

Proposed Café/Restaurant Accommodation – Marble Hall, Nightingale Road, Derby

Rigby & Co were instructed in May 2015 to explore the local commercial property market with a view to testing appetite from café/restaurant operators for the proposed element within Marble Hall.

Prior to assessing the Marble Hall project, Rigby & Co recently had success in identifying independent food and drink operators for Connect Derby within their Shot Tower and Sadler Bridge Studio buildings. A database had been created specifically listing those parties who may be interested in similar opportunities and that formed the principle target audience.

Brief information was circulated identifying the size, timeline and location of the property but, disappointingly, we were unable to generate much in the way of serious or reliable interest.

Constraints identified included:

1. Uncertain perception over the location, would there be any passing traffic either pedestrian or car traffic to help towards the viability.
2. Some concern that until the whole of the building is fully occupied and operational there would not be sufficient demand on site to require a fully fitted café/restaurant.
3. Rather more subjectively, some comments offering negative views of the location's address/locality from an investment perspective. This was starting to come through in one or two comments made about the asking rent.

We did receive two expressions of interest but both were from start-up organisations with no track record to demonstrate any success in the field of running a food and drink outlet. Both were, instead, talking about a temporary pop-up facility, which was not part of our brief.

Emerging interest from Derby YMCA meant that any further marketing techniques and activity to identify another operator were effectively put on hold.

Subsequently, we understand negotiations with Derby YMCA are continuing on the basis of instead of a conventional rental, the suggestion is that the tenant picks up the full running costs associated with occupying the space through a service charge allied to a peppercorn rent which, itself, is then linked to a turnover rent.

If terms could be agreed on the turnover rent which would see a 50:50 equal split in the profits generated then in our professional view that would appear eminently sensible and also compliant in a market context perspective.