

# DRIVE-THRU INVESTMENT OPPORTUNITY

Prominently located roadside  
investment let to Costa Coffee

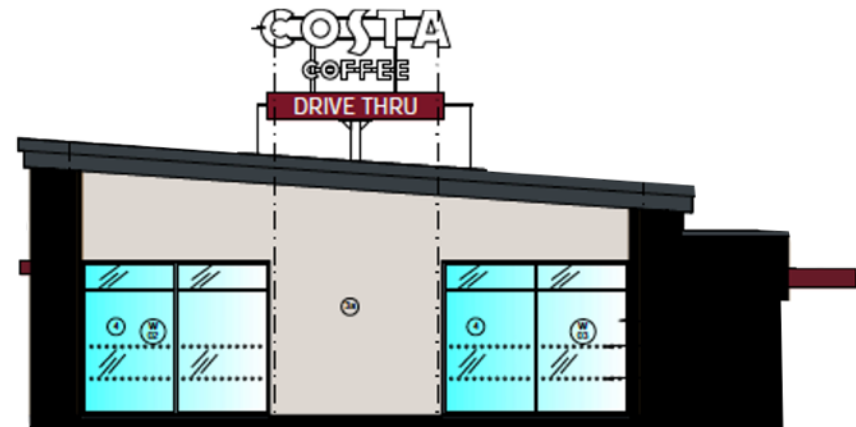


HORNER WAY, BLACKHEATH, ROWLEY REGIS, WEST MIDLANDS, B65 0HG

**Edwards.**

# INVESTMENT SUMMARY

- A **purpose-built Costa Coffee drive-thru investment** in a prominent position fronting Horner Way (A4099) in Blackheath town centre.
- Construction is underway for a **1,805 sq ft** building on a site area of **0.46 acres**, with the provision of **24 car parking spaces**, including 2 EV charging spaces.
- Project is planned to reach **practical completion in November 2024**.
- Property to be let to **Costa Limited** on a **15 year FRI lease** at **£110,000 p.a.**, subject to **5 yearly CPI rent reviews** with a cap of 3% and a collar of 1% p.a.
- **Prominent roadside position**, directly opposite Sainsbury's Superstore and petrol filling station.
- 1.7 miles from **Junction 2 of the M5** motorway.
- Seeking offers of **£1,882,000 (One Million Eight Hundred and Eighty Two Thousand pounds)**.
- A purchase at this level reflects a **Net Initial Yield of 5.5%**, assuming standard purchasers costs of 6.8%.



# LOCATION

Blackheath forms part of Rowley Regis, a town within the Metropolitan Borough of Sandwell, which is situated 6 miles west of Birmingham and 3 miles south east of Dudley. The town is located approximately 1.7 miles from Junction 2 of the M5.

There are approximately 33,400 people living within a 1 mile radius of the property. 78% of households within this area have at least one vehicle and more than half commute to work by car.

As of 2021, the wider Sandwell area had a population of around 341,900 people, an 11% increase on 2019, with a population growth rate almost double the national average.

Rowley Regis railway station is situated within the town, approximately 0.5 miles from the property, with regular links to Birmingham New Street (22 minutes) and Kidderminster (23 minutes).

**HORNER WAY  
BLACKHEATH**  
what3words ///  
movie.herb.blast



M5

A434

A4100



Sainsbury's

Sainsbury's

**COSTA**  
COFFEE  
DRIVE THRU

SUBJECT SITE

**TIMPSON**  
Great Service by Great People

A4099



# SITUATION



The property is strategically located within Blackheath fronting Horner Way (A4099), a busy arterial road which forms part of the town centre ring road.

In 2023, an average of 10,305 motor vehicles passed the site each day.

The property enjoys a prominent position, directly opposite the Sainsbury's Superstore and petrol filling station, with excellent visibility and ease of access.

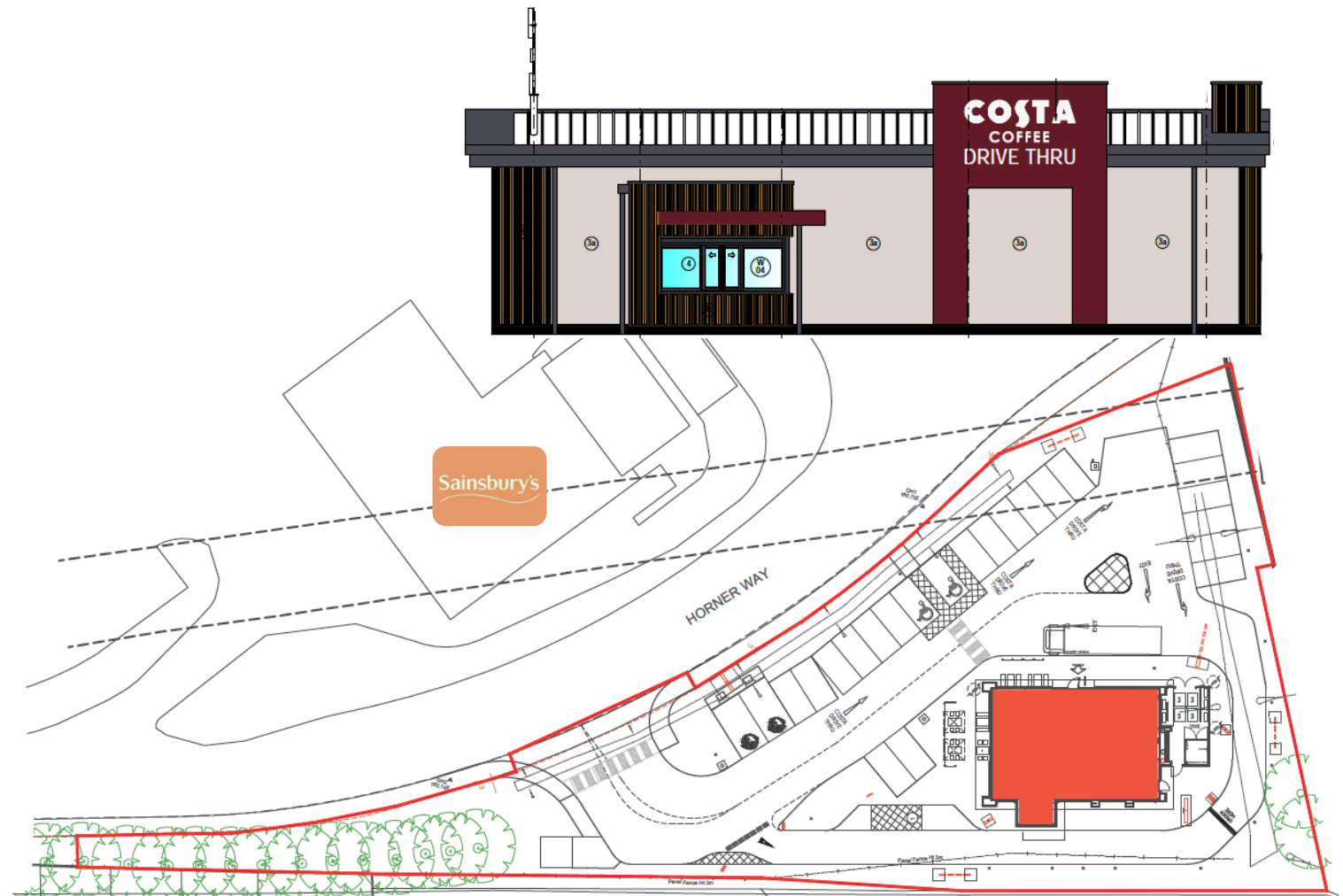
Other nearby occupiers include Lidl, Greggs, Specsavers and Iceland, along with the popular Blackheath Market.

# DESCRIPTION

The property will comprise of a purpose built Costa Coffee Drive Thru. Works have commenced on site and landlord works are due to complete in November 2024.

The full planning consent can be accessed via the Sandwell Planning Portal under reference DOC/24/00734 and DC/23/68795.

The property has a target GIA of 1,805 sq ft and sits within a site of 0.46 acres. The completed landscaped site will provide a drive-thru lane and 24 car parking spaces, including 2 disabled spaces and 2 EV charging spaces.



# TENANCY & COVENANT



There is an Agreement to Lease in place for a new 15 year FRI lease to Costa Limited at £110,000 per annum. The lease is subject to 5 yearly CPI linked rent reviews with a cap of 3% and a collar of 1%.

## COVENANT

**Costa Ltd** | Founded in 1971 and with over 3,800 stores across 31 countries and over 18,000 employees, Costa Coffee is the second largest coffeehouse chain in the world and the largest in the UK. The Coca Cola Company acquired Costa Coffee in 2019 for \$4.9BN.

Costa Ltd	31/12/2022	31/12/2021	31/12/2020
Turnover	£1,117,450,000	£923,174,000	£603,588,000
Pre Tax Profits	£245,950,000	£-42,370,000	£-227,430,000
Net Assets	£374,260,000	£227,606,000	£263,646,000



# PROPOSAL



We are instructed to seek offers of **£1,882,000 (One Million Eight Hundred and Eighty Two Thousand pounds)**.

A purchase at that level reflects a **Net Initial Yield of 5.5%**, assuming standard purchasers costs of 6.8%.

**TENURE**  
Freehold.

**VAT**  
We understand the properties have been elected for VAT and we anticipate any sale will be treated as a Transfer of a Going Concern.

**DATA ROOM**  
A dataroom is set up and access can be provided on request.

**ANTI-MONEY LAUNDERING**  
The successful purchaser will be required to provide information to satisfy the Anti-Money Laundering Regulations when Heads of Terms are agreed.



# CONTACT

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