



## Long Let McDonald's Drive Thru Investment

McDonalds Drive Thru, 32 Whitburn Road, Bathgate EH48 2RA

FRI lease until 2042 (no breaks)  
Rent of £110,000 p.a. exclusive of VAT  
Offers in excess of £1.80m exclusive of VAT / 5.78% NIY





## INVESTMENT SUMMARY

Prominent town centre location

Modern McDonalds Drive Thru extending to 3,556 sqft with c.79 car spaces

Let to McDonald's Restaurants Ltd until 2042 (25 years term certain income)

Current rental £110,000 per annum (£30.93 per sq ft)

5 yearly upwards only rent reviews to Open Market Value

Heritable Interest (Scottish equivalent of Freehold)

**Offers sought in excess of £1.80 million exclusive of VAT**

Providing an attractive 5.78% net initial yield



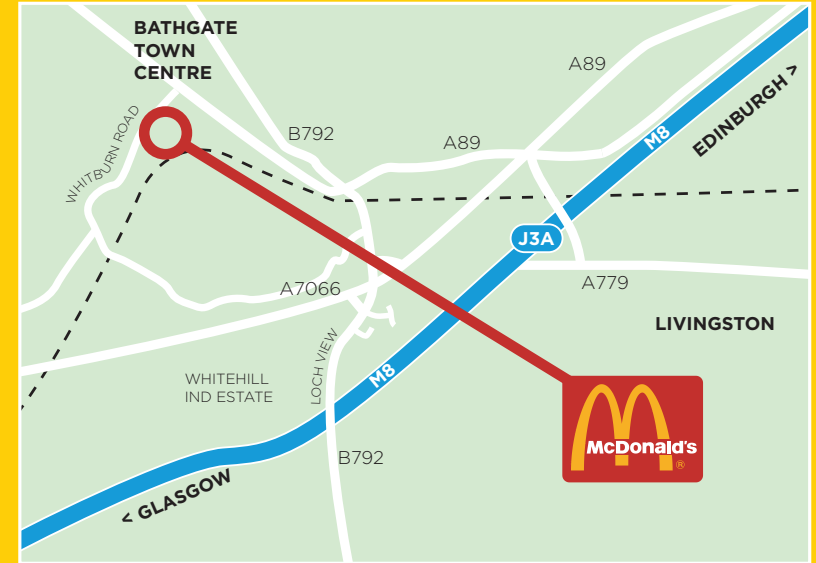
## LOCATION

The subjects are situated within Bathgate located approximately 28 miles east of Glasgow and 17 miles west of Edinburgh. The town has a population in excess of 21,000 people and is well positioned within Central Scotland benefitting from excellent communication links to the M8 motorway, central Scotland rail network and bus routes.



## SITUATION

The property is prominently situated on Whitburn Road close to the junction of Menzies Road and Linkston Way adjacent to Morrisons food store, Home Bargains, Iceland, B&M and Bathgate Retail Park.



- 1 McDonalds
- 2 Iceland Foods
- 3 Home Bargains
- 4 Morrisons
- 5 Lidl
- 6 Argos
- 7 B&M Home Store
- 8 Aldi
- 9 Bathgate Town Centre



## DESCRIPTION

The property comprises a modern single storey detached McDonalds Drive Thru Restaurant developed in 2011. The tenant has expanded the site to take additional car parking spaces and the lease has been re-gearred from January 2017.

The property extends to 3,556 sqft (330 sq m) and has been constructed to McDonald's latest specification. Externally there are currently 35 car parking spaces with capacity for a further 44 on site. The property benefits from a recent fit out refresh following the modern operator branding & format.

Access is off Whitburn Road and the site area extends to approximately 0.41 hectares (1.014 acres).

## TENURE

Heritable interest (Scottish Equivalent of Freehold).

## LEASE

The property is let to McDonalds Restaurants Ltd from 26 July 2011 until 16 January 2042. The current rental is £110,000 per annum (£30.93 per sqft). The lease is held on Full Repairing and Insuring terms subject to 5 yearly upward only rent reviews to open market value. The next rent review is 17 January 2022.

## ENERGY PERFORMANCE CERTIFICATE

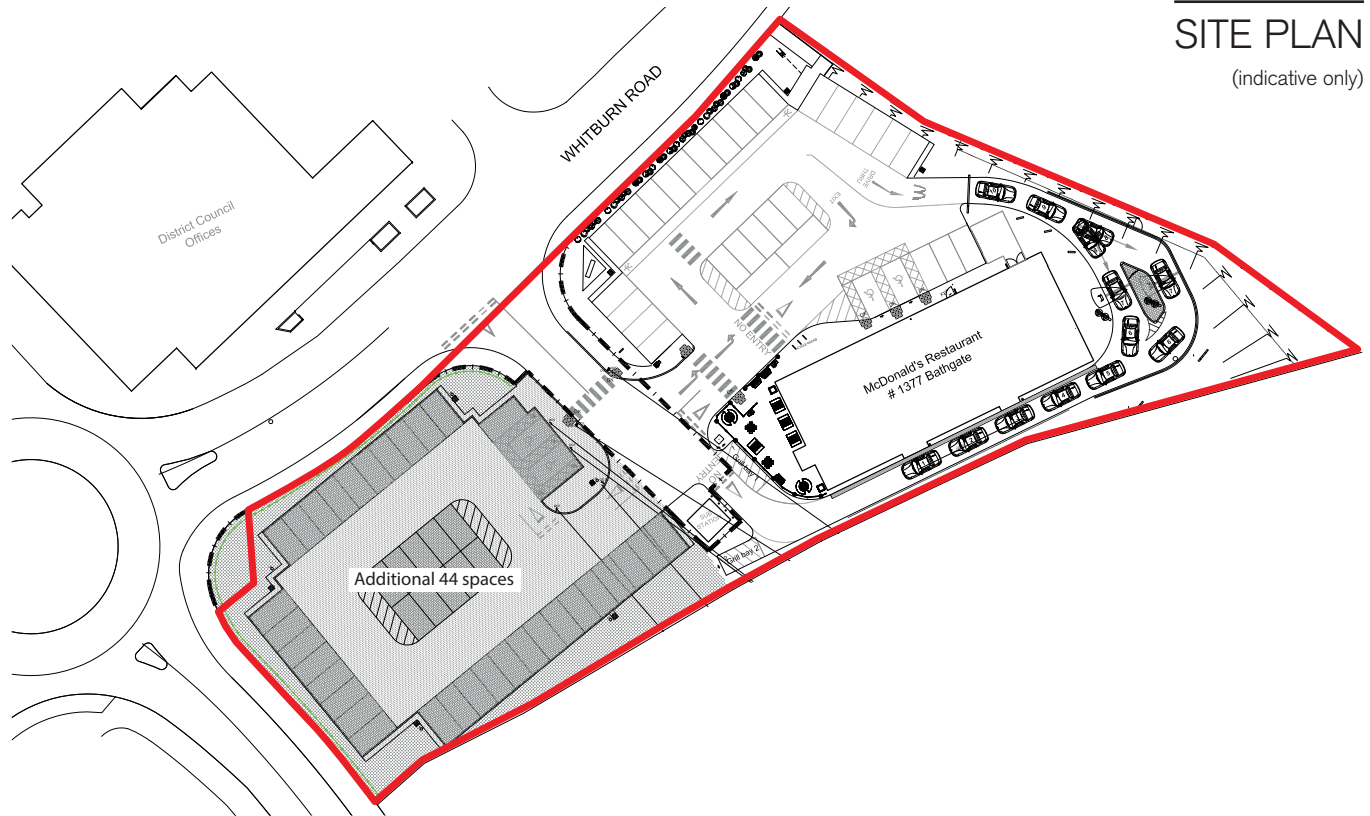
The property has an EPC rating of D. This report can be provided upon request.

## VAT

The property is elected for VAT and therefore VAT will be applicable to the purchase price. It is anticipated that the sale will be dealt with as a TOGC.

## SITE PLAN

(indicative only)



## COVENANT

**Tenant: McDonald's Restaurants Limited (company number: 1002769)**

McDonalds is the most well known fast food and drive thru restaurant operator in the UK with over 1,250 restaurants and in excess of 38,000 UK employees. The company is also the world's largest chain of quick service restaurants servicing over 10 million customers daily.

The company is continuing to expand and has plans to open a further 400 restaurants in the UK over the next 10 years creating over 2,400 jobs annually. The focus for this growth will be freestanding drive thru restaurants in close proximity to retail and transport hubs as per the subject property.

The company has a 5A1 D&B rating indicating minimum risk of business failure. A copy of the D&B report is available on request.

McDonalds Restaurants Ltd (non consolidated)	31/12/2015 (£,000's)	31/12/2014 (£,000's)	31/12/2013 (£,000's)
Sales Turnover	£1,535,510	£1,432,592	£1,497,573
Profit / (Loss) Before Taxes	£270,826	£225,428	£244,885
Tangible Net Worth	£903,374	£931,302	£799,006
Net Current Assets (Liabilities)	(22,483)	46,133	(13,972)

## LEGAL COSTS

Each party will be responsible for their own legal costs incurred with the purchaser being responsible for any Land and Buildings Transaction Tax (LBTT), recording dues and VAT as applicable.

## CAPITAL ALLOWANCES

Capital allowances will be retained by the vendor in this instance.

## PROPOSAL

We are instructed to seek offers in excess of **£1.80 million** (one million eight hundred thousand pounds), subject to contract and exclusive of VAT.

A purchase at this level reflects a **net initial yield of 5.78%** after taking account of standard acquisition costs and LBTT at approximately 5.76%.



## FURTHER INFORMATION

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