

# Unique Freehold Forward Funding Drive Thru and EV Charging Investment Opportunity

**Priority  
Space**



Monks Way Retail Park, Wawne Road, Kingswood, Hull HU7 3NS



wsb

**GARNESS  
JONES**



## Investment Summary

- The development site is located at the prominent junction of Wawne Road and Pioneer Way in the Kingswood area, north of Hull. Work to provide new housing, retail, leisure and employment facilities started in the 1990s and Kingswood continues to thrive and grow today. So far over 3,600 new homes have been built and land is available at Kingswood for approximately 3,100 more homes.
- The freehold will comprise a new build 1,800 sq ft Starbucks Drive Thru, 8 EV charging spaces, 81 car parking spaces and the ground rent from the long leaseholds.
- The development will be sold Freehold.
- Let to 23.5 Degrees Ltd trading as Starbucks on a new 20-year FRI lease at an initial rent of **£100,000 per annum exclusive (£55.55 per sq ft)**. The 8 EV Charging spaces are let to E.ON Drive Infrastructure on a new 20 year lease at an initial rent of **£24,000 per annum exclusive**. Both leases have CPI increases at review.
- 23.5 Degrees Ltd was the UK's largest Starbucks franchisee with over 110 stores and was bought by the main US entity Starbucks Corporation in October 2024 in order to expand its company-owned footprint in the UK as well as bolstering the covenant strength.
- We are instructed to seek a total funding commitment of **£2,075,000 (Two Million and Seventy-Five Thousand Pounds)** for the freehold interest, subject to contract and exclusive of VAT. An offer at this level would reflect an **overall funding yield of 5.62%**, assuming usual purchaser's cost of **6.29%**.



## Starbucks & E.ON Drive EV Charging Monks Way Retail Park, Wawne Road, Kingswood, Hull HU7 3NS

### Location

The Kingswood area is approximately 5 miles to the north of Hull and approximately 9 miles to the southeast of Beverley. The population within the local area is 9,904 based on the 2021 population census.



#### By Road

Kingswood, Hull is easily linked to the A63 dual carriageway, which in turn leads to the M62 motorway at junctions 38, South Cave. The A165 which leads into the A1033 runs from Hull City Centre 5 miles south and ends at the roundabout with the A1079, less than 1.5 miles from the site. The A1079 carries all the traffic directly from York, 35 miles to the northwest, directly into Hull.

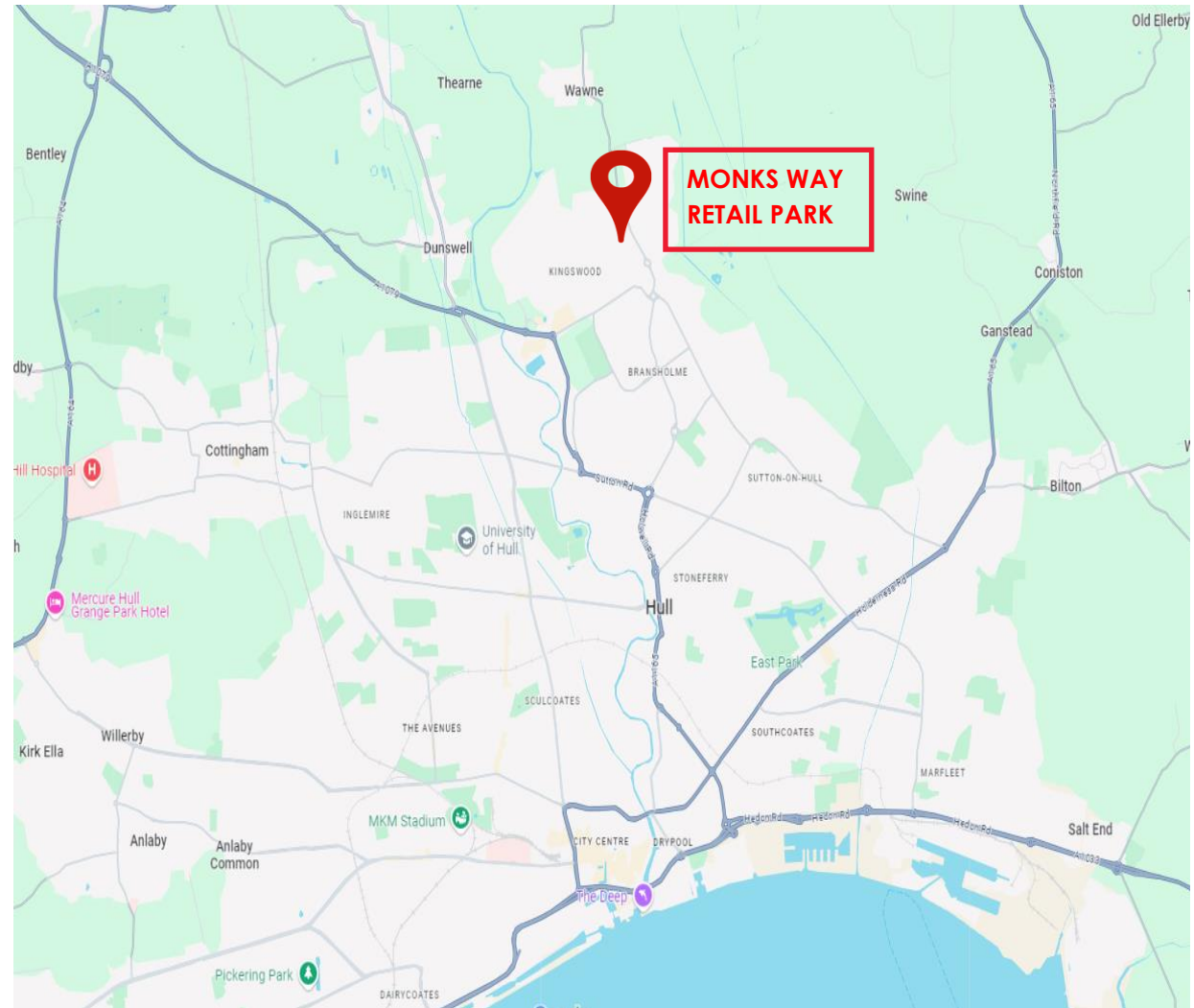
#### By Rail

The closest train station to Monks Way Retail Park is the main Hull Train station (Paragon Interchange) which is situated 5 miles to the south. The drive time is 15 minutes by car or 26 minutes on the bus. The station offers 7 direct trains a day to London Kings Cross with a fastest journey time of 2 hours 30 minutes.



#### By Bus

Hull bus station at Paragon Interchange is situated in the middle of Hull city centre on Ferensway and provides regular services all over Hull and the East Riding. Monks Way Retail Park is situated on the No 6, 10, 81, 255 and 256 bus routes and can be reached in the fastest time of 33 minutes from the main bus station, with regular services every 10 minutes.







## Situation

The development is located at the prominent junction of Wawne Road and Pioneer Way in the Kingswood area approximately 5 miles to the north of Hull and approximately 9 miles to the southeast of Beverley. Kingswood is a modern community on the northern edge of the city.

Work to provide new housing, retail, leisure and employment facilities started in the 1990s and Kingswood continues to thrive and grow today. So far over 3,600 new homes have been built and land is available at Kingswood for approximately 3,100 more homes.

The site fronts Pioneer Way and Wawne Road which serves as a feeder route to the A1079 into York and the A1033 into Hull.

The A1033 provides excellent connections to the national motorway network via the A63, which in turn leads to the M62. Monks Way Retail Park is a sustainable location with existing bus routes and direct links to cycle and footpath networks as part of the wider development.

Adjacent to the site is the recently opened Monks Way Retail Park, which has tenants such as Tesco Express, Cooplands and Rise and Grind Coffee. The wider local area consists of a mixture of residential, retail and leisure facilities at Kingswood Retail Park.

## Starbucks & E.ON Drive EV Charging Monks Way Retail Park, Wawne Road, Kingswood, Hull HU7 3NS

### Description

This development will complete the retail line up of the site known as Monks Way Retail Park, Kingswood with the neighbouring 10 retail units and 81 car parking spaces.

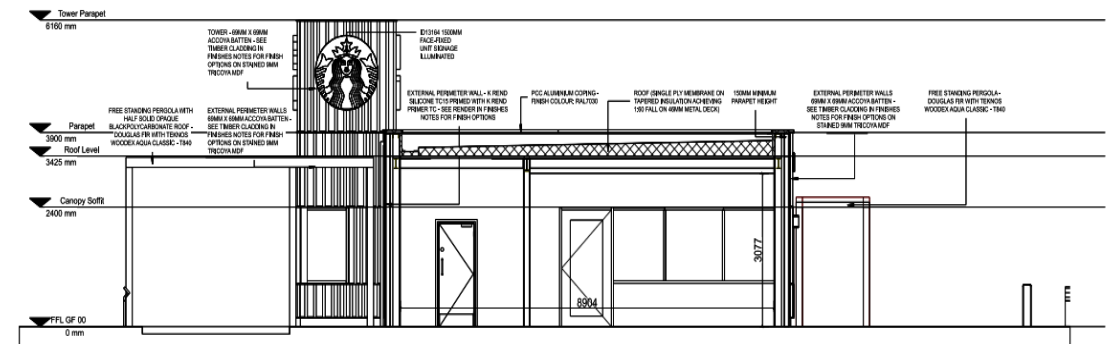
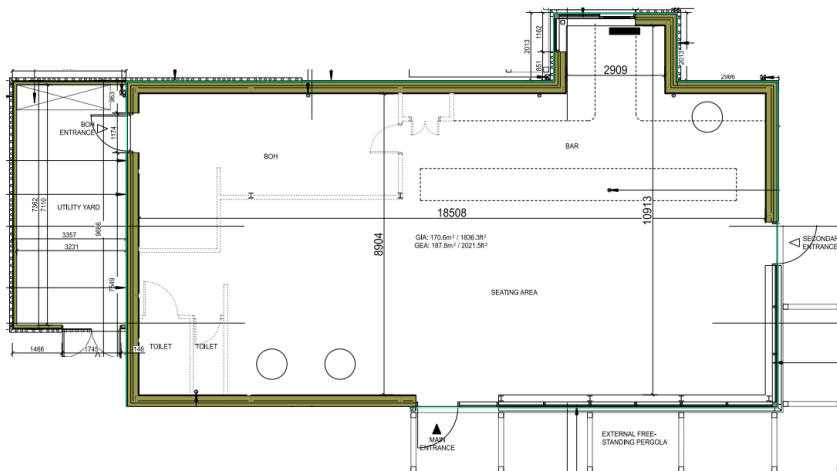
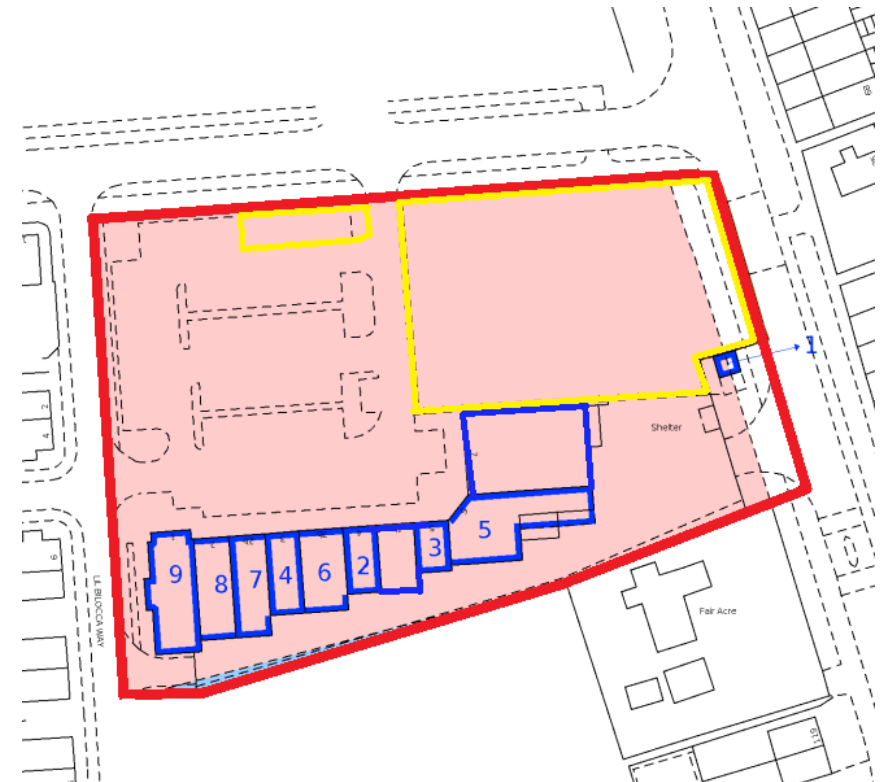
The development will comprise of a single storey purpose built 1,800 sq ft (168 sqm) gross internal area Starbucks Coffee Drive Thru with 11 dedicated car parking spaces, which include two disabled bays. There are also 8 EV charging spaces within the main freehold, which have been let separately.

### Tenure

The site will be sold on a freehold basis to include everything within the red line boundary. The yellow line boundary denotes the Starbucks and EV charging demises, whilst everything within the blue line has been sold off on a 999 year long leasehold. The long leaseholders pay £250 per annum each, which is subject to a RPI increase every 25 years.

### Accommodation Schedule

The property will provide an approximate gross internal area of 1,800 sq ft (subject to final measurement). The property has not been measured in accordance with the RICS property measurement (1st Edition) and we have sourced the gross internal areas from the client, Priority Space Limited.





## Starbucks & E.ON Drive EV Charging Monks Way Retail Park, Wawne Road, Kingswood, Hull HU7 3NS

### Tenancy

An agreement for lease is in place with 23.5 Degrees Limited for a new 20-year, full repairing and insuring lease with a tenant only break option in the 15<sup>th</sup> year at an initial rent of £100,000 per annum exclusive (subject to final measurement) equating to £55.55 per sq ft.

The rent is subject to a 5 yearly, upward only rent reviews, with the first review to CPI with a cap of 3% and a collar of 1%, the rent reviews in years 10 and 15 will be to open market rent.

The 8 EV charging spaces have an agreement for lease on a full repairing and insuring basis with E.ON Drive Infrastructure UK Limited for a new 20 year lease at an initial rent of £24,000 per annum exclusive subject to 5 yearly rent reviews to CPI with a cap of 3% and a collar of 1%.

There is also the income from the ten, 999 yearlong leaseholders at £250 per annum which amounts to £2,500 in total and is subject to a RPI increase every 25 years.

Therefore, the combined total initial passing rent for the development is £126,500 per annum exclusive.

### Covenant Strength

Below is a brief overview of the accounts for 23.5 Degrees Limited to assist in analysing the covenant strength and the risk to potential investors.

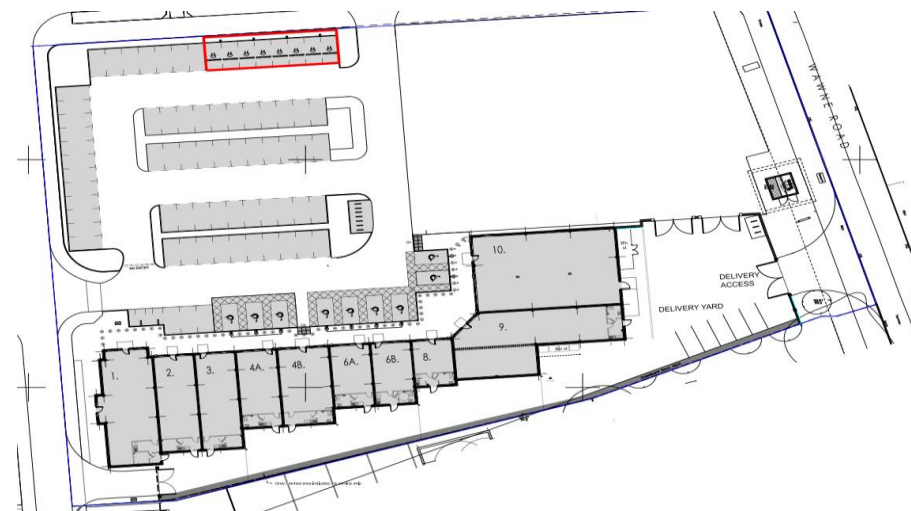
Year Ending	Turnover £	Pre-Tax Profit £	Shareholders' Funds £
30/06/23	83,539,389	1,024,771	3,900,408
30/06/22	74,979,078	8,057,651	7,381,822
30/06/21	66,716,851	10,300,918	1,073,659

23.5 Degrees Limited was bought by the main Starbucks US covenant in October 2024 (Starbucks Corporation) which has significantly bolstered the covenant strength. Starbucks Corporation offers the following covenant strength and potential risk to investors.

Year Ending	Turnover \$	Pre-Tax Profit \$	Shareholders' Funds \$
FY23	35,980,000,000	10,070,000,000	1,137,000,000
FY22	32,250,000,000	9,869,000,000	1,147,000,000
FY21	29,096,000,000	8,385,000,000	1,153,000,000

Below is a brief overview of the accounts for E.ON Drive Infrastructure UK Limited to assist in analysing the covenant strength and the risk to potential investors.

Year Ending	Turnover £	Pre-Tax Profit £	Shareholders' Funds £
30/06/23	143,000	-533,00	1,850,000
30/06/22	90,000	-224,000	-422,000
30/06/21	49,000	-99,000	-212,000



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## EPC

It is anticipated that the property will have a building regulation compliant EPC on practical completion.

## VAT

The property has been elected for VAT and therefore VAT will be applicable on the purchase price.

## Proposal

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## Further Information

For further information and to discuss in more detail please contact.



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2. None of the statements contained in these particulars as to the property(s) are to be relied on as statements or representations of fact.
3. Any intending purchaser must satisfy himself/herself by inspection or otherwise as to the correctness of each of the statements contained in these particulars.
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5. None of the buildings services or service installations (whether these be the specific responsibility of the freeholder, lessor or lessee) have been tested and are not warranted to be in safe and working order.

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