has grown into one of the countries leading food on the go companies, trading from over 1,700 outlets throughout the UK employing 20,000 staff. A summary of their last three years accounts are set out below:

Year End	31st December 2020	31st December 2019	29th December 2018
Turnover	£811,300,000	£1,167,900,000	£1,029,347,000
Pre Tax Profit (Loss)	(£13,700,000)	£108,300,000	£82,618,000
Shareholder Funds	£321,600,000	£346,800,000	£334,341,000

Tool Station Limited
Company No – 04372131

Toolstation opened in 2003 and now offers tools, electrical, plumbing, screws, fixings, trade essentials providing over 12,000 stock products and a further 8,000 available online. They operate from over 450 branches nationwide. A summary of their last three years accounts follow:

Year End	31st December 2019	31st December 2018	29th December 2017
Turnover	£434,165,000	£354,601,000	£300,401,000
Pre Tax Profit (Loss)	£25,610,000	£21,883,000	£21,511,000
Shareholder Funds	£63,056,000	£52,644,000	£45,367,000

Angling Direct plc
Company No – 05151321

Angling Direct are one of the leading mail order fishing tackle companies in the country with over 30 years of experience. A summary of their last three years accounts are set out below:

Year End	31st January 2020	31st January 2019	31st January 2018
Turnover	£53,181,000	£42,004,000	£30,240,627
Pre Tax Profit (Loss)	(£1,480,000)	(£392,000)	£158,531
Shareholder Funds	£25,491,000	£26,801,000	£8,255,324

J and D Carpets Limited
Company No – 05983196

J and D Carpets are a franchise of Frank’s Flooring. They currently operate a store in Durham and with the backing of Frank’s Flooring are opening two further outlets in Durham and Washington.

For the year to 31st December 2020 they had a Turnover of £541,448, Pre Tax Profit of £145,410 and Shareholders Funds of £135,673.

Fastned UK Limited
Company No – 11140404

Fastned are a Dutch electric vehicle charging site operator. They have 134 stations across Europe with a further 166 locations in development. They are fast growing and are targeting 1000 fast charging sites across Europe and the UK.

For the year to 31st December 2019 they had a Turnover of £1,451,103, Pre Tax Loss of £496,263 and Shareholders Funds of negative £599,608.

EPC

EPC’s will be provided on completion.

CAPITAL ALLOWANCES

The purchaser will have the benefit of all capital allowances.

PROPOSAL

We have been instructed to seek a **funding partner** for the scheme. The total commitment required will be **£2,450,000** which would show the purchaser a net initial yield of **6.24%** upon completion. This will be structured as an up front site purchase of £1,000,000, with the stamp duty saving of £79,000 to be split 50/50 with the vendor. This is reflected in the total commitment figure above.

The funding will take the form of an initial site purchase followed by a phased schedule of payments based on certified monthly valuations. It is anticipated the redevelopment will take 4 months.

Any rent free periods will be covered by the vendor and deducted from the total commitment figure.

VAT

The property is elected for VAT and it is anticipated VAT will be payable on the transaction.



CONTACT



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Misrepresentation Act: These particulars shall not form part of any offer or contract and no guarantee is given as to the condition of the property or the accuracy of its description. An intending purchaser or tenant is not to rely on any representation made in these particulars and must satisfy himself as to their accuracy by his own investigation before entering into any contract. June 2021.

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