



COSTA
DRIVE THRU

SUBWAY

DRIVE THRU



MAX HEIGHT 2.4m

ACUITUS
PRIVATE
TREATY

REAL ESTATE INVESTMENT

Units 1-3 Rotary Way, Gosforth
Newcastle upon Tyne
NE3 8EJ

Newly Developed
Multi-let Drive-Thru
Investment

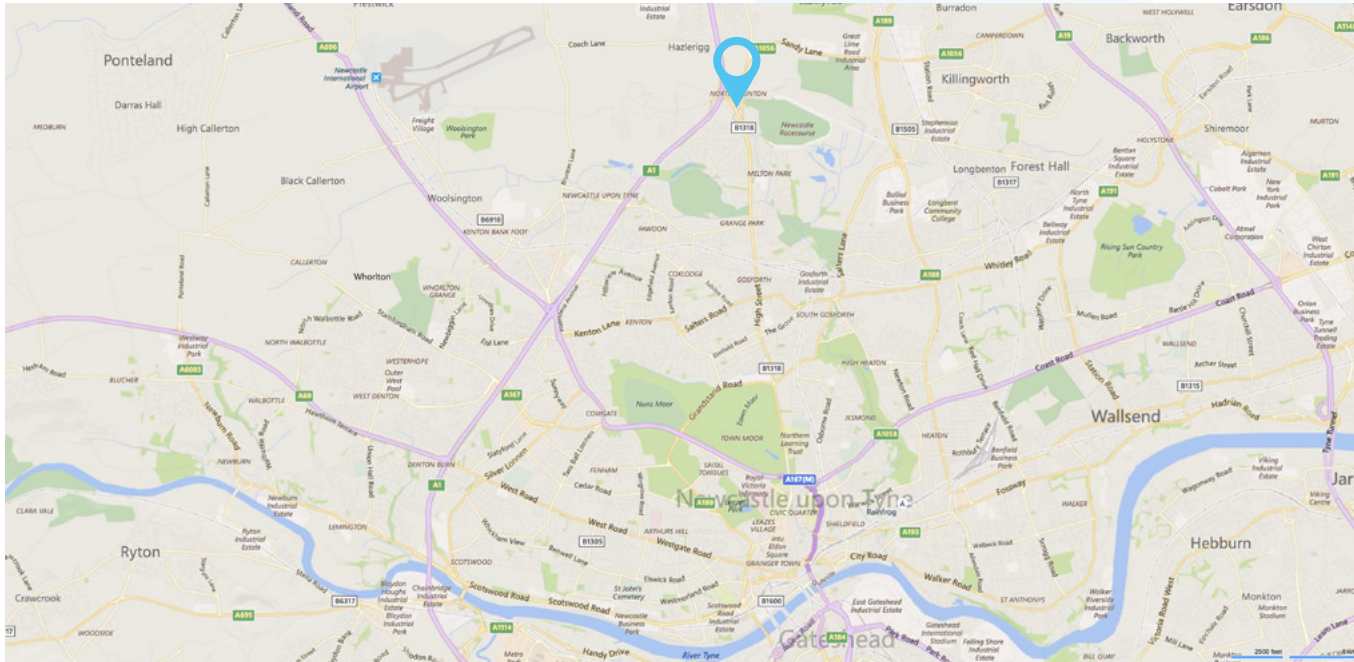
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Investment Summary

- Freehold
- Strategically located on A1, 2 miles north of the City Centre
- Affluent area of Newcastle
- Comprises 3 units totalling 3,400 sq ft on a site of approximately 0.69 acres
- Multi-let to three tenants including Costa and Subway
- 64% of income secured against Costa Limited until at least 2028 (9½ years term certain)
- Currently producing £112,000 per annum
- We are seeking offers in excess of **£1,800,000 subject to contract and exclusive of VAT**. A purchase at this level will reflect a **Net Initial Yield of 5.86%** after standard purchaser's costs.



Location and Situation



Gosforth is an affluent, well established area of Newcastle upon Tyne and is located 2 miles north of the City Centre. Sunderland is situated approximately 14 miles to the south-east with Durham located 17 miles to the south.

The property benefits from excellent road communications being situated on the A1, which provides access to Edinburgh to the north and the A1(M) and the wider motorway network to the south.

The property benefits from being located in close proximity to Newcastle International airport, just 2 miles to the west.

The immediate area is an established roadside convenience location with neighbouring occupiers including McDonald's, Co-op Petrol Station, Falcons Nest Public House and Travelodge.

Description



The property comprises three newly developed purpose built units, one of which benefits from being constructed as a drive-thru. The development was completed in July 2018 and benefits from 37 car parking spaces and an approximate site area of 0.28 hectares (0.69 acres).



Tenancy and Accommodation

Unit	Floor Areas (Approx)		Tenant	Term (years)	Start date	Expiry (Break date)	Rent	Rent Reviews	Comments
	(sq m)	(sq ft)							
1	167.00	1,798	Costa Limited	15	25/06/2018	24/06/2033 (25/06/2028)*	£72,000	25/06/2023 & 25/06/2028	Rent free expiring 24/04/2019 - to be topped up by Vendor.
2	75.00	807	Subway Realty Limited	15	28/05/2018	27/05/2033 (28/05/2023 & 28/05/2028)	£20,000	28/05/2023 & 28/05/2028	
3	75.00	807	Individual	15	25/05/2018	24/05/2033 (25/05/2028)	£20,000	25/05/2023	
Total	317.00	3,412					£112,000		

* The lease also provides the tenant with an option to break the lease if Units 2 or 3 are let to another coffee operator within the first 6 years of the term.

Covenant



Costa Coffee is a British multinational coffee chain and is currently a wholly owned subsidiary of Whitbread. Costa is the second largest coffee chain in the world and the largest in the UK. In August 2018 it was announced that Coca Cola was to buy Costa Coffee from Whitbread for £3.9bn.

For the year ending 01/03/2018, Costa Limited reported a turnover of £951,684,000, pre-tax profits of £105,215,000 and a total net worth of £521,738,000 (Source: Experian Group October 2018).



Subway is a privately owned fast food franchise and is the world's largest submarine sandwich chain with more than 44,000 locations around the world.

For the year ending 31st December 2017, Subway Realty Limited reported a turnover of £35,424,835, pre-tax profits of £1,741,628 and a total net worth of £4,337,408.



Tenure

Freehold.

VAT

VAT is applicable to this property. It is therefore anticipated that the sale will be treated as a transfer of a going concern (TOGC).

EPC

Copies of the Energy Performance Certificates are available on request.

Proposal

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