

Durham – a place to invest

This is
durham
place of light



Supported by



Shining a light on Durham

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Freemans Reach - Starting point



FREEMANS
REACH



Another development by:



RICHARDSONS

Funded by:



The proposition



100,000 sq.ft. of office space

2500 sq.ft. of retail

100 kw hydro scheme

15 lease - NS&I

15 year lease - HMPO

25 year lease from developers on retail element



The deal

- Understanding the roles and risk profiles
- Triple A rating = lower finance / creating value
- 35 year head lease with option to take freehold (considered a mortgage)
- Provides income of approximately £300k p.a.
- The negotiation – team/ expertise

Why

- It was an opportunity to generate revenue
- Long term control of important city centre location
- Significant in retaining jobs
- Seen as a catalyst for wider regeneration
- Risk analysis seen as medium/low







The Hydro



100 kW Archimedes.

Generates 496, 000 kWh of p.a.

Equivalent to 113 UK homes

Income generation £126,000 p.a.

Maintenance costs £13,000 p.a.

CO2 emissions saving of 248,000 kg

Grid connection only

Private wire to neighbouring leisure centre
programmed for this year.

Part of the scheme

Things to think about.....

- Finance is a lot cheaper, more profit
- Councils can still borrow cheaper
- Market is challenging – length of leases coming down
- Lot more examples becoming mainstream
- Will it last – knight frank looking at risk profile
- Understand the corporate appetite and risk profile
- Why – developer proposition, regeneration or income generating,
- Have the right team
- Be sure you understand the deal
- The why influences the profit
- Be comfortable with your experience in managing the asset

What's happened since



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Whats next



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