

DEVELOPMENT FUNDING OPPORTUNITY

AGNES STREET STANLEY CO. DURHAM DH9 0NT



PROPERTY HIGHLIGHTS

- Roadside **development funding opportunity**
- **Let to Starbucks, Greggs & Domino's**
- **Starbucks** has RPI based reviews
- 4,300 sq ft of accommodation plus **electric charging points**
- **Annual rent of £149,000**
- **WAULT** to expiry of **15 years**

We have been instructed to seek a total commitment of **£2.555m**, which will provide the funder with an initial yield of **5.72%** upon completion.

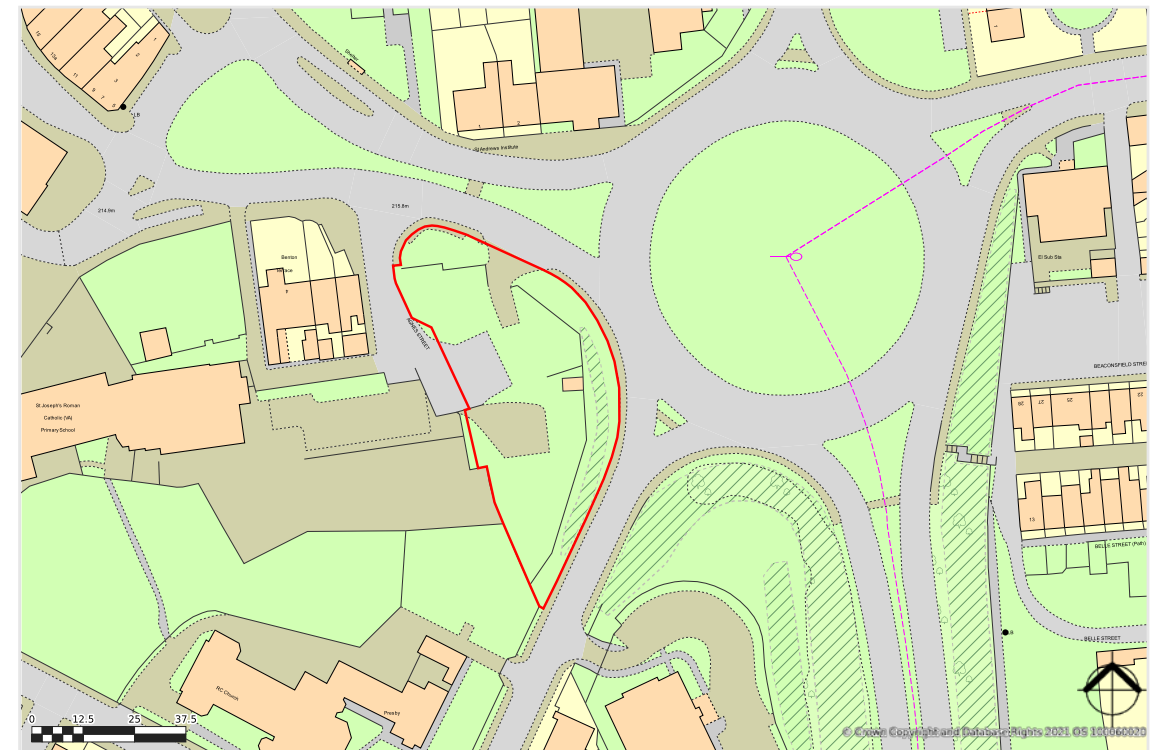
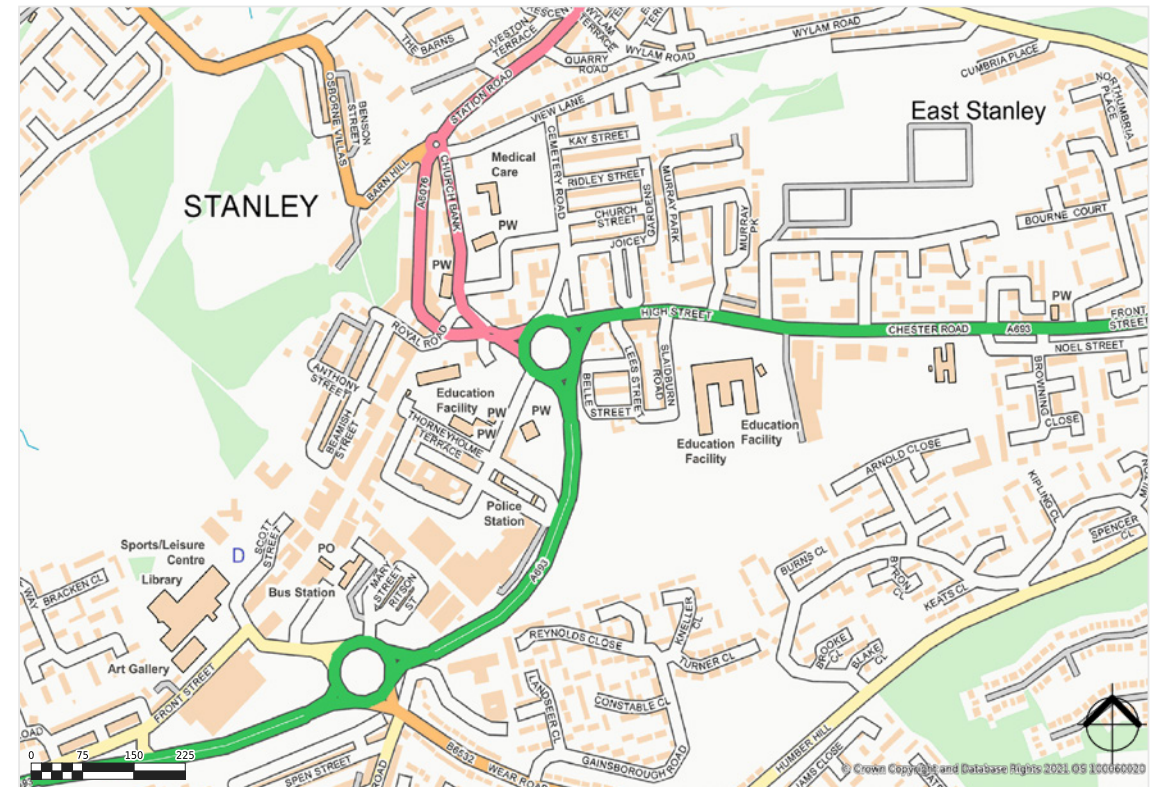


LOCATION

Stanley is conveniently located midway between Durham (9 miles to the south east) and Newcastle (10 miles to the north east). Junction 63 of the A1 (M) motorway is 6 miles to the east, along the A693. Stanley is a market town which benefits from a population of approximately 20,000 people and a district population of approximately 54,000 people. It is home to the Beamish Museum, the famous Museum depicting the history of the North East.

SITUATION

The development is a busy roundabout site just off the A693 ring road close to the town centre. Nearby occupiers include Home Bargains, McDonalds, Aldi, Asda, Co-op Funeral Care and Toolstation.



ACCOMMODATION & TENANCY

Unit	Tenant	Size Sq ft	Term	Rent	Rent per sq ft	Income %	Review	Rent free	Comment
Unit 1	DP Realty Ltd & Stanley DP Ltd t/a Domino's	1,000	20 yrs	£23,000	£23	15%	OM	6 Months	Break at year 10. Lease to DP Realty & Stanley DP Ltd. Option for a further 20 year lease on expiry.
Unit 2	Greggs	1,500	10 yrs	£34,500	£23	23%	OM	6 Months	
Drive Thru	Starbucks	1,800	15 yrs	£87,500	£48.61	59%	RPI between 1-3%	6 Months	23.5 Degrees Franchisee.
Electric Chargers	Osprey		25 yrs	£4,000		3%			base rent of £4k pa and a percentage of profits on top.
		4,300		£149,000		100%			

DEVELOPMENT

The development provides a roadside scheme of **399.48 sq m (4,300 sq ft)**, with pre-lets in place to **Starbucks** (Drive Thru), **Greggs**, **Domino's** and **Osprey** (Electric charging points).

Timeline:

- Full planning permission has been granted
- The construction is **due to commence in Q2 2022**
- Build Period of **7 months**
- Practical Completion anticipated end of **Q4 2022**



TENURE

The property is freehold.



VAT

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

COVENANT STRENGTH

23.5 Degrees Ltd (Starbucks)

Company No – 08014079
Creditsafe Score – 70/100

Starbucks is one of the best known global brands and since being founded in 1971 has grown to become the world leading coffee shop. Today it has in excess of 28,000 stores in 76 countries.

23.5 Degrees Ltd is the UK's leading Starbucks Franchisee and since being founded in 2013 has grown to operate 86 stores with a further 53 currently agreed for future development. The company is still in its growth phase and is on target to achieve its forecasts. A summary of 23.5 Degrees Ltd trading figures are set out below:

Year End	*Year End August 21	31st August 2020	31st August 2019
Turnover	£66,716,851	£35,682,990	£33,260,076
Pre Tax Profit (Loss)	£10,300,918	-£1,798,315	(£1,905,618)
Shareholder Funds	£1,073,659	-£7,770,907	-£5,972,595

Greggs PLC

Company No – 00502851
Creditsafe Score – 55/100

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 as follows:

Year End	31st December 2020	29th December 2019	28th 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

DP Realty Limited (Domino's)

Company No – 02882513
Creditsafe Score – 82/100

Domino's is one of the world's most recognised pizza restaurants. It's origins date back to 1960 when it was founded in Michigan USA and has grown to become a globally recognised brand. It's first UK store was opened in 1985 and now operates from 1,200 stores throughout the UK. DP Realty is a wholly owned subsidiary of Domino's Pizza Group PLC. A summary of DP Realty Ltd's last 3 years accounts are summarised below:

Year End	27th December 2020	29th December 2019	30th December 2018
Turnover	£2,759,000	£27,781,000	£26,451,000
Pre Tax Profit (Loss)	£1,049,000	£1,093,000	£823,000
Shareholder Funds	£3,987,000	£5,654,000	£4,370,000

Osprey Charging Network Limited

Company No – 08460233
Creditsafe Score – 47/100

Osprey are one of the countries leading electric vehicle charging companies and aims to have in excess of 2,000 charging points by 2024. Cube Infrastructure Fund II recently invested £35m into the business to support its growth plans. A summary of Osprey Charging Network Ltd's trading figures are set out as follows:

Year End	31st December 2020	31st December 2019	31st December 2018
Turnover	N/A	N/A	N/A
Pre Tax Profit (Loss)	N/A	N/A	N/A
Shareholder Funds	£13,659,044	£10,799,769	£684,403

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 **£2,555,000** which would show the purchaser an initial yield of **5.72%** upon completion based on acquisition costs of 1.93%. This will be structured as an up front site purchase of circa £300,000, with the stamp duty saving of £110,000 to be split 50/50 between developer and purchaser.

The funding will take the form of an initial site purchase followed by a phased schedule of payments throughout the scheme with a final payment taking it up to the total commitment level.

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

PROFESSIONAL TEAM

Architect	Ellis Healey
Planning Consultant	DPP
Structural Engineer	HJCE
Solicitor	Square One Law
Client Monitoring Surveyor	Inform Surveying
Contractor	Tenders out to contractors

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. March 2022.

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