

Bradley Hall
CHARTERED SURVEYORS & ESTATE AGENTS



STACK[®]
SEABURN
LOCAL SOCIAL HUB

JOIN THE STACK COMMUNITY

TRADERS INFORMATION PACK

DANIELI GROUP

INTRODUCTION

The 'STACK' is a contemporary solution that is a proven concept which supports the regeneration of an area and injects vibrancy into the community.

In a world where 'things' no longer matter and 'experiences' do, we use the architecture of shipping containers to heighten the experiential element of physical space. We create a sense of place, where people of all ages want to come and spend their valuable time.

The STACK Seaburn development will optimise **LOCATION, OCCASION** and **CHANNELS** to connect with the community and attract customers.

The container village will provide a unique space for enhanced lifestyle experiences with a focus on community wellbeing, socialising, events and a mix of independent street food and casual dining options.



"OVER THE PAST DECADE, PSYCHOLOGISTS CARRIED OUT A GREAT DEAL OF RESEARCH PROVING THAT, IN TERMS OF HAPPINESS AND A SENSE OF WELL-BEING, SPENDING MONEY ON NEW EXPERIENCES IS MUCH MORE PROFITABLE THAN BUYING NEW THINGS. IT BRINGS MORE JOY."

James Hamblin preventative medicine
physician and staff writer at The Atlantic

LOCATION

Seaburn has seen waves of improvements in recent years, with a programme of work and future proposals set to create a vibrant seaside destination for all to enjoy.

The area was enhanced with stunning landscaping works to the promenade, with new sculptures and public art creating a more attractive seafront vista.

Seaburn's sister resort of Roker has also been brought back to life with a range of cafes and eateries at Pier Point, as well as a major project to restore the city's lighthouse, creating a vibrant new destination for people from in and around the city.

In July this year, Sunderland's seaside received a further boost, with £820k committed to regenerating under-used and historic buildings along the Seaburn and Roker promenade.

Plans will see a former toilet block at Roker, along with the former Bay Shelter and the old tram shelter at Seaburn, transformed into cafés and restaurants, and plans are also afoot for 12 beach huts along the seafront. There will also be upgrades to the infrastructure of Seaburn Camp to make it better for touring caravans.

Proposals were announced in the summer for an inn with rooms from North East based Inn Collection Group, something that - if given the green light - will get underway in 2020.



PUTTING SUNDERLAND ON THE MAP

Sunderland's cityscape is transforming, with a £1.5bn programme of development, creating exciting new places to live, work and play.

The city centre is seeing major investment stimulating regeneration on a scale not seen in decades. THE BEAM - the first flagship building on the former Vaux Brewery site - opened earlier this year, and has attracted global grocery business Ocado, creating 300 new jobs. A second tenant - Penshaw View - have also taken space on the ground floor, as they look forward to expansion.

A new City Hall for Sunderland is also set to rise from the ground on the Vaux site in the coming weeks.

Among other exciting new city centre developments is a 120-room Holiday Inn hotel on Keel Square and a 450-seater auditorium, which is now under construction in the city's Minster Quarter.

A new business centre in the former River Wear Commissioners Building, which stands a stone's throw from Mackie's Corner is also set to be regenerated.

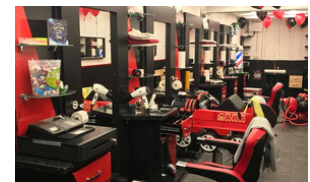
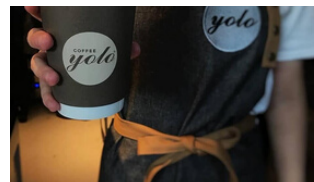
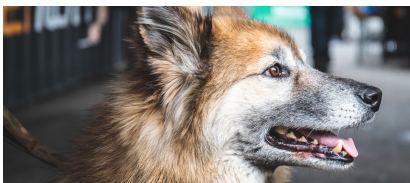
Major housing developments across the city are creating stunning new communities, which will all support the seaside transformation.



ABOUT STACK

STACK Newcastle opened in August 2018 on Pilgrim Street at the bottom of the busy Northumberland Street in Newcastle city centre. In the first year of operation the development attracted over 1.2 million visitors.

Made from over 50 shipping containers the scheme offers a tasty mix of street food operators including vegan, Texan and Korean cuisines. The exterior containers are home to a variety of local retail and lifestyle operators which include a tailor, pet shop and yoga studios.



STACK Seaburn will be the second development of this kind delivered by the Danieli Group. The scheme will be constructed in two phases.

Phase 1 - Container Village

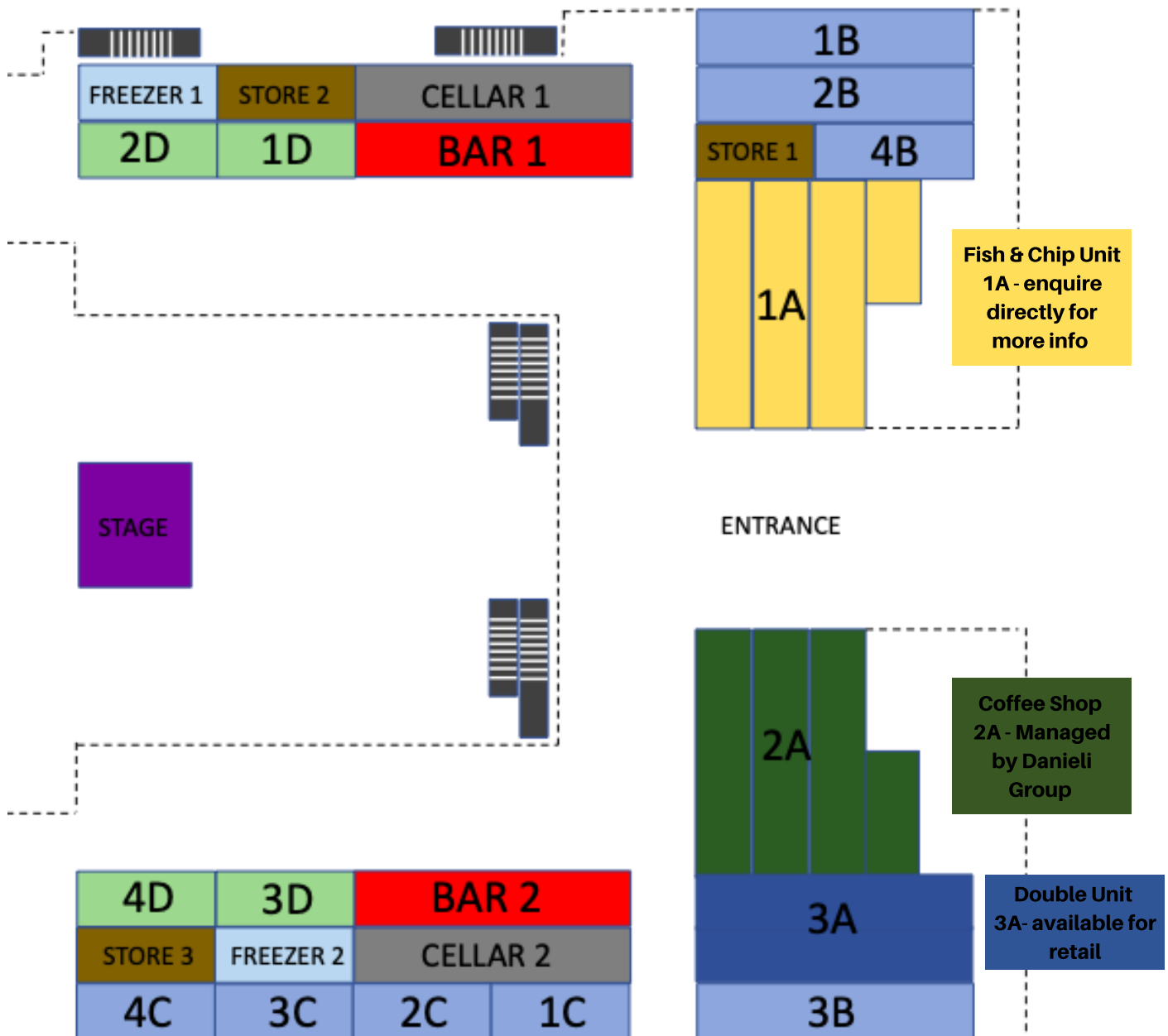
Phase 1 will be delivered in spring 2020 and will consist of over 40 containers. This will create the food, bar and retail space around the central plaza area over two floors.

Phase 2 - Wedding Venue & Competitive Socialising arena

Phase 2 will consist of a modern wedding venue on the upper level at the back of the scheme. On the ground floor there will be a large arena fitted out with a variety of interactive activities such as darts, mini golf, karaoke booths and shuffleboard.

FLOOR PLAN

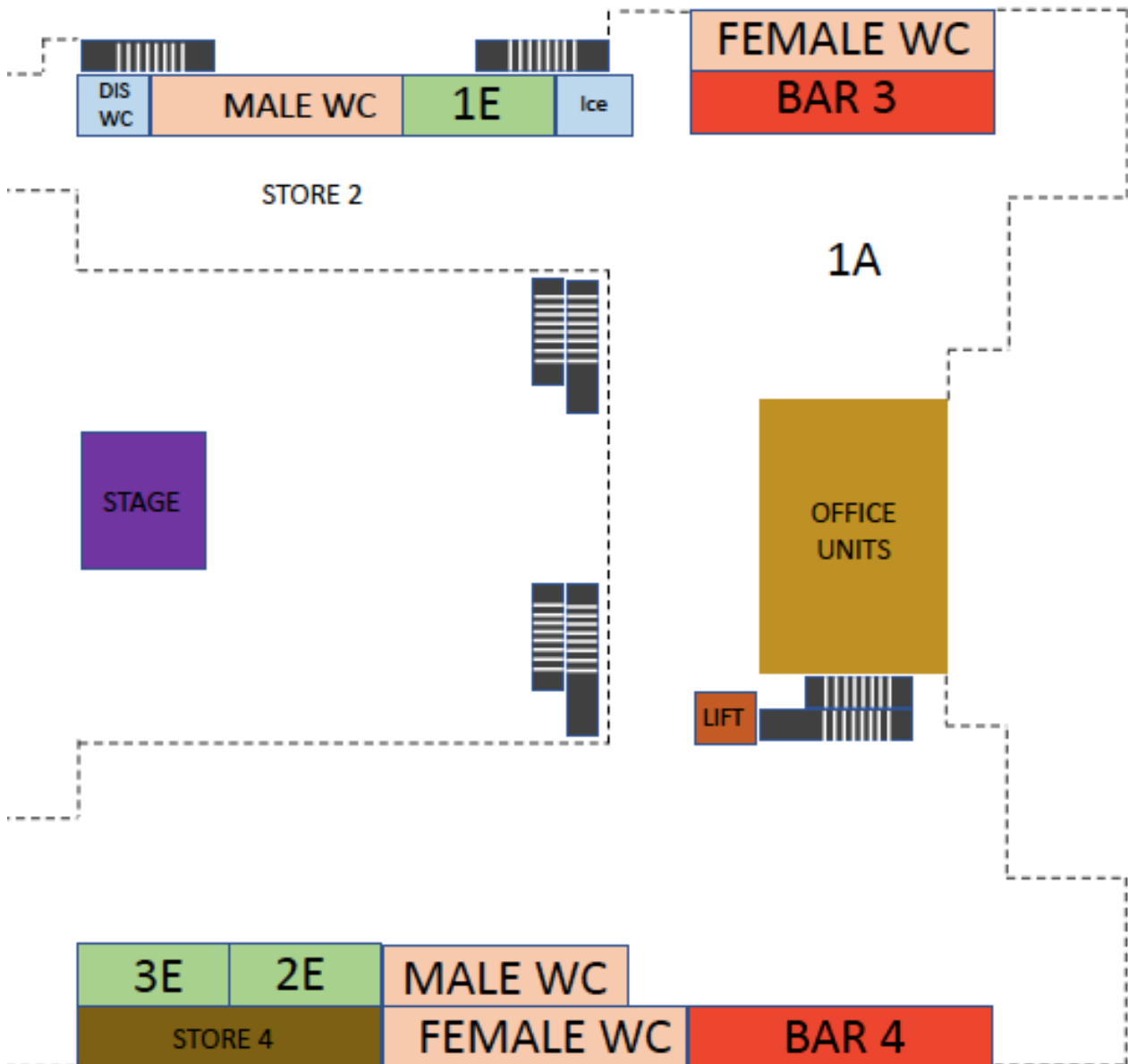
Phase 1 - Ground Floor



THIS DIAGRAM IS NOT TO SCALE PLEASE SEE FLOOR PLANS FOR SCALED DRAWINGS AND DETAIL

FLOOR PLAN

Phase 1 - Upper Floor



THIS DIAGRAM IS NOT TO SCALE PLEASE SEE FLOOR PLANS FOR SCALED DRAWINGS AND DETAIL

RETAIL UNITS

Retail units are available on the ground floor of the STACK scheme. Units have been created from 40ft & 20ft shipping containers providing 370sq ft and 130sq ft of space to create your business destination.

The retail space at STACK Seaburn is perfectly suited to lifestyle businesses that potentially offer a service or experience, ideally providing the consumer with something that's not available online.

Potential retailers should consider how their business will operate at the coastal location all year round, attract customers from the surrounding residential areas and capitalise on the visitors who have come for food, drink and entertainment in the plaza area.

STACK Seaburn is a destination leisure development and will be marketed to attract visitors from across the region and nationally. The retail units must fit in with the overall scheme and provide a quality offer that adds to the overall leisure attraction.

The table below shows a breakdown of the Annual Rent and Service Charges for each available unit. Further details on Service Charges can be found on pg13 and payment details and additional fees are laid out in the following pages.

RETAIL RATES							
	KEY	AVAILABILITY	SIZE	UNIT RENT (EX VAT)	SERVICE CHARGE A (EX VAT)	SERVICE CHARGE B (EX VAT)	TOTAL (EX VAT)
FRONT UNITS	1B	Available	40FT	£8,700	£2,683.80	£3,616.20	£15,000
	2B	Available	40FT	£8,700	£2,683.80	£3,616.20	£15,000
	3B	Available	40FT	£8,700	£2,683.80	£3,616.20	£15,000
	4B	Available	20FT	£7,800	£1,789.20	£2,410.80	£15,000
SIDE UNITS	1C	Available	20FT	£6,500	£1,491.00	£2,009.00	£10,000
	2C	Available	20FT	£6,500	£1,491.00	£2,009.00	£10,000
	3C	Available	20FT	£6,500	£1,491.00	£2,009.00	£10,000
	4C	Available	20FT	£6,500	£1,491.00	£2,009.00	£10,000

FOOD UNITS

Food units are available on the ground floor and upper level of the STACK scheme. Units have been created from 40ft & 20ft shipping containers providing 370sq ft and 130sq ft of space to create your business destination.

The food units at STACK Seaburn are ideally suited to street food and casual dining operators, serving from a hatch to customers who can then take their food to eat in the communal plaza and decked areas.

STACK Seaburn is a destination leisure development and will be marketed to attract visitors from across the region and nationally. The food units must fit in with the overall scheme and provide a quality offer that adds to the overall leisure attraction.

Percentage Lease

Food operators will be charged a minimum annual base rent and then a further 10% of net turnover rent once the natural threshold has been reached.

The table below shows a breakdown of the Base Annual Rent and Service Charges for each available unit as well as the turnover threshold, which is when the percentage rent kicks in. Further details on Service Charges can be found on pg13 and payment details and additional fees are laid out in the following pages.

FOOD RATES								
	KEY	AVAILABILITY	SIZE	UNIT BASE RENT (EX VAT)	SERVICE CHARGE A (EX VAT)	SERVICE CHARGE B (EX VAT)	TOTAL BASE FEES (EX VAT)	TUNROVER THRESHOLD (EX VAT)
GROUND FLOOR	1D	Available	20FT	£13,104	£3,005.86	£4,050.14	£20,160	£131,040
	2D	Available	20FT	£13,104	£3,005.86	£4,050.14	£20,160	£131,040
	3D	Available	20FT	£13,104	£3,005.86	£4,050.14	£20,160	£131,040
	4D	Available	20FT	£13,104	£3,005.86	£4,050.14	£20,160	£131,040
UPPER FLOOR	1E	Available	20FT	£11,700	£2,683.80	£3,616.20	£18,000	£117,000
	2E	Available	20FT	£11,700	£2,683.80	£3,616.20	£18,000	£117,000
	3E	Available	20FT	£11,700	£2,683.80	£3,616.20	£18,000	£117,000

COSTS & PAYMENTS

Lease & Payment Terms

Retail Operators

All retail units will pay annual rent and Service Charge A and B, fit out costs (see pg 11) and utility bills.

Rent and service charges are to be paid monthly in advance by Direct Debit.

Food Operators

Food units are let under a Percentage Lease Agreement. They are required to pay a Base Rent and 10 percent of turnover on all gross earnings above the breakpoint.

Food tenants will pay only base rent until they have an annual income greater than the '**breakpoint value**'. If the income surpasses the breakpoint, the percent rent is only the portion that has not already paid.

Rent and service charges are to be paid monthly in advance by Direct Debit.

Lease Term is 7.5 years with a 5 year rent review linked to RPI.

Due to the nature of the business being a temporary scheme, the lease operates outside of The Landlord and Tenant Act 1954, this is simply because we only have a 7.5 year lease and all operators will have to vacate the site at the end of the term. In essence the architectural property will not exist after the term ends.

(The Landlord and Tenant Act 1954 (or the '1954 Act') is relevant to all commercial leases. The 1954 Act gives the right for commercial tenants to remain in occupation of the property even when the contractual term of their lease comes to an end, and the right to apply to court for the grant of a new lease.)

Utilities

- All units will have a supply of water, electric and gas (gas where applicable).
- There will be a supply maximum and all units will be fitted with check meters.
- Danieli Group will charge for utilities monthly in arrears, collected by direct debit.

RETAIL UNITS

Fit Out & Specification

- The retail shipping container units will be fully insulated, lined and boarded out to ensure they are wind and water tight.
- The unit will come complete with any necessary glazing, electrical distribution board, water supply and foul waste disposal outlets.
- Standard electrical sockets and lighting will be provided along with all necessary certification. A basic plywood floor will provide a suitable foundation ready for the tenant to provide a shop fit flooring finish.
- Unit signage can be branded by the tenant but it is to be procured through the landlords signage contractor. This is to ensure the overall look and feel of the space is not compromised.
- All units are fitted with CCTV cameras to ensure the safety & security of employees and customers.

The following fees are charged to retail operators for the for the above fit out provision :

- **Boarding out and Distribution board @ £2,500 + vat**
- **Provision of electrical sockets and lighting @ £1,500 + vat**
- **Branded illuminated signage @ £1000 + vat**

Additional fees would be charged for more elaborate electrical layouts and lighting if required. More elaborate signage may also incur additional costs and must be approved by the Danieli Group.

All electrical works must be carried out by the landlords electrician to ensure certification is compliant for insurance and health & safety reasons.

FOOD UNITS

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- Standard electrical sockets and lighting will be provided along with all necessary certification. A basic plywood floor will provide a suitable foundation ready for the tenant to provide a shop fit flooring finish.
- All units are fitted with CCTV cameras to ensure the safety & security of employees and customers.
- All food units will be fitted out with a full extraction system complete with extraction hood, gas supply and gas interlock system.
- To ensure transparency and that the turnover rates are complicit, food units will be required to use the 'STACK' till systems.
- Unit signage can be branded by the tenant but it is to be procured through the landlords signage contractor. This is to ensure the overall look and feel of the space is not compromised.
- Food operators are provided with shared storage units for dry store and freezers, which are supplied inclusive of rent and service charge.

The following fees are charged to food operators for the above fit out provision :

- **Boarding out and Distribution board @ £2,500 + vat**
- **Provision of electrical sockets and lighting @ £1,500 + vat**
- **Extraction and gas interlocking sytem @ £6,700 + vat**
- **Installation and license for the Zonal tills @ £850 + vat**
- **Branded illuminated signage @ £1000 + vat**

Additional fees would be charged for more elaborate electrical layouts and lighting if required. More elaborate signage may also incur additional costs and must be approved by the Danieli Group.

All electrical works must be carried out by the landlords electrician to ensure certification is compliant for insurance and health & safety reasons.

SERVICE CHARGE

A commercial service charge is applied to deal with the costs associated with the administrative and operational management of the overall STACK scheme.

Service Charge A

The STACK landlord will manage the following administrative elements for the entire scheme in order to ensure the scheme operates at the highest standards, is compliant with all necessary licensing bodies and is marketed appropriately.

The following administrative services are provided for each tenant and are covered in service charge A:

Administration

- Legal and professional fees
- Insurance for the communal areas
- Licenses for communal areas including PPL & PRS
- Branding, marketing and PR for the entire site

Service Charge B

The STACK landlord will manage the following operational elements of the entire scheme in order to ensure the STACK operates at the highest standards and provides a quality, safe environment for all customers and staff.

The following operational services are provided for each tenant and are covered in service charge B:

Operational

- Onsite operational management team who are responsible for the entire site
- Waste disposal for all units and common areas including commercial refuse collection
- Provision of communal toilets including cleaning and maintenance
- Site maintenance & repairs for communal areas
- Water rates for communal areas
- Cleaning of communal areas
- Broadband dedicated line
- 24hr manned security
- CCTV Monitoring
- Door Supervisors
- Entertainment programme
- Storage facilities

LICENSES

Sale of alcohol by tenants

The sale of alcohol for on-site consumption is prohibited by tenants. All alcohol must be purchased from the onsite bars which are operated by the Danieli Group.

Music & Entertainment

An overarching licence is held by the operators of the site to play music and provide entertainment in the communal plaza areas.

Any tenants wishing to play their own music or provide entertainment within their unit will need to apply and pay for their own PRS licence.

Business Rates

Where demanded, tenants are responsible for paying any business rates due.

Some occupiers may benefit from Small Business Rates Relief however, interested parties should confirm the position with Local Authority.

OPERATIONS

Opening times

The STACK will operate the following opening times:

Sunday - Thursday: 10:00 - 12midnight

Friday & Saturday: 10:00 - 01:00am

STACK®

Retail tenants will be required to operate the following opening times at minimum:

Monday - Saturday: 10:00 - 17:00

Sunday: 11:00 - 17:00

All retail businesses must operate 7 days per week

RETAIL

Food tenants will be required to operate the following opening times at minimum:

Monday - Sunday: 11:00 - 22:00

All food businesses must operate 7 days per week

FOOD

Bank Holidays:

Christmas Day: Full site closed

Retailers are permitted to close on the following Bank Holidays:

New Years Day

Easter Sunday

CLOSURES

Breach of Contract

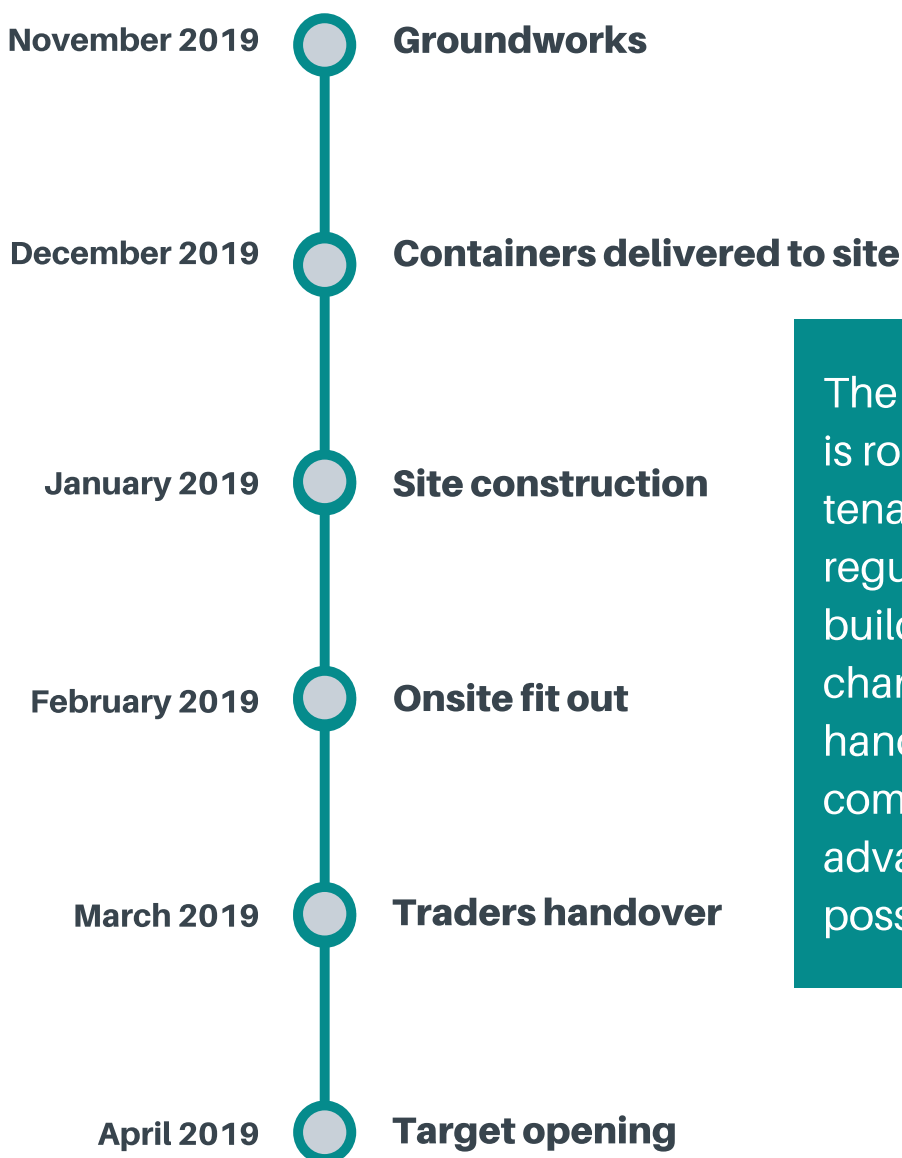
Failing to comply with the above opening hours will put the tenant in breach of contract. A financial penalty may apply.

It is essential to have all of the units occupied and open for business in order to maintain both the profile of the centre and its investment value. Closed units can have a negative effect for ALL - Landlords and Tenant's alike - as they make the overall STACK scheme less desirable to visitors, which can impact on the turnover and profitability of the trading units.

OPENING SCHEDULE

Site Build

The following timeline gives an indication of the timescales we are working to to have the scheme open for Spring 2020. These timescales are not set in stone and may move depending on the build requirements. All tenants will be kept informed of any change to the opening schedule.



The site build schedule is roughly outlined. All tenants will receive a regular update on the build schedule and any changes to key dates or handover will be communicated in advance where possible.

MARKETING

STACK Seaburn will be marketed and promoted through a variety of channels in the lead up to the opening and thereafter.

The following channels will be adopted to promote the scheme and attract customers:

- Social Media Platforms
- Website
- Radio
- Email marketing
- Digital Marketing
- PR
- Relevant media publications
- Partnerships with key stakeholders
- Out of home
- Digital Screens



Tenants will benefit from the brand profile and overarching marketing strategy however, each tenant is responsible for marketing their own individual business to attract their target market.

Tenants will be responsible for providing the STACK sales/marketing team with relevant content to be shared across STACK's social media channels on a regular basis.

Each tenant as a minimum will receive the following marketing support:

- Page on the STACK website to promote products/ service and business information with inks to their business pages and social media pages.
- Regular content pushed out across the STACK social media platforms - it is up to the tenant to provide content including copy and imagery.
- Inclusion in PR and editorial content where possible.
- Advertising space on STACK's digital screens - special rates for production can be procured through the STACK's digital content provider.
- Inclusion in monthly E-newsletter to STACK database - it is up to the tenant to provide content including copy and imagery.
- Tenants can book the STACK photographer at special rates for product shoots and any other photography requirements.



TENANT APPLICATION

The following application process for tenants will be adhered to:

- **Expression of Interest Form** to be completed by all interested traders

This will be reviewed and if the business prospect is suitable they will be sent:

- **Tenant Application Form** to be completed and returned by **29 November 2019**

Applications will be reviewed and the next stage is for prospective tenants to be invited in for a short interview to answer any queries raised in the application process.

- **Tenant Interviews** planned for week commencing **9 December 2019**

Successful tenants will be sent all legal documentation and lease to sign.

Unit Deposit

To secure a unit a non-refundable deposit of £2,800 + vat will be required.

The deposit will be credited back against fit out and specifications costs.

Guarantee Covenants

Each tenant's trading history will be reviewed and the need for a guarantor or a rent deposit will be assessed on a case by case basis.

Bradley Hall

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