

High Yielding Restaurant Investment



1A High Street | Dundee | DD1 1SX

£840,000

offers in excess of

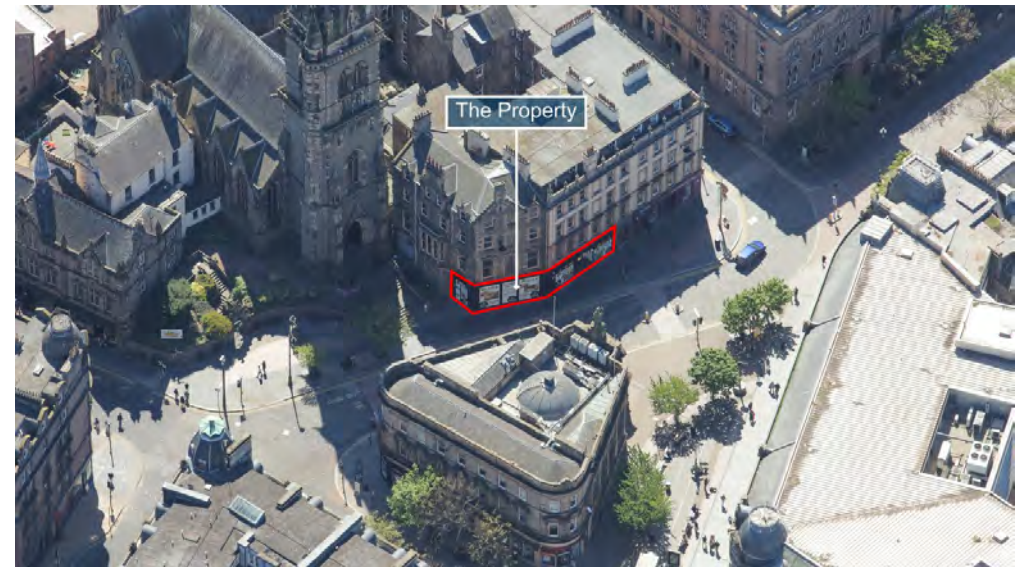
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SUMMARY

- Dundee named best place to live in Scotland in 2019
- New 15 year FRI lease until October 2033 with no breaks
- Lease in Tenant's personal name
- Market rent of £80,000 pa (Previously £125,000pa)
- Fixed rental increase to £90,000 in November 2023
- Rental deposit held for 10 years
- Unit benefits from full Class 3 consent and has been comprehensively refurbished and upgraded
- Offers in excess of £840,000
- Attractive net initial yield of 9.03%
- Guaranteed reversionary yield of 10.16%



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LOCATION

Dundee is Scotland's fourth city and is located approximately 60 miles north of Edinburgh, 70 miles north east of Glasgow and 70 miles south of Aberdeen. The city benefits from a resident population of approximately 148,000 persons and an estimated catchment in excess of 600,000 within a 30 mile radius. The city also benefits from a sizeable student population of approximately 42,000.

Dundee is a dynamic city with an exciting future driven by the development of Dundee Waterfront and a wave of investment that is transforming the economy spearheaded by the new V & A Dundee. The V & A Dundee provides the centre piece for the £1 billion transformation of the Waterfront area and is the International Centre of Design for Scotland and the first ever design museum to be built in the UK outside of London. Since opening in September 2018 it has attracted 6,000 visitors per day.

In recent months, Dundee has been named the must visit Scottish destination by countless travel writers, publications and websites. Accolades include being named among the coolest places in the world to visit this year by National Geographic Traveller UK, and featuring in Condé Nast Traveller UK's 10 Best UK City Breaks for 2019. See www.dundee.com.

SITUATION

The premises are located within the prime section of High Street close to Murraygate and the Overgate Shopping Centre. Nearby occupiers include Greggs, H & M, Zara, Pandora, Optical Express, Costa Coffee and Barrhead Travel. The premises also benefit from a prominent corner location looking onto Commercial Street and Seagate where there are a number of bars and restaurants.

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DESCRIPTION

The premises comprise the ground and basement floors within a three storey sandstone building with a pitched and slated roof.

Internally the property comprises ground floor restaurant and kitchen with ancillary accommodation and toilets within the basement. The property has been comprehensively re-fitted by the tenant as a Middle Eastern restaurant including new kitchen equipment, and we understand the capital fit out was in the region of £250,000.

ACCOMMODATION

We are advised that the property has the following gross internal floor areas:

Ground Floor	337.98 sq m	3,638 sq ft
Basement	70.50 sq m	759 sq ft

PLANNING

The premises benefit from a Class 3 Restaurant Consent.



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TENURE

Heritable (Scottish equivalent of English freehold).

TENANCY

The subjects have been let on a new full repairing and insuring lease to Mohamed Medhat Abdelaziz for a period of 15 years with effect from 1st November 2018 until 31st October 2033, with no breaks. The tenant has an option at the end of the lease to extend for a further 10 years until November 2043.

The initial rental is **£80,000 pa** and there is a fixed increase to **£90,000 pa** as at 1st November 2023 with 5 yearly rent reviews thereafter. Please note that the previous occupier, KFC, was paying a rent of £125,000.

The Landlord holds a rent deposit of £10,000 which is held for the first 10 years of the lease.

COVENANT

The Tenant, Mohamed Abdelaziz, is an Egyptian born entrepreneur based in Dundee. He is an experienced restaurant operator and his vision was to bring "Giza" to Dundee - a food offering comprising the cuisines of Lebanon, Egypt and Syria.

We understand that over £250,000 has been invested in bringing "Giza" from the drawing board to reality, with this being the first in a planned chain of restaurants. "Giza" is manned by 23 full and part-time members of staff serving breakfast, lunch and dinner.

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VAT

The property has been elected for VAT. It is anticipated that the sale will be treated as a Transfer of a Going Concern (TOGC).

PROPOSAL

We are instructed to seek offers in excess of **£840,000** (Eight Hundred and Forty Thousand Pounds), subject to contract, which reflects a net initial yield of **9.03%**, with guaranteed reversionary yield in 2023 of **10.16%** after allowing for standard purchasers costs of 4.51%.

Please note that a purchaser will be re-charged the costs of the surveys and searches which are provided in the data room.

INVESTMENT CONSIDERATIONS

1. New 15 year lease with no breaks;
2. Rebased rent;
3. Guaranteed rental uplift at the end of Year 5;
4. Prominent location within Dundee City Centre;
5. Lease held personally;
6. Dundee featured in Condé Nast Traveller UK's 10 Best UK City Breaks for 2019;
7. Unit comprehensively refurbished and upgraded;
8. Attractive net initial yield of 9.03%.

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SUBJECT TO CONTRACT & EXCLUSIVE OF VAT

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Finance Act 1989

Unless otherwise stated, all prices and rents are quoted exclusive of VAT.

Property Misdescriptions Act 1991

These details are believed to be correct at the time of compilation, but may be subject to subsequent amendment.

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