

PRIME LEISURE ANNUAL RPI INDEXED LONG- INCOME INVESTMENT FOR SALE

BASINGSTOKE - BUZZ BINGO WORTHING ROAD RG22 6PG

Revised
Pricing
With
Updated
2024 Rents

CBRE

INVESTMENT HIGHLIGHTS

Prime Long Leasehold Leisure Investment let to Buzz Group Ltd

Excellent Leisure Park location neighbouring national operators including **Odeon Cinemas, Hollywood Bowl and McDonald's**

FRI Lease to Buzz Group Ltd. Unexpired term of **15.9 years**.
Expiry **24th December 2039**

January 2024 estimated rent of **£439,542 p.a. (£11.98 psf)**.
Annual January RPI uplifts collared and capped at **1% and 4%**.

The property is held on a long leasehold basis with **97.7 years unexpired** and a head rent of **£49,500 p.a.** *Head Rent is paid directly by the tenant, not the Long Leaseholder*

The property extends **36,687 sq ft (3,408 sq m)** on a **0.89 acre (0.36 hectares)** site

The opportunity to acquire a well-located town centre located bingo asset let to the UK's largest operator



BUZZ BINGO BASINGSTOKE

KEY INFORMATION

Tenure	Long Leasehold
Lease Term	Approximately 24 years 11 months from 27th January 2015 to and including 24th December 2039
Tenant	Buzz Group Ltd
Rental Income	January 2024 Estimated £439,542 p.a. (£11.98 psf)
Rent Review Clause	Subject to annual December RPI uplifts collar and capped at 1% and 4%. Next rent review January 2025.
Headlease Term	125 years from 2 nd August 1996 (97.7 years unexpired)
Head Rent (Tenant Pays)	£49,500 p.a. 5 yearly rent reviews (16.2% rack rent value), next review 2026
Rateable Value	£116,000
EPC	D
Planning	Sui Generis
VAT	The property is elected for VAT

BUZZ GROUP LTD IS THE LARGEST BINGO OPERATOR IN THE UK WITH 82 OPERATIONAL CLUBS



TENANT COVENANT

- + Buzz Group Ltd (formerly Gala Leisure Ltd) was acquired by Caledonia Investments in September 2015 for over £240m.
- + Between 2017-2018, the business underwent a major rebranding both in name and offering with significant investment into gaming technology.
- + As part of the rebrand, Buzz Bingo, together with Playtech, began to provide ground breaking content delivery and the synchronisation of the retail and new online gaming platform to create a sophisticated omni-channel offering.
- + Buzz Bingo underwent a CVA in 2020 when it was acquired by its lenders, Intermediate Capital Group (ICG).
- + Buzz Bingo emerged from the CVA having rebased many of its rents and also surrendering loss making sites to create a more profitable and dynamic group.
- + Buzz Bingo has demonstrated a resilient post-pandemic recovery, posting an operating profit of £10.2m in 2021, compared to an £11.0m loss in the previous year. Additionally, November 2022 saw a change in leadership at Buzz, with Dominic Mansour appointed CEO.
- + Many of the club revenues have now returned to pre-COVID levels as the bingo market continues to show signs of growth.
- + Group Turnover in January 2022 was £137.5m with a Gross Profit of £92.2m
- + 3A4 D&B Rated Covenant September 2023.

UK BINGO MARKET

INVESTMENT MARKET

- + Investor demand is recovering across all elements of the hospitality sector. Gaming is benefitting due to operators focusing on their successful venues and closing weaker premises, thereby providing stronger rent cover on remaining clubs and, in turn, more profitable tenant companies.
- + This is encouraging investor demand for these long income opportunities, particularly for clubs benefitting from annual indexation to RPI levels.
- + The affordability of bingo clubs compares well with out-of-town destination retail, logistics and roadside uses offering investors excellent returns in an improving market. This is also underpinned by low base rents coupled with strong alternative underwrites.
- + The recovery in the gaming investment sector is proven by the following transactions:

Date	Club Name	Tenure	Rent p.a.	Area (Sq ft)	Price	NIY	Term (yrs)
Jun-23	Mecca Bingo, Oldbury	FH	£488,768	31,690	£6.0m	7.65%	2.8
Oct-22	Buzz Bingo, Walsall	FH	£233,358	28,850	£2.3m	9.50%	16.0
Jun-22	Mecca Bingo Portfolio of 3 Clubs	FH	£585,000	96,500	£7.0m	7.75%	4.5
Apr-22	Mecca Bingo, Hartlepool	FH	£277,680	30,138	£2.6m	10.00%	5.0
Mar-22	Buzz Bingo, Birmingham Longbridge	FH	£281,845	25,660	£2.9m	9.10%	2.5
Mar-22	Mecca Bingo, Bradford	FH	£100,541	32,396	£1.8m	5.23%	16.0

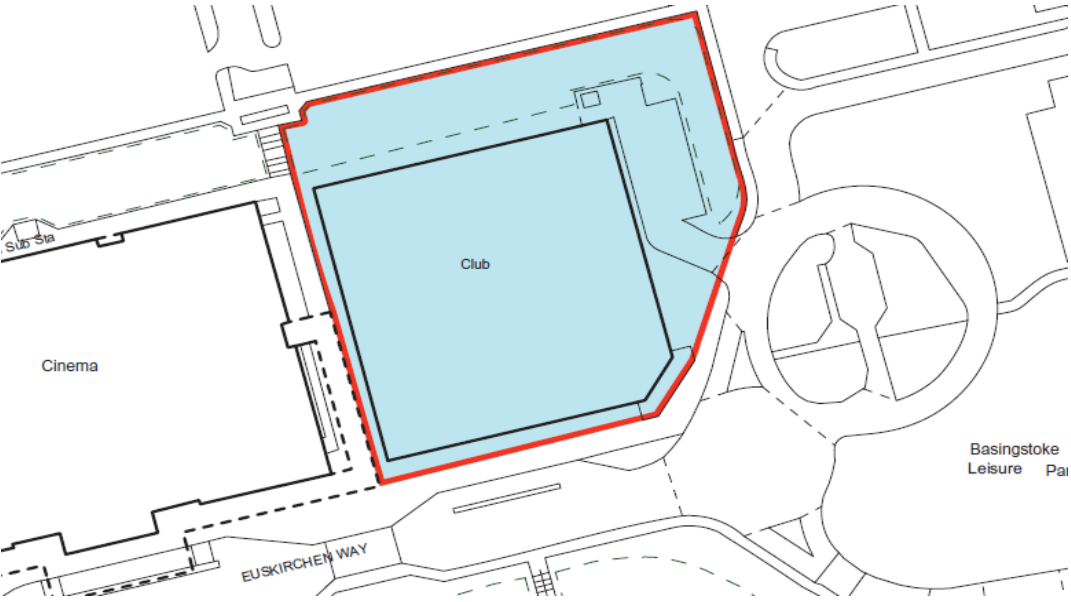
RENTAL MARKET

- + Consolidation within the bingo sector has seen most new lettings occur from smaller operators such as Bingo 3000.
- + Whilst the two main leaders, Mecca and Buzz, have been re-gearing and extending existing leases.
- + The evidence below shows some examples of recent transactions as a benchmark for these rents.

Date	Club Name	Area (Sq ft)	Rent p.a.	Rent psf	Type
Dec-22	Buzz, Ashmore Park	27,318	£441,549	£16.16	Rent Review
Dec-22	Buzz, Grimsby	21,967	£322,468	£14.68	Rent Review
Sep-22	Mecca, Glasgow Forge	49,439	£472,500	£9.55	Lease Renewal
Feb-21	Mecca, Oldbury	31,690	£488,768	£15.42	Lease Renewal
Feb-18	Buzz, Derby	26,737	£318,750	£11.92	Lease re-gear
Jan-18	Club 3000, Blackpool	25,000	£250,000	£10.00	Open market letting
Dec-17	Buzz, Peterborough	34,928	£476,000	£13.63	Lease re-gear

BUZZ BINGO BASINGSTOKE

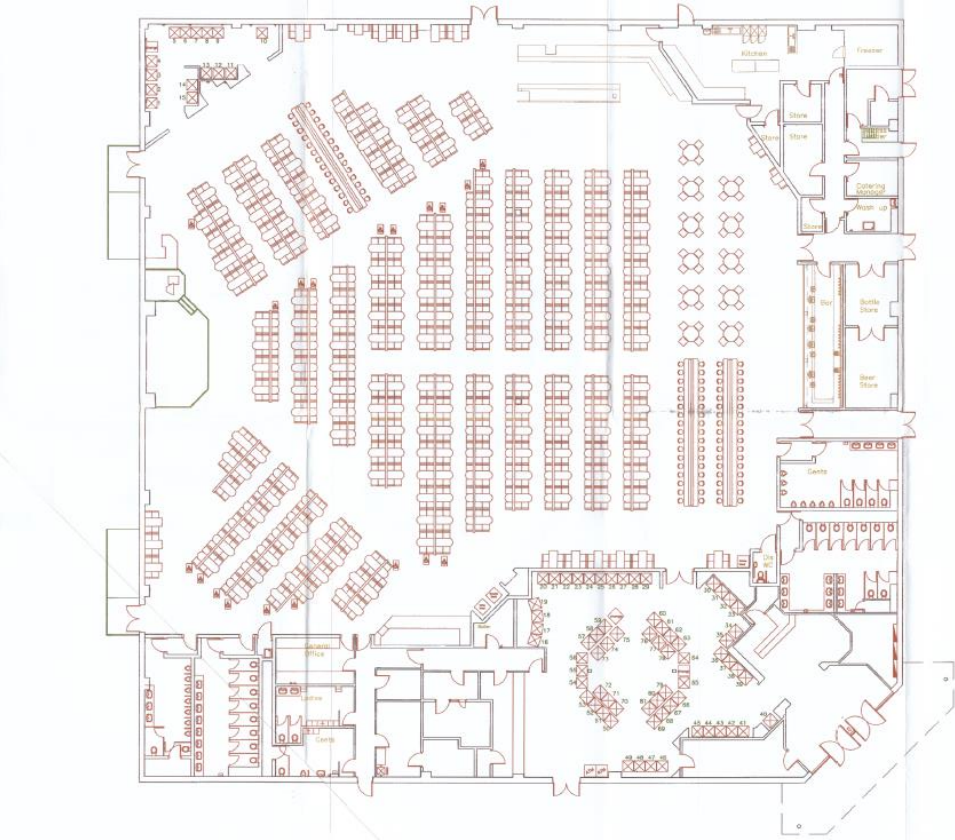
TITLE PLAN



ACCOMMODATION

Ground Floor	36,687 Sq ft (3,408 Sq m)
Total GIA	36,687 Sq ft (3,408 Sq m)

FLOOR PLANS



PROCESS

Revised guide price of **£2,740,000** (Two Million Seven Hundred and Forty Thousand Pounds). Subject to contract and exclusive of VAT for the asset.

This reflects a net initial yield of **15.00%** and a low capital value per square foot of **£75**.

No viewing of the property are to be undertaken without prior permission

CONTACT DETAILS

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