

# WELL SECURED, SOUTH EAST INVESTMENT OPPORTUNITY

PARKWAY TRADE PARK, HONEYWOOD PARKWAY, WHITFIELD, DOVER CT16 3FH



PRE-LET TO:

**COSTA**  
COFFEE

the  
**gym**  
find your fit

**TOOLSTATION**

**rabcommercial**





## INVESTMENT SUMMARY

- **Dover is a substantial commercial centre in the South East, 75 miles from London and 15 miles from Canterbury.** The town connects to London directly via the High Speed Rail Link in just over an hour and there are major residential and commercial developments on-going in the town centre and the surrounding catchment. There are also major infrastructure improvements at the Port of Dover that will further boost employment and the local economy.
- **A highly accessible location 3 miles to the north of Dover town centre in the area of Whitfield, where major commercial and residential expansion is planned.** The adjacent A2 and A256 dual carriageways provide rapid access into the wider catchment that includes the affluent areas of Deal and Sandwich to the north. The 15 minute drive time population is estimated at 124,777 (ORC).
- **Situated on White Cliffs Business Park, the dominant trade and out of town retail location for Dover and its wider catchment.** The scheme will be prominently positioned immediately adjacent to a new 30,000 sq ft Lidl supermarket and opposite the new £26 million Dover District Leisure Centre. Other key occupiers in close proximity include Tesco Extra, B&Q, B&M, Pets at Home, Home Bargains, Travis Perkins and Lok'n'Store.
- **A high specification development totalling 15,800 sq ft comprising a standalone The Gym, Costa Coffee drive thru and two trade counter units, one pre-let to Toolstation.** There will be 81 car parking spaces providing an excellent car parking ratio of 1:195 sq ft.
- **Freehold.**
- **Commencing rental of £241,000 per annum,** reflecting modest rents of £12.50 on the gym and £11.00 psf on the trade counter units.
- **Long term, secure income.** 100% of the pre-let income is secured for a minimum term of 10 years to 5A1 covenants.
- **Over 40% of the income benefits from a fixed uplift at review.**
- **Diversified income stream** derived from the rapidly growing budget gym, drive thru and trade counter sectors.
- **Our client is seeking offers of £4,060,000 (Four Million and Sixty Thousand Pounds),** subject to contract and exclusive of VAT. A purchase at this level would provide an **attractive 5.6% NIY,** assuming full 6.54% purchase costs.
- **Our client's preference is for a full forward funding structure with an initial site purchase of £700,000 and interim financing.** Proposals on a developers lease or forward commitment basis will also be considered. Construction is due to commence in January 2020 with Practical Completion targeted for August 2020.





## LOCATION

Dover is a major commercial centre located on the south east coast, 75 miles from London and 15 miles from Canterbury. The iconic White Cliffs, Dover Castle and Western Heights ensure Dover is an important tourism centre with an average of 3.4 million visitors each year.

The town plays a major role in the national economy as the major shipping hub that links the UK with continental Europe. An estimated 11.5 million passengers travel through the Port of Dover each year.

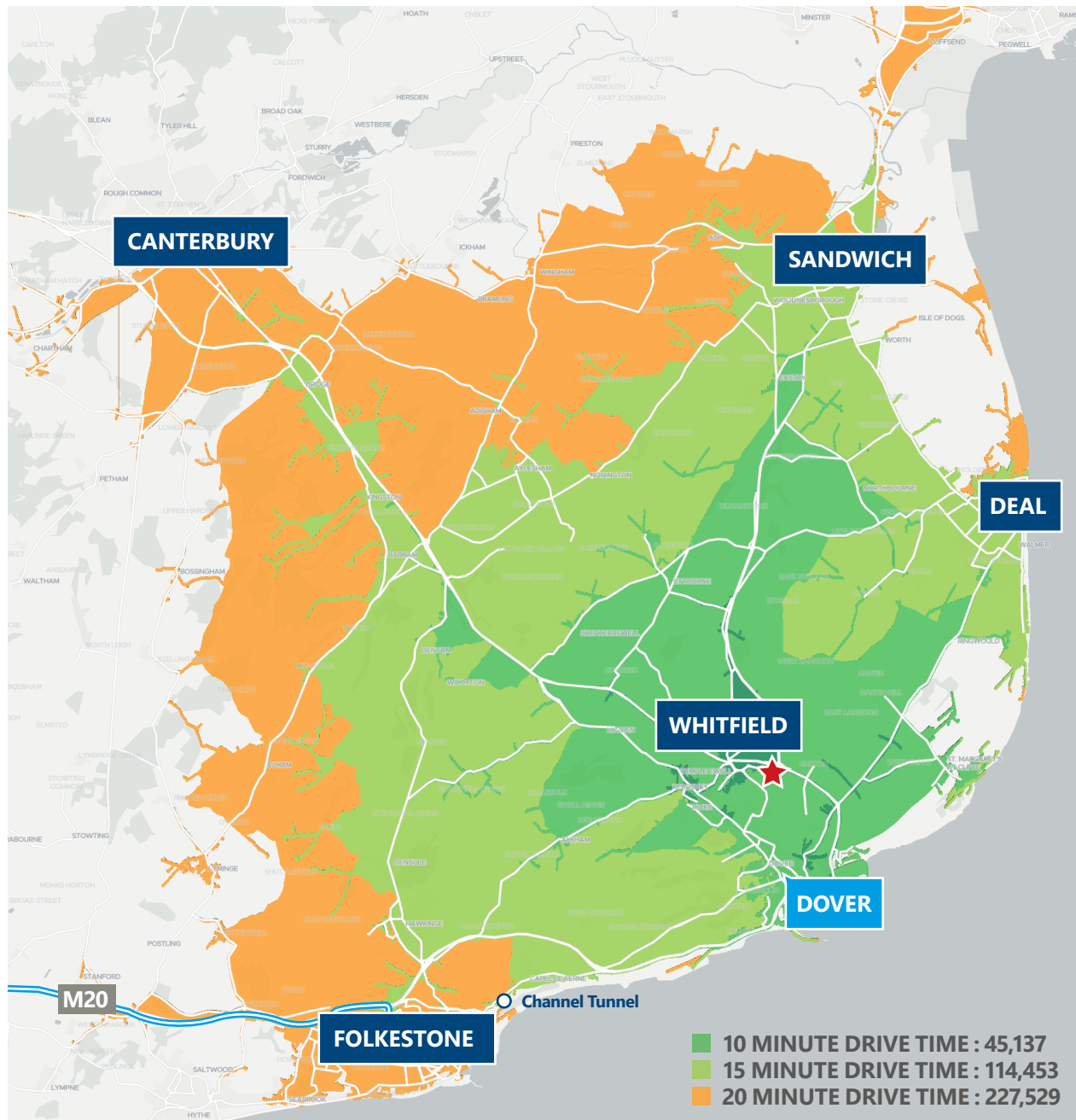
The town has recently benefited from significant infrastructure improvements with the High Speed Rail Network providing a major boost to the town. Trains now connect to central London in just over an hour, cutting the previous journey time by 45 minutes and taking the town into commuting distance.

This has stimulated residential development and there are a number of major developments both in Dover itself and the wider catchment.

Town centre improvements have also progressed with the completion of the 120,000 sq ft St James retail and leisure scheme, Opening in 2018, anchor tenants on this scheme include Marks & Spencer, Next, Cineworld and Travelodge.

There are major infrastructure improvements proposed for the Port of Dover, with a consultation currently underway on a new masterplan to steer development through to 2045. Already underway is the Dover Western Docks Revival Project, which is transforming the waterfront with a new marina pier to attract new commercial development. The plan also involves the development of a new cargo terminal and distribution centre.





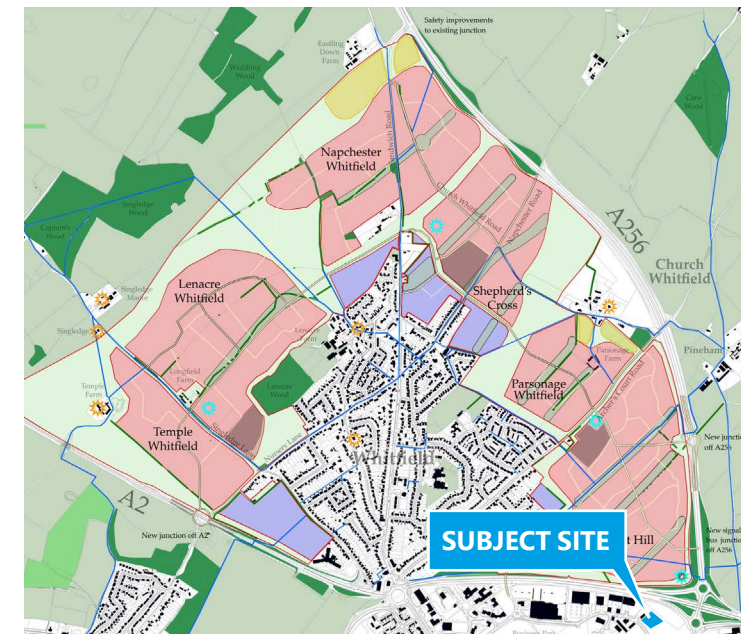
## CATCHMENT & DEMOGRAPHICS

The subject property is located just to the south of Whitfield and approximately 3 miles north of Dover town centre. The A2 and A256 dual carriageways are in very close proximity providing rapid access into the wider catchment.

Dover District has a resident population of 111,000 (Office of National Statistics, 2011). Oxford Retail Consultants assess the 15 minute drive time population to be 124,777 increasing to 227,911 within 20 minutes.

Whitfield is an attractive residential area which is set for significant expansion. The area is allocated for a major urban extension with 5,750 new homes and community facilities. A first phase of 1,400 new homes has commenced being developed by Halsbury Homes.

### WHITFIELD URBAN EXTENSION



## SITUATION

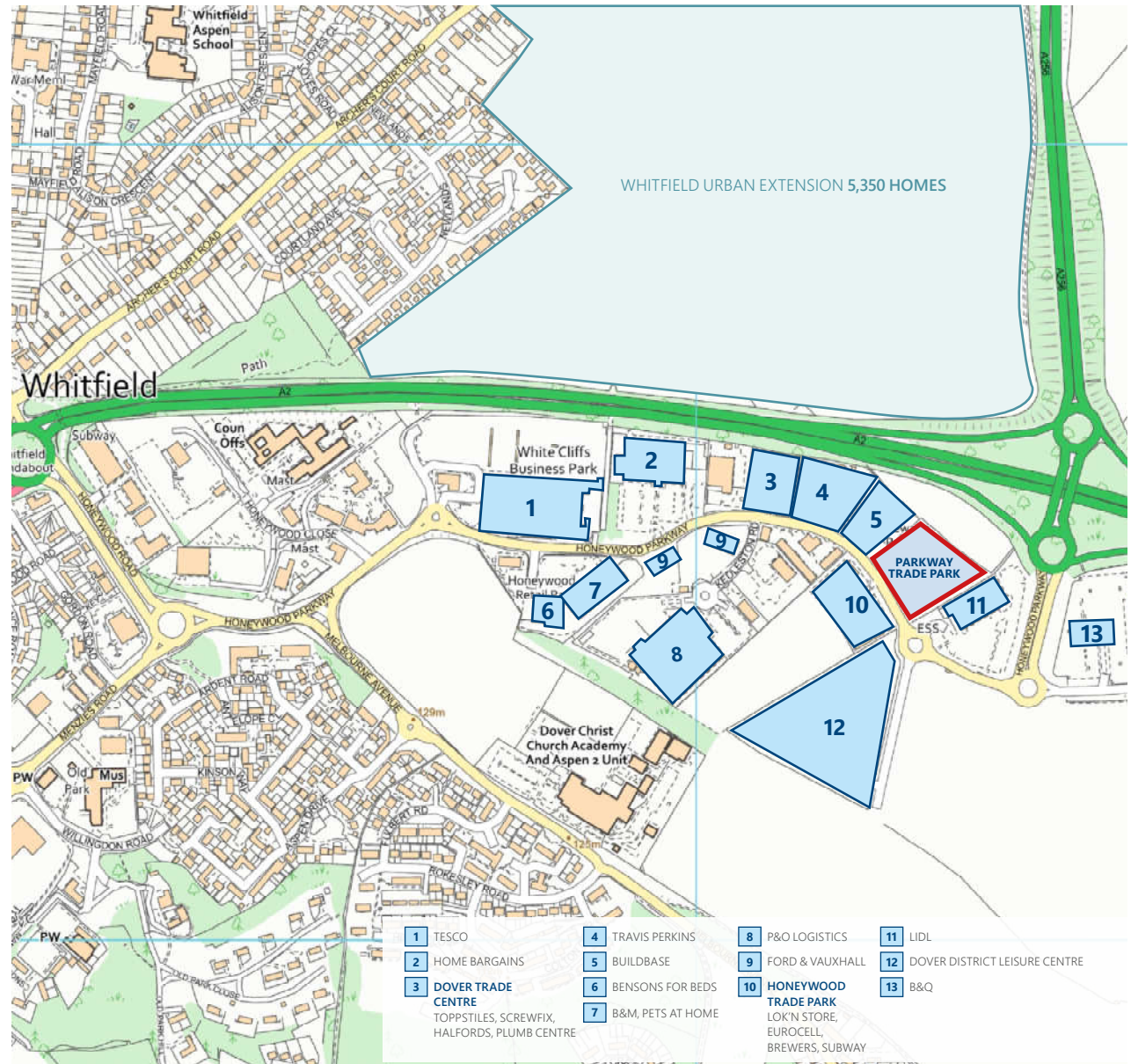
The site is located in a highly accessible position located just off the A2 and A256 dual carriageways that provide rapid access into the wider catchment.

The property is situated on White Cliff Business Park, an established out of town retail, leisure and trade area and is prominently positioned immediately adjacent to a new Lidl foodstore (30,000 sq ft) and opposite the new £26 million Dover District Leisure Centre.

Other key retail occupiers in close proximity include Tesco Extra (86,000 sq ft), B&Q (62,000 sq ft), B&M, Pets at Home, Bensons, Home Bargains (under development), KFC and Subway.

Adjacent trade occupiers include Travis Perkins, Buildbase, Lok'nStore, Eurocell, Brewers, Action Carpets, Screwfix, Halfords Autocentre, HPS and Topps Tiles. In addition there are Vauxhall and a new Ford car dealerships.

The site will benefit from the incoming Dover Bus Rapid Transit (BRT) link, a dedicated bus route connecting the town centre with White Cliffs and Whitfield. The development has funding and is due for completion in 2022.





## DESCRIPTION & ACCOMODATION

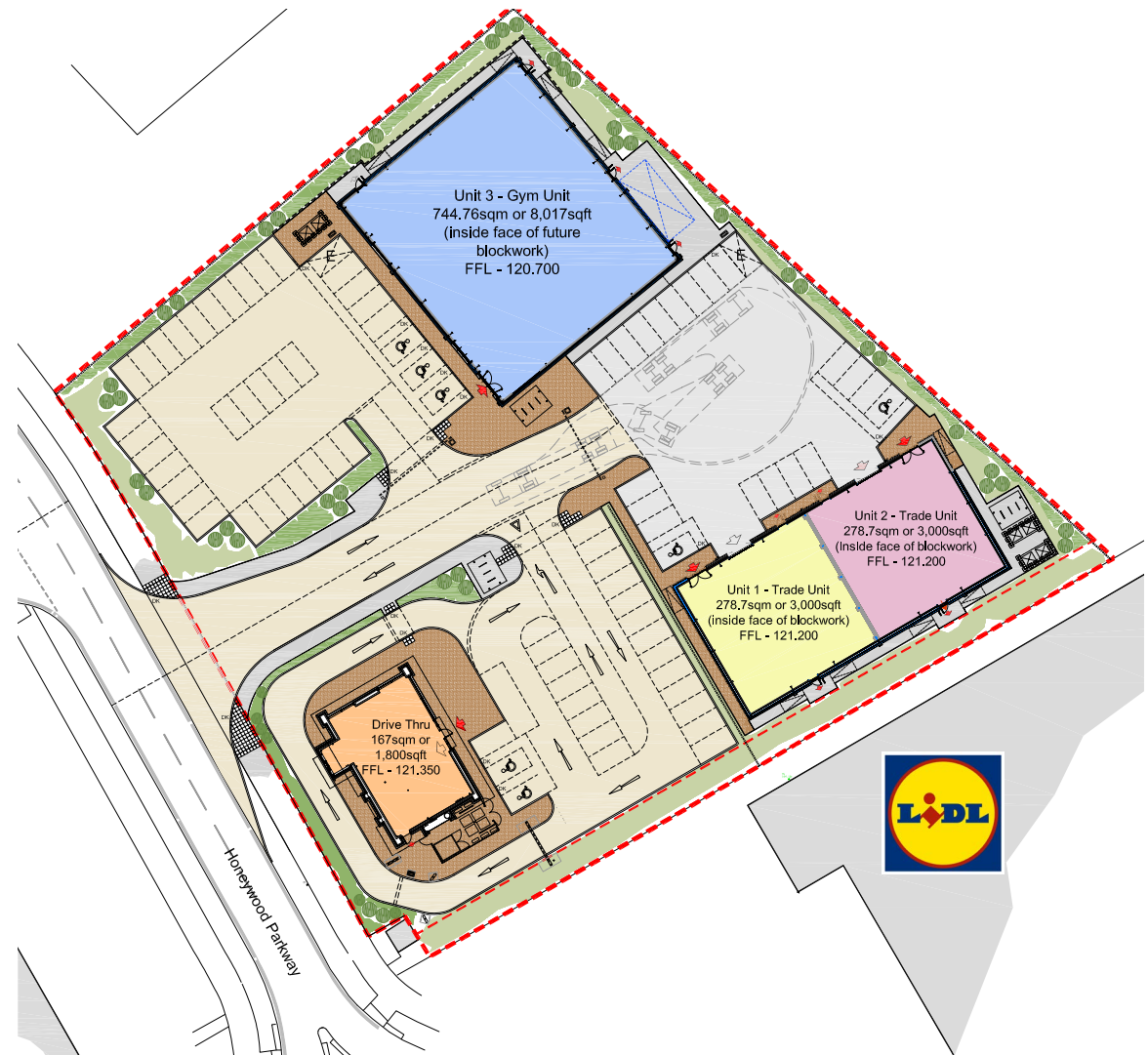
The subject scheme will be a high quality development totalling 15,800 sq ft GIA of ground floor accommodation comprising a standalone The Gym, Costa Coffee drive thru and two trade counter units, one of which is pre-let to Toolstation.

		Ground (sq ft)	Comments
Drive Thru	Costa Coffee	1,800	
Unit 1	Toolstation	3,000	Minimum clear internal height of 6.5m
Unit 2	Available B2/B8	3,000	Minimum clear internal height of 6.5m
Unit 3	The Gym	8,000	Minimum clear internal height of 6.5m
<b>Total</b>		<b>15,800</b>	

The scheme layout is well configured with approximately 81 car parking spaces providing an excellent car parking ratio overall of 1:195 sq ft. 47 spaces are to be laid out to the front and side of The Gym, 22 spaces adjacent to Costa and 12 adjacent to the trade counter units.

The Gym unit is being developed with future flexibility in mind with a design and specification to enable easy conversion into two trade counter units.

THE OVERALL SITE AREA IS 1.7 ACRES.



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## TENURE

The property will be held Freehold.

## PLANNING

Planning permission is pending (reference 19/00964) for the erection of a building for use as a gym (Class D2), a drive-thru restaurant/coffee shop (Class A1/A3/A5) and 2no. units for Class B2 and/or B8 use (with ancillary trade counter) and sui-generis uses. Further planning information is available upon request.

## ENVIRONMENTAL

A ground investigation report is available upon request.

## TENANCIES

The property is to be pre-let in accordance with the schedule below producing total net income of £241,000 per annum.

Element	Unit Size (sq ft)	Lease Term (Break)	Rent (psf)	Comments
Costa Ltd t/a Costa Coffee	1,800	15 years (10 year break)	£75,000 (£41.60)	5 yrly reviews to OMV capped at 3% pa. 12 months rent free. Service charge cap of £1psf indexed to RPI. In legals.
The Gym Ltd	8,000	15 years (10 year break)	£100,000 (£12.50)	5 yrly reviews fixed at 10%. 12 months rent free. Agreement for Lease exchanged.
Toolstation Ltd	3,000	10 years	£33,000 (£11.00)	5 yrly reviews to OMV. 6 months rent free. In legals.
B2/B8 unit – available	3,000	-	£33,000 (£11.00)	2 year rent, rates and service charge guarantee. Further information on tenant interest available upon request.
Total	15,800		£241,000	

100% of the pre-let income benefits from a minimum 10 years term certain and over 40% of the total anticipated income is subject to a fixed uplift at review.

## TENANT COVENANTS

A summary of the tenants' latest accounts is set out below. 100% of the pre-let income is secured to 5A1 covenants.

Tenant	Year	Turnover ('000s)	Pre Tax Profit ('000's)	Net Worth ('000's)	D&B Rating
Costa Ltd	01/03/2018	£951,684	£105,215	£521,738	5A1
The Gym Ltd	31/12/2018	£119,166	£11,523	£102,084	5A1
Toolstation Ltd	31/12/2017	£300,401	£21,511	£45,367	5A1



## VAT

VAT will be payable in addition to the purchase price.

## DEVELOPMENT TEAM & TIMETABLE

Location 3 Properties is a highly experienced developer. Further information on their expertise and track record is available at [www.L3P.co.uk](http://www.L3P.co.uk).

The development has been designed by architects Hulme Upright and our client is currently at the tender stage with contractors.

Construction is due to commence in January 2020 with a 7 month programme. Practical Completion is targeted for August 2020.

A detailed programme of construction and the professional team is available upon request.

## PROPOSAL

Our client is seeking a total capital commitment of **£4,060,000 (Four Million and Sixty Thousand Pounds)** subject to contract and exclusive of VAT. A purchase at this level would show a **Net Initial Yield of 5.6%**, assuming full purchase costs of 6.54%.

Our client's preference would be for a full forward funding structure with an initial site purchase of £700,000 and interim financing.

Our client would seek to share any SDLT saving achieved by a site purchase. Proposals on a developers lease or forward commitment basis will also be considered.





## ENQUIRIES

For further information or to arrange an inspection, please contact:



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Subject to contract October 2019

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