



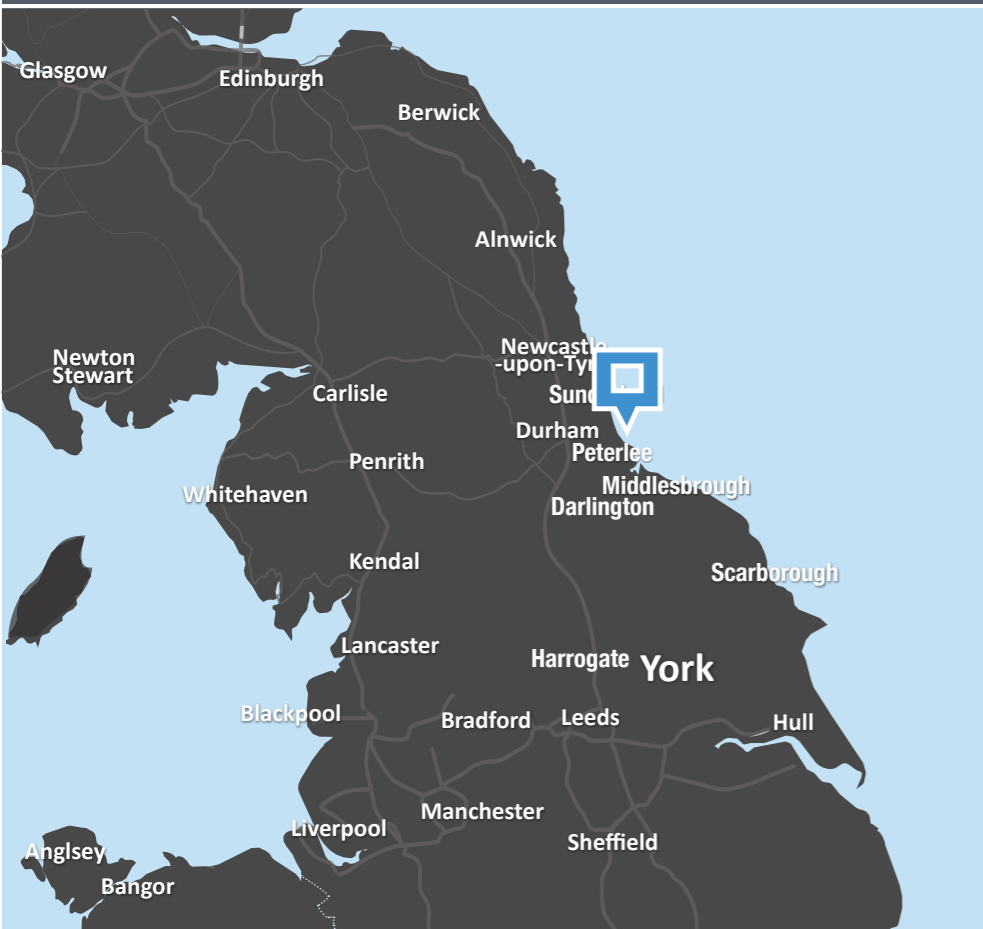
LONG INCOME SUPERMARKET ANCHORED ROADSIDE INVESTMENT

PASSFIELD WAY PETERLEE COUNTY DURHAM SR8 1PX

INVESTMENT HIGHLIGHTS

- **Roadside Investment** opportunity recently completed
- Let to **Sainsburys, Greggs & Domino's** amongst others
- Blend of **open market and CPI reviews**
- **12,943 sq ft** of accommodation plus **electric charging points**
- **Annual rent of £265,380** with **genuine reversion**
- **Asset Management** opportunities to further improve income & Value
- **WAULT** to expiry of **13.3 years** & 12.3 to break

We have been instructed to seek **£4.25m**, which will show a net initial yield of **6.1%** (2.3% costs) on the basis of an SPV sale or **5.86%** after standard purchase costs of 6.54%.



LOCATION

Peterlee is conveniently located midway between Newcastle (24 miles north) and Middlesbrough (20 miles south). It is also close to Sunderland (13 miles) and Durham (13 miles). Peterlee is situated just off the A19 which is one of the main north south routes on the east side of the country. It links Newcastle with Sunderland, Middlesbrough, York and Doncaster. Peterlee was a designated New Town in 1948 and has now grown to have a population in excess of 20,000 residents.

With its central location the town has a strong industrial estate which is close to Passfield Way and houses employers such as Caterpillar, ZF Automotive, Encore, Janus International etc. Peterlee's location also allows it to take advantage of other regional employers such as Nissan and Teesport.

SITUATION

The development is situated on the busy Passfield Way, just a few hundred metres from the A19. The location is predominantly residential but also the Shotton Hall Academy, Shotton Hall Primary School, Shotton Hall Conference Centre as well as the Business Park and Industrial Estate.



SCHEDULE OF ACCOMODATION		
Unit	Size GIA	
1	4,000 sq ft (371 sq m)	Sainsbury's
2	1,248 sq ft (116 sq m)	Greggs
3	3,745 sq ft (348 sq m)	CVS
4	1,200 sq ft (111 sq m)	Domino's
5	1,250 sq ft (116 sq m)	To Let
6	1,500 sq ft (139 sq m)	Tanning Shop
Total	12,943 sq ft (1,202.4 sq m)	

ACCOMMODATION & TENANCY

Unit	Tenant	Size Sq ft	Rent	% of Income	Rent per sq ft	Lease term	Rent Free	Break	Review	Review type	ERV	Comment
1	Sainsburys Supermarkets Ltd	4,000	£63,000	24%	£15.75	15	6 months		5 yrly	cpi 1-3%	£71,279	
2	Greggs Plc	1,248	£28,080	11%	£22.50	10	6 months		5 yrly	cpi 1-3%	£31,769	Last letting done at 12.5% above other pre-lets
3	CVS (UK) Plc	3,745	£56,175	21%	£15.00	15	12 months	10th	5 yrly	OMV	£63,200	
4	DP Realty Ltd (Dominos)	1,200	£24,000	9%	£20.00	10	6 months	10th	5 yrly	OMV	£27,000	If not let by completion a 2 year rental guarantee will be provided
5	Vacant	1,250	£28,125	11%	£22.50	15	6 months		5 yrly	OMV	£28,125	Originally to be Cooplands. See Asset Management section.
6	The Feel Good Group Ltd t/a The Tanning Shop	1,500	£30,000	11%	£20.00	10	6 months		5 yrly	cpi 1-3%	£33,942	
EV	EV Asset Holdings Ltd	8	£36,000	14%	£4,500 (per space)	25			5 yrly	cpi 1-3%	£40,730	There is a base rent of £4,500 per space with a profit rent of 20% paid quarterly.
Totals		12,943	£265,380	100%							£296,045	

TENURE

The property is freehold.

DEVELOPMENT

The development provides a roadside scheme of 1,202.4 sq m (12,943 sq ft). The development consists of 2 buildings. One is a former car dealership which has been refurbished and divided to create units for Sainsburys, Greggs and CVS Group. The other is a new build parade providing 3 units for Domino's and The Feel Good Group with one unit available.

The development is now complete and the tenants are currently at different stages of their fit out.

COVENANT STRENGTH

Sainsburys Supermarkets Ltd

Company No – 03261722

Creditsafe Score – 88/100

International Score – A – Very Low Risk

Sainsburys Supermarkets Ltd is a wholly owned subsidiary of J Sainsburys PLC which is the UK's 2nd largest supermarket by market share with 15.3% of the market. Sainsburys has a market cap of £6bn. A summary of Sainsburys Supermarket Limited's last 3 years accounts are set out as follows:

Year End	2nd February 2024	4th April 2023	5th May 2022
Turnover	£27,877,000,000	£26,693,000,000	£23,823,000,000
Pre-Tax Profit	£273,000,000	£137,000,000	£244,000,000
Shareholder Funds	£4,059,000,000	£4,684,000,000	£5,418,000,000

Greggs PLC

Company No – 00502851

Creditsafe Score – 80/100

International Score – A – Very Low Risk

Greggs was founded 75 years ago as a family bakery and has grown into one of the country's 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	30th December 2023	31 December 2022	1st January 2022
Turnover	£1,809,600,000	£1,512,800,000	£1,229,700,000
Pre-Tax Profit	£188,300,000	£148,300,000	£145,600,000
Shareholder Funds	£530,900,000	£446,000,000	£429,200,000

CVS (UK) Limited

Company No – 03777473

Creditsafe Score – 59/100

International Score – B – Low Risk

CVS group is a provider of veterinary services in both the UK and Australia operating from 500 practices. In addition to the veterinary centres, they also have laboratories, crematoria, insurance services, buying groups and an online pet supply business. CVS (UK) Ltd is a wholly owned subsidiary of CVS Group PLC who have an annual turnover of £647.3m and shareholder's funds of £260m. A summary of CVS (UK) Ltd's last 3 years accounts are set out below:

Year End	30th June 2024	30th June 2023	30th June 2022
Turnover	£450,292,000	£418,164,000	£376,156,000
Pre-Tax Profit	(£17,533,000)	£42,572,000	£12,935,000
Shareholder Funds	£85,601,000	£109,499,000	£72,353,000

DP Realty Limited (Domino's)

Company No – 02882513

Creditsafe Score – 85/100

International Score – A – Very Low Risk

Domino's is one of the world's most recognised pizza restaurants. Its 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	31st December 2023	25th December 2022	26th December 2021
Turnover	£3,196,000	£2,768,000	£2,720,000
Pre-Tax Profit	£1,600,000	£1,278,000	£544,000
Shareholder Funds	£6,783,000	£5,671,000	£4,780,000

The Feel Good Group Ltd

Company No – 05891329

Creditsafe Score – 76/100

International Score – A – Very Low Risk

The Feel Good Group is a chain of tanning shops operating from 112 outlets in the UK operating T/A Blue Tanning & Beauty and Tanning Shop and provides a range of tanning and beauty services.

The business was founded in 2006. A summary of the last 3 years accounts are summarised below:

Year End	31st December 2023	31st December 2022	31st December 2021
Turnover	£26,605,466	£22,670,475	£13,586,058
Pre-Tax Profit	£4,718,220	£4,072,967	£2,903,180
Shareholder Funds	£8,318,305	£8,715,945	£9,135,224

EVC Asset Holdings Ltd

Company No – 12978519

Creditsafe Score – -/100

International Score – E – Not Scored

EV Chargers Ltd (Guarantor)

Company No – 12626410

Creditsafe Score – 43/100

International Score – C – Moderate Risk

EVC now known as Roam is an electric vehicle charging company with over 1,500 stations across the UK. In 2023 Roam attracted funding from Denham Capital to allow them to reach their target of 100,000 charges. A Summary of EV Chargers last 3 years accounts are summarised below:

Year End	31st December 2023	31st December 2022	31st May 2022
Turnover	£1,216,408	£253,452	
Pre-Tax Profit	(£5,802,162)	(£724,564)	
Shareholder Funds	£36,515,926	-£2,185,361	-£387,497

ASSET MANAGEMENT

Whilst the scheme has just completed there remains several opportunities to add further income and value:

A deal had been agreed with Cooplands for them to occupy unit 5. They no longer wish to compete with Greggs and a deal for their surrender has been agreed. The Greggs letting shows a new headline figure of £22.50 per sq ft. There is currently interest in the premises from a number of occupiers. If the unit is not let to a new occupier prior to the sale a rental guarantee will be provided. Now the scheme is complete a new letting at £22.50 per sq ft will help establish the tone and rental growth.

EVC have expressed interest in adding a further 4 charging points to the scheme. At the current rate of £4,500per bay, this would add a further £18,000pa.

There is also interest in the scheme from a number of other roadside operators such as laundry, car washes & collection point operators. All of which could be accommodated on the site. Collectively this could add an additional £25,000/£30,000 per annum.

EPC

EPC's will be provided on completion.

CAPITAL ALLOWANCES

The purchaser will have the benefit of all capital allowances.

PROPOSAL

The preferred option is to sell the SPV. The property is the only asset held within the SPV. A sale at **£4.25m** would show an initial yield of **6.1%** after purchase costs of **2.3%** and a reversionary yield of **6.8%**.

Alternatively, a sale of the asset at **£4.25m** would show a net initial yield of **5.86%** after deduction standard purchaser's costs of **6.55%** and a reversionary yield of **6.54%**.

With the additional asset management, the reversionary yield could rise to in excess of **7%**.

VAT

The property is elected for VAT and it is anticipated the transaction will be treated as a TOGC.



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