

BISHOP AUCKLAND LEISURE & RETAIL PARK (PHASE 2)

Investment Snapshot

INVESTMENT OVERVIEW

INVESTMENT SUMMARY

- ROI (per annum)
 - **8.0% (income)**
 - **8.5% (growth)**
- Minimum Investment: **£10,000**
- Interest Payments
 - Paid quarterly (income) or
 - Bullet payment on redemption (growth)
- Term: **~24 months**



INVESTMENT OPPORTUNITY

DEVELOPMENT:

Bishop Auckland Leisure & Retail Park (Phase 2) expands an already fully delivered and operational retail and leisure destination. Phase 1 is 100% let to a strong mix of national operators, generating c.£2.6m annual rental income and supporting a GDV in excess of £50m. Phase 2 completes the masterplan across a 7.5-acre adjoining site, with construction underway following groundbreaking in February 2026. Core build works are scheduled for completion in Q4 2026, followed by a 13-week tenant fit-out, positioning the scheme for opening in Q2 2027.

LOCATION:

Located just south of Bishop Auckland town centre, the scheme benefits from strong roadside prominence at the A688 interchange, with direct access to the A1(M) and wider Northeast region. The surrounding area is an established retail and trade location, with nearby occupiers including Tesco, Sainsbury's, Lidl and national F&B operators.

DEVELOPER & COMMERCIAL POSITIONING:

The scheme is being delivered by Tindle Crossing Developments Ltd, who successfully delivered Phase 1. Leasing is at an advanced stage, with the developer in legal negotiations with a major national retailer to anchor the scheme. Established in 1884, this well-known UK brand is expected to take a 25,000 sq ft superstore, upsizing from a nearby location. The anchor will materially enhance the scheme's profile and drive further occupier demand, accelerating leasing momentum and supporting long-term value.



PROJECT METRICS SUMMARY

DEVELOPMENT METRICS

- Gross Development Value (GDV): £38.6m
- Annual Rental Income (Phase 2): £1.93m
- Loan to Value (LTV): ~52%

FUNDING METRIC SUMMARY

- Loan Note Facility: £18.0m
- Projected Gross Loan (at maturity): ~£20.0m
- Loan to Value (LTV): ~52%

SECURITY COVERAGE

- Gross Development Value (GDV): £38.6m
- Projected Loan at Maturity: ~£20.0m
- Value Coverage: ~1.93x
- Surplus to Debt: ~£18.6m

This structure delivers strong value coverage, with the completed asset valued at approximately £38.6m against total loan exposure of around £20.0m, equating to c.1.9x coverage and a surplus to debt of approximately £18.6m. This provides a substantial equity buffer, with asset value significantly exceeding the debt, including rolled-up interest.

In practical terms, the scheme would require a decline in value of over 48% before investor capital is at risk, well beyond typical market stress assumptions. From a lending perspective, this is highly conservative. While many real estate-backed loans operate at around 75% LTV, this opportunity benefits from lower leverage of approximately 52% LTV, combined with a stabilised, income-producing asset and a clear institutional refinancing exit. Together, this provides a level of downside protection that is uncommon in development-backed debt investments.

EXIT STRATEGY

The exit is via refinancing of the completed and income-producing asset with an institutional lender upon stabilisation. This strategy is supported by a fully operational and proven Phase 1, construction already underway on Phase 2, advanced leasing discussions with a major anchor tenant, and strong anticipated rental income upon completion.

Taken together, these factors provide a clear, credible and increasingly de-risked route to repayment.

CAPITAL STRUCTURE & NOTE ISSUER

The development is funded via a senior secured loan note facility of up to £18.0m, issued by Tindle Crossing Developments Ltd. The issuer holds the development asset and is responsible for delivery, with repayment supported by the stabilised value of the completed scheme and refinancing via an institutional lender.

Investors benefit from a senior-ranking debenture, including a fixed charge over the asset and floating charges over all other assets, cashflows and undertakings. This structure ensures clear alignment of interest, with investor capital positioned ahead of developer equity.

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